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EAST COLUMBIA SEWERAGE DISTRICT Columbia, Louisiana	
Annual Financial Statements	
As of and for the Year Ended December 31, 2003	

Under provisions of statute, this report is a public document. A copy of the report has been submitted to the entity and other appropriate publications. The report is available for public inspection at the District Rouge office of the Legislative Auditor, where appropriate, at the office of the parish clerk of court.

Release Date 3/31/04

M. Carleen Dumas
 CERTIFIED PUBLIC ACCOUNTANT

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2003

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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Accountant's Compilation Report

**BOARD OF COMMISSIONERS
EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana**

I have compiled the accompanying basic financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the East Columbia Sewerage District as of December 31, 2003, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and schedules, information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.

I am not independent with respect to the East Columbia Sewerage District for the year ended December 31, 2003.



Caliboum, Louisiana
March 5, 2004

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2003

Our discussion and analysis of East Columbia Sewerage District's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2003. Please read it in conjunction with the District's financial statements that begin on page 6.

BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of:

- a. Management's discussion and analysis (MD&A)
- b. Statement of net assets
- c. Statement of revenues, expenses, and changes in net assets
- d. Statement of cash flows
- e. Notes to the financial statements
- f. RSI other than MD&A, if applicable

The East Columbia Sewerage District is a special-purpose government engaged only in business-type activities.

Enterprise Fund Financial Statements

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and the changes in them. Net assets - the difference between assets (what the District owns) and liabilities (what the District owes) is a way to measure the financial position of the District. Over time, increases or decreases in the District's net assets are an indicator of whether the District's financial position is improving or deteriorating.

EAST COLUMBIA SEWERAGE DISTRICT
 Columbia, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ended December 31, 2003

The Statement of Cash Flows provides information on the changes in cash during the year. This statement reports the net cash provided or used by operating activities, non-capital financing activities, and investing activities.

**COMPARATIVE ANALYSIS OF
 FINANCIAL DATA**

The District's total net assets decreased by \$19,870 during 2003. The decrease in net assets is primarily due to depreciation expense of \$20,667. Operating revenues increased \$894 over the prior year's operating revenues. Operating expenses increased \$1,988 or 10% over the prior year's operating expenses. The largest increases in expenses were labor and office expense. The following presents an analysis of net assets and changes in net assets of the District's business-type activities:

	BLASDEN TYPE ACTIVITIES	
	2003	2002
Assets		
Current assets	\$13,685	\$14,097
Capital assets	<u>187,822</u>	<u>219,313</u>
Total assets	<u>201,507</u>	<u>233,410</u>
Liabilities		
Current liabilities	9,281	8,182
Long-term liabilities	<u>16,028</u>	<u>16,046</u>
Total liabilities	<u>25,309</u>	<u>24,228</u>
Net Assets		
Increased in capital assets	197,852	218,519
Unrestricted	<u>4,633</u>	<u>3,800</u>
Total net assets	<u>202,485</u>	<u>222,319</u>
Operating revenues	25,454	21,549
Operating expenses	<u>(13,304)</u>	<u>(9,215)</u>
Cumulative effect of change in accounting estimates	16,048	(181,458)
Change in net assets	(18,870)	(119,205)
Net assets - beginning	<u>221,355</u>	<u>341,524</u>
Net assets - ending	<u>202,485</u>	<u>222,319</u>

OVERALL FINANCIAL POSITION

The District's net loss for the year was \$19,870. Unrestricted net assets (those assets available to finance the daily operations of the district) were \$6,808 at year end. The amount invested in capital assets was \$197,822 at year end.

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2003

CAPITAL ASSETS

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling \$157,892. Capital assets include the sewer system and equipment, costing \$500 or more. There were no capital asset additions during the year. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

ECONOMIC FACTORS

The District anticipates no significant changes in revenue or expenditures during the year ending December 31, 2004. The District expects its net assets to decrease approximately \$19,000 for the year ending December 31, 2004. The current service fee revenue is less than the cost of operations including depreciation.

BASIC FINANCIAL STATEMENTS

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

STATEMENT OF NET ASSETS
December 31, 2003

ASSETS

Current assets:

Cash	\$14,077
Accounts receivable - service fees	1,382
Total current assets	15,459

Noncurrent assets:

Property, plant and equipment (net of accumulated depreciation)	197,852
Total assets	\$213,311

LIABILITIES

Current liabilities:

Accounts payable	\$902
Payroll taxes payable	46
Customer deposits	8,063
Total liabilities	9,011

NET ASSETS

Invested in capital assets	197,852
Unrestricted	6,686
Total net assets	\$204,538

See accompanying notes and accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS**
For the Year Ended December 31, 2003

OPERATING REVENUES	
Service fees	\$23,234
Other revenue	180
Total operating revenues	<u>23,414</u>
OPERATING EXPENSES	
Per diem and travel	2,390
Labor	4,590
Materials and supplies	1,312
Office expense	2,165
Utilities	1,490
Insurance	330
Salaries	7,800
Payroll taxes	1,030
Depreciation	20,687
Total operating expenses	<u>41,364</u>
OPERATING INCOME (Loss)	(17,950)
NON-OPERATING REVENUES (Expenses)	
DOTD grant	9,632
Line relocation expense	(9,632)
Total non-operating revenues (expenses)	<u>None</u>
CHANGE IN NET ASSETS	(17,950)
NET ASSETS - BEGINNING	<u>224,224</u>
NET ASSETS - ENDING	<u>206,274</u>

See accompanying notes and accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$23,823
Customer deposit receipts, net	798
Payments to suppliers	(14,837)
Payments to employees	<u>(7,808)</u>
Net cash provided by operating activities	<u>1,963</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
DOTD grant	9,652
Line relocation expense	<u>(9,652)</u>
Net cash provided by non-capital financing activities	<u>NONE</u>
NET INCREASE IN CASH	1,963
CASH AT BEGINNING OF YEAR	<u>13,113</u>
CASH AT END OF YEAR	<u>\$15,077</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Loss	<u>(\$12,879)</u>
Adjustments:	
Depreciation	20,867
Decrease in accounts receivable	388
Increase in customer deposits	<u>798</u>
Total adjustments	<u>21,853</u>
Net cash provided by operating activities	<u>\$1,963</u>

See accountant's compilation report and accompanying notes.

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

INTRODUCTION

East Columbia Sewerage District was created by the Caldwell Parish Police Jury, as authorized by Louisiana Revised Statute 33:3881. The district is governed by a five member board appointed by the police jury. As provided by Louisiana Revised Statute 33:3887, East Columbia Sewerage District commissioners receive \$50 per meeting attended. The district is responsible for maintaining and operating a sewerage collection and disposal system within the boundaries of the district. The district has two part-time employees.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the East Columbia Sewerage District is considered a component unit of the Caldwell Parish Police Jury. As a component unit, the accompanying financial statements may be included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Statements

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (ESI) consist of:

1. Management's discussion and analysis (MD&A)
2. Statement of net assets
3. Statement of revenues, expenses, and changes in net assets
4. Statement of cash flows
5. Notes to the financial statements
6. ESI other than MD&A, if applicable

The East Columbia Sewerage District is a special-purpose government engaged only in business-type activities.

See accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT
Notes to the Financial Statements

**B. Measurement Focus, Basis of Accounting, and
Financial Statement Presentation**

Enterprise fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The East Columbia Sewerage District has elected not to follow subsequent private-sector guidance.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenues of the East Columbia Sewerage District are service fees. Operating expenses for enterprise funds include the costs of the services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Deposits

Cash includes amounts in a demand deposit. State law allows the district to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

D. Receivables

These statements contain no provision for uncollectible accounts. The district is of the opinion that such an allowance would be immaterial in relation to the financial statements taken as a whole.

E. Capital Assets

Capital assets, which include the sewerage system and equipment are reported in the enterprise fund financial statements. All of the district's capital assets are capitalized at historical cost. The East Columbia Sewerage District maintains a threshold level of

See accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT**Notes to the Financial Statements**

\$900 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major overlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - sewerage system	25 years
Equipment	10 years

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from these estimates.

2. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2003, the district has cash (bank balances) as follows:

Checking account	<u>\$14,877</u>
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These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The district's deposits at December 31, 2003 are secured from risk by federal deposit insurance.

3. ACCOUNTS RECEIVABLE

At December 31, 2003, the district has net receivables of \$1,992 as follows:

Service fees	\$1,992
Allowance for uncollectible accounts	<u>NONE</u>
Net receivables	<u>\$1,992</u>

See accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT
Notes to the Financial Statements

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2003, is as follows:

	Balance at January 1, 2003	Increases	Decreases	Balance at December 31, 2003
Capital assets being depreciated:				
Sewer system	\$814,331			\$814,331
Equipment	933			933
Total capital assets being depreciated	<u>\$15,264</u>	NONE	NONE	<u>\$15,264</u>
Less accumulated depreciation for:				
Sewer system	246,997	\$20,574		267,571
Equipment	148	93		241
Total accumulated depreciation	<u>246,745</u>	<u>\$20,667</u>	NONE	<u>267,412</u>
Total assets being depreciated, net	<u>\$128,519</u>	<u>(\$20,667)</u>	NONE	<u>\$107,852</u>

Depreciation expense of \$20,667 for the year ended December 31, 2003 was reported in the enterprise fund statements of revenues, expenses, and changes in net assets.

5. RISK MANAGEMENT

The district purchases commercial insurance to reduce the risk of loss resulting from theft or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

See accountant's compilation report.

SUPPLEMENTAL INFORMATION SCHEDULES

See accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 2003

COMPENSATION PAID COMMISSIONERS

The schedule of compensation paid to commissioners is presented in compliance with House Concurrent Resolution No. 34 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 33:3857, East Columbia Sewerage District commissioners receive \$80 per meeting attended.

STATUS OF PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2.

**CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN**

The corrective action plan for current year findings is presented in Schedule 3.

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, LouisianaSCHEDULE OF COMPENSATION PAID COMMISSIONERS
For the Year Ended December 31, 2000

Shelby Cross	1550
Ery Elliott	600
Max Guerrero	600
John Wilson	600
Mary Holmes	600
Total	<u>\$2,950</u>

See accountant's compilation report.

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, LouisianaSTATUS OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2005

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action</u>
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There were no prior year findings.

EAST COLUMBIA SEWERAGE DISTRICT
Columbia, LouisianaCURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2009

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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There are no current year findings.

AFFIDAVIT AND REVENUE CERTIFICATION

RECORDED
100-171100
04/02/04 09:10:04

EAST COLUMBIA SEWERAGE DISTRICT
Caldwell Parish
Columbia, Louisiana

ANNUAL SWORN FINANCIAL STATEMENTS
AND CERTIFICATION OF REVENUES \$50,000 OR LESS

Personally came and appeared before the undersigned authority, Marvin L. Gregory who, duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the East Columbia Sewerage District as of December 31, 2003, and the results of operations for the year then ended, in accordance with basis of accounting described within the accompanying financial statements.

In addition, Marvin L. Gregory who, duly sworn, deposes and says that the East Columbia Sewerage District received \$50,000 or less in revenues and other sources for the fiscal year ending December 31, 2003, and, accordingly, is not required to have an audit for the previously mentioned fiscal year-end.

Marvin L. Gregory
East Columbia Sewerage District

Sworn to and subscribed before me, this 21st day of March, 2004.



Chelita B...
NOTARY PUBLIC

Officer: Marvin L. Gregory, Secretary
Address: Post Office Box 368
Columbia, Louisiana 71418
Telephone: (318) 649-2788