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VILLAGE OF ELIZABETH
ANNUAL FINANCIAL REPORT

June 30, 1999

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Release Date 1-12-2000

CONTENTS

	Exhibit	Schedule	Page
UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS-GOVERNMENTAL ENTITY	-	-	1-2
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	-	-	3-4
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	-	-	5-6
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)			
Combined balance sheet - all fund types and account groups	A	-	8-9
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types - For the Year Ended June 30, 1999	B-1	-	10
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types - For the Year Ended June 30, 1998	B-2	-	11
Combined statement of revenues, expenditures, and changes in fund balances - governmental fund types - budget vs. actual - For the Year Ended June 30, 1999	C-1	-	12
Combined statement of revenues, expenditures, and changes in fund balances - governmental fund types - budget vs. actual - For the Year Ended June 30, 1998	C-2	-	13
Comparative statement of revenues, expenses, and changes in retained earnings - proprietary fund type - For the Year Ended June 30, 1999	D-1	-	14
Comparative statement of revenues, expenses, and changes in retained earnings - proprietary fund type - For the Year Ended June 30, 1998	D-2	-	15
Comparative statement of cash flows - proprietary fund type - For the Year Ended June 30, 1999	E-1	-	16
Comparative statement of cash flows - proprietary fund type - For the Year Ended June 30, 1998	E-2	-	17
Notes to financial statements	-	-	18-30

CONTENTS

	Exhibit	Schedule	Page
SUPPLEMENTARY INFORMATION			
FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS			
Special Revenue Funds:			
Combining balance sheet	F-1	-	33
Combining statement of revenues, expenditures, and changes in fund balances - For the Year Ended June 30, 1999	F-2-a	-	34
Combining statement of revenues, expenditures, and changes in fund balances - For the Year Ended June 30, 1998	F-2-b	-	35
Enterprise Fund:			
Combining balance sheet	G-1	-	37
Combining statement of revenues, expenses, and changes in retained earnings - All proprietary fund types For the year ended June 30, 1999	G-2-a	-	38-39
Combining statement of revenues, expenses, and changes in retained earnings - All proprietary fund types For the year ended June 30, 1998	G-2-b	-	40-41
Water System Fund:			
Balance sheet	G-3	-	42
Statement of Cash Flows - For the Year Ended June 30, 1999	G-4-a	-	43
Statement of Cash Flows - For the Year Ended June 30, 1998	G-4-b	-	44
Electricity System Fund:			
Balance sheet	G-5	-	45
Statement of Cash Flows - For the Year Ended June 30, 1999	G-6-a	-	46
Statement of Cash Flows - For the Year Ended June 30, 1998	G-6-b	-	47
Sewer System Fund:			
Balance sheet	G-7	-	48
Statement of Cash Flows - For the Year Ended June 30, 1999	G-8-a	-	49
Statement of Cash Flows - For the Year Ended June 30, 1998	G-8-b	-	50
OTHER SUPPLEMENTARY INFORMATION			
Schedule of Prior Year Findings	-	1	52
Management's Corrective Action Plan	-	2	53
Required Year 2000 Supplemental Information	-	-	54

ELLIOTT & ASSOCIATES, INC.

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UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL
STATEMENTS-GOVERNMENTAL ENTITY

The Honorable Terry Rasberry, Mayor
and the Members of the Board of Aldermen
Elizabeth, Louisiana:

I have audited the accompanying general-purpose financial statements of the Village of Elizabeth as of and for the two years ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Village of Elizabeth's management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Elizabeth as of and for the two years ended June 30, 1999, and the results of its operations and cash flows for its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 21, 1999, on my consideration of the Village of Elizabeth's internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants.

The year 2000 supplementary information on page 54 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and the presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the Village of Elizabeth is or will become year 2000 compliant, that the Village's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Village does business are or will become year 2000 compliant.

My audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of the Village of Elizabeth taken as a whole. The accompanying financial information listed as additional information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Village of Elizabeth. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Elliott & Assoc. "APAC"
Leesville, Louisiana
December 21, 1999

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Terry Rasberry, Mayor
and the Members of the Board of Aldermen
Elizabeth, Louisiana

I have audited the financial statements of the Village of Elizabeth as of and for the two years ended June 30, 1999, and have issued my report thereon dated December 21, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Elizabeth's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village of Elizabeth's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, the Village of Elizabeth, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Elliott & Assoc. "APAC"

Leesville, Louisiana
December 21, 1999

Village of Elizabeth
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Two years ended June 30, 1999

I have audited the financial statements of the Village of Elizabeth as of and for the two years ended June 30, 1999, and have issued my report thereon dated December 21, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

*a. Report on Internal Control and Compliance
Material to the Financial Statements*

Internal Control

Material Weaknesses Yes No
Reportable Conditions Yes No

Compliance

Compliance Material to Financial
Statements Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No N/A
Reportable Conditions Yes No N/A

Type of Opinion On Compliance For Major Programs

Unqualified Qualified
Disclaimer Adverse
N/A

Are there findings required to be reported in accordance with Circular A-133, Section .510(a)?
 Yes No N/A

c. Identification of Major Programs

CFDA Number(s)

Name of Federal Program

N/A

Dollar threshold used to distinguish between Type A and Type B Programs:

\$300,000

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?

Yes No N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

See independent auditor's report.

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

VILLAGE OF ELIZABETH

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1999

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>
ASSETS			
Cash and cash equivalents (Note 2)	\$ 45,699	\$ 6,828	\$359,240
Receivables, (net where applicable, of allowances for uncollectible)	3,145	370	---
Taxes (Note 3)	---	---	---
Due from other funds (Note 5)	2,459	---	---
Due from other governmental units (Note 4)	---	---	---
Restricted assets (Notes 2 & 9):			
Cash and cash equivalents	---	---	---
Buildings and land (Note 6 and 11)	---	---	---
Improvements other than buildings (Note 6)	---	---	---
Equipment (Note 6)	---	---	---
Construction in progress	---	---	---
Utility plant and equipment, net (Note 7)	---	---	---
Amount available in Debt Service Funds (Note 10)	---	---	---
Amount to be provided for retirement of general long-term debt	---	---	---
	<u>---</u>	<u>---</u>	<u>---</u>
Total assets	<u>\$ 51,303</u>	<u>\$ 7,198</u>	<u>\$359,240</u>

The accompanying notes are an integral part of this statement.

Exhibit A
(Continued)

<u>Proprietary Fund Type Enterprise</u>	<u>General Fixed Assets Account Group</u>	<u>Totals (Memorandum Only)</u>
\$ 60,395	\$ ---	\$ 472,162
36,567	---	40,082
---	---	---
---	---	2,459
---	---	---
47,761	---	47,761
12,375	306,854	319,229
---	344,640	344,640
---	480,914	480,914
---	---	---
459,467	---	459,467
---	---	---
---	---	---
<u>\$616,565</u>	<u>\$1,132,408</u>	<u>\$2,166,714</u>

VILLAGE OF ELIZABETH

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
(CONCLUDED)
June 30, 1999

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 197	\$ 864	\$ ---
Sales tax payable	978	---	---
Accrued interest payable (Note 10)	---	---	---
Note payable to bank	---	---	---
Payable from restricted assets - (Note 9)			
Revenue bonds	---	---	---
Customers' deposits	---	---	---
Due to other funds (Note 5)	---	459	---
General obligation bonds payable (Note 10)	---	---	---
	<u>---</u>	<u>---</u>	<u>---</u>
Total liabilities	<u>1,175</u>	<u>1,323</u>	<u>---</u>
Fund equity:			
Contributed capital	---	---	---
Investment in general fixed assets (Notes 6, 11 & 12)	---	---	---
Retained earnings			
Reserved (Note 14)	---	---	---
Unrestricted	---	---	---
Fund balances -			
Reserved for construction	---	---	359,240
Unreserved-undesignated	<u>50,128</u>	<u>5,875</u>	<u>---</u>
Total fund equity	<u>50,128</u>	<u>5,875</u>	<u>359,240</u>
Total liabilities and fund equity	<u>\$ 51,303</u>	<u>\$ 7,198</u>	<u>\$359,240</u>

The accompanying notes are an integral part of this statement.

Exhibit A
(Concluded)

<u>Proprietary Fund Type Enterprise</u>	<u>General Fixed Assets Account Group</u>	<u>Totals (Memorandum Only)</u>
\$ 20,625	\$ ---	\$ 21,686
---	---	978
131	---	131
---	---	---
96,000	---	96,000
23,405	---	23,405
2,000	---	2,459
---	---	---
<u>142,161</u>	<u>---</u>	<u>144,659</u>
---	---	---
---	1,132,408	1,132,408
19,132	---	19,132
455,272	---	455,272
---	---	359,240
---	---	56,003
<u>474,404</u>	<u>1,132,408</u>	<u>2,022,055</u>
<u>\$ 616,565</u>	<u>\$1,132,408</u>	<u>\$2,166,714</u>

VILLAGE OF ELIZABETH
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 Year Ended June 30, 1999

	<u>General</u>	<u>Special Revenue</u>
Revenues:		
Taxes	\$ 40,602	\$ 5,511
Licenses and permits	14,076	---
Intergovernmental	3,626	221,324
Fines and forfeits	---	---
Miscellaneous	<u>55,801</u>	<u>6,313</u>
Total revenues	<u>114,105</u>	<u>233,148</u>
Expenditures:		
Current -		
General government	102,087	---
Public safety -		
Police	7,825	---
Fire	---	21,664
Highways, streets and sanitation	6,213	---
Capital outlay	---	220,966
Debt service -		
Principal retirement	---	---
Interest and fiscal charges	<u>---</u>	<u>---</u>
Total expenditures	<u>116,125</u>	<u>242,630</u>
Excess (deficiency) of revenues over expenditures	(2,020)	(9,482)
Other financing sources (uses):		
Transfers in	---	9,853
Transfers out	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,020)	371
Fund balances, beginning	<u>52,148</u>	<u>5,504</u>
Fund balances, ending	<u>\$ 50,128</u>	<u>\$ 5,875</u>

The accompanying notes are an integral part of this statement.

<u>Capital Project</u>	<u>Totals Memorandum Only</u>
\$ ---	\$ 46,113
---	14,076
100,360	325,310
---	---
<u>11,960</u>	<u>74,074</u>
<u>112,320</u>	<u>459,573</u>
---	102,087
---	7,825
---	21,664
---	6,213
28,493	249,459
---	---
---	---
<u>28,493</u>	<u>387,248</u>
83,827	72,325
---	9,853
<u>(9,853)</u>	<u>(9,853)</u>
73,974	72,325
<u>285,266</u>	<u>342,918</u>
<u>\$359,240</u>	<u>\$ 415,243</u>

VILLAGE OF ELIZABETH
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 Year Ended June 30, 1998

	<u>General</u>	<u>Special Revenue</u>
Revenues:		
Taxes	\$ 53,392	\$ 5,725
Licenses and permits	14,043	---
Intergovernmental	3,170	2,917
Fines and forfeits	250	---
Miscellaneous	<u>119,598</u>	<u>26,294</u>
Total revenues	<u>190,453</u>	<u>34,936</u>
Expenditures:		
Current -		
General government	137,936	20,461
Public safety -		
Police	13,665	---
Fire	---	---
Highways, streets and sanitation	5,853	---
Capital outlay	---	20,788
Debt service -		
Principal retirement	---	---
Interest and fiscal charges	<u>---</u>	<u>---</u>
Total expenditures	<u>157,454</u>	<u>41,249</u>
Excess (deficiency) of revenues over expenditures	32,999	(6,313)
Other financing sources (uses):		
Transfers in	---	6,385
Transfers out	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	32,999	72
Fund balances, beginning	<u>19,149</u>	<u>5,432</u>
Fund balances, ending	<u>\$ 52,148</u>	<u>\$ 5,504</u>

The accompanying notes are an integral part of this statement.

<u>Capital Project</u>	<u>Totals Memorandum Only</u>
\$ ---	\$ 59,117
---	14,043
67,458	73,545
---	250
<u>3,145</u>	<u>149,037</u>
<u>70,603</u>	<u>295,992</u>
---	158,397
---	13,665
---	---
1,045	6,898
28,291	49,079
---	---
---	---
<u>29,336</u>	<u>228,039</u>
41,267	67,953
12,712	19,097
<u>(6,385)</u>	<u>(6,385)</u>
47,594	80,665
<u>237,672</u>	<u>262,253</u>
<u>\$285,266</u>	<u>\$ 342,918</u>

VILLAGE OF ELIZABETH

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
 GENERAL AND SPECIAL REVENUE FUND TYPES
 Year Ended June 30, 1999

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 44,500	\$ 40,602	\$ (3,898)
Licenses and permits	13,350	14,076	726
Intergovernmental	3,300	3,626	326
Fines and forfeits	---	---	---
Miscellaneous	<u>55,275</u>	<u>55,801</u>	<u>526</u>
Total revenues	<u>116,425</u>	<u>114,105</u>	<u>(2,320)</u>
Expenditures:			
General government	99,976	102,087	(2,111)
Public safety -			
Police	5,925	7,825	(1,900)
Fire	---	---	---
Highways and streets	5,800	6,213	(413)
Capital expenditures	<u>---</u>	<u>---</u>	<u>---</u>
Total expenditures	<u>111,701</u>	<u>116,125</u>	<u>(4,424)</u>
Excess (deficiency) of revenues over expenditures	4,724	(2,020)	(6,744)
Other financing sources (uses):			
Transfers in	---	---	---
Transfers out	<u>---</u>	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	4,724	(2,020)	(6,744)
Fund balances, beginning	<u>52,148</u>	<u>52,148</u>	<u>---</u>
Fund balances, ending	<u>\$ 56,872</u>	<u>\$ 50,128</u>	<u>\$ (6,744)</u>

The accompanying notes are an integral part of this statement.

Special Revenue					
Fire Fund			LCDBG		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 6,346	\$ 5,511	\$ (835)	\$ ---	\$ ---	\$ ---
---	---	---	---	---	---
4,200	6,250	2,050	215,074	215,074	---
---	---	---	---	---	---
3,500	6,313	2,813	---	---	---
14,046	18,074	4,028	215,074	215,074	---
---	---	---	---	---	---
---	---	---	---	---	---
19,500	21,664	(2,164)	---	---	---
---	---	---	---	---	---
6,885	5,892	993	215,074	215,074	---
26,385	27,556	(1,171)	215,074	215,074	---
(12,339)	(9,482)	2,857	---	---	---
7,000	9,853	2,853	---	---	---
---	---	---	---	---	---
(5,339)	371	5,710	---	---	---
5,504	5,504	---	---	---	---
<u>\$ 165</u>	<u>\$ 5,875</u>	<u>\$ 5,710</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

VILLAGE OF ELIZABETH

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
 GENERAL AND SPECIAL REVENUE FUND TYPES
 Year Ended June 30, 1998

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 50,210	\$ 53,392	\$ 3,182
Licenses and permits	14,200	14,043	(157)
Intergovernmental	3,430	3,170	(260)
Fines and forfeits	270	250	(20)
Miscellaneous	<u>89,906</u>	<u>119,598</u>	<u>29,692</u>
Total revenues	<u>158,016</u>	<u>190,453</u>	<u>32,437</u>
Expenditures:			
General government	126,984	137,936	(10,952)
Public safety -			
Police	5,552	13,665	(8,113)
Fire	---	---	---
Highways and streets	16,100	5,853	10,247
Capital expenditures	<u>---</u>	<u>---</u>	<u>---</u>
Total expenditures	<u>148,636</u>	<u>157,454</u>	<u>(8,818)</u>
Excess (deficiency) of revenues over expenditures	9,380	32,999	23,619
Other financing sources (uses):			
Transfers in	---	---	---
Transfers out	<u>---</u>	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	9,380	32,999	23,619
Fund balances, beginning	<u>19,149</u>	<u>19,149</u>	<u>---</u>
Fund balances, ending	<u>\$ 28,529</u>	<u>\$ 52,148</u>	<u>\$ 23,619</u>

The accompanying notes are an integral part of this statement.

Special Revenue					
Fire Fund			LCDBG		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 7,854	\$ 5,725	\$ (2,129)	\$ ---	\$ ---	\$ ---
---	---	---	---	---	---
2,918	2,917	(1)	---	---	---
---	---	---	---	---	---
<u>4,400</u>	<u>5,465</u>	<u>1,065</u>	<u>20,829</u>	<u>20,829</u>	<u>---</u>
<u>15,172</u>	<u>14,107</u>	<u>(1,065)</u>	<u>20,829</u>	<u>20,829</u>	<u>---</u>
---	---	---	---	41	(41)
---	---	---	---	---	---
14,603	20,420	(5,817)	---	---	---
---	---	---	---	---	---
<u>6,385</u>	<u>---</u>	<u>6,385</u>	<u>20,829</u>	<u>20,788</u>	<u>41</u>
<u>20,988</u>	<u>20,420</u>	<u>568</u>	<u>20,829</u>	<u>20,829</u>	<u>---</u>
(5,816)	(6,313)	(497)	---	---	---
7,585	6,385	(1,200)	---	---	---
---	---	---	---	---	---
1,769	72	(1,697)	---	---	---
<u>5,432</u>	<u>5,432</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>\$ 7,201</u>	<u>\$ 5,504</u>	<u>\$ (1,697)</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

VILLAGE OF ELIZABETH

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS - PROPRIETARY FUND TYPE
 For the year ended June 30, 1999

Operating revenues:	
Metered sales -	
Water	\$ 58,277
Electricity	292,028
Miscellaneous	---
Sewer services	<u>20,308</u>
Total operating revenues	<u>370,613</u>
Operating expenses:	
Salaries and payroll taxes	83,357
Electricity purchases	192,222
Repairs	4,661
Insurance	7,630
Office supplies	900
Material and supplies	18,347
Utilities	10,733
Miscellaneous	1,044
Legal and professional	1,970
Contract labor	<u>18,757</u>
Total operating expenses	<u>339,621</u>
Net operating income before depreciation	30,992
Depreciation	<u>(21,365)</u>
Net operating income	<u>9,627</u>
Nonoperating income (expense):	
Interest income	471
Interest expense on revenue bonds	<u>(6,113)</u>
Income before operating transfers	<u>3,985</u>
Operating transfers in	2,200
Operating transfers out	<u>---</u>
Net income (loss)	6,185
Retained earnings, beginning	<u>468,219</u>
Retained earnings, ending	<u>\$ 474,404</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS - PROPRIETARY FUND TYPE
 For the year ended June 30, 1998

Operating revenues:	
Metered sales -	
Water	\$ 78,393
Electricity	315,760
Miscellaneous	---
Sewer services	<u>18,471</u>
Total operating revenues	<u>412,624</u>
Operating expenses:	
Salaries and payroll taxes	77,736
Electricity purchases	215,000
Repairs	7,833
Insurance	6,656
Office supplies	1,400
Material and supplies	18,837
Utilities	11,394
Miscellaneous	14,364
Legal and professional	2,975
Contract labor	<u>15,619</u>
Total operating expenses	<u>371,814</u>
Net operating income before depreciation	40,810
Depreciation	<u>(21,159)</u>
Net operating income	<u>19,651</u>
Nonoperating income (expense):	
Interest income	491
Interest expense on revenue bonds	<u>(8,723)</u>
Income before operating transfers	<u>11,419</u>
Operating transfers in	4,000
Operating transfers out	<u>---</u>
Net income (loss)	15,419
Retained earnings, beginning	<u>452,800</u>
Retained earnings, ending	<u>\$ 468,219</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH

COMBINED STATEMENT OF CASH FLOWS
 - PROPRIETARY FUND TYPE
 For the year ended June 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ 9,627
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	21,365
Changes in assets and liabilities:	
Accounts receivable	6,419
Accounts payable	(1,556)
Customer deposits	<u>(3,002)</u>
Net cash provided by operating activities	<u>32,853</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers in	<u>2,200</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Payment on long-term debt	(7,664)
Acquisition of property, plant and equipment	(1,895)
Interest paid	<u>(6,068)</u>
Net cash (used) from capital financing activities	<u>(15,627)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>471</u>
Net cash provided by investing activities	<u>471</u>
INCREASE IN CASH	19,897
CASH, BEGINNING OF YEAR	<u>88,259</u>
CASH, END OF YEAR	<u>\$108,156</u>
CLASSIFIED AS	
Current assets	\$ 60,395
Restricted assets	<u>47,761</u>
Totals	<u>\$108,156</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH

COMBINED STATEMENT OF CASH FLOWS
 - PROPRIETARY FUND TYPE
 For the year ended June 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ 19,651
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	21,158
Changes in assets and liabilities:	
Accounts receivable	(9,308)
Accounts payable	3,690
Customer deposits	<u>2,383</u>
Net cash provided by operating activities	<u>37,574</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers in	<u>4,000</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Payment on long-term debt	(9,529)
Acquisition of property, plant and equipment	(608)
Interest paid	<u>(8,731)</u>
Net cash (used) from capital financing activities	<u>(18,868)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>491</u>
Net cash provided by investing activities	<u>491</u>
INCREASE IN CASH	23,197
CASH, BEGINNING OF YEAR	<u>65,062</u>
CASH, END OF YEAR	<u>\$88,259</u>
CLASSIFIED AS	
Current assets	\$48,731
Restricted assets	<u>39,528</u>
Totals	<u>\$88,259</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS
June 30, 1998

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Elizabeth (the Village) was incorporated under the provisions of the Lawrason Act and operates under a Mayor-Board of Aldermen form of government. The Village provides various services including public safety (police protection), streets and drainage, sanitation, public improvements, utility, water, sewerage, electricity and general administrative services.

The accounting and reporting practices of the Village of Elizabeth, Louisiana, conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods.

The following is a summary of the more significant accounting policies.

Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the Village of Elizabeth, Louisiana, is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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 (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Elizabeth, Louisiana, for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality 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 municipality.

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Financial Reporting Entity (Continued)

2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality
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.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or 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.

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of the Village and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt, which is recognized when due.

In both governmental and proprietary funds, inventories of supplies are considered immaterial and are not recorded.

The proprietary (enterprise) fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Utility revenues are billed on a cycle basis and are recognized in the month billed. Unbilled service receivables resulting from utility services rendered between cycle billing and the end of the month have been recognized in the accompanying financial statements.

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Basis of Accounting (Continued)

Proprietary funds follow GAAP prescribed by the Governmental Accounting Standards Board and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets associated with the operation of these funds are included on the balance sheet. Fund equity, (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Budgets and Budgetary Practices

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Village Clerk prepares a proposed budget for the general fund, fire fund and proprietary funds for the upcoming year and submits it to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of that year. This budget includes proposed expenditures and the means of financing them.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, the date of a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After holding the public hearing prior to the commencement of the new year, the budget is legally enacted through passage of an ordinance.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Mayor and Board of Aldermen. Such amendments were not material in relation to the original appropriations.

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, money marketing accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Village may invest in U.S. bonds, treasury notes or certificates. These are classified as investments if their original maturities exceed 90 days; however, if original maturities are 90 days or less, they are classified as cash equivalents. The Village had no such investments at June 30, 1998.

Due To/From Other Funds

Amounts in each fund listed as due to/from are offset by corresponding entries in other funds. Funds shown as such are considered available for expenditure unless specifically restricted within the statements.

Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets. Fixed assets are valued at historical cost, unless they were donated in which case they are valued at fair market value at the date of donation.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. As of and for the year ended June 30, 1998, there was no activity in the General Long-Term Debt Group.

These two account groups are not "funds." They are concerned only with the measurement of financial position. They are no involved with measurement of results of operations.

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Fixed Assets and Long-Term Liabilities (Continued)

Fixed assets used in the proprietary fund type operations are included on the balance sheet of the fund at historical cost. Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against their operations. Accumulated depreciation is reported on the proprietary fund balance sheet. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water Utility -	
Lines and meters	50 years
Sewerage Utility -	
Pump stations	20 years
Lines	50 years
Other equipment	5-10 years

Contributed Capital

In the Enterprise Funds, amounts contributed to the Village for acquisition or construction of fixed assets are recorded as contributed capital. Depreciation of these contributed capital assets is computed using the straight-line method over the estimated useful lives of the assets and is charged as a current period expense.

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Statement of Cash Flows

The Village has adopted Government Auditing Standards Board Statement No. 9 "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." This statement requires entities to report a statement of cash flows as part of a full set of financial statements instead of reporting a statement of changes in financial position. For the purposes of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in bank and certificates of deposit.

For the two years ended June 30, 1999, there were no material non-cash investing activities or non-capital and related financing activities.

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Compensated Absences

It is not practical to estimate the amount of compensation for future absences under the Village's accounting system. Accordingly, no liability is recorded. The Village's policy is to recognize the cost of compensated absences when actually paid to employees.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Total Columns on Combined Statements - Overview

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account based on historical information which would indicate the uncollectibility of a percentage of the particular receivable.

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 1999 cash and cash equivalents totaled \$519,923 (Book Balance) and \$1,033,794 (Bank Balance). The composition of these accounts is as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Demand Deposits -		
Non-Interest Bearing	\$286,355	\$ 150,054
Interest Bearing Checking and Certificates of Deposit	<u>233,568</u>	<u>883,740</u>
Total Cash	<u>\$519,923</u>	<u>\$1,033,794</u>

Under state law, these deposits must be secured by Federal Deposit Insurance or the pledge of securities owned by the bank. The securities pledged are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999 all deposits with financial institutions were fully covered by federal deposit insurance and pledged securities. A detailed analysis of this coverage is as follows:

Total Cash at June 30, 1999 (Bank Balance)	\$1,033,794
Less FDIC Coverage	<u>(300,000)</u>
Subtotal	733,794
Less Securities Pledged to Village But held in the Name of the Financial Institution (Uncollaterized - GASB Category 3)	<u>(733,794)</u>
Excess of FDIC Insurance and Pledged Securities	<u>\$ ---</u>

Even though the pledged securities are considered uncollaterized (Category 3) under the provisions of GASB Statement 3, Louisiana law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the pledging bank has failed to pay deposited funds upon demand.

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 - AD VALOREM

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Village in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

For the year ended June 30, 1999, taxes of 6.90 mils were levied on property with an assessed valuation of \$899,800 and were dedicated to general corporate purposes.

Total taxes levied were \$6,209. Furthermore, collections of delinquent taxes and other adjustments resulted in total collections of \$5,406. Taxes receivable at June 30, 1999 consisted of the following:

Taxes receivable-current roll	\$ ---
Taxes receivable-prior years	<u>---</u>

Allowance for uncollectible taxes	<u>---</u>
	<u>\$ ---</u>

For the year ended June 30, 1998, taxes of 6.90 mils were levied on property with an assessed valuation of \$782,400 and were dedicated to general corporate purposes.

Total taxes levied were \$5,399 and collections of delinquent taxes and other adjustments resulted in total collections of \$5,215.

NOTE 4 - RECEIVABLES

The receivables at June 30, 1999 are as follows:

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Enterprise Fund</u>	<u>Memorandum Total</u>
Charges for Services	\$ 3,145	\$ 370	\$ 36,567	\$ 40,082
Allowance for Uncollectibles	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Totals	<u>\$ 3,145</u>	<u>\$ 370</u>	<u>\$ 36,567</u>	<u>\$ 40,082</u>

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5--INTERFUND RECEIVABLES, PAYABLES

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 2,459	\$ ---
Sewer fund	---	2,000
Special revenue-LCDBG fund	---	459
Total	<u>\$ 2,459</u>	<u>\$ 2,459</u>

NOTE 6--GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1998</u>
Buildings and land	\$264,695	\$ 28,291	\$ ---	\$292,986
Donated assets	347,640	---	(3,000)	344,640
Machinery and equipment	224,535	---	---	224,535
Construction in progress	---	20,788	---	20,788
Total general fixed assets	<u>\$836,870</u>	<u>\$ 49,079</u>	<u>\$ (3,000)</u>	<u>\$882,949</u>
	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1999</u>
Buildings and land	\$292,986	\$ 13,868	\$ ---	\$ 306,854
Donated assets	344,640	---	---	344,640
Machinery and equipment	224,535	256,379	---	480,914
Construction in progress	20,788	---	(20,788)	---
Total general fixed assets	<u>\$882,949</u>	<u>\$ 270,247</u>	<u>\$ (20,788)</u>	<u>\$1,132,408</u>

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7--PROPERTY AND EQUIPMENT

A summary of the property and equipment in the Enterprise Fund at June 30, 1999 consists of the following:

Land	\$ 12,375
Distribution System	<u>946,575</u>
	958,950
Less Accumulated Depreciation	<u>(487,108)</u>
Net Property and Equipment	<u>\$ 471,842</u>

NOTE 8--RISK MANAGEMENT

The Village of Elizabeth is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions injuries to employees; and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and participation in a public entity risk pool that operates as a common insurance program. Claims resulting from these risks have historically not exceeded insurance coverage.

NOTE 9--FLOW OF FUNDS; RESTRICTION ON USE - WATER FUNDS:

Water System Revenues

Under the terms set forth by the FHA on outstanding water revenue bonds dated March 15, 1968, all income and revenues of every nature, earned or derived from operation of the water system are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

Each month, there shall be set aside into a "Water Revenue Note Fund" \$716 plus \$65 a month until a reserve of \$4,200 is established. This money will be used to pay principal and interest on the bonds as they become due. There is presently \$4,200 in the Water Revenue Note Fund.

There shall also be set aside into a "Water System Depreciation and Contingencies Fund," \$65 a month after all required payment have been made to the Water Revenue Note Fund. Money in this fund may be used for making extraordinary repairs or replacements which are necessary to keep the system in operating condition. There is presently \$10,552 in this Depreciation and Contingencies Fund at June 30, 1998.

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 9--FLOW OF FUNDS; RESTRICTION ON USE - WATER FUNDS:

Water System Revenues (Continued)

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

NOTE 10--CHANGES IN LONG-TERM DEBT

The Village has two revenue bond issues outstanding as follows:

\$85,000 Sewer Revenue Bonds dated February 28, 1975; due in annual installments of \$5,136 through June 7, 2007; interest at 5%; secured by sewer revenues	\$ 43,217
\$160,000 Waterworks Revenue Bonds dated March 15, 1968; due in annual installments of \$716 through June 2007; interest at 4.125% secured by water revenues	<u>52,785</u>
Total	<u>\$ 96,002</u>

The following represents changes in revenue bonds payable for the water and sewer fund for the two years ended June 30, 1999:

	Water Fund	Sewer Fund	Total
Balance, June 30, 1997	\$ 64,570	\$ 48,623	\$113,193
Debt retired, 1998	(4,864)	(4,665)	(9,529)
Debt retired, 1999	<u>(6,921)</u>	<u>(741)</u>	<u>(7,662)</u>
Balance, June 30, 1999	<u>\$ 52,785</u>	<u>\$ 43,217</u>	<u>\$ 96,002</u>

The following represents maturities due in future years for the water and sewer revenue bonds payable including interest expense of \$21,211:

	Water Fund	Sewer Fund	Total
2000	\$ 8,595	\$ 5,136	\$ 13,731
2001	8,595	5,136	13,731
2002	8,595	5,136	13,731
2003	8,595	5,136	13,731
2004	8,595	5,136	13,731
2005-2009	17,999	25,720	43,719
2010	---	4,839	4,839
	<u>\$ 60,974</u>	<u>\$ 56,239</u>	<u>\$117,213</u>

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11--DONATED ASSETS:

Donated assets at June 30, 1999 consists of the following:

Pavilion Building	\$ 2,075
Town Hall (land and building)	17,800
Sewer system	23,715
Land - lot 8, block 1, Eastern Heights	1,550
28 acres of land valued at \$1,500 an acre	42,000
20 acres of land valued at \$2,000 an acre	40,000
1.77 acres of land located in section 20 (Clinic) including building and improvements	120,500
Shopping Center	<u>97,000</u>
	<u>\$344,640</u>

NOTE 12--LCDBG FIRE PROTECTION GRANT

The Village was awarded a \$308,592 Louisiana Community Development Block Grant on December 19, 1996 for construction of a fire station and purchase of a fire truck for the Village. \$20,788 in funding for this grant was received for the fiscal year ended June 30, 1998, and \$215,074 was received for the fiscal year ended June 30, 1999.

NOTE 13--ALDERMEN SALARIES

For the two years ended June 30, 1999, the amounts of salaries and wages paid to the Mayor and Board of Aldermen were as follows:

<u>Name</u>	<u>Position</u>	<u>1999</u>	<u>1998</u>
Terry Rasberry	Mayor	\$4,800	\$4,800
Robert Crafton	Alderman	600	480
Robert Hinton	Alderman	600	480
Kenneth Kelly	Alderman	600	480
Michael Melder	Alderman	600	480
Tony Normand	Alderman	<u>600</u>	<u>480</u>
Totals		<u>\$7,800</u>	<u>\$7,200</u>

NOTE 14--RETAINED EARNINGS-RESERVED

The reserved retained earnings at June 30, 1999 represents net assets dedicated toward debt service requirements for the current period.

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 15 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Village carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

	LIMITS OF <u>COVERAGE</u>
Workmen's compensation	Statutory
Auto liability	\$ 300,000
Commercial general liability	1,000,000
Village-owned buildings and equipment	506,900

The Village covers all other losses, claim settlements, and judgments from operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The Village was not involved in any litigation nor did it have asserted claims lodged against it.

FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

SPECIAL REVENUE FUNDS

Fire Fund

The Fire Fund accounts for monies generated from fundraisers, donations and fire insurance rebates and the monies are used to operate the volunteer fire department.

LCDBG

The LCDBG grant began in fiscal year 1998 and its proceeds are being utilized to build a new fire station.

VILLAGE OF ELIZABETH
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 1999

	<u>Fire Fund</u>	<u>LCDBG Fund</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$6,369	\$ 459	\$6,828
Accounts receivable	<u>370</u>	<u>---</u>	<u>370</u>
Total assets	<u>\$6,739</u>	<u>\$ 459</u>	<u>\$7,198</u>
Current liabilities:			
Accounts payable	\$ 864	\$ ---	\$ 864
Due to other funds	<u>---</u>	<u>459</u>	<u>459</u>
Fund balance	<u>5,875</u>	<u>---</u>	<u>5,875</u>
Total liabilities and fund balances	<u>\$6,739</u>	<u>\$ 459</u>	<u>\$7,198</u>

VILLAGE OF ELIZABETH

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 Year Ended June 30, 1999

	<u>Fire Fund</u>	<u>LCDBG</u>	<u>Total</u>
Revenues:			
Taxes	\$ 5,511	\$ ---	\$ 5,511
Intergovernmental	6,250	---	6,250
Miscellaneous	<u>6,313</u>	<u>215,074</u>	<u>221,387</u>
Total revenues	<u>18,074</u>	<u>215,074</u>	<u>233,148</u>
Expenditures:			
General government	---	---	---
Public safety-fire	21,664	---	21,664
Capital outlay	<u>5,892</u>	<u>215,074</u>	<u>220,966</u>
Total expenditures	<u>27,556</u>	<u>215,074</u>	<u>242,630</u>
Excess (deficiency) of revenues over expenditures before transfers in	(9,482)	---	(9,482)
Transfers in	<u>9,853</u>	<u>---</u>	<u>9,853</u>
Excess (deficiency) of revenues over expenditures after transfers	371	---	371
Fund balance, July 1, 1998	<u>5,504</u>	<u>---</u>	<u>5,504</u>
Fund balance, June 30, 1999	<u>\$ 5,875</u>	<u>\$ ---</u>	<u>\$ 5,875</u>

VILLAGE OF ELIZABETH
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
Year Ended June 30, 1998

	<u>Fire Fund</u>	<u>LCDBG</u>	<u>Total</u>
Revenues:			
Taxes	\$ 5,725	\$ ---	\$ 5,725
Intergovernmental	2,917	---	2,917
Miscellaneous	<u>5,465</u>	<u>20,829</u>	<u>26,294</u>
Total revenues	<u>14,107</u>	<u>20,829</u>	<u>34,936</u>
Expenditures:			
General government	---	41	41
Public safety-fire	20,420	---	20,420
Capital outlay	<u>---</u>	<u>20,788</u>	<u>20,788</u>
Total expenditures	<u>20,420</u>	<u>20,829</u>	<u>41,249</u>
Excess (deficiency) of revenues over expenditures before transfers in	(6,313)	---	(6,313)
Transfers in	<u>6,385</u>	<u>---</u>	<u>6,385</u>
Excess (deficiency) of revenues over expenditures after transfers	72	---	72
Fund balance, July 1, 1997	<u>5,432</u>	<u>---</u>	<u>5,432</u>
Fund balance, June 30, 1998	<u>\$ 5,504</u>	<u>\$ ---</u>	<u>\$ 5,504</u>

ENTERPRISE FUND

Waterworks System Fund - To account for the provision of water service to the residents of the Village of Elizabeth. All activities necessary to provide this service are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Sewer System Fund - To account for the provision of sewer service to the residents of the Village of Elizabeth. All activities necessary to provide this service are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

Electricity System Fund - To account for the provision of electric service to the residents of the Village of Elizabeth. All activities necessary to provide this service are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

VILLAGE OF ELIZABETH
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
June 30, 1999

	<u>Water System Fund</u>	<u>Electricity Fund</u>	<u>Sewer System Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 10,323	\$ 43,840	\$ 6,232	\$ 60,395
Accounts receivable	4,716	29,878	1,973	36,567
Accrued interest receivable	---	---	---	---
Total current assets	<u>15,039</u>	<u>73,718</u>	<u>8,205</u>	<u>96,962</u>
Restricted assets:				
Cash	18,615	12,146	---	30,761
Investments	9,000	8,000	---	17,000
Total restricted assets	<u>27,615</u>	<u>20,146</u>	<u>---</u>	<u>47,761</u>
Land	1,875	10,500	---	12,375
Plant and equipment (net)	<u>81,242</u>	<u>88,974</u>	<u>289,251</u>	<u>459,467</u>
Total assets	<u>\$ 125,771</u>	<u>\$193,338</u>	<u>\$297,456</u>	<u>\$ 616,565</u>
<u>LIABILITIES AND RETAINED EARNINGS</u>				
Current liabilities:				
Accounts payable	\$ 614	\$ 20,011	\$ ---	\$ 20,625
Interest payable	131	---	---	131
Accrued sales tax	---	---	---	---
Meter deposits payable	6,840	16,565	---	23,405
Bonds payable	6,540	---	3,044	9,584
Interfund payable	---	---	2,000	2,000
Total current liabilities	<u>14,125</u>	<u>36,576</u>	<u>5,044</u>	<u>55,745</u>
Long-term liabilities:				
Bonds payable	<u>46,244</u>	<u>---</u>	<u>40,172</u>	<u>86,416</u>
Total liabilities	<u>60,369</u>	<u>36,576</u>	<u>45,216</u>	<u>142,161</u>
Retained earnings- reserved	<u>19,132</u>	<u>---</u>	<u>---</u>	<u>19,132</u>
Retained earnings- unreserved	<u>46,270</u>	<u>156,762</u>	<u>252,240</u>	<u>455,272</u>
Total liabilities and retained earnings	<u>\$ 125,771</u>	<u>\$193,338</u>	<u>\$297,456</u>	<u>\$ 616,565</u>

See independent auditor's report.

VILLAGE OF ELIZABETH
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
Year ended June 30, 1999

	Water System Fund	Electricity Fund	Sewer System Fund	Total
Operating revenues:				
Metered sales -				
Water	\$ 58,277	\$ ---	\$ ---	\$ 58,277
Electricity	---	292,028	---	292,028
Miscellaneous	---	---	---	---
Sewer services	---	---	20,308	20,308
Total operating revenues	<u>58,277</u>	<u>292,028</u>	<u>20,308</u>	<u>370,613</u>
Operating expenses:				
Salaries	26,357	57,000	---	83,357
Electricity purchases	---	192,222	---	192,222
Repairs	1,345	3,316	---	4,661
Insurance	2,580	4,846	204	7,630
Training	---	---	---	---
Office supplies	300	300	300	900
Material and supplies	10,618	7,130	599	18,347
Utilities	4,608	---	6,125	10,733
Miscellaneous	456	214	374	1,044
Legal and professional	---	1,970	---	1,970
Contract labor	705	13,817	4,235	18,757
Total operating expenses	<u>46,969</u>	<u>280,815</u>	<u>11,837</u>	<u>339,621</u>
Net operating income before depreciation	11,308	11,213	8,471	30,992
Depreciation	<u>(4,601)</u>	<u>(6,030)</u>	<u>(10,734)</u>	<u>(21,365)</u>
Net operating income (loss)	<u>6,707</u>	<u>5,183</u>	<u>(2,263)</u>	<u>9,627</u>
Non-operating income (expense)				
Interest income	255	216	---	471
Interest expense on revenue bonds	<u>(1,718)</u>	<u>---</u>	<u>(4,395)</u>	<u>(6,113)</u>
Income (loss) before operating transfers	<u>5,244</u>	<u>5,399</u>	<u>(6,658)</u>	<u>3,985</u>
Operating transfers in	2,200	---	---	2,200
Operating transfers out	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Net income (loss)	<u>7,444</u>	<u>5,399</u>	<u>(6,658)</u>	<u>6,185</u>

See independent auditor's report.

VILLAGE OF ELIZABETH
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
Year ended June 30, 1998

	<u>Water System Fund</u>	<u>Electricity Fund</u>	<u>Sewer System Fund</u>	<u>Total</u>
Net income (loss)	\$ 7,444	\$ 5,399	\$ (6,658)	\$ 6,185
Retained earnings, July 1, 1998	<u>57,958</u>	<u>151,363</u>	<u>258,898</u>	<u>468,219</u>
Retained earnings, June 30, 1999	<u>\$ 65,400</u>	<u>\$ 156,762</u>	<u>\$252,240</u>	<u>\$ 474,404</u>

See independent auditor's report.

VILLAGE OF ELIZABETH
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
Year ended June 30, 1998

	Water System Fund	Electricity Fund	Sewer System Fund	Total
Operating revenues:				
Metered sales -				
Water	\$ 78,393	\$ ---	\$ ---	\$ 78,393
Electricity	---	315,760	---	315,760
Miscellaneous	---	---	---	---
Sewer services	---	---	18,471	18,471
Total operating revenues	<u>78,393</u>	<u>315,760</u>	<u>18,471</u>	<u>412,624</u>
Operating expenses:				
Salaries	25,102	52,634	---	77,736
Electricity purchases	---	215,000	---	215,000
Repairs	1,631	6,202	---	7,833
Insurance	2,097	3,745	814	6,656
Training	---	---	---	---
Office supplies	500	400	500	1,400
Material and supplies	6,822	11,698	317	18,837
Utilities	4,855	---	6,539	11,394
Miscellaneous	13,699	290	375	14,364
Legal and professional	375	2,400	200	2,975
Contract labor	1,247	7,571	6,801	15,619
Total operating expenses	<u>56,328</u>	<u>299,940</u>	<u>15,546</u>	<u>371,814</u>
Net operating income before depreciation	22,065	15,820	2,925	40,810
Depreciation	<u>(4,601)</u>	<u>(5,875)</u>	<u>(10,683)</u>	<u>(21,159)</u>
Net operating income (loss)	<u>17,464</u>	<u>9,945</u>	<u>(7,758)</u>	<u>19,651</u>
Non-operating income (expense)				
Interest income	247	244	---	491
Interest expense on revenue bonds	<u>(8,253)</u>	<u>---</u>	<u>(470)</u>	<u>(8,723)</u>
Income (loss) before operating transfers	<u>9,458</u>	<u>10,189</u>	<u>(8,228)</u>	<u>11,419</u>
Operating transfers in	---	---	4,000	4,000
Operating transfers out	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Net income (loss)	<u>9,458</u>	<u>10,189</u>	<u>(4,228)</u>	<u>15,419</u>

See independent auditor's report.

VILLAGE OF ELIZABETH
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
Year ended June 30, 1998

	<u>Water System Fund</u>	<u>Electricity Fund</u>	<u>Sewer System Fund</u>	<u>Total</u>
Net income (loss)	\$ 9,458	\$ 10,189	\$ (4,228)	\$ 15,419
Retained earnings, July 1, 1997	<u>48,500</u>	<u>141,174</u>	<u>263,126</u>	<u>452,800</u>
Retained earnings, June 30, 1998	<u>\$ 57,958</u>	<u>\$ 151,363</u>	<u>\$258,898</u>	<u>\$ 468,219</u>

See independent auditor's report.

VILLAGE OF ELIZABETH
WATER SYSTEM FUND
BALANCE SHEET

June 30, 1999

Assets

Current assets:

Cash and cash equivalents	\$ 10,323
Accounts receivable	4,716
Accrued interest receivable	---
Total current assets	<u>15,039</u>

Restricted assets:

Water Revenue Note Fund:	
Cash	200
Investments	4,000
Depreciation and Contingencies Fund:	
Cash	14,932
Investments	---
Water Meter Deposit Fund:	
Cash	3,483
Investments	<u>5,000</u>
Total restricted assets	<u>27,615</u>

Plant and equipment:

Land	1,875
Water system	200,540
Less: Accumulated depreciation	<u>(119,298)</u>
Total plant and equipment	<u>83,117</u>

Total assets	<u>\$ 125,771</u>
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See independent auditor's report.

VILLAGE OF ELIZABETH
WATER SYSTEM FUND
BALANCE SHEET

June 30, 1999

LIABILITIES, RESERVES AND RETAINED EARNINGS

Current liabilities:

Accounts payable	\$ 614
Interest payable	131
Accrued sales tax	<u>---</u>
Total current liabilities	<u>745</u>

Current liabilities - restricted:

Revenue bonds payable	6,540
Meter deposits	<u>6,840</u>
Total current liabilities - restricted	<u>13,380</u>

Other liabilities:

Revenue bonds payable	<u>46,244</u>
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Total liabilities	<u>60,369</u>
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Reserve:

Reserve for depreciation and contingencies	<u>19,132</u>
--	---------------

Retained earnings - unrestricted	<u>46,270</u>
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Total liabilities, reserves and retained earnings	<u>\$125,771</u>
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VILLAGE OF ELIZABETH
WATER SYSTEM FUND
STATEMENT OF CASH FLOWS

For the year ended June 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ 6,707
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	4,601
Changes in assets and liabilities:	
Accounts receivable	2,499
Accounts payable	417
Customer deposits	<u>(1,520)</u>
Net cash provided by operating activities	<u>12,704</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	<u>2,200</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Payment on long-term debt	(6,922)
Interest paid	<u>(1,673)</u>
Net cash (used) from capital financing activities	<u>(8,595)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>255</u>
Net cash provided by investing activities	<u>255</u>
INCREASE IN CASH	6,564
CASH, BEGINNING OF YEAR	<u>31,374</u>
CASH, END OF YEAR	<u>\$37,938</u>
CLASSIFIED AS	
Current assets	\$10,323
Restricted assets	<u>27,615</u>
Totals	<u>\$37,958</u>

See independent auditor's report.

VILLAGE OF ELIZABETH
WATER SYSTEM FUND
STATEMENT OF CASH FLOWS

For the year ended June 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ 17,464
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	4,601
Changes in assets and liabilities:	
Accounts receivable	(1,557)
Accounts payable	(1,064)
Customer deposits	<u>533</u>
Net cash provided by operating activities	<u>19,977</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>---</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Payment on long-term debt	(4,864)
Interest paid	<u>(8,261)</u>
Net cash (used) from capital financing activities	<u>(13,125)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>247</u>
Net cash provided by investing activities	<u>247</u>
INCREASE IN CASH	7,099
CASH, BEGINNING OF YEAR	<u>24,275</u>
CASH, END OF YEAR	<u>\$31,374</u>
CLASSIFIED AS	
Current assets	\$ 8,613
Restricted assets	<u>22,761</u>
Totals	<u>\$31,374</u>

See independent auditor's report.

VILLAGE OF ELIZABETH
ELECTRICITY SYSTEM FUND
BALANCE SHEET

June 30, 1999

Assets

Current assets:

Cash and cash equivalents	\$ 43,840
Accounts receivable	29,878
Accrued interest receivable	---
Total current assets	73,718

Restricted assets:

Cash:	
Electric meter deposits	---
Investments	8,000
Electric refund	12,146
Total restricted assets	20,146

Plant and equipment:

Land	10,500
Electricity system	218,160
Less: Accumulated depreciation	(129,186)
Total plant and equipment	99,474

Total assets	\$ 193,338
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LIABILITIES AND RETAINED EARNINGS

Current liabilities:

Accounts payable	\$ 20,011
Accrued sales tax	---
Total current liabilities	20,011

Current liabilities - restricted:

Meter deposits payable	16,565
Electricity	---
Total current liabilities - restricted	16,565

Total liabilities	36,576
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Retained earnings-unreserved-undesignated	156,762
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Total liabilities and retained earnings	\$ 193,338
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See independent auditor's report.

VILLAGE OF ELIZABETH
ELECTRICITY SYSTEM FUND
STATEMENT OF CASH FLOWS

For the year ended June 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ 5,183
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	6,030
Changes in assets and liabilities:	
Accounts receivable	4,324
Accounts payable	(1,973)
Customer deposits	<u>(1,482)</u>
Net cash provided by operating activities	<u>12,082</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>---</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Acquisition of property, plant and equipment	<u>(1,000)</u>
Net cash (used) from capital financing activities	<u>(1,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>216</u>
Net cash provided by investing activities	<u>216</u>
INCREASE IN CASH	11,298
CASH, BEGINNING OF YEAR	<u>52,688</u>
CASH, END OF YEAR	<u>\$63,986</u>
CLASSIFIED AS	
Current assets	\$43,840
Restricted assets	<u>20,146</u>
Totals	<u>\$63,986</u>

See independent auditor's report.

VILLAGE OF ELIZABETH
ELECTRICITY SYSTEM FUND
STATEMENT OF CASH FLOWS

For the year ended June 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ 9,945
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	5,875
Changes in assets and liabilities:	
Accounts receivable	(7,587)
Accounts payable	4,934
Customer deposits	<u>1,850</u>
Net cash provided by operating activities	<u>15,017</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
	<u>---</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Acquisition of property, plant and equipment	<u>(608)</u>
Net cash (used) from capital financing activities	<u>(608)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>244</u>
Net cash provided by investing activities	<u>244</u>
INCREASE IN CASH	14,653
CASH, BEGINNING OF YEAR	<u>38,035</u>
CASH, END OF YEAR	<u>\$52,688</u>
CLASSIFIED AS	
Current assets	\$35,921
Restricted assets	<u>16,767</u>
Totals	<u>\$52,688</u>

See independent auditor's report.

VILLAGE OF ELIZABETH
SEWER SYSTEM FUND
BALANCE SHEET

June 30, 1999

Assets

Current assets:

Cash and cash equivalents	\$ 6,232
Accounts receivable	1,973
Accrued interest receivable	---
Total current assets	8,205

Plant and equipment:

Sewer system	527,875
Less: Accumulated depreciation	(238,624)
Total plant and equipment	289,251

\$ 297,456

LIABILITIES AND RETAINED EARNINGS

Current liabilities:

Revenue bonds payable-current portion	\$ 3,044
Accounts payable	---
Interest payable	---
Interfund payable -General fund	2,000
Total current liabilities	5,044

Other liabilities:

Revenue bonds payable - net of current portion	40,172
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Total liabilities	45,216
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Retained earnings	252,240
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Total liabilities and retained earnings	\$ 297,456
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See independent auditor's report.

VILLAGE OF ELIZABETH
SEWER SYSTEM FUND
STATEMENT OF CASH FLOWS

For the year ended June 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (2,263)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	10,734
Changes in assets and liabilities:	
Accounts receivable	<u>(404)</u>
Net cash provided by operating activities	<u>8,067</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>---</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Acquisition of property, plant and equipment	(895)
Repayment of indebtedness	(742)
Interest paid	<u>(4,395)</u>
Net cash (used) from capital financing activities	<u>(6,032)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>---</u>
INCREASE IN CASH	2,035
CASH, BEGINNING OF YEAR	<u>4,197</u>
CASH, END OF YEAR	<u>\$ 6,232</u>

See independent auditor's report.

VILLAGE OF ELIZABETH
SEWER SYSTEM FUND
STATEMENT OF CASH FLOWS

For the year ended June 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (7,758)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	10,682
Changes in assets and liabilities:	
Accounts receivable	(164)
Accounts payable	<u>(180)</u>
Net cash provided by operating activities	<u>2,580</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	<u>4,000</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Repayment of indebtedness	(4,665)
Interest paid	<u>(470)</u>
Net cash (used) from capital financing activities	<u>(5,135)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>---</u>
INCREASE IN CASH	1,445
CASH, BEGINNING OF YEAR	<u>2,752</u>
CASH, END OF YEAR	<u>\$ 4,197</u>

OTHER SUPPLEMENTARY INFORMATION

Village of Elizabeth
SCHEDULE OF PRIOR YEAR FINDINGS

For the Two Years Ended June 30, 1999

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

1997.1 The audit report for the year ended June 30, 1999, contained a finding related to the report not being issued within the six months of the close of its' year-end. This was a violation of LA R.S. #24:513 (A)(5)(a), but did not effect the financial statements. The current report will be issued to the Legislative Auditor within the statutory period.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

There were no prior year findings relating to internal control and compliance material to federal awards.

SECTION III MANAGEMENT LETTER

There was no management letter with prior year audit report.

See independent auditor's report.

Village of Elizabeth
MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Two Years Ended June 30, 1999

SECTION I **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENT**

N/A

SECTION II **INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL
AWARDS**

N/A

SECTION III **MANAGEMENT LETTER**

N/A

See independent auditor's report.

Village of Elizabeth
Required Supplemental Information
Year 2000 Supplementary Information
June 30, 1999

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Village's operations as early as fiscal year 1999.

The Village has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting Village operations and has identified such systems as being financial reporting, water billing and processing and cash receipts. All necessary modifications and/or additional procedures have been performed in order to make these systems Year 2000 compliant.

The Village has purchased and placed in operation hardware and software that the vendor has certified as Year 2000 compliant.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of the related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the Village is or will be Year 2000 ready, the Village's remediation efforts will be successful in whole or in part, or that parties with whom the Village does business will be Year 2000 ready.

See independent auditor's report.