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VILLAGE OF ELIZABETH
ANNUAL FINANCIAL REPORT

June 30, 1967

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Release Date **FEB 24 1968**

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ELLIOTT & ASSOCIATES, INC.

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NO. 1000001 (Rev. 1/78)

UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS-GOVERNMENTAL ENTITY

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying general purpose financial statements of the Village of Elizabeth, Louisiana as of June 30, 1987, and for the two years then ended. These general purpose financial statements are the responsibility of the Village'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. These 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, Louisiana, as of June 30, 1987, and the results of its operations and cash flows of its proprietary fund types for the two years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated November 3, 1987, on my consideration of the Village of Elizabeth, Louisiana's internal control structure and a report dated November 3, 1987 on the compliance with laws and regulations.

Elliott & Assoc. "A PC"
Louisville, Louisiana
November 3, 1987

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W. Michael Elzer, CPA

REPORT OF 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 Kanberry, Mayor
and Members of the Board of Aldermen
Elizabeth, Louisiana

I have audited the financial statements of the Village of Elizabeth, Louisiana as of and for the two years ended June 30, 1997, and have issued my report thereon dated November 3, 1997. 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, Louisiana'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 accounts. However, providing an opinion on compliance with these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described as follows:

Finding: This audit report is not being issued within the six months of the close of its December 31, 1997 fiscal year-end. This is a violation of LA R.S. #24:122(A)(5)(a).

Management Response: The CPA firm performing the examination of accounts had an external quality review performed in December 1999. Based on the results of that review, a specific letter of comment suggested that, due to the firm's size, the firm should consider retaining another qualified CPA firm to review all governmental type reports prior to issuance to improve its quality control features.

The firm adopted the recommendation; however, implementation and coordination of the pre-issuance review had delayed the release of certain reports until after the statutory deadline. Future reports beginning with the next fiscal year will be issued within the statutory time frame.

Finding: Budget Variances. The following funds had budget variances as noted:

In the General Fund, general government expenditures for the fiscal year ended June 30, 1993 exceeded the budgeted amount by \$8,731 or 18.44%. This excess was caused by additional costs in renovating the Community Center and tennis courts.

In the Water Fund, contract labor costs exceeded the budgeted amount by \$2,822 or 141%. This excess was caused by more water line breakdowns causing additional contract labor costs.

In the Electric Fund, materials and supplies exceeded budgeted expenses by 62.54 and repairs exceeded budgeted expenses by 229%. These excess variances were caused by additional costs at Little Pinesy Park.

In the Sewer Fund, materials and supplies exceeded budgeted by 108.84. This was caused by the extra sewer volume as discussed above at Little Pinesy Park and related rentals.

In the Fire Fund, actual revenues did not meet budget levels by \$2,899 or 19.74%. The primary cause was an approximate \$7,000 decrease in grant revenues from the jobbers. Also, expenditures exceeded budgeted amounts by \$2,293 or 11.84%.

Management Response: The Village will more closely monitor the fiscal year 1998 budgets and make appropriate amendments before the fiscal year-end.

Internal Control Over Compliance

In planning and performing my audit, I considered the Village of Kingsbath'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 compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Robert A. Anderson, "ARAC"
Auditor, Accountants
November 3, 1997

Village of Elizabeth
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended December 31, 1997

I have audited the financial statements of the Village of Elizabeth as of and for the year ended December 31, 1997, and have issued my report thereon dated November 3, 1998. 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 December 31, 1997 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
Disclaimor Adverse
N/A

Are their findings required to be reported in accordance with
Circular A-133, Section .518(a)?

Yes No N/A

c. Identification of Major Programs

OPDA Number(s) Name of Federal Program

Name

Rating

Dollar threshold used to distinguish between Type A and Type B Programs: \$ N/A

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

Yes No N/A

Section II Financial Statement Findings

1997.1 Late Filing: This audit report is not being issued within the six months of the close of the December 31, 1997 fiscal year-end. This is a violation of L.R.E. 228.518(a)(15)(B), but does not have any effect on the financial statements. All future reports should be issued within the required time frame.

1997.2 Budget Variances: Several funds had budget deficits in excess of 1% and are described in the compliance opinion described previously. Management will more closely monitor such variances in future fiscal periods.

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 ENDED
June 30, 1993

	Governmental Fund Types			
	General	Special Revenue Fire	Debt Service	Capital Project
ASSETS				
Cash and cash equivalents (Note 2)	\$ 18,826	\$ 2,787	\$ ---	\$219,482
Receivables, less allowances applicable, or allowances for uncollectibles	---	3,141	---	---
Taxes (Note 3)	---	---	---	---
Due from other funds (Note 5)	2,800	---	---	---
Due from other governmental units (Note 4)	5,462	---	---	---
Restricted assets (Note 8 & 10):				
Cash and cash equivalents	---	---	---	---
Buildings and land (Note 6)	---	---	---	---
Improvements other than buildings (Note 6)	---	---	---	---
Equipment (Note 8)	---	---	---	---
Utility plant and equipment, net (Note 7)	---	---	---	---
Amount available in Debt Service Funds (Note 11)	---	---	---	---
Amount to be provided for retirement of general long-term debt	---	---	---	---
Total assets	\$ 26,488	\$ 5,928	\$ ---	\$219,482

The accompanying notes are an integral part of this statement.

Schedule A
(Continued)

Proprietary Fund Type Enterprise	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
\$ 30,446	\$ ---	\$ ---	\$ 30,446
33,879	---	---	33,879
---	---	---	3,800
---	---	---	5,463
34,396	---	---	34,396
12,375	260,898	---	273,273
---	347,640	---	347,640
---	224,535	---	224,535
499,487	---	---	499,487
---	---	---	---
<u>1619,600</u>	<u>288,828</u>	<u>---</u>	<u>1908,428</u>

VILLAGE OF KIRASSETTI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
(CONTINUED)
June 30, 1997

	Governmental Fund Types			
	General	Special Revenue Fund	Debt Service	Capital Project
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 888	\$ 888	\$ ---	\$ ---
Sales tax payable	1,088	---	---	---
Accrued interest payable	---	---	---	---
Note payable to bank (Note 11)	1,885	---	---	---
Payable from restricted assets -				
Revenue bonds	---	---	---	---
Customers' deposits	---	---	---	---
Due to other funds (Note 4)	---	---	---	---
General obligation bonds payable (Note 11)	---	---	---	---
Total Liabilities	3,311	888	---	---
Fund equity:				
Contributed capital	---	---	---	---
Investment in general fund assets (Notes 4 & 12)	---	---	---	---
Retained earnings				
Reserved	---	---	---	---
Unreserved	---	---	---	---
Fund balances -				
Reserved for construction	---	---	---	299,682
Unreserved	22,122	5,428	---	---
Total fund equity	22,122	5,428	---	299,682
Total Liabilities and Fund equity	\$ 35,433	\$ 4,316	\$ ---	\$299,682

The accompanying notes are an integral part of this statement.

Exhibit A
(Concluded)

Proprietary Fund Type Enterprise	Account Groups		Totals (Nonrevenue Only)
	General Fixed Assets	General Long-Term Debt	
\$ 10,400	\$ ----	\$ ----	\$ 10,400
----	----	----	1,000
96	----	----	96
----	----	----	1,700
113,193	----	----	113,193
24,024	----	----	24,024
3,000	----	----	3,000
-----	-----	-----	-----
150,601	-----	-----	150,601
-----	-----	-----	-----
-----	816,020	-----	816,020
1,000	-----	-----	1,000
447,295	-----	-----	447,295
-----	-----	-----	228,680
-----	-----	-----	27,600
552,012	816,020	-----	1,368,032
<u>\$ 618,603</u>	<u>816,020</u>	<u>\$ -----</u>	<u>\$ 1,434,623</u>

VILLAGE OF ELIZABETH
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 YEAR Ended June 30, 1997

	General	Special Revenues Fire	Subd Service
Revenues:			
Taxes	\$ 31,404	\$ 3,100	\$ ---
Licenses and permits	12,344	---	---
Intergovernmental	7,987	2,528	---
Fines and forfeits	266	---	---
Miscellaneous	80,809	8,120	---
Total revenues	<u>108,810</u>	<u>11,848</u>	<u>---</u>
Expenditures:			
Current -			
General government	80,301	---	---
Public safety -			
Police	4,240	---	---
Fire	---	21,407	---
Highways, streets and sanitation	1,049	---	---
Capital outlay	10,964	---	---
Subd service -			
Principal retirement	---	---	---
Interest and financial charges	---	---	---
Total expenditures	<u>86,554</u>	<u>21,887</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures	12,256	(10,039)	---
Other financing sources (uses):			
Transfers in	---	7,200	---
Transfers out	(1,288)	---	---
Excess (deficiency) of revenues and other sources over expenditures and other uses	10,968	(2,839)	---
Fund balances, beginning	10,968	8,028	---
Fund balances, ending	<u>\$ 21,936</u>	<u>\$ 5,189</u>	<u>\$ ---</u>

The accompanying notes are an integral part of this statement.

Capital Project	Total Memorandum Only
\$ ---	\$ 49,614
---	12,348
---	10,515
---	204
48,788	102,739
48,788	162,461
6,372	66,478
---	4,349
---	21,597
---	1,608
19,678	28,623
---	---
---	---
29,356	143,518
29,356	23,945
---	9,200
28,000	18,300
12,032	23,945
205,098	288,348
218,092	\$ 262,281

VILLAGE OF ELIZABETH
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUNDS TYPES
 Year Ended June 30, 2006

	General	Special Revenue Funds	Debt Service
Revenues:			
Taxes	\$ 36,398	\$ 3,679	\$ 4,668
Licenses and permits	18,901	---	---
Intergovernmental	7,447	4,880	---
Fees and forfeits	576	---	---
Miscellaneous	<u>30,288</u>	<u>7,333</u>	<u>33</u>
Total revenues	<u>93,510</u>	<u>15,932</u>	<u>4,701</u>
Expenditures:			
Current -			
General government	64,192	18,835	144
Public safety -			
Police	4,847	---	---
Fire	---	---	---
Highways, streets and sanitation	14,340	---	---
Capital outlay	18,472	---	---
Debt service -			
Principal retirement, interest and fiscal charges	---	---	7,984
Total expenditures	<u>121,881</u>	<u>18,835</u>	<u>8,128</u>
Excess (deficiency) of revenues over expenditures	(28,371)	697	(3,427)
Other financing sources (uses):			
Transfers in	15,880	3,888	---
Transfers out	<u>(221,428)</u>	<u>---</u>	<u>(21,880)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(200,619)	3,064	(21,787)
Fund balances, beginning	<u>254,383</u>	<u>2,931</u>	<u>3,795</u>
Fund balances, ending	<u>\$ 47,764</u>	<u>\$ 6,027</u>	<u>\$ (18,992)</u>

The accompanying notes are an integral part of this statement.

Capital Proceeds	Totals Memorandum Only
\$ 20	\$ 48,188
---	25,993
16,088	29,308
---	576
<u>32,176</u>	<u>63,626</u>
<u>40,892</u>	<u>128,128</u>
---	163,133
---	6,847
---	---
---	14,340
5,373	23,743
---	3,664
---	---
<u>5,373</u>	<u>128,088</u>
36,823	(4,994)
221,406	136,826
<u>188,418</u>	<u>(162,345)</u>
228,428	(28,379)
<u>8,923</u>	<u>271,315</u>
<u>228,858</u>	<u>2,291,345</u>

VILLAGE OF ELIZABETH

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (DRAFT BASIS) AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES Year Ended June 30, 1997

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 37,000	\$ 37,854	\$ 854
Licenses and permits	12,100	12,348	248
Intergovernmental	3,750	3,993	243
Fines and forfeits	600	244	(356)
Miscellaneous	18,258	18,828	570
Total revenues	78,558	108,872	30,314
Expenditures:			
General government	61,500	60,393	(11,107)
Public safety -			
Police	8,478	8,249	229
Fire	---	---	---
Highways and streets	1,000	1,849	849
Capital expenditures	10,000	10,364	(364)
Total expenditures	79,248	90,855	(11,631)
Excess (deficiency) of revenues over expenditures	(1,690)	12,909	34,604
Other financing sources (uses):			
Transfers in	---	---	---
Transfers out	---	(12,200)	(12,200)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,690)	11,709	18,404
Fund balances, beginning	18,404	18,888	---
Fund balances, ending	\$ 1,714	\$ 30,597	\$ 28,883

The accompanying notes are an integral part of this statement.

Exhibit C

Fire Fund Special Revenue		
Budget	Actual	Variance - Favorable (Unfavorable)
\$ 4,000	\$ 3,168	\$ (832)
4,100	3,818	(782)
6,000	3,128	(2872)
14,100	11,000	(3,100)
---	---	---
---	---	---
18,000	21,597	(3,597)
---	---	---
18,000	21,597	(3,597)
---	---	---
14,000	18,796	(4,796)
3,600	0,200	3,400
---	---	---
(1,000)	(100)	900
4,028	6,000	(1,972)
\$ 2,028	\$ 3,400	\$ 1,372

VILLAGE OF ELIZABETH

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS - PROPRIETARY FUND TYPE
 For the year ended June 30, 1997

Operating revenues:	
Retained sales -	
Water	\$ 55,788
Electricity	263,483
Miscellaneous	---
Sewer services	38,020
Total operating revenues	357,291
Operating expenses:	
Salaries and payroll taxes	60,580
Electricity purchases	275,342
Repairs	5,836
Insurance	7,428
Office supplies	1,500
Material and supplies	16,582
Utilities	11,466
Miscellaneous	1,713
Legal and professional	1,905
Contract labor	15,628
Total operating expenses	506,102
Net operating income before depreciation	81,189
Depreciation	23,054
Net operating income	58,135
Nonoperating income (expense):	
Interest income	843
Interest expense on revenue bonds	(3,821)
Income before operating transfers	5,320
Operating transfers in	---
Operating transfers out	(3,880)
Net income (loss)	1,440
Retained earnings, beginning	439,878
Retained earnings, ending	\$ 441,318

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH

Exhibit B-2

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

Operating revenues:	
Water sales -	
Water	\$ 66,197
Electricity	263,393
Miscellaneous	---
Power services	18,878
Total operating revenues	328,468
Operating expenses:	
Salaries and payroll taxes	64,128
Electricity purchases	162,278
Repairs	3,397
Insurance	7,427
Training	340
Office supplies	1,500
Material and supplies	20,219
Utilities	11,440
Miscellaneous	1,888
Legal and professional	1,277
Contract labor	28,168
Total operating expenses	332,585
Net operating income before depreciation	5,883
Depreciation	28,486
Net operating income	413,412
Nonoperating income (expenses):	
Interest income	524
Interest expense on revenue bonds	(1,953)
Income before operating transfers	412,983
Operating transfers in	---
Operating transfers out	(2,402)
Net income (loss)	410,581
Retained earnings, beginning	471,658
Retained earnings, ending	\$ 882,231

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH

COMBINED STATEMENT OF CASH FLOW
 - PROPRIETARY FUND TYPE
 For the year ended June 30, 1997

Operating activities	
Net income (loss)	\$ 2,926
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	21,854
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(2,356)
Increase (decrease) in interest payable	95
Increase (decrease) in accounts payable	(3,712)
Increase (decrease) in customer deposits	(384)
Increase (decrease) in electronic meters payable	150
Net cash provided (used) by operating activities	16,571
Investing activities	
Purchase of equipment	(2,468)
Financing activities	
Bond payments	(12,188)
Increase (decrease) in cash	1,915
Cash and cash equivalents, beginning of fiscal year	24,877
Cash and cash equivalents, end of fiscal year	\$ 26,792

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH

Exhibit E-2

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

Operating activities	
Net income (loss)	\$ (24,707)
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	20,400
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(1,107)
(Increase) decrease in restricted assets	12,687
Increase (decrease) in accounts payable	3,367
Increase (decrease) in customer deposits	200
Increase (decrease) in electronic notes payable	1,600
Net cash provided (used) by operating activities	10,800
Investing activities	
Purchase of equipment	(6,850)
Financing activities	
Bond payments	(18,307)
Increase (decrease) in cash	1,643
Cash and cash equivalents, beginning of fiscal year	22,400
Cash and cash equivalents, end of fiscal year	\$ 24,043

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS
June 30, 1986

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Elizabeth (the Village) was incorporated under the provisions of the Louisiana 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 3--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Financial Reporting Entity (Continued)

2. Organizations for which the municipality does not appoint a voting majority but are financially 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 basis. 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.
5. 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 market 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, 1997.

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, 1997, 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 not 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 depreciable 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 include all cash on hand, cash in bank and certificates of deposit.

For the two years ended June 30, 1987, 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 reverses, 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 accounts due for all 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, 1997 cash and cash equivalents totaled \$292,333 (book balance) and \$231,788 (bank balance). The composition of these accounts is as follows:

	Book Balance	Bank Balance
Demand Deposits -		
Non-Interest Bearing	\$ 62,482	\$103,628
Interest Bearing Checking and Certificates of Deposit	,229,852	,128,160
Total Cash	<u>\$292,333</u>	<u>\$231,788</u>

Under state law, these deposits must be covered 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, 1997 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, 1997 (Bank Balance)	\$292,333
Less FDIC Coverage	(160,528)
Subtotal	131,805
Less Securities Pledged to Village but held in the Name of the Financial Institution (Uncollateralized - EAR Category 3)	(100,017)
Excess of FDIC Insurance and Pledged Securities	<u>\$31,788</u>

Even though the pledged securities are considered uncollateralized (category 3) under the provisions of GSA Statement 3, Louisiana law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 90 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, 1997, taxes of \$16 млн were levied on property with an assessed valuation of \$288,038 and were dedicated to general corporate purposes. There were no material amounts of taxes receivable at June 30, 1997.

NOTE 4 - RECEIVABLES

The receivables at June 30, 1997 are as follows:

	General Fund	Fire Fund	Enterprise Fund	Memorandum Total
Charges for Services	\$ 5,462	\$3,141	\$ 33,479	\$ 42,082
Allowance for Depreciation	---	---	---	---
Total	\$ 5,462	\$3,141	\$ 33,479	\$ 42,082

NOTE 5--INTERFUND RECEIVABLES, PAYABLE

	Interfund Receivables	Interfund Payables
General fund	\$ 2,800	\$ ---
Water fund	\$ ---	\$ 2,800

NOTE 6--GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance June 30, 1996	1996 Additions	1997 Additions	Deletions	Balance June 30, 1997
Buildings and land	\$282,308	\$ 10,472	\$ 13,664	\$ ---	\$306,444
Leased assets	\$47,640	---	---	---	\$47,640
Machinery and equipment	211,035	---	13,508	---	\$224,543
Total general fixed assets	\$540,983	\$ 13,472	\$ 27,172	\$ ---	\$581,627

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, 1993 consists of the following:

Land	\$ 12,316
Distribution System	<u>844,032</u>
	856,347
Less Accumulated depreciation	<u>(144,565)</u>
Net Property and Equipment	<u>\$ 711,782</u>

NOTE 8--RESTRICTED ASSETS

Restricted assets were applicable to the following at June 30, 1993:

Cash with paying agent -	
Inlet Service Fund	\$ 5,502
Customers' deposits-	
Proprietary Fund	<u> ---</u>
Total restricted assets	<u>\$ 5,502</u>

NOTE 9--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 10--FACE OF BONDS; RESTRICTION ON USE - ENTERPRISE BONDS:

Water System Bonds

Under the terms set forth by the FIA on outstanding water revenue bonds dated March 15, 1960, 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:

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 18--FLOW OF FUNDS: RESTRICTION ON USE - ENTERPRISE FUNDS - (CONTD.)

Water System Revenues (Cont'd.)

Each month, there shall be set aside into a "Water Revenue Note Fund" \$718 plus \$85 a month until a reserve of \$4,780 is established. This money will be used to pay principal and interest on the bonds as they become due. There is presently \$4,208 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 \$6,172 in this Depreciation and Contingencies Fund at June 30, 1987.

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.

Water System Revenues

Under the terms of the bond indenture on outstanding sewer revenue bonds dated February 28, 1975, all income and revenues (hereinafter referred to as FUNDING) of every nature, earned or derived from operation of the Sewer System are pledged and dedicated to the retirement of the later described sewer revenue bonds and to be set aside into the following special funds:

NOTE 19--CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions classified as general long-term debt of the Village of Elizabeth for the year ended June 30, 1987:

Bonds payable, July 1, 1986	\$28,094
Bonds retired - fiscal year 1987	128,094
Bonds payable, June 30, 1987	\$_____

VILLAGE OF ELIZABETH
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11--CHANGES IN LONG-TERM DEBT (CONTINUED)

Bonds payable at June 30, 1997 are comprised of the following individual issues:

General obligation bonds:

\$20,000 Public Improvement Bonds - Sewer Dist. No. 1 12/28/75; due in annual installments of \$1,175 through 2/28/2015; interest at 5% (this issue secured by levy and collection of ad valorem taxes).	\$ ---
\$20,000 General Obligation Tax Bonds - Sewer Dist. No. 1 bonds dated 2/28/75; due in annual installments of \$1,375 through 2/28/2015; interest at 5% (this issue secured by levy and collection of ad valorem taxes).	-----
Total bonds payable	<u>\$-----</u>

The Village has two revenue bond issues outstanding as follows:

\$25,000 Sewer Revenue Bonds dated February 28, 1975; due in annual installments of \$5,136 through June 9, 2000; interest at 5%; secured by sewer revenues	\$ 48,620
\$100,000 Wastewater Revenue Bonds dated March 10, 1988; due in annual installments of \$710 through June 2007; interest at 4.125% secured by water revenues	____84,528
Total	<u>\$133,148</u>

The following represents changes in revenue bonds payable for the water and sewer fund for the two years ended June 30, 1997:

	Water Fund	Sewer Fund	Total
Balance, June 30, 1995	\$ 77,207	\$ 54,941	\$132,148
Debt retired	(15,467)	(12,728)	(28,195)
Balance, June 30, 1996	61,740	42,213	103,953
Debt retired	(12,200)	(12,998)	(25,198)
Balance, June 30, 1997	<u>\$ 49,540</u>	<u>\$ 29,215</u>	<u>\$78,755</u>

VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11--CHANGES IN LONG-TERM DEBT (CONTINUED)

The following represents maturation due in future years for the water and sewer revenue bonds payable including interest expense of \$24,117:

	Water Fund	Sewer Fund	Total
1995	\$ 8,595	\$ 5,136	\$ 13,731
1996	8,595	5,136	13,731
2000	8,595	5,136	13,731
2001	8,595	5,136	13,731
2002	8,595	5,136	13,731
2003-2007	—42,975	—75,688	—118,663
	\$ 45,955	\$ 31,386	\$ 77,341

NOTE 12--DEFERRED ASSETS

Deferred assets at June 30, 1997 consist of the following:

Prepition Building	\$ 2,075
Town Hall (land and building)	13,600
Sewer system	34,716
Land - lot 8, block 1, Eastern Heights	1,550
20 acres of land valued at \$1,500 an acre	40,000
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	93,500
	\$285,981

**VILLAGE OF ELIZABETH
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE 13--NOTE PAYABLE - GENERAL FUND

During the fiscal year ended June 30, 1997, the Village borrowed \$15,000 from a local bank at 7% for 5 years to purchase a cutter and a tractor. The transaction was approved by the Louisiana State Bond Commission on September 17, 1992. At June 30, 1997, the outstanding balance of this note payable was \$1,200.

NOTE 14--LOCAL FIRE PROTECTION GRANT

The Village was awarded a \$200,000 Louisiana Community Development Block Grant on December 19, 1990 for construction of a fire station and purchase of a fire truck for the Village. No funding for this grant was received for the fiscal year ended June 30, 1997.

NOTE 15--ALDERMEN SALARIES

For the year ended June 30, 1997, the amounts of salaries and wages paid to the Mayor and Board of Aldermen were as follows:

Name	Position	Salary
Marren Clark	Mayor	\$5,850
Terry Bushberry	Interim Mayor/ Alderman	2,370
Tony Stewart	Alderman	360
Michael Haidor	Alderman	480
Kenneth Kelly	Alderman	480
Robert Hinton	Alderman	480
Robert Crafton	Alderman	480
Totals:		\$20,400

NOTE 16--RETAINED EARNINGS-RESERVED

The reserved retained earnings at June 30, 1997 represents net assets dedicated toward debt service requirements for the current period.

FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

DEBT SERVICE FUND

General Obligation Tax Bonds 1975 - To accumulate monies for payment of the 1975 General Obligation Tax Bonds, which are serial bonds due in annual installments, plus interest, through maturity in 2025. Debt service is financed by the levy of a specific ad valorem tax.

Public Improvement Bonds 1975 - To accumulate monies for payment of the 1975 Public Improvement bonds which are serial bonds due in annual installments, plus interest, through maturity in 2015. Debt service is financed by the levy of a specific ad valorem tax.

VILLAGE OF ELIZABETH
 WERT SERVICE FUND
 COMBINING BALANCE SHEET
 June 30, 1997

	1978 General Obligation Tax Bonds Sewerage District No. 1	1975 Public Improvement Bonds Village of Elizabeth No. 1	Total
Current assets:			
Cash and cash equivalents	\$ ---	\$ ---	\$ ---
Current liabilities:			
Interest payable	\$ ---	\$ ---	\$ ---
Fund balance	---	---	---
Total liabilities and fund balances	\$ ---	\$ ---	\$ ---

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH

Exhibit F-2-A

WATER SERVICE FUND

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
Year Ended June 30, 1997

	1976 General Obligations Tax Fonds Sewerage District No. 1	1976 Public Improvement Bonds Village of Elizabeth No. 1	Total
Revenues:			
Ad valorem taxes	\$ ---	\$ ---	\$ ---
Interest income	---	---	---
Miscellaneous	---	---	---
Total revenues	---	---	---
Expenditures:			
Tax assessor fees	---	---	---
Principal retirement	---	---	---
Interest	---	---	---
Miscellaneous	---	---	---
Total expenditures	---	---	---
Excess (deficiency) of revenues over expenditures before transfers out	---	---	---
Transfers out to water fund	---	---	---
Excess (deficiency) of revenues over expenditures after transfers	---	---	---
Fund balance, July 1, 1996	---	---	---
Fund balance, June 30, 1997	\$ ---	\$ ---	\$ ---

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH

DEBT SERVICE FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
Year Ended June 30, 1996

	1975 General Obligation Tax Bonds Coverage District No. 1	1975 Public Improvement Bonds Village of Elizabeth No. 1	Total
Revenues:			
Ad valorem taxes	\$ 2,330	\$ 2,330	\$ 4,660
Interest income	18	17	35
Miscellaneous	---	---	---
Total revenues	<u>2,388</u>	<u>2,367</u>	<u>4,755</u>
Expenditures:			
Tax collector fees	54	53	107
Principal retirement	3,892	3,892	7,784
Interest	---	---	---
Miscellaneous	19	16	35
Total expenditures	<u>4,065</u>	<u>4,861</u>	<u>8,926</u>
Excess (deficiency) of revenues over expenditures before transfers out	(1,677)	11,496	19,819
Transfers out to salary fund	(12,380)	(11,200)	(23,580)
Excess (deficiency) of revenues over expenditures after transfers	(3,857)	19,496	15,639
Fund balance, July 1, 1995	2,829	2,829	5,658
Fund balance, June 30, 1996	\$ ---	\$ ---	\$ ---

The accompanying notes are an integral part of this statement.

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.

**TOWNSHIP OF ELIZABETH
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
June 30, 1997**

Exhibit D-1

	Water System Fund	Electricity Fund	Sewer System Fund	Total
ASSETS				
Current assets:				
Cash	\$ 6,070	\$ 21,838	\$ 2,752	\$ 30,660
Investments	---	---	---	---
Accounts receivable	5,658	26,418	1,406	33,482
Accrued interest receivable	---	---	---	---
Total current assets	<u>11,728</u>	<u>48,256</u>	<u>4,158</u>	<u>64,142</u>
Restricted assets:				
Cash	5,159	6,197	---	11,356
Investments	2,080	6,880	---	8,960
Total restricted assets	<u>7,239</u>	<u>13,077</u>	<u>---</u>	<u>20,316</u>
Land	1,675	10,580	---	12,255
Plant and equipment (net)	88,444	89,371	309,172	487,987
Total assets	<u>\$122,286</u>	<u>\$176,821</u>	<u>\$313,330</u>	<u>\$ 612,437</u>
LIABILITIES AND RETAINED EARNINGS				
Current liabilities:				
Accounts payable	\$ 1,259	\$ 17,850	\$ 380	\$ 19,489
Interest payable	81	---	---	81
Accrued sales tax	---	---	---	---
Meter deposits payable	1,827	14,197	---	16,024
Bonds payable	4,888	---	8,466	13,354
Interfund payable	---	---	2,800	2,800
Total current liabilities	<u>14,055</u>	<u>32,047</u>	<u>11,646</u>	<u>57,748</u>
Long-term liabilities:				
Bonds payable	58,285	---	48,867	107,152
Total liabilities	<u>72,340</u>	<u>32,047</u>	<u>60,513</u>	<u>164,900</u>
Retained earnings- reserved	3,587	---	---	3,587
Retained earnings- unreserved	46,259	141,174	252,817	439,250
Total liabilities and retained earnings	<u>\$ 122,186</u>	<u>\$173,221</u>	<u>\$313,330</u>	<u>\$ 612,437</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH
ENTERPRISE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
Year ended June 30, 1997

	Motor System Fund	Electricity Fund	Sewer System Fund	Total
Operating revenues:				
Motorized sales -				
Water	\$ 54,786	\$ ---	\$ ---	\$ 54,786
Electricity	---	261,461	---	261,461
Miscellaneous	---	---	---	---
Sewer services	---	---	18,600	18,600
Total operating revenues	<u>54,786</u>	<u>261,461</u>	<u>18,600</u>	<u>334,847</u>
Operating expenses:				
Salaries	24,280	48,400	---	69,680
Electricity purchases	---	174,142	---	174,142
Repairs	747	4,389	---	5,136
Insurance	2,180	3,833	2,690	7,503
Training	---	---	---	---
Office supplies	500	500	500	1,500
Material and supplies	5,278	10,053	1,251	16,582
Utilities	5,898	---	6,371	11,469
Miscellaneous	430	431	653	1,514
Legal and professional	300	1,305	300	3,905
Contract labor	4,822	8,922	1,885	15,629
Total operating expenses	<u>44,921</u>	<u>281,382</u>	<u>14,004</u>	<u>340,307</u>
Net operating income before depreciation	9,865	14,081	4,596	28,542
Depreciation	<u>4,461</u>	<u>5,003</u>	<u>10,288</u>	<u>21,052</u>
Net operating income (loss)	<u>5,404</u>	<u>9,078</u>	<u>(5,692)</u>	<u>8,990</u>
Non-operating income (expense):				
Interest income	255	288	---	543
Interest expense on reserves bank	<u>(1,488)</u>	<u>---</u>	<u>(2,138)</u>	<u>(3,626)</u>
Income (loss) before operating transfers	<u>4,171</u>	<u>9,366</u>	<u>(7,830)</u>	<u>5,707</u>
operating transfers in	---	---	---	---
operating transfers out	<u>---</u>	<u>(3,088)</u>	<u>---</u>	<u>(3,088)</u>
Net income (loss)	<u>4,171</u>	<u>6,278</u>	<u>(7,830)</u>	<u>2,619</u>

VILLAGE OF ELIZABETH
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
Year ended June 30, 1997

	<u>Water System Fund</u>	<u>Electricity Fund</u>	<u>Sewer System Fund</u>	<u>Total</u>
Net income (loss)	\$ 1,408	\$ 3,484	\$ (7,888)	\$ 3,820
Retained earnings, July 1, 1996	43,101	135,899	211,085	449,876
Retained earnings, June 30, 1997	\$ 44,509	\$ 141,174	\$203,197	\$ 452,802

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
Year ended June 30, 1996

	Mater System Fund	Electricity Fund	Water System Fund	Total
Operating revenues:				
Watered sales -				
Water	\$ 56,197	\$ ---	\$ ---	\$ 56,197
Electricity	---	285,393	---	285,393
Miscellaneous	---	---	---	---
sewer services	---	---	18,078	18,078
Total operating revenues	<u>56,197</u>	<u>285,393</u>	<u>18,078</u>	<u>359,668</u>
Operating expenses:				
Salaries	24,250	39,079	---	63,329
Electricity purchased	---	182,238	---	182,238
Repairs	393	2,871	133	3,397
Insurance	1,958	3,414	2,815	8,187
Training	146	---	---	146
Office supplies	600	600	600	1,800
Material and supplies	18,014	9,243	1,263	28,520
Utilities	5,482	---	6,538	12,020
Miscellaneous	576	628	660	1,864
Legal and professional	---	1,925	852	2,977
Contract labor	2,850	15,488	4,928	23,266
Total operating expenses	<u>60,119</u>	<u>256,946</u>	<u>19,206</u>	<u>336,271</u>
Net operating income before depreciation	14,136	9,947	1,872	2,655
Depreciation	<u>4,325</u>	<u>4,350</u>	<u>19,790</u>	<u>28,465</u>
Net operating income (loss)	<u>10,811</u>	<u>4,587</u>	<u>(17,918)</u>	<u>(2,532)</u>
Non-operating income (expense)				
Interest income	327	217	---	544
Interest expense on revenue bonds	<u>(3,383)</u>	<u>---</u>	<u>(2,418)</u>	<u>(5,801)</u>
Income (loss) before operating transfers	<u>(11,882)</u>	<u>4,804</u>	<u>(11,336)</u>	<u>(18,414)</u>
Operating transfers in	---	---	---	---
Operating transfers out	<u>---</u>	<u>(2,480)</u>	<u>---</u>	<u>(2,480)</u>
Net income (loss)	<u>(11,882)</u>	<u>2,324</u>	<u>(11,336)</u>	<u>(10,794)</u>

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
Net income (loss)	\$ (31,682)	\$ 2,434	\$(31,334)	\$(60,582)
Retained earnings, July 1, 1997	<u>54,882</u>	<u>133,206</u>	<u>282,612</u>	<u>470,699</u>
Retained earnings, June 30, 1998	<u>\$ 23,199</u>	<u>\$ 135,639</u>	<u>\$251,278</u>	<u>\$ 410,116</u>

The accompanying notes are an integral part of this statement.



VILLAGE OF ELIZABETH
WATER SYSTEM FUND
BALANCE SHEET

June 30, 1966

LIABILITIES, RESERVES AND RETAINED EARNINGS

CURRENT LIABILITIES:	
Accounts payable	\$ 1,209
Interest payable	95
Accrued sales tax	-----
Total current liabilities	<u>1,304</u>
CURRENT LIABILITIES - RESTRICTED:	
Revenue bonds payable	4,865
Water deposits	7,827
Total current liabilities - restricted	<u>12,692</u>
OTHER LIABILITIES:	
Revenue bonds payable	59,188
Total liabilities	<u>73,784</u>
RESERVES:	
Reserve for depreciation and contingencies	5,687
Retained earnings	42,834
Total liabilities, reserves and retained earnings	<u>\$122,305</u>

VILLAGE OF ELSTENBURG
 WATER SYSTEM FUND
 STATEMENT OF REVENUES AND EXPENSES
 BUDGET AND ACTUAL

For the year ended June 30, 1997

	Budget	Actual	Over (Under) Budget
Operating revenues:			
Noticed sales	\$ 15,000	\$ 15,750	\$ 750
Operating expenses:			
Salaries	24,200	20,200	(400)
Repairs	800	747	(53)
Materials and supplies	5,000	5,278	278
Miscellaneous	400	830	430
Insurance	2,000	2,300	300
Office supplies	500	500	---
Legal and professional	1,000	300	(700)
Contract labor	2,000	4,822	2,822
Electricity	3,300	3,300	---
Total operating expenses	48,800	48,877	77
Net operating income before depreciation	14,170	11,895	(2,275)
Depreciation	(4,300)	(4,461)	(161)
Net operating income	9,870	7,434	(2,436)
Non-operating income (expense):			
Interest expense on revenue bonds	(8,550)	(11,469)	(2,919)
Interest income	350	252	(98)
Income before operating transfers	1,670	6,217	4,547
Operating transfers in	---	---	---
Operating transfers out	---	---	---
Net income	1,670	6,217	4,547
Retained earnings, beginning	43,181	43,181	---
Retained earnings, end	\$ 44,851	\$ 49,398	\$ 4,547

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH
 WATER SYSTEM FUND
 STATEMENT OF CASH FLOWS

For the year ended June 30, 1987

Operating activities:

Net income (loss)	\$ 6,480
Depreciation	4,461
Increase in accounts receivable	(835)
Increase in restricted assets	---
Increase in accounts payable	(21)
Increase in interest payable	85
Increase in motor deposit liability	388
Net cash provided by operating activities	9,423

Investing activities:

Purchase of equipment	---
-----------------------	-----

Financing activities:

Bond payment	(2,380)
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Net cash provided	7,043
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Cash, beginning of the year	13,853
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Cash, end of the year	\$ 20,896
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The accompanying notes are an integral part of this statement.

TOWN OF ELIZABETH
 WATER SYSTEM FUND
 STATEMENT OF CASH FLOWS

For the year ended June 30, 1996

Operating activities:

Net income (loss)	\$(11,887)
Depreciation	4,100
Increase in accounts receivable	(43)
Increase in restricted assets	10,432
Increase in accounts payable	112
Increase in meter deposit liability	280
Net cash provided by operating activities	7,852
Investing activities:	
Purchase of equipment	(777)
Financing activities:	
Bond payment	(15,467)
Net cash provided	1,608
Cash, beginning of the year	10,465
Cash, end of the year	<u>\$12,073</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH
ELECTRICITY SYSTEM FUND
BALANCE SHEET

June 30, 1993

Assets

Current assets:

Cash and cash equivalents	\$ 21,828
Accounts receivable	26,825
Accrued interest receivable	---
Total current assets	<u>48,653</u>

Restricted assets:

Cash	---
Electric meter deposits	---
Investments	8,800
Electric refund	<u>9,197</u>
Total restricted assets	<u>18,197</u>

Plant and equipments:

land	10,500
Electricity system	218,552
less: Accumulated depreciation	<u>(115,281)</u>
Total plant and equipment	<u>19,771</u>
	<u>\$ 124,621</u>

LIABILITIES AND RETAINED EARNINGS

Current liabilities:

Accounts payable	\$ 13,050
Accrued sales tax	---
Total current liabilities	<u>13,050</u>

Current liability - restricted:

Meter deposits payable	18,197
Electricity	---
Total current liability - restricted	<u>18,197</u>
Total liabilities	<u>31,247</u>

Retained earnings—unreserved—undesignated

113,374

Total liabilities and retained earnings \$124,621

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH
ELECTRICITY SYSTEM FUND
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL

For the year ended June 30, 1997

	Budget	Actual	Over (Under) Budget
Operating revenues:			
Metered sales	\$266,000	\$261,461	\$ 4,539
Miscellaneous	---	---	---
Total operating revenues	<u>266,000</u>	<u>261,461</u>	<u>4,539</u>
Operating expenses:			
Electricity purchases	185,000	174,162	10,838
Salaries	42,278	44,400	(2,121)
Materials and supplies	8,000	10,000	(4,000)
Miscellaneous	---	400	400
Contract labor	10,000	8,500	1,500
Truck expense	2,000	---	2,000
Insurance	3,200	3,300	(100)
Repairs	1,300	4,200	(2,900)
Office supplies	500	500	---
Legal and professional	1,500	3,200	1,700
Total operating expenses	<u>311,278</u>	<u>291,962</u>	<u>19,316</u>
Net operating income before depreciation	8,721	14,081	5,360
Depreciation	---	5,800	(5,800)
Net operating income	8,721	8,281	500
Non-operating income (expense):			
Interest income	200	300	(100)
Income before operating transfers	8,471	8,484	13
Operating transfers in	---	---	---
Operating transfers out	(12,400)	(12,000)	(400)
Net income (loss)	6,071	6,484	(413)
Retained earnings, beginning	135,600	135,500	100
Retained earnings, end	<u>\$141,701</u>	<u>\$141,979</u>	<u>\$278</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH
ELECTRICITY UTILITY FUND
STATEMENT OF CASH FLOWS

For the year ended June 30, 1990

Operating activities:

Net income (loss)	\$ 5,488
Depreciation	5,858
Increase in accounts receivable	(1,402)
Increase in refunds - deposits	(888)
Decrease in accounts payable	(100)
Increase in electronic notes payable	<u>350</u>
Net cash provided by operating activities	9,854
Investing activities	
Purchase of equipment	<u>(12,454)</u>
Financing activities	<u>572</u>
Increase in cash	7,972
Cash, beginning of the year	<u>15,433</u>
Cash, end of the year	<u>\$ 22,502</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH
ELECTRICITY SYSTEM FUND
STATEMENT OF CASH FLOWS

For the year ended June 30, 1990

Operating activities:

Net income (loss)	\$ 2,434
Depreciation	5,760
Increase in accounts receivable	(1,314)
Increase in refunds - deposits	(1,800)
Increase in accounts payable	85
Increase in electronic meters payable	1,880
Net cash provided by operating activities	6,335
Investing activities	
Purchase of equipment	(6,886)
Financing activities	---
Increase in cash	85
Cash, beginning of the year	15,382
Cash, end of the year	\$ 15,467

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH
 WATER SYSTEM FUND
 BALANCE SHEET

June 30, 1997

ASSETS

Current assets:

Cash and cash equivalents	\$ 2,762
Accounts receivable	3,404
Accrued interest receivable	---
Total current assets	<u>6,166</u>

Plant and equipment:

Power system	526,000
Less: Accumulated depreciation	(183,200)
Total plant and equipment	<u>342,800</u>

\$ 348,966

LIABILITIES AND RETAINED EARNINGS

Current liabilities:

Revenue bonds payable-current portion	\$ 4,816
Accounts payable	180
Interest payable	---
Interfund payable - General fund	3,880
Total current liabilities	<u>8,876</u>

Other liabilities:

Revenue bonds payable - net of current portion	<u>52,867</u>
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Total liabilities	<u>61,743</u>
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Retained earnings

267,127

Total liabilities and retained earnings	<u>\$ 318,890</u>
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The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH
GENERAL FUND
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL

For the year ended June 30, 1957

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Operating revenues:			
Sewer services	\$ 10,000	\$ 10,000	\$ _____
Operating expenses:			
Insurance	2,100	2,000	10
Office supplies	400	500	(100)
Utilities	6,000	6,373	(373)
Materials and supplies	800	1,261	(461)
Contract labor	6,000	1,888	4,112
Legal and professional	800	300	500
Miscellaneous	800	652	148
Total operating expenses	<u>18,700</u>	<u>13,082</u>	<u>5,618</u>
Net operating income before depreciation	1,300	6,918	5,618
Depreciation	-----	<u>10,700</u>	<u>(10,700)</u>
Net operating income	<u>1,300</u>	<u>(3,782)</u>	<u>(5,082)</u>
Non-operating income (expense):			
Interest expense on revenue bonds	(3,136)	(2,138)	998
Interest income	-----	<u> </u>	<u> </u>
Income before operating transfers	(3,836)	(7,958)	(4,122)
Operating transfers in	-----	<u> </u>	<u> </u>
Net income	(3,836)	(7,958)	(4,122)
Retained earnings, beginning	<u>271,885</u>	<u>271,885</u>	-----
Retained earnings, end	<u>\$267,342</u>	<u>\$263,322</u>	<u>\$4,020</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH
SEWER SYSTEM FUND
STATEMENT OF CASH FLOWS

For the year ended June 30, 1997

Operating activities:

Net income (loss)	\$ (3,958)
Depreciation	18,799
Decrease in accounts receivable	57
Decrease in accounts payable	<u>(3,525)</u>

Net cash provided by operating activities (702)

Investing activities:

Purchase of equipment ---

Financing activities:

Bond payment (2,988)

Net cash used (3,700)

Cash, beginning of the year 6,432

Cash, end of the year \$ 2,732

The accompanying notes are an integral part of this statement.

VILLAGE OF ELIZABETH
SEWER SYSTEM FUND
STATEMENT OF CASH FLOWS

For the year ended June 30, 1986

Operating activities:	
Net income (loss)	\$ (11,304)
Depreciation	10,700
Increase in accounts receivable	(200)
Increase in accounts payable	<u>3,183</u>
Net cash provided by operating activities	2,615
Investing activities:	
Purchase of equipment	<u>---</u>
Financing activities:	
Bond payment	<u>(12,320)</u>
Net cash used	(105)
Cash, beginning of the year	<u>5,562</u>
Cash, end of the year	<u>\$ 5,457</u>

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

TO ACCOUNT FOR FIXED ASSETS NOT USED IN PROPRIETARY FUND OPERATIONS.

VILLAGE OF ELIZABETH
 STATEMENT OF GENERAL FIXED ASSETS
 For the Two Years Ended
 June 30, 1997

	June 30, 1997	June 30, 1996
General fixed assets, at cost:		
Buildings and land	\$264,495	\$250,733
Donated assets	347,640	347,640
Machinery and equipment	<u>228,335</u>	<u>231,035</u>
Total general fixed assets	<u>\$839,470</u>	<u>\$829,408</u>
General and special revenue funds	\$492,671	\$455,287
Donated funds	347,640	347,640
Medical revenue sharing funds	<u>6,359</u>	<u>6,359</u>
Total investment in general fixed assets	<u>\$845,670</u>	<u>\$809,286</u>

The accompanying notes are an integral part of this statement.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds (except special assessment funds). Payment of maturing obligations, including interest, is accounted for in the debt service fund.

VILLAGE OF ELIZABETH

STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 1997

	1975 General Obligation Tax bonds Coverage District <u>Rs. 3</u>	1975 Public Improvement bonds Village of Elizabeth <u>Rs. 3</u>	<u>Total</u>
AMOUNT TO BE PROVIDED FOR THE REFINANCEMENT OF GENERAL LONG- TERM DEBT			
Amount to be provided for all matured bonds and other revenues	\$-----	\$-----	\$-----
GENERAL LONG-TERM DEBT PAYABLE			
Bonds payable	\$-----	\$-----	\$-----

The accompanying notes are an integral part of this statement.

SUPPLEMENTARY INFORMATION

Village of Elizabethtown
SCHEDULE OF PRIOR YEAR FINDINGS

For the Fiscal Year Ended December 31, 1997

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

There were no prior year findings relating to internal control and compliance material to the financial statements.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FED-
ERAL 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 Fiscal Year Ended December 31, 1997

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT

1991.1 The Board will more closely will closely monitor the timely completion of the December 31, 1998 audit by June 30, 1999 and require the auditor to complete it in a timely fashion.

1991.2 The Board will more closely monitor the fiscal year 1998 budgets and make appropriate budget amendments before the fiscal year-end.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III MANAGEMENT LETTER

N/A

See independent auditor's report.