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**ELAM SEWERAGE DISTRICT NO.2
OF FRANKLIN PARISH
WISNER, LA 71378**

**GENERAL PURPOSE FINANCIAL STATEMENTS
As of and for the Year Ended
December 31, 2003**

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

Release Date 3-17-04

**ELAM SEWERAGE DISTRICT NO.2
OF FRANKLIN PARIHS
WISNER, LA**

**General Purpose Financial Statements
As of and for the Year Ended December 31, 2003**

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ANNUAL FINANCIAL STATEMENTS
DECEMBER 31, 2003
ELAM SEWERAGE DISTRICT NO.2
OF FRANKLIN PARISH
WISNER, LA 71378

Office of Legislative Auditor
Attention: Ms. JoAnne Sanders
1600 North Third
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Ms. Sanders:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for the Elam Sewerage District No.2 of Franklin Parish as of and for the fiscal year ended December 31, 2003. The report includes all funds under the control and oversight of the district. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,

Willie A. Williams
Willie Williams

Enclosure

ELAM SEWERAGE DISTRICT NO.2
OF FRANKLIN PARISH
WISNER, LA

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

AFFIDAVIT

Personally came and appeared before the undersigned authority Willie Williams, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Elam Sewerage District No. 2 of Franklin Parish as of December 31, 2003, and the results of operation for the year then ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Willie Williams, who, duly sworn, deposes and says that the Elam Sewerage District No. 2 of Franklin Parish 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.

Willie A. Williams
Willie Williams

Sworn to and subscribed before me, this 5th day of March 2004.

Leakie L. Jessup
NOTARY PUBLIC

Willie Williams
151 Jones Street
Wisner, LA 71378
318-724-6396

ELAM SEWERAGE DISTRICT NO.2
OF FRANKLIN PARISH
WISNER, LA
PROPRIETARY FUND TYPE – ENTERPRISE FUND

BALANCE SHEET
DECEMBER 31, 2003

ASSETS

Current assets:

Cash	\$4,304.00
Receivable – service fees	\$4,100.00
Other assets	<u>\$75.00</u>
TOTAL ASSETS	<u><u>\$8,479.00</u></u>

LIABILITIES AND FUND EQUITY

Liabilities – Accounts Payable	\$450.00
Fund Equity – Retained Earnings – Unreserved – Undesignated	<u>\$8,029.00</u>

TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$8,479.00</u></u>
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ELAM SEWERAGE DISTRICT NO.2
OF FRANKLIN PARISH
WISNER, LA
PROPRIETARY FUND TYPE – ENTERPRISE FUND

Statement of Revenues, Expenses, and
Changes in Retained Earnings
For the Year Ended December 31, 2003

OPERATING REVENUES	
Service fees	\$5,675.00
OPERATING EXPENSES	
Maintenance and repair	\$1,480.00
Upkeep of grounds	\$1,125.00
Accounting and auditing	\$2,500.00
Utilities	\$98.00
Supplies	\$126.00
Water Sampling	<u>\$270.00</u>
TOTAL OPERATING EXPENSES	<u>\$5,599.00</u>
NET PROFIT	\$76.00
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>\$4,845.00</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$4,921.00</u>

ELAM SEWERAGE DISTRICT NO.2
OF FRANKLIN PARISH
WISNER, LA
PROPRIETARY FUND TYPE – ENTERPRISE FUND

Statement of Cash Flows
For the Year Ended December 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$5,675.00
Cash paid to suppliers and others	<u>\$5,599.00</u>
Net cash provided by operating activities	<u>\$76.00</u>
CASH AT BEGINNING OF YEAR	<u>\$3,639.00</u>
ADJUSTMENT TO ADD BACK OLD NSF CHECKS	<u>\$589.00</u>
CASH AT END OF YEAR	<u><u>\$4,304.00</u></u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:	
OPERATING INCOME	<u>\$76.00</u>
Adjustments to reconcile operating income to	
Net cash provided (used) by operating activities:	
Changes in assets and liabilities	
Decrease in receivable	
Decrease in payables	
Total adjustments	
Net cash provided by operating activities	<u><u>\$76.00</u></u>

**ELAM SEWERAGE DISTRICT NO. 2
OF FRANKLIN PARISH
WISNER, LA
Notes to the Financial Statements
As for the Year Ended December 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Elam Sewerage District No.2 of Franklin Parish was created by the Franklin Parish Police Jury, as authorized by Louisiana Revised Statute 33:3881 on January 2, 1990. The district is governed by a three-member board, appointed by the police jury, who serve without benefit of compensation. The district is responsible for maintaining and operating a sewerage collection and disposal system that serves 45 households within the boundaries of the district.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Franklin Parish Police Jury is the financial reporting entity for Franklin Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GSAB) Statement No.14 established criteria for determining which components units should be considered part of the Franklin Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GSAB has set forth criteria to be considered in determining financial accountability. The criteria includes:

1. Appointing a voting majority of an organization's governing body,
And:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific Financial benefits to or impose specific financial Burdens on the police jury.

**ELAM SEWERAGE DISTRICT NO.2
OF FRANKLIN PARISH
WISNER, LA**

Notes to the Financial Statement (continued)

2. Organizations for which the police jury does not appoint a voting Majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements Would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints all board members of the district and can impose its will on the district, the district was determined to be a component unit of the Franklin Parish Police Jury, the financial reporting entity. The accompanying financial statements present information on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

Elam Sewerage District No.2 of Franklin Parish is organized and operated On a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is Maintained that comprises its assets, liabilities, fund equity, revenues and Expenses. The operations are financed and operated in a manner similar to a Private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges.

C. FIXED ASSETS

The district does not own any fixed assets. The sewerage system is owned by the Franklin Parish Police Jury and is not reflected in the accounting records of the district. There is no long-term debt at December 31, 2003.

**ELAM SEWERAGE DISTRICT NO.2
OF FRANKLIN PARISH
WISNER, LA**

Notes to the Financial Statements (continued)

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Enterprise Fund is reported in the Accompanying financial statements on the accrual basis of accounting. Revenues are recognized when they are earned. Expenses are recognized when they are incurred.

E. CASH

Under state law, the district may deposit funds within a fiscal agent bank organized under laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2003 the district has cash and cash equivalents (book balances) totaling \$4,304.00.

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. Cash and cash equivalents (bank balances) at December 31, 2003 are \$4,304.00, which are fully secured by federal deposit insurance.

F. VACATION AND SICK LEAVE

The district has no employees; therefore the adoption of vacation and sick leave policies is not required.

2. LITIGATION AND CLAIMS

The district is not involved any litigation at December 31, 2003, nor is it aware of any unasserted claims.