

**CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUNDS
UTILITY FUND**

**COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 1997 AND 1996**

	<u>1997</u>	<u>1996</u>
GAS DEPARTMENT		
Operating Revenues		
Revenues	\$ 781,348	\$ 926,958
Less purchases and sales tax	(488,940)	(516,526)
Gross profit	<u>\$ 292,408</u>	<u>\$ 410,432</u>
Operating expenses		
Personal services		
Salaries and wages	\$ 148,960	\$ 141,467
Employee benefits	<u>37,887</u>	<u>44,279</u>
Total personal services	<u>\$ 186,847</u>	<u>\$ 185,746</u>
Materials and supplies		
Office supplies	\$ 131	\$ 287
Operating supplies	8,618	9,522
Repair and maintenance supplies	<u>6,362</u>	<u>20,231</u>
Total materials and supplies	<u>\$ 14,909</u>	<u>\$ 40,040</u>
Other services and charges		
Professional fees	\$ 82,779	\$ 90,740
Communications	4,438	3,249
Travel and seminar	978	623
Dues and subscriptions	59	-
Insurance	4,395	4,936
Repair and maintenance	4,473	1,422
Rentals	1,877	2,817
Bad debts	<u>634</u>	<u>271</u>
Total other services and charges	<u>\$ 98,014</u>	<u>\$ 103,213</u>
Depreciation	<u>\$ 19,468</u>	<u>\$ 18,738</u>
Total operating expenses	<u>\$ 308,217</u>	<u>\$ 308,239</u>
Operating income	<u>\$ 11,191</u>	<u>\$ 12,193</u>

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CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUNDS
UTILITY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
YEARS ENDED JUNE 30, 1997 AND 1996

	1997	1996
Continued -		
RECONCILIATION OF OPERATING INCOME TO		
NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 635,136	\$ 585,292
ADJUSTMENTS TO RECONCILE OPERATING		
INCOME TO NET CASH PROVIDED BY		
OPERATING ACTIVITIES:		
Depreciation	\$ 233,915	\$ 173,794
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	87,583	(100,530)
Due from other governments	(1,000)	1,000
Increase (decrease) in:		
Accounts payable	(30,247)	66,850
Accrued liabilities	(17,778)	(8,471)
Customer deposits	4,812	484
Total adjustments	\$ 276,265	\$ 128,651
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 911,401	\$ 713,943
SUPPLEMENTAL SCHEDULE OF SIGNIFICANT		
NON-CASH ACTIVITIES:		
Fixed assets contributed by other funds	\$ 146,500	\$ 230,967

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUNDS
UTILITY FUND

COMPARATIVE STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
YEARS ENDED JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 6,158,636	\$ 6,363,353
Cash payments to suppliers for goods and services	(4,418,678)	(4,836,293)
Cash payments to employees for services	(807,372)	(808,201)
Net cash provided by operating activities	<u>\$ 1,932,586</u>	<u>\$ 1,718,859</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Operating transfers - net to other funds	\$11,332,280	\$11,332,045
Net cash used for non-capital financing activities	<u>\$11,332,280</u>	<u>\$11,332,045</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital contributed from other governments	\$ -	\$ 2,664,853
Purchases of fixed assets	(1,111,712)	(2,672,827)
Net cash used for capital and related financing activities	<u>\$ (1,111,712)</u>	<u>\$ (1,007,974)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on temporary investments	\$ 101,675	\$ 110,125
Hydroelectric project revenues/expenses (net)	(88,752)	(83,833)
Net cash provided by investing activities	<u>\$ 12,969</u>	<u>\$ 26,292</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 154,473	\$ (306,201)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,855,438</u>	<u>2,291,639</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	2,010,911	1,985,438

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**CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUNDS
UTILITY FUND**

**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS**

YEARS ENDED JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
OPERATING REVENUES:		
Revenues	\$ 4,346,940	\$ 4,467,805
Less purchases and sales tax	<u>(1,662,494)</u>	<u>(1,846,427)</u>
Gross profit	<u>\$ 2,684,446</u>	<u>\$ 2,621,378</u>
OPERATING EXPENSES:		
Personnel services	\$ 166,094	\$ 800,736
Materials and supplies	262,605	242,423
Other services and charges	418,114	391,303
Depreciation	<u>233,915</u>	<u>173,704</u>
Total operating expenses	<u>\$ 1,119,728</u>	<u>\$ 1,322,176</u>
Operating income	<u>\$ 1,564,718</u>	<u>\$ 1,299,202</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest income	\$ 104,940	\$ 97,241
Hydroelectric revenue (expenses) - net	<u>884,022</u>	<u>527,565</u>
Total non-operating revenues (expenses)	<u>\$ 988,962</u>	<u>\$ 624,806</u>
Net income before operating transfers	<u>\$ 1,674,680</u>	<u>\$ 1,924,008</u>
OPERATING TRANSFERS		
Transfers from LCDBG Funds	-	4,023
Transfers from Sales Tax Fund	90,411	227,263
Transfers from Industrial Park Fund	85,000	-
Transfers to General Fund	<u>(1,318,814)</u>	<u>(880,529)</u>
Transfers to Industrial Park Fund	-	(343,109)
Transfers to UDAG Fund	<u>(113,226)</u>	<u>(26,992)</u>
Net income	<u>\$ 519,579</u>	<u>\$ 245,661</u>
RETAINED EARNINGS, BEGINNING	<u>4,364,326</u>	<u>4,120,939</u>
RETAINED EARNINGS, ENDING	<u>\$ 4,884,174</u>	<u>\$ 4,366,599</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA
 FUNDS
 FUND
 BALANCE SHEET
 AND 1998

	<u>1997</u>	<u>1998</u>
LIABILITIES AND FUND EQUITY		
Current liabilities (payable from current assets)		
Accounts payable	\$ 375,039	\$ 405,893
Accrued liabilities	41,899	59,417
Due to other funds	242,472	373,777
Due to other agencies	<u>1,059,098</u>	<u>1,033,098</u>
Total current liabilities (payable from current assets)	\$ 1,718,508	\$ 1,872,185
Current liabilities (payable from restricted assets)		
Consumer deposits	<u>\$ 219,747</u>	<u>\$ 205,934</u>
Total current liabilities (payable from restricted assets)	\$ 219,747	\$ 205,934
Total liabilities	\$ 1,938,255	\$ 2,078,119
Fund equity		
Contributed capital	\$ 4,098,201	\$ 4,098,201
Retained earnings - unreserved	<u>4,885,374</u>	<u>4,268,390</u>
Total fund equity	\$ 8,983,575	\$ 8,366,591
Total liabilities and fund equity	<u>\$11,921,830</u>	<u>\$11,444,710</u>

The accompanying notes are an integral part of these financial statements.

ENTERPRISE FUND**Utility Fund**

To account for the provision of gas, electric and water utilities as well as sewer services to residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
1997 LODGE TAONNET SEWER PROJECT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1997

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1996

	1997		Variance favorable (unfavorable)	1996
	Budget	Actual		Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
Other services & charges	\$ 218	\$ 219	\$ (1)	\$ -
Total expenditures	\$ 218	\$ 219	\$ (1)	\$ -
Excess of revenues (expenditures)	\$ (218)	\$ (219)	\$ (1)	\$ -
OPERATING TRANSFERS				
Transfers - in	500	500	-	-
Excess of revenues and transfers in (expenditures and transfers out)	\$ 282	\$ 281	\$ (1)	\$ -
FUND BALANCE, BEGINNING				
	-	-	-	-
FUND BALANCE, ENDING				
	\$ 282	\$ 281	\$ (1)	\$ -

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
1996 LODS TACONEY SEWER PROJECT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1997

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1996

	1997		Variance favorable (unfavorable)	1996
	Budget	Actual		Actual
REVENUES				
Intergovernmental	\$ 29,118	\$ 29,118	\$ -	\$ 159,393
Total revenues	\$ 29,118	\$ 29,118	\$ -	\$ 159,393
EXPENDITURES				
Current				
Other services and charges	\$ -	\$ -	\$ -	\$ 93
Capital outlay	15,191	15,191	-	173,167
Other improvements	-	-	-	-
Total expenditures	\$ 15,191	\$ 15,191	\$ -	\$ 173,167
Excess of revenues (expenditures)	\$ 13,927	\$ 13,927	\$ -	\$ (13,880)
OPERATING TRANSFERS				
Transfers - in	-	-	-	109
Transfers - out	(142)	(142)	-	-
Excess of revenues and transfers in (expenditures and transfers out)	\$ 13,785	13,785	\$ -	\$ (13,780)
FUND BALANCE, BEGINNING				
	(13,780)	(13,780)	-	-
FUND BALANCE, ENDING				
	\$ -	\$ -	\$ -	\$ (13,780)

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
1984 LODDG FOL WASTE WATER PROJECT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1987

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1986

	1987		Variance favorable (unfavorable)	1986
	Budget	Actual		Actual
REVENUES				
Intergovernmental	\$ 28,078	\$ 28,078	\$ -	\$ 45,758
Total revenues	\$ 28,078	\$ 28,078	\$ -	\$ 45,758
EXPENDITURES				
Current				
Other services and charges	\$ -	\$ -	\$ -	\$ 58
Capital outlay	-	-	-	-
Other improvements	28,078	28,078	-	45,758
Total expenditures	\$ 28,078	\$ 28,078	\$ -	\$ 45,816
Excess of revenues (expenditures)	\$ 5	\$ 5	\$ -	\$ (58)
OPERATING TRANSFERS				
Transfers - in	-	-	-	108
Transfers - out	(47)	(47)	-	-
Excess of revenues and transfers in (expenditures and transfers out)	\$ (42)	\$ (42)	\$ -	\$ 42
FUND BALANCE, BEGINNING	42	42	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
 CAPITAL PROJECTS FUNDS
 TACONEY RESTORATION FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1997

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1996

	1997		Variance Favorable (unfavorable)	1996
	Budget	Actual		Actual
REVENUES				
Other	\$ 369	\$ 481	\$ 112	\$ 369
Total revenues	\$ 369	\$ 481	\$ 112	\$ 369
EXPENDITURES				
Excess of revenues	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, BEGINNING	12,744	12,744	-	12,975
FUND BALANCE, ENDING	\$ 12,111	\$ 12,928	\$ 817	\$ 12,744

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
INDUSTRIAL PARK FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1997

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1996

	1997		Variance (favorable (unfavorable))	1996
	Budget	Actual		Actual
REVENUES				
Intergovernmental	\$ 104,230	\$ 104,230	\$ 0	\$ 129
Other	12,781	12,712	(69)	3,846
Total revenue	\$ 117,011	\$ 116,942	\$ (69)	\$ 3,975
EXPENDITURES				
Current				
Other services and charges	\$ 8,800	\$ 8,801	\$ (1)	\$ 577
Capital outlay				
Land and right-of-ways	2,373	2,373		684,340
Other improvements	104,238	104,238		-
Total expenditures	\$ 115,411	\$ 115,412	\$ (1)	\$ 684,917
Excess of revenues (expenditures)	\$ 1,600	\$ 1,530	\$ 70	\$ (681,942)
OPERATING TRANSFERS				
Transfers - in	100,000	87,216	(12,784)	510,092
Transfers - out	(100,000)	(88,000)	18,000	-
Excess of revenues and transfers in (expenditures and transfers out)	\$ 1,424	\$ 9,216	\$ 7,792	\$ (111,050)
FUND BALANCE, BEGINNING	18,228	18,228		118,287
FUND BALANCE, ENDING	\$ 19,652	\$ 27,444	\$ 7,792	\$ 18,228

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 1996

REVENUES	1994		1995		1997		Totals
	LCDBG		LC2560		LC1080		
	Park	Janitor	Water Provision	Tramway Sewer Exhaust	Tramway Sewer Exhaust	Totals	
Intergovernmental	\$ 104,508	\$	\$ 18,078	\$ 29,118	\$	\$ 471,482	\$ 480,198
Other	18,713	483	483	-	-	13,283	4,412
Total revenues	<u>\$ 123,221</u>	<u>\$ 483</u>	<u>\$ 18,561</u>	<u>\$ 29,118</u>	<u>\$</u>	<u>\$ 484,765</u>	<u>\$ 484,610</u>
EXPENDITURES							
Current:							
Other services and charges	\$ 8,293	\$	\$	\$	\$	\$ 299	\$ 703
Capital outlay	2,377						
Land and right-of-way	164,534						
Other improvements	2,118,253	\$	\$ 23,823	\$ 16,181	\$	\$ 147,538	\$ 175,581
Total expenditures	<u>\$ 2,293,457</u>	<u>\$ 483</u>	<u>\$ 23,823</u>	<u>\$ 16,181</u>	<u>\$</u>	<u>\$ 151,427</u>	<u>\$ 334,822</u>
Excess of revenues (expenditures)	\$ 1,444	\$ 483	\$	\$ 12,937	\$	\$ 333	\$ 151,793
OPERATING TRANSFERS							
Transfers - in	87,249						
Transfers - out	<u>(83,080)</u>						
Excess of transfers and transfers in (expenditures and transfers out)	\$ 4,169	\$ 483	\$ 11,768	\$ 511	\$	\$ 18,586	\$ 182,111
FUND BALANCE, BEGINNING	<u>18,828</u>	<u>13,744</u>	<u>42</u>	<u>(11,782)</u>	<u>42</u>	<u>17,594</u>	<u>141,041</u>
FUND BALANCE, ENDING	<u>\$ 22,997</u>	<u>\$ 13,261</u>	<u>\$</u>	<u>\$</u>	<u>\$ 211</u>	<u>\$ 36,180</u>	<u>\$ 17,252</u>

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

JUNE 30, 1997
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 1996

ASSETS

Cash	\$ 6,200	\$ 211	\$ 0	\$ 0	\$ 211	\$ 4,780	\$ 3,084
Investments		10,814				10,014	12,238
Due from other funds	320,000					109,000	109,000
Total assets	\$ 326,200	\$ 10,825	\$ 0	\$ 0	\$ 211	\$ 123,794	\$ 124,322

LIABILITIES AND
FUND BALANCE

Liabilities							
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,000
Accrued liabilities	22,132					22,132	22,132
Total liabilities	\$ 22,132	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,132	\$ 35,132
Fund balance	\$ 294,068	\$ 10,825	\$ 0	\$ 0	\$ 211	\$ 96,662	\$ 89,190
Total liabilities and fund balance	\$ 316,200	\$ 10,825	\$ 0	\$ 0	\$ 211	\$ 118,794	\$ 124,322

The accompanying notes are an integral part of these financial statements.

CAPITAL PROJECTS FUNDS

Industrial Park Fund

To account for the financing and construction as well as continuing improvements to be made to the City's industrial park complex. General revenues and federal grants provide financing.

Taconey Restoration Fund

To account for the financing and restoration of the "Taconey House" which is to be used as a museum upon completion. Financing is to be provided from public contributions, general revenues as well as state and federal grants.

1994 LCDBG - Street Project

To account for the construction of street improvements financed by a Federal Grant. Total grant amount is \$391,230.

1994 LCDBG - MLE Drive Sewer Project

To account for the construction of sewer improvements financed by a Federal Grant. Total grant amount is \$329,000.

1994 LCDBG - FOL Waste Water Project

To account for the construction of water and sewer improvements financed by a Federal Grant. Total grant amount is \$1,038,260.

1995 LCDBG - Taconey Sewer Project

To account for the construction of sewer improvements financed by a Federal Grant. Total grant amount is \$328,000.

CITY OF VIDALIA, LOUISIANA
 DEBT SERVICE FUNDS
 GENERAL OBLIGATION BOND AND INTEREST SINKING FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED JUNE 30, 1997
 WITH COMPARATIVE ACTUAL AMOUNTS
 FOR YEAR ENDED JUNE 30, 1996

	1997		Variance Favorable (unfavorable)	1996
	Budget	Actual		Actual
REVENUES				
Taxes	\$ 21,800	\$ 21,885	\$ 85	\$ 21,580
Interest earned		131	131	-
Total revenues	<u>\$ 21,800</u>	<u>\$ 21,985</u>	<u>\$ 136</u>	<u>\$ 21,580</u>
EXPENDITURES				
Debt Service				
Principal retirement	\$ 18,000	\$ 18,000	\$ -	\$ 18,000
Interest and fiscal fees	2,832	2,832	-	2,832
Total expenditures	<u>\$ 20,832</u>	<u>\$ 20,832</u>	<u>\$ -</u>	<u>\$ 20,832</u>
Excess of revenues (expenditures)	\$ 4,918	\$ 4,954	\$ 136	\$ (4,252)
FUND BALANCE, BEGINNING	2,528	2,528	-	8,504
FUND BALANCE, ENDING	<u>\$ 2,344</u>	<u>\$ 2,489</u>	<u>\$ 136</u>	<u>\$ 2,526</u>

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES

YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE TOTALS FOR JUNE 30, 1996

	GO Bond & Interest Sinking Fund	St. Impr. Series ST-1 dated 12/1/79	Series ST-1 Bond Reserve Fd. 11/1/79	Totals	
				1997	1996
REVENUES					
Taxes	\$ 21,855	\$ -	\$ -	\$ 21,855	\$ 11,580
Interest earned on investments	133			133	-
Total revenues	\$ 21,988	\$ -	\$ -	\$ 21,988	\$ 11,580
EXPENDITURES					
Debt Service					
Principal retirement	\$ 15,000	\$ -	\$ -	\$ 15,000	\$ 85,000
Interest and fiscal fees	2,082			2,082	1,500
Total expenditures	\$ 17,082	\$ -	\$ -	\$ 17,082	\$ 86,500
Excess of revenues (expenditures)	\$ 4,906	\$ -	\$ -	\$ 4,906	\$ (74,920)
OPERATING TRANSFERS					
Operating transfers from Sales Tax Fund					92,135
Operating transfers to Sales Tax Fund					(73,740)
Excess of revenues and transfers in (expenditures and transfers out)	\$ 4,906	\$ -	\$ -	\$ 4,906	\$ (86,500)
FUND BALANCE, BEGINNING	3,326			3,326	82,549
FUND BALANCE, ENDING	\$ 7,488	\$ -	\$ -	\$ 7,488	\$ (3,451)

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA

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 Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

The Honorable Hyram Copeland, Mayor
 and Members of the Board of Aldermen
 City of Vidalia
 Vidalia, Louisiana

We have audited the accompanying general-purpose financial statements of the City of Vidalia, Louisiana, as of and for the year ended June 30, 1997, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of the City of Vidalia, Louisiana's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Vidalia, Louisiana, as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 8, 1997 on our consideration of the City of Vidalia's internal control structure and a report dated October 8, 1997 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining, individual fund, individual account group financial statements and schedules, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of Vidalia, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

The financial information of the previous year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion.

Attest: R. Simmons & Company, LLP

Natchez, Mississippi
October 8, 1997

GENERAL-PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)

CITY OF MEMPHIS, TENNESSEE
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1995

ASSETS	Organizational Fund Types		Special Account	Reserve Fund Types		Special Account		Total	
	General Fund	Special Fund		General Fund	Special Fund	General Fund	Special Fund	General Fund	Special Fund
Cash	845,000	0	0	0	0	0	0	845,000	0
Accounts receivable	20,217	0	0	0	0	0	0	20,217	0
Inventory	1,791	0	0	0	0	0	0	1,791	0
Prepaid expenses	51,000	0	0	0	0	0	0	51,000	0
Other assets	1,000	0	0	0	0	0	0	1,000	0
Investments	1,000,000	0	0	0	0	0	0	1,000,000	0
Fixed assets (net of accumulated depreciation)	1,000,000	0	0	0	0	0	0	1,000,000	0
Assets available to Debt Service	1,000,000	0	0	0	0	0	0	1,000,000	0
Other	1,000	0	0	0	0	0	0	1,000	0
Total assets	1,920,217	0	0	0	0	0	0	1,920,217	0
Liabilities	1,000,000	0	0	0	0	0	0	1,000,000	0
Accounts payable	1,000,000	0	0	0	0	0	0	1,000,000	0
Other liabilities	0	0	0	0	0	0	0	0	0
Total liabilities	1,000,000	0	0	0	0	0	0	1,000,000	0
Equity	920,217	0	0	0	0	0	0	920,217	0
Retained earnings	920,217	0	0	0	0	0	0	920,217	0
Other equity	0	0	0	0	0	0	0	0	0
Total equity	920,217	0	0	0	0	0	0	920,217	0

continued

CITY OF VIDALIA, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 1997
 WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 1996

	Governmental Funds			Capital Projects	Totals	
	General	Special Revenues	Debt Service		1997	1996
REVENUES						
Taxes	\$ 87,370	\$ 694,879	\$ 3,459	\$	\$ 785,708	\$ 844,790
License and permits	53,954				53,954	115,749
Fees and forfeits	61,470				61,470	78,205
Intergovernmental	37,317			161,400	198,717	218,249
Grants for operation	895,438				895,438	88,524
Other	20,524	25,802	123	25,128	46,454	48,524
Total revenues	\$ 1,386,063	\$ 746,481	\$ 3,582	\$ 176,528	\$ 2,132,654	\$ 2,236,890
EXPENDITURES						
General	\$ 1,816,624	\$ 694,148	\$	\$	\$ 2,510,772	\$ 1,827,187
Physical services	289,479	4,878			294,357	662,682
Grants and capital	688,132	23,832		8,128	719,992	462,224
Other services and charges		85,818			85,818	102,877
Capital outlay				3,377	3,377	1,829,287
Land and improvements	6,354				6,354	18,384
Buildings and equipment	86,424	497			86,921	292,869
Other improvements		74,458		147,428	221,886	282,871
Debt Service						85,000
Principal retirement						1,000
Interest and fiscal fees						1,000
Total expenditures	\$ 2,800,510	\$ 809,823	\$ 3,582	\$ 176,528	\$ 3,789,443	\$ 3,236,890
Excess of revenues (expenditures)	\$ 11,000,450	\$ 108,647	\$ 4,864	\$ 33,498	\$ 11,147,459	\$ 12,217,020
OPERATING TRANSFERS						
Transfers - in	1,484,656	103,716		87,114	1,675,486	2,282,128
Transfers - out	(881,318)	(818,411)		(68,268)	(1,767,997)	(811,750)
Excess of revenues and operating transfers - in (expenditures and operating transfers - out)	\$ 603,338	\$ 285,305	\$ 4,864	\$ 18,850	\$ 892,357	\$ 1,470,378
FUND BALANCE, BEGINNING	13,810	318,284	2,834	17,833	454,761	3,282,022
FUND BALANCE, ENDING	\$ 1,417,176	\$ 573,609	\$ 7,698	\$ 36,683	\$ 2,034,566	\$ 4,754,400

The accompanying notes are an integral part of these financial statements.

CITY OF VIDUA, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
BUDGET (AS APPLIED) AND ACTUAL
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS TYPES
YEAR ENDING JUNE 30, 2019

	General Fund		Veterans Preference		General Revenue Fund		Public Service Fund	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES								
Taxes	\$ 81,380	\$ 87,471	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Grants & permits	122,289	121,262	17,500	17,500	0	0	0	0
Fees and services	27,123	31,451	6,312	6,312	0	0	0	0
Interdepartmental	288,250	305,095	19,448	19,448	0	0	0	0
Charges for services	158,584	205,422	14,420	14,420	0	0	0	0
Other	20,224	21,215	0	0	0	0	0	0
Total revenues	6,107,561	6,107,561	6,107,561	6,107,561	6,107,561	6,107,561	6,107,561	6,107,561
EXPENSES								
Current	\$ 1,542,148	\$ 1,514,074	\$ 17,206	\$ 17,206	\$ 0	\$ 0	\$ 0	\$ 0
Debt service	170,446	190,471	190,467	190,467	0	0	0	0
Capital & supplies	418,007	418,281	19,283	19,283	0	0	0	0
Capital (in the land and right- of-way)	5,428	5,284	0	0	0	0	0	0
Building & equipment	97,772	85,428	1,542	1,542	0	0	0	0
Other improvements	—	—	—	—	—	—	—	—
Debt Service	—	—	—	—	—	—	—	—
Principal retirement	—	—	—	—	—	—	—	—
Interest & fiscal	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Total	2,233,801	2,233,801	2,233,801	2,233,801	2,233,801	2,233,801	2,233,801	2,233,801
Balance of revenues from-indebt	\$ 11,288,187	\$ 11,288,188	\$ 1,652	\$ 1,652	\$ 195,749	\$ 20,288	\$ 4,818	\$ 4,858
OPERATING								
TRANSFERS								
Transfers-in	1,000,000	1,000,000	100,000	100,000	0	0	0	0
Transfers-out	(1,000,000)	(977,510)	(100,000)	(100,000)	—	—	—	—
Excess of in- & out-transfers	0	22,490	0	0	0	0	0	0
Operating transfers and grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
FUND BALANCE,								
GENERAL								
Beginning	1,512,112	1,512,112	—	—	—	—	—	—
Transfers	2,233,801	2,233,801	2,233,801	2,233,801	2,233,801	2,233,801	2,233,801	2,233,801
Expenses	(2,233,801)	(2,233,801)	(2,233,801)	(2,233,801)	(2,233,801)	(2,233,801)	(2,233,801)	(2,233,801)
Transfers	22,490	22,490	22,490	22,490	22,490	22,490	22,490	22,490
Other	—	—	—	—	—	—	—	—
Total	1,531,602	1,534,602	1,531,602	1,534,602	1,531,602	1,534,602	1,531,602	1,534,602

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS

ALL PROPRIETARY FUND TYPES
YEARS ENDED JUNE 30, 1997 AND 1998

	<u>Proprietary Fund Types</u>		<u>Totals</u>	
	<u>Enterprise</u>	<u>Internal Service</u>	<u>(Memorandum only)</u>	
			<u>1997</u>	<u>1998</u>
OPERATING REVENUES				
Revenues	\$ 6,602,940	\$	\$ 6,602,940	\$ 6,467,800
Less purchases & sales tax	(3,662,484)		(3,662,484)	(3,846,427)
City & employee contributions		288,290	288,290	342,751
Stop loss recoveries		50,747	50,747	121,274
Gross profit	\$ 2,940,456	\$ 339,037	\$ 2,282,452	\$ 2,186,298
OPERATING EXPENSES				
Personal services	\$ 160,584	\$	\$ 160,584	\$ 302,324
Materials and supplies	262,631		262,631	365,433
Other services & charges	412,114	412,403	824,517	872,938
Depreciation	289,915		289,915	122,284
Total operating expenses	\$ 1,125,244	\$ 412,403	\$ 1,537,657	\$ 2,212,979
Operating income (loss)	\$ 1,815,212	\$ (73,366)	\$ 644,812	\$ (22,681)
NONOPERATING REVENUES (EXPENSES)				
Interest income	\$ 106,900	\$	\$ 106,900	\$ 97,241
Other nonoperating revenues	691,600		691,600	621,515
Total nonoperating revenues (expenses)	\$ 798,500	\$ -	\$ 798,500	\$ 718,756
Income (loss) before operating transfers	\$ 1,470,212	\$ (73,366)	\$ 1,443,312	\$ 1,688,254
OPERATING TRANSFERS				
Transfers - in	175,411		175,411	241,294
Transfers - out	(1,320,638)		(1,320,638)	(1,579,679)
Net income (loss)	\$ 325,085	\$ (73,366)	\$ 251,719	\$ 349,869
RETAINED EARNINGS, BEGINNING	4,266,031	(1,340)	4,264,691	4,115,172
RETAINED EARNINGS, ENDING	\$ 4,591,176	\$ (11,314)	\$ 4,579,862	\$ 4,465,041

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
COMBINED STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
ALL PROPRIETARY FUND TYPES
YEARS ENDED JUNE 30, 1997 AND 1996

	<u>Proprietary Fund Types</u>		<u>Totals</u>	
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Compendium total</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 6,158,936	\$	\$ 6,158,936	\$ 6,283,363
Cash received from City employees & recoveries		528,527	528,527	592,598
Cash payments to suppliers for goods and services	(4,414,670)	(428,443)	(4,843,113)	(5,021,967)
Cash payments to employees for services	(893,372)	_____	(893,372)	(899,297)
Net cash provided by (used for) operating activities	\$ 957,894	\$ (328,316)	\$ 629,578	\$ 1,115,477
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers - out to other funds	\$(1,352,266)	\$ _____	\$(1,352,266)	\$(1,389,045)
Net cash used for noncapital financing activities	\$(1,352,266)	\$ _____	\$(1,352,266)	\$(1,389,045)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital contributed from other governments	\$	\$	\$	\$ 2,864,863
Purchase of fixed assets	(411,718)	_____	(411,718)	(4,871,892)
Net cash used for capital and related financing activities	\$ (411,718)	\$ _____	\$ (411,718)	\$ (606,999)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on temporary investments	\$ 101,675	\$	\$ 101,675	\$ 110,125
Hydroelectric project revenues/expenses (net)	588,785	_____	588,785	541,600
Net cash provided by investing activities	\$ 690,460	\$ _____	\$ 690,460	\$ 651,725

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CITY OF VIDALIA, LOUISIANA
COMBINED STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
ALL PROPRIETARY FUND TYPES
YEARS ENDED JUNE 30, 1997 AND 1996

	<u>Proprietary Fund Types</u>		<u>Totals</u>	
	<u>Enterprise</u>	<u>Internal Service</u>	<u>(in accordance with 1997)</u>	<u>1996</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 258,473	\$ (36,916)	\$ 181,557	\$ (288,170)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	1,355,439	102,041	2,037,471	2,298,859
CASH & CASH EQUIVALENTS, END OF YEAR	\$ 2,213,203	\$ 65,125	\$ 2,218,000	\$ 2,052,471
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
OPERATING INCOME (LOSS)	\$ 685,198	\$ (36,366)	\$ 448,832	\$ 832,454
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Depreciation	\$ 222,918	\$	\$ 222,918	\$ 172,794
Change in assets & liabilities:				
(Increase) decrease in:				
Accounts receivable	87,882	18,807	106,700	(148,948)
Due from other governments	(1,098)	27,503	26,405	(11,908)
Prepaid expenses	(28,178)		(28,178)	
Increase (decrease) in:				
Accounts payable	(30,287)	(126,920)	(157,187)	212,160
Accrued liabilities	(17,778)		(17,778)	48,433
Customer deposits	4,813		4,813	882
Total adjustments	<u>\$ 248,726</u>	<u>\$ (100,500)</u>	<u>\$ 188,246</u>	<u>\$ 222,025</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 933,924	\$ (136,916)	\$ 817,008	\$ 1,115,479
SUPPLEMENTAL SCHEDULE OF SIGNIFICANT NON-CASH ACTIVITIES:				
Fixed assets contributed by other funds	<u>\$ 188,500</u>	<u>\$</u>	<u>\$ 188,500</u>	<u>\$ 222,025</u>

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Vidalia was incorporated April 4, 1901, under the provisions of the Lawrason Act. The City operates under the Mayor-Board of Aldermen form of government and provides the following services as authorized by the Lawrason Act: public safety (police, fire, and ambulances), streets, sanitation, health, culture-recreation, public improvements, planning and zoning, provision of gas, electric, and water utilities, sewer services, and general administrative services.

The accounting and reporting policies of the City of Vidalia conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the City executive and legislative branches (the Mayor and Board of Aldermen). The scope of the governmental entity included in this report was determined by applying the criteria established by the Governmental Accounting Standards Board's Statement Number 14.

The application of these criteria revealed no additional governmental reporting entities which would be properly included in these financial statements.

B. Fund Accounting

The accounts of the City of Vidalia are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into seven general fund types and three broad fund categories as follows:

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Fund Accounting (continued)

Governmental Funds -

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs on the long-term obligations recorded in the general long-term obligations account group.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

II. Fund Accounting (continued)

Proprietary Funds -

Enterprise Fund

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds

These funds account for activities and services performed for other organizational units within the City. Charges to other City funds are made to support these activities.

Fiduciary Funds -

Agency Fund

This Fund is custodial in nature and does not present results of operations or have a measurement focus. Agency Funds are accounted for using the modified accrual basis of accounting. This Fund is used to account for assets that the Government holds for others in agency capacity.

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

C. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balances (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting system, are not capitalized along with other general fixed assets.

Long-Term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The 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.

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

C. Fixed Assets and Long-Term Liabilities (continued)

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources", since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of long-term loans receivable are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Fixed Assets and Long-Term Liabilities (continued)

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

Buildings	30 Years
Vehicles and Equipment	5 - 10 Years
Gas System	60 Years
Electric System	40 Years
Water System	60 Years
Sewer System	60 Years

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated.

D. 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 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 intermediary collecting governments 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.

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting (continued)

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 general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

E. Budgets and Budgetary Accounting

The City follows procedures established by Louisiana Revised Statute in the preparation and adoption of its annual operating budgets as follows:

1. The City Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, 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 the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Budgets and Budgetary Accounting (continued)

5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.

F. Cash and Investments

Investments are stated at cost and consist of demand deposit accounts, savings accounts and certificates of deposit. For purposes of the statement of cash flows, the Proprietary Fund Types consider all highly liquid investments (including restricted assets) with a maturity of six months or less when purchased to be cash equivalents.

The following is a summary of cash and cash equivalents for the Proprietary Fund Types:

	<u>1997</u>	<u>1996</u>
Cash and cash in banks	\$ 189,713	\$ 696,316
Temporary investments	-	-
Restricted cash and temporary investments	-	-
Customers' deposits	210,747	205,894
Hydro Royalty Fund	<u>1,818,566</u>	<u>1,125,523</u>
Total cash and cash equivalents	\$2,219,026	\$2,027,733

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Cash and Investments (continued)

The carrying amount of the City's cash and investments with financial institutions was \$2,512,903, and the bank balance was \$2,942,540, at June 30, 1997. The bank balance is categorized as follows:

Amount insured by FDIC	\$ 200,000
Amount collateralized with securities held by an independent financial institution's trust department in the City's name	2,749,040
Uncollateralized	<u> </u>
Required collateral - 100% of bank balance exclusive of FDIC insurance plus FDIC insurance	\$2,942,540

Investments made by the City that are included on the balance sheet are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the categories described below:

Category 1 - Insured or registered in the name of the City and held by the City.

Category 2 - Uninsured but registered in the name of the City and held by the City.

Category 3 - Uninsured and not registered in the name of the City or held by the City.

Security Type	Category			Carrying amount	Market value
	1	2	3		
Non-interest and interest-bearing demand accounts	\$ 1,178,640	-	-	\$ 1,178,640	\$ 1,178,640
Interest-bearing time certificates of deposit	1,321,249	-	-	1,321,249	1,321,249
Savings accounts	<u>13,014</u>	<u>-</u>	<u>-</u>	<u>13,014</u>	<u>13,014</u>
	\$2,512,903	-	-	\$2,512,902	\$2,512,999

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

G. Inventories

Since inventories of the proprietary fund consist of items normally capitalized upon acquisition, amounts considered in the computation of operating expense are immaterial and, therefore, not reflected.

H. Amounts Due From Other Funds

Amounts reflected as due from other funds, in all other than the Debt Service Funds, represent short-term operating loans and are considered "available spendable resources".

I. Accumulated Unpaid Vacation Pay

The City has implemented GASB Statement Number 16 "Accounting for Compensated Absences". Under GASB Statement Number 16, a liability for unpaid vacation that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to benefits.

J. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

CITY OF VIDALIA, LOUISIANA
 NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Total Columns on Combined Statements - Overview

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

L. Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

NOTE 2 - AD VALOREM TAXES

The City annually levies ad valorem taxes in accordance with state statute for the fiscal year ended June 30. Tax bills are prepared and delivered in October with payment due from the date of receipt to the last day of February. Because of the due dates noted previously, ad valorem taxes are not considered to be available resources of the fiscal year to which they apply and are, therefore, not accrued as of the end of the fiscal year.

The City bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Concordia Parish.

For the year ended June 30, 1997 taxes of 4.93 mills were levied on property with assessed valuations totaling \$18,181,828 and were dedicated as follows:

General corporate purposes	3.73
Debt service	1.20
Total taxes levied were	\$89,436

CITY OF VIDALIA, LOUISIANA
 NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 1997

NOTE 3 - INDIVIDUAL INTERFUND RECEIVABLES AND PAYABLES

A summary of individual receivables and payables reflected as "Due To or Due From" other funds follows:

<u>Fund</u>	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 7,763	2,979
Special Revenue Funds		
Sales Tax Fund	319,800	
Ambulance Fund		40,563
City Court Fund		7,752
Capital Projects Fund		
Industrial Park Fund	109,600	
Proprietary Funds		
Utility Fund		242,472
Employee Insurance Fund	8,211	48,080
Totals	\$ 341,763	\$ 341,763

NOTE 4 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units at June 30, consisted of the following:

	<u>1997</u>	<u>1996</u>
Due from U. S. Treasury	\$ 13,946	\$ 12,619
Due from State of Louisiana	14,964	23,356
Due from Concordia Parish	8,645	8,887
Due from other state agencies	8,085	8,683
	\$ 35,640	\$ 53,545

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 5 - RESTRICTED ASSETS - PROPRIETARY FUND TYPES

Restricted assets were applicable to the following at June 30:

	<u>1997</u>	<u>1996</u>
Customers' deposits	\$ 210,747	\$ 205,934
Hydro Royalty Fund	<u>1,818,566</u>	<u>1,199,229</u>
	\$2,029,313	\$1,405,163

NOTE 6 - CHANGES IN FIXED ASSETS

The following is a summary of general fixed assets at June 30, 1997:

	<u>Balance</u> <u>6/30/96</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>6/30/97</u>
Land	\$ 1,278,785	\$ 155,000	\$	\$ 1,433,785
Buildings	888,757	4,000		892,757
Improvements other than buildings	912,991			912,991
Equipment	<u>1,389,672</u>	<u>58,478</u>	<u>18,927</u>	<u>1,329,223</u>
Totals	\$3,469,205	\$217,478	\$18,927	\$3,657,756

A summary of proprietary fund property, plant, and equipment at June 30, 1997, follows:

	<u>Balance</u> <u>6/30/96</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>6/30/97</u>
Land	\$ 155,000	\$	\$	\$ 155,000
Plant buildings and other improvements	172,179			172,179
Office building and equipment	515,463	3,894		519,357
Vehicles	558,461	108,489	67,348	599,602
Gas system	724,114			724,114
Electric system	3,731,828	3,879		3,735,707
Water system	1,532,022			1,532,022
Sewer system	3,588,978	188,900		3,777,878
Construction in progress				
Total	<u>\$10,477,846</u>	<u>\$295,212</u>	<u>\$67,348</u>	<u>\$10,705,710</u>
Less accumulated depreciation	<u>2,988,257</u>	<u>233,813</u>	<u>67,348</u>	<u>3,189,418</u>
Net	\$7,489,589	\$61,399	\$0	\$7,510,292

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 7 - CITY OF VIDALIA - HYDROELECTRIC PROJECT

On March 22, 1984, the City of Vidalia, Louisiana entered into a conditional agreement with Catalyst Energy Development Corporation to enable Catalyst to successfully finance, develop, construct, operate and maintain the Vidalia Hydroelectric Project to be located in the State of Louisiana between the Mississippi River and the Atchafalaya River near the U. S. Corps of Engineers' Old River Control Project.

On June 28, 1988, the City of Vidalia, Louisiana and Catalyst Old River Hydroelectric Limited Partnership (successor to the rights and obligations of Catalyst Energy Development Corporation) entered into an agreement to amend and restate the March 22, 1984 agreement in its entirety. This agreement was again amended and restated on August 17, 1990 in its entirety. A general summary of the August 17, 1990 agreement is as follows:

A. Payment of Royalties to the City of Vidalia

In consideration for its participation in this hydroelectric project, the City of Vidalia will be entitled to royalty payments based on a percentage of gross revenues beginning with 2.75% in the first year of operations, graduated to 11.4% in the year 2021 and 10% thereafter. All such payments shall be paid quarterly by depositing or transferring funds into an escrow account. The purpose of the escrow account is explained below.

In the event that there is not sufficient cash available to make a scheduled quarterly royalty payment, then that payment will be deferred and will accrue interest from the date the royalty payment was due to be paid until such time as actual payment is made to the escrow account.

B. Escrow Account

The City of Vidalia, Louisiana has agreed to open and maintain in its official depository, an escrow account. The Partnership has agreed to deposit \$2,500,000 or pledge an irrevocable letter of credit in that amount to the escrow account on or before the commercial operation date of the hydroelectric plant. Interest earned on these funds is to be paid quarterly to the Partnership.

Should the partnership have to defer royalties, the City can withdraw funds from this account to the extent that royalties have been deferred. In the case that the escrow account is completely withdrawn, the partnership has promised another \$2,500,000 to be available to pay these advance royalties.

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 7 - CITY OF VIDALIA - HYDROELECTRIC PROJECT (continued)

C. Royalty Account

The City of Vidalia, Louisiana has agreed to open and maintain in its official depository, a royalty account to receive all payments of royalties and to accrue interest on those funds. The City may withdraw from the royalty account solely for the purpose of paying its cost of electricity.

D. Power Purchase Agreement

The City of Vidalia has contracted to purchase 6% of the power generated by the Hydroelectric Project. The current cost of this electricity is 74 mills per kilowatt-hour and is scheduled to increase in future years. The City is currently reselling this electricity to Louisiana Electric Power Authority for approximately 29 mills per kilowatt-hour. The difference between the City of Vidalia's cost of electricity and the current selling price of this electricity is generally being offset by the royalties being received from the Hydroelectric Project. For fiscal year ended June 30, 1997, the City's royalties and revenues from the resale of electricity exceeded cost by \$834,600 and is included in other nonoperating revenues in the Enterprise Fund.

E. Option to Purchase the Hydroelectric Project

The Partnership has granted to the City of Vidalia an option to purchase, at any time on or after January 1, 2020, but before January 1, 2032, all of the Partnership's right, title and interest in and to the hydroelectric project, as then constituted, subject to any permitted mortgages then outstanding at the price of (i) \$1,000 payable in cash at closing and (ii) the balance payable on or before the 15th of each month following the month in which the sale of the project occurs through December 31, 2032, in an amount equal to two-thirds of the cash available for distribution during the preceding month.

This option shall be exercisable by the City of Vidalia only by twelve months prior written notice given by the City to the Partnership; provided, however, that the Partnership shall give written notice to the City of Vidalia during the year 2029 for the City's exercise of its option to purchase.

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 8 - CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions for the City of Vidalia for the year ended June 30, 1997:

	<u>General obligation</u>
Bonds payable - beginning	\$ 30,000
Principal retirements	<u>10,000</u>
Bonds payable - ending	<u>\$ 20,000</u>

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

General Obligation Bonds:

\$200,000 1978 Public Improvement Serial Bonds due in annual installments of \$15,000 to \$20,000 through April 1, 1998; interest at 5 - 5.25 percent due semi-annually	<u>\$ 20,000</u>
---	------------------

The annual requirements to amortize all debts outstanding as of June 30, 1997, including interest payments of \$1,100 are as follows:

Fiscal year ended June 30	General obligation
1998	<u>\$ 21,100</u>
Totals	<u>\$ 21,100</u>

\$3,480 is available in the Debt Service Funds to service general obligation debt.

Proceeds of the 1% sales and use tax are dedicated to the following purposes:

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 8 - CHANGES IN LONG-TERM DEBT (continued)

- A. Constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; opening, constructing, paving, resurfacing and improving streets, sidewalks and bridges; constructing and improving drains, drainage canals and subsurface drainage; constructing, acquiring or improving any work of public permanent improvement; and purchasing and acquiring all equipment and furnishings for public works, buildings, improvements and facilities of the City of Vidalia, title to which shall be in the public.
- B. Providing funds, not to exceed in any fiscal year 20% of the proceeds of such tax for such year, for the payment of salaries of municipal employees.

NOTE 9 - SEGMENT INFORMATION FOR ENTERPRISE FUND

The Enterprise Fund operated by the City provides electric, gas, water and sewer utility services. The following is a summary of disclosures required by the National Council on Governmental Accounting in Interpretation 2, Segment Information for Enterprise Funds.

	Electric Utilities	Gas Utilities	Water Utilities	Sewer Service	Total
Operating revenues	\$ 4,052,094	\$ 781,348	\$ 365,328	\$ 297,276	\$ 5,095,946
Purchase of utility provided	(5,149,277)	(498,240)	(14,287)	(280,000)	(5,937,804)
Operating expenses	(338,316)	(260,589)	(477,487)	(280,000)	(1,356,392)
Depreciation	(112,592)	(110,488)	(30,815)	(70,690)	(224,585)
Operating income (loss)	\$ 652,309	\$ (177,969)	\$ (166,889)	\$ (528,424)	\$ (220,973)
Operating transfers net					(1,197,189)
Nonoperating revenue (expense) net					291,589
Net income					\$ (1,126,573)

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 10 - RETIREMENT COMMITMENTS

Law enforcement officers of the City are members of the Municipal Police Employees Retirement System. Firemen are members of the Municipal Fire Employees' Retirement System. Contributions are made by both the City and employee as a percent of salaries.

All other employees of the City are members of the Municipal Employees Retirement System of Louisiana. Contributions are made by both the City and employee.

The City contributed \$69,494 to these systems during the year.

Future deficits in the above systems will be financed by the state, and the City has no further liability to the systems. Data concerning the actuarial status of the systems is not available.

All employees are members of the Social Security System.

NOTE 11 - EMPLOYEE INSURANCE FUND

During year ended June 30, 1985, the City of Vidalia established a self-insurance medical plan. To be eligible, an employee must be full-time and must have 90 days of service. Employee dependents are also covered.

The City and its employees make contributions to the fund with the City paying \$138.48 per month per employee with single coverage and \$316.67 per month per employee with family coverage. The City's contribution amounted to \$217,808 during the year ended June 30, 1997.

There are currently 30 employees with single coverage and 51 employees with family coverage. The City would be responsible for up to \$18,000 (\$30,000 - \$1,200 employee deductible) per individual per year. An insurance company would be responsible for medical costs in excess of \$20,000.

CITY OF VIDALIA, LOUISIANA
NOTES TO GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 12 - COMPENSATION OF THE GOVERNING BOARD

The Governing Board of the City of Vidalia, Louisiana consists of a Mayor and five Aldermen. For the fiscal year ended June 30, 1997, their compensation was as follows:

Hiram Copeland, Mayor	\$ 24,000
William Murray, Alderman	2,400
Maureen Sanders, Alderman	2,400
Carter Warner, Alderman	2,400
Vernon Stevens, Alderman	2,400
Richard Knapp, Alderman	<u>2,400</u>
	<u>\$ 36,000</u>

NOTE 13 - MAJOR CUSTOMER

During the fiscal years ending June 30, 1997 and June 30, 1996, utility billings to the Alcoa-Vidalia Plant amounted to \$1,959,463 and \$1,167,640, respectively. This amounted to eighteen percent (18%) and eighteen percent (18%), respectively of the City's total utility billings for the two years.

**FINANCIAL STATEMENTS OF
INDIVIDUAL FUNDS AND ACCOUNT GROUPS**

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

CITY OF VIDALIA, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash	\$ 30,100	\$ 24,747
Accounts receivable, net of allowance for estimated uncollectibles (1997 \$1,395 and 1996 \$1,395)	20,317	19,572
Due from Utility Fund	-	70,690
Due from City Court	7,782	0,105
Due from Debt Service Fund	-	50
Due from other governments	<u>54,820</u>	<u>83,120</u>
Total assets	\$ <u>112,208</u>	\$ <u>188,384</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 43,047	\$ 47,627
Accrued liabilities	37,537	48,196
Due to Employee Insurance Fund	2,979	43,714
Due to Ambulance Fund	<u>-</u>	<u>135</u>
Total liabilities	\$ <u>103,563</u>	\$ <u>139,672</u>
Fund balance - (unreserved)	<u>8,645</u>	<u>48,712</u>
Total fund balance	\$ <u>8,645</u>	\$ <u>48,712</u>
Total liabilities and fund balance	\$ <u>112,208</u>	\$ <u>188,384</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF VIDALIA, LOUISIANA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

**YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED JUNE 30, 1996**

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
REVENUES				
Taxes	\$ 52,388	\$ 67,271	\$ (5,000)	\$ 52,195
Licenses and permits	122,688	121,884	(704)	111,749
Fines and forfeits	47,388	51,491	4,213	52,289
Intergovernmental revenue	280,228	310,090	30,488	328,424
Charges for services	250,884	250,423	(461)	277,324
Other	55,224	55,224	-	50,224
Total revenues	<u>\$ 857,844</u>	<u>\$ 856,883</u>	<u>\$ (27,384)</u>	<u>\$ 832,275</u>
EXPENDITURES				
Current				
Personnel services	\$ 1,522,288	\$ 1,514,474	\$ 7,824	\$ 1,545,242
Materials and supplies	372,688	388,473	(28,887)	388,889
Other services & charges	488,887	488,282	(18,888)	434,887
Capital outlay				
Buildings	5,488	5,284	-	38,284
Machinery & equipment	57,778	55,423	2,345	188,184
Other improvements	-	-	-	82,418
Total expenditures	<u>\$ 2,447,131</u>	<u>\$ 2,448,256</u>	<u>\$ (28,887)</u>	<u>\$ 2,387,878</u>
Excess of expenditures	<u>\$ (1,589,287)</u>	<u>\$ (1,578,552)</u>	<u>\$ 1,557</u>	<u>\$ (1,588,603)</u>
OPERATING TRANSFERS				
Transfers - in	\$ 1,500,000	\$ 1,454,000	\$ (38,992)	\$ 1,345,225
Transfers - out	(250,000)	(287,250)	(42,284)	(252,250)
Total operating transfers	<u>\$ 1,250,000</u>	<u>\$ 1,166,750</u>	<u>\$ 8,322</u>	<u>\$ 1,092,975</u>
Excess of revenues and transfers - in (expenditures and transfers - out)	<u>\$ (41,187)</u>	<u>\$ (2,352)</u>	<u>\$ 7,849</u>	<u>\$ (270,728)</u>
FUND BALANCE, BEGINNING	<u>10,212</u>	<u>10,212</u>	<u>-</u>	<u>281,642</u>
FUND BALANCE, ENDING	<u>\$ 285</u>	<u>\$ 2,612</u>	<u>\$ 7,849</u>	<u>\$ 28,914</u>

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED JUNE 30, 1996

	1997		Variance favorable (Unfavorable)	1996
	Budget	Actual		Actual
GENERAL AND ADMINISTRATIVE:				
Personal services				
Salaries and wages	\$ 37,800	\$ 37,334	\$ (466)	\$ 39,545
Employee benefits	1,700	7,873	35	7,468
Total personal services	<u>\$ 45,300</u>	<u>\$ 45,308</u>	<u>\$ (80)</u>	<u>\$ 47,013</u>
Materials and supplies				
Office supplies	\$ 7,000	\$ 7,911	\$ 911	\$ 14,761
Operating supplies	6,300	7,873	(1,573)	10,150
Repair and maintenance supplies	3,530	3,152	(378)	3,150
Total materials and supplies	<u>\$ 17,830</u>	<u>\$ 28,936</u>	<u>\$ (8,911)</u>	<u>\$ 28,061</u>
Other services and charges				
Professional fees	\$ 63,540	\$ 69,330	\$ (5,790)	\$ 84,310
Communications	11,150	11,685	(535)	7,949
Travel and seminar	6,360	6,160	200	3,462
Advertising	7,800	9,552	(1,752)	11,813
Dues and subscriptions	3,190	3,288	(98)	3,314
Insurance	14,670	14,480	190	19,333
Utility service	24,100	23,210	890	29,413
Repair and maintenance	19,770	21,434	(1,664)	15,692
Landfill fees & rentals	1,300	1,332	(32)	2,349
Total other services and charges	<u>\$ 149,670</u>	<u>\$ 160,385</u>	<u>\$ (10,715)</u>	<u>\$ 127,929</u>
Capital outlay	\$ -	\$ -	\$ -	\$ -
Total General and Administrative expenditures	<u>\$ 203,700</u>	<u>\$ 220,398</u>	<u>\$ (16,698)</u>	<u>\$ 203,001</u>

-continued-

CITY OF VIDALIA, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)

YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED JUNE 30, 1996

	1997		Variance favorable (Unfavorable)	1996
	Budget	Actual		Actual
STREET DEPARTMENT				
Personal Services				
Salaries and wages	\$ 219,000	\$ 221,428	\$ (2,428)	\$ 213,000
Employer benefits	85,700	86,073	(373)	102,875
Total personal services	<u>\$ 304,700</u>	<u>\$ 307,501</u>	<u>\$ (2,801)</u>	<u>\$ 315,875</u>
Materials and Supplies				
Office supplies	\$ 700	\$ 471	\$ 229	\$ 493
Operating supplies	38,700	41,176	(2,476)	23,506
Repair and maintenance supplies	45,900	50,843	(4,943)	89,301
Total materials and supplies	<u>\$ 85,300</u>	<u>\$ 92,490</u>	<u>\$ (7,190)</u>	<u>\$ 113,300</u>
Other services and charges				
Professional fees	\$ 800	\$ 888	\$ (88)	\$ 2,500
Communications	400	498	(98)	3,657
Travel and seminar		-		3,128
Insurance	18,040	13,028	5,012	18,288
Utility service	12,400	13,313	(913)	10,623
Repair and maintenance	5,300	5,149	151	13,913
Landfill fees and rentals	2,600	5,848	(3,248)	7,822
Judgments and damages		-		124
Total other services and charges	<u>\$ 39,500</u>	<u>\$ 38,368</u>	<u>\$ 1,132</u>	<u>\$ 55,533</u>
Capital outlay				
Buildings	\$ 1,400	\$ 1,380	\$ 20	\$ 18,600
Machinery & equipment	9,900	8,388	1,512	4,100
Other improvements		-		18,418
Total capital outlay	<u>\$ 11,300</u>	<u>\$ 9,768</u>	<u>\$ 1,532</u>	<u>\$ 41,118</u>
Total Street Department expenditures	<u>\$ 431,700</u>	<u>\$ 448,169</u>	<u>\$ (16,469)</u>	<u>\$ 486,163</u>

-continued-

CITY OF VIDALIA, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED JUNE 30, 1996

	1997		Variance favorable (Unfavorable)	1996
	Budget	Actual		Actual
SANITATION DEPARTMENT				
Personal services				
Salaries and wages	\$ 133,500	\$ 133,453	\$ 1,345	\$ 137,036
Employee benefits	58,433	55,111	3,322	65,949
Total personal services	\$ 191,933	\$ 188,564	\$ 3,367	\$ 202,985
Materials and supplies				
Operating supplies	\$ 12,400	\$ 15,610	\$ (3,210)	\$ 11,778
Repair and maintenance supplies	292	125	167	214
Total materials and supplies	\$ 12,692	\$ 15,735	\$ (3,043)	\$ 11,992
Other services and charges				
Professional fees	-	\$ 250	\$ (250)	-
Travel and seminar	-	-	-	53
Insurance	13,400	13,401	(1)	14,762
Landfill fees and rentals	119,500	118,848	652	95,358
Bad debts	-	-	-	1,668
Total other services and charges	\$ 132,900	\$ 132,629	\$ 271	\$ 111,843
Capital outlay				
Machinery and equipment	-	-	-	\$ 52,971
Total capital outlay	-	-	-	\$ 52,971
Total Sanitation Department expenditures	\$ 327,812	\$ 326,201	\$ 1,611	\$ 409,841

-continued-

CITY OF VIDALIA, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED JUNE 30, 1996

	1997		Variance favorable (Unfavorable)	1996
	Budget	Actual		Actual
POLICE DEPARTMENT				
Personal services				
Salaries and wages	\$ 524,600	\$ 521,801	\$ 2,799	\$ 488,633
Employee benefits	148,202	143,738	4,464	157,511
Total personal services	<u>\$ 672,802</u>	<u>\$ 665,539</u>	<u>\$ 7,263</u>	<u>\$ 646,144</u>
Materials and supplies				
Office supplies	\$ 3,865	\$ 5,186	\$ (1,321)	\$ 2,728
Operating supplies	29,709	23,652	(6,057)	28,896
Repair and maintenance supplies	13,342	14,222	(880)	13,013
Total materials and supplies	<u>\$ 46,916</u>	<u>\$ 53,060</u>	<u>\$ (6,144)</u>	<u>\$ 44,637</u>
Other services and charges				
Professional fees	\$ 14,100	\$ 11,464	\$ 2,636	\$ 9,777
Communications	8,400	9,806	(1,406)	7,944
Travel and seminar	13,400	16,392	(2,992)	13,225
Advertising	620	607	13	1,358
Dues and subscriptions	1,450	1,442	8	827
Insurance	41,650	41,645	5	28,664
Utility service	18,420	18,796	(376)	8,640
Repair and maintenance	13,420	15,214	(1,794)	19,499
Total other services and charges	<u>\$ 191,620</u>	<u>\$ 198,386</u>	<u>\$ (6,766)</u>	<u>\$ 89,622</u>
Capital outlay				
Buildings	\$ 4,000	\$ 4,000	\$ (0)	\$ 4,603
Machinery and equipment	41,230	48,487	(7,257)	27,230
Total capital outlay	<u>\$ 45,230</u>	<u>\$ 52,487</u>	<u>\$ (7,257)</u>	<u>\$ 31,833</u>
Total Police Department expenditures	<u>\$ 814,638</u>	<u>\$ 816,382</u>	<u>\$ (1,744)</u>	<u>\$ 792,744</u>

-continued-

CITY OF VIDALIA, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED JUNE 30, 1996

	1997		Variance favorable (Unfavorable)	1996
	Budget	Actual		Actual
FIRE DEPARTMENT				
Personal services				
Salaries and wages	\$ 198,100	\$ 191,019	\$ 7,081	\$ 201,974
Employee benefits	57,100	55,322	1,778	71,945
Total personal services	<u>\$ 255,200</u>	<u>\$ 246,341</u>	<u>\$ 8,859</u>	<u>\$ 273,919</u>
Materials and supplies				
Office supplies	\$ 410	\$ 741	\$ 331	\$ 1,021
Operating supplies	9,899	11,339	(1,440)	12,679
Repair and maintenance supplies	1,352	4,868	(3,516)	3,024
Total materials and supplies	<u>\$ 12,661</u>	<u>\$ 16,948</u>	<u>\$ (4,287)</u>	<u>\$ 16,724</u>
Other services and charges				
Professional fees	\$ 289	\$ 378	\$ 89	\$ 225
Communications	4,760	4,488	372	4,261
Travel and seminar	2,359	2,234	(125)	6,449
Dues and subscriptions	150	144	6	347
Insurance	7,480	7,458	22	8,363
Utility service	4,760	5,325	(565)	4,569
Repair and maintenance	2,280	2,124	156	2,844
Total other services and charges	<u>\$ 23,720</u>	<u>\$ 23,234</u>	<u>\$ 486</u>	<u>\$ 26,178</u>
Capital outlay				
Machinery and equipment	\$ 6,500	\$ 6,510	\$ 10	\$ 711
Total capital outlay	<u>\$ 6,500</u>	<u>\$ 6,510</u>	<u>\$ 10</u>	<u>\$ 711</u>
Total Fire Department expenditures	<u>\$ 295,179</u>	<u>\$ 293,241</u>	<u>\$ 1,938</u>	<u>\$ 319,532</u>

-continued-

CITY OF VIDALIA, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED JUNE 30, 1996

	1997		Variance favorable (Unfavorable)	1996
	Budget	Actual		Actual
CITY COURT				
Personal services				
Salaries and wages	\$ 25,500	\$ 24,500	\$ 00	\$ 27,000
Employee benefits	11,450	11,591	80	12,441
Total personal services	<u>\$ 47,450</u>	<u>\$ 47,591</u>	<u>\$ 80</u>	<u>\$ 51,043</u>
Materials and supplies				
Office supplies	\$ 80	\$ 80	\$ 00	\$ -
Operating supplies	60	30	30	-
Repair and maintenance supplies	80	81	20	-
Total materials and supplies	<u>\$ 220</u>	<u>\$ 81</u>	<u>\$ 130</u>	<u>\$ -</u>
Other services and charges				
Professional fees	\$ 80	\$ 80	\$ -	\$ -
Communications	410	525	(113)	444
Insurance	730	727	3	850
Repair and maintenance	2,550	2,628	(373)	1,921
Total other services and charges	<u>\$ 3,420</u>	<u>\$ 3,958</u>	<u>\$ (480)</u>	<u>\$ 2,215</u>
Total City Court expenditures	<u>\$ 51,140</u>	<u>\$ 51,481</u>	<u>\$ (321)</u>	<u>\$ 54,258</u>

-continued-

CITY OF VIDALIA, LOUISIANA
GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED JUNE 30, 1996

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		Actual
PROTECTIVE INSPECTION				
Personal services				
Salaries and wages	\$ 11,370	\$ 11,971	\$ (601)	\$ 11,643
Employee benefits	3,788	3,831	(43)	5,871
Total personal services	\$ 15,158	\$ 15,802	\$ (644)	\$ 17,514
Materials and supplies				
Office supplies	\$ 25	\$	\$ 25	\$
Operating supplies	441	338	103	
Repair and maintenance supplies	35	24	11	
Total materials and supplies	\$ 501	\$ 362	\$ 139	\$
Other services and charges				
Communications	\$ 325	\$ 456	\$ (131)	\$
Insurance	744	744		
Utility service	88	85	(3)	
Total other services and charges	\$ 1,157	\$ 1,285	\$ (128)	\$
Capital outlay				
Machinery and equipment	\$	\$	\$	\$ 814
Total capital outlay	\$	\$	\$	\$ 814
Total Protective Inspection expenditures	\$ 16,816	\$ 17,424	\$ (608)	\$ 18,328
Total expenditures - all departments	\$2,211,151	\$2,243,308	\$ (32,157)	\$2,298,816

The accompanying notes are an integral part of these financial statements.

SPECIAL REVENUE FUNDS

Sales Tax Fund

To account for the collection and expenditure of sales tax revenues as provided by bond ordinances.

Ambulance Fund

To account for the collection and expenditure of sales tax dedicated for the purpose of providing the community with ambulance service.

City Court Fund

To account for the operations of the Court as required by Louisiana Revised Statute and to facilitate control over receipts and payment of expenses connected with collection of revenues. Excess revenue is available for transfer to general fund.

UDAG Special Fund

To account for the expenditure of revenues from Urban Development Action Grant Funds. These funds are to be used for additional community or economic development activities eligible for assistance under Title I of the Housing and Community Development Act of 1974.

CITY OF VIDALIA, LOUISIANA
SPECIAL REVENUE FUNDS
COMBING BALANCE SHEET

JUNE 30, 1997

WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 1996

		Ambulance	City Court	V.D.A.C Special Revenue	
	Fund	Fund	Fund	Revenue	Totals
	Fund	Fund	Fund	Revenue	1997
	Fund	Fund	Fund	Revenue	1996
ASSETS					
Cash	\$ 161,723	\$ 5,367	\$ 41,817	\$ 4,660	\$ 213,567
Accounts receivable, net of allowance for uncollectibles:					
(1997 \$7,321; 1996 \$0)					
Investments	44,464	12,342	29,671		86,477
Due from other funds	219,803		26,249		246,052
Total assets	<u>\$ 435,810</u>	<u>\$ 17,709</u>	<u>\$ 97,737</u>	<u>\$ 4,660</u>	<u>\$ 555,526</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 1,892	\$ 2,207	\$	\$ 1,093	\$ 5,192
Accrued liabilities		14,184			14,184
Funds on hand			1,269		1,269
Due to other funds	60,953		7,732		68,685
Total liabilities	<u>\$ 63,838</u>	<u>\$ 16,391</u>	<u>\$ 9,001</u>	<u>\$ 1,093</u>	<u>\$ 89,323</u>
Fund balance					
Unreserved	\$ 624,218	\$ 129,449	\$ 78,112	\$ 2,200	\$ 833,979
Total fund balance	<u>\$ 624,218</u>	<u>\$ 129,449</u>	<u>\$ 78,112</u>	<u>\$ 2,200</u>	<u>\$ 833,979</u>
Total liabilities and fund balance	<u>\$ 688,636</u>	<u>\$ 145,848</u>	<u>\$ 87,113</u>	<u>\$ 4,293</u>	<u>\$ 918,888</u>

The accompanying notes are integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
SPECIAL REVENUE FUND
SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED JUNE 30, 1996

	1997		Variance favorable (Unfavorable)	1996
	Budget	Actual		Actual
REVENUES				
Taxes	\$ 429,000	\$ 422,882	\$ 6,118	\$ 489,090
Other	9,202	9,255	(53)	14,058
Total revenues	<u>\$ 438,202</u>	<u>\$ 432,137</u>	<u>\$ 6,065</u>	<u>\$ 503,148</u>
EXPENDITURES				
Current				
Materials and supplies	\$ 200	\$ 927	\$ (727)	\$ 24
Other services and charges	11,856	10,495	1,361	12,600
Capital Outlay				
Other improvements	82,809	76,482	6,327	192,840
Total expenditures	<u>\$ 84,865</u>	<u>\$ 87,904</u>	<u>\$ 3,039</u>	<u>\$ 110,564</u>
Excess of revenues	\$ 353,337	\$ 344,233	\$ 9,104	\$ 392,584
OPERATING TRANSFERS				
Transfers - in				32,745
Transfers - out	(375,410)	(375,410)		(388,637)
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ (22,073)	\$ (31,177)	\$ 9,104	\$ (155,892)
FUND BALANCE, BEGINNING	<u>453,795</u>	<u>453,795</u>		<u>510,595</u>
FUND BALANCE, ENDING	<u>\$ 431,722</u>	<u>\$ 422,618</u>	<u>\$ 9,104</u>	<u>\$ 354,703</u>

The accompanying notes are an integral part of these financial statements.

The results of our tests disclosed the following instance of noncompliance that is required to be reported herein under Government Auditing Standards for which the ultimate resolution cannot presently be determined. Accordingly, no such provision for liability that may result has been recognized in the City of Vidalia, Louisiana's financial statements.

1. Finding

The City did not comply with all provisions of the Local Government Budget Act for the year ended June 30, 1997. For the year when budgeted revenues exceeded actual revenues by 5% or more and when actual expenditures exceeded budgeted expenditures by 5% or more, the Board was not notified in writing as required by the Act. The City's budget was not amended during the year.

Recommendation

We recommend that the City comply with all provisions of the Local Government Budget Act.

Management's Response

The City will comply in the future.

We considered these instances of noncompliance in forming our opinion on whether the City of Vidalia, Louisiana's general-purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated October 8, 1997, on these general-purpose financial statements.

This report is intended for the information of management and the Office of Legislative Auditor, State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Arthur M. Simon & Company, LLP

Natchez, Mississippi
October 8, 1997

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THE MISSISSIPPI SOCIETY OF CPAs
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**INDEPENDENT AUDITOR'S REPORT ON
 COMPLIANCE BASED ON AN AUDIT OF
 GENERAL-PURPOSE FINANCIAL STATEMENTS
 PERFORMED IN ACCORDANCE WITH
 GOVERNMENT AUDITING STANDARDS**

The Honorable Hyrum Copeland, Mayor
 and Members of the Board of Aldermen
 City of Vidalia
 Vidalia, Louisiana

We have audited the general-purpose financial statements of the City of Vidalia, Louisiana as of and for the year ended June 30, 1997, and have issued our report thereon dated October 8, 1997.

We conducted our audit in accordance with generally accepted auditing standards Government Auditing Standards issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the City of Vidalia, Louisiana is the responsibility of City of Vidalia, Louisiana's management. As part of obtaining reasonable assurance about whether the general-purpose financial statements are free of material misstatement, we performed tests of the City of Vidalia, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general-purpose financial statements of City of Vidalia, Louisiana, for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statement and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general-purpose 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management and the Office of Legislative Auditor, State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Alford & Alford & Company, LLP

Natchez, Mississippi
October 8, 1997

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 Certified Public Accountants
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 Natchez, Missouri 64621

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AMERICAN INSTITUTE OF CPAs

OFFICE: NATCHEZ, MISSOURI

MEMBERSHIP: 1921-1922

MEMBERSHIP: 1923-1924

MEMBERSHIP: 1925-1926

**INDEPENDENT AUDITOR'S REPORT
 ON INTERNAL CONTROL STRUCTURE
 BASED ON AN AUDIT OF GENERAL-PURPOSE
 FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH GOVERNMENT
 AUDITING STANDARDS**

The Honorable Hyram Copeland, Mayor
 and Members of the Board of Aldermen
 City of Vidalia
 Vidalia, Louisiana

We have audited the general-purpose financial statements of the City of Vidalia, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated October 8, 1997.

We conducted our audit in accordance with generally accepted auditing standards. Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

The management of the City of Vidalia, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an

ADDITIONAL REPORTS

CITY OF VIDALLA, LOUISIANA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 1997

Federal/Grantor Pass-through Grantor Program Title	Federal CPDA Number	Pass-through Grantor's Number	Program or Award Amount	Receipts	Expenditures
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Pass-through State Department of Community Development:					
FY 2004 LCDRG-ED Program: FOL Water & Sewer Project	14-338	181-0652	\$ 1,031,000	\$ 28,078	\$ 28,078
FY 2005 LCDRG-DM Program: Tweezer Street Project	14-338	181-0545	\$ 225,000	\$ 28,112	\$ 28,112
Total U. S. Department of Housing and Urban Development					
U. S. DEPARTMENT OF JUSTICE					
Office of Community Oriented Policing Services:					
CPDS Post Grant	16-579	26CFPS0271	\$ 50,000	\$ 50,000	\$ 50,000
Pass-through the Louisiana Highway Safety Commission: Banda Across the Border					
Total U. S. Department of Justice	16-579	2608	\$ 50,000	\$ 50,000	\$ 50,000
OTHER FEDERAL ASSISTANCE					
Aut 942 Training & Equipment Grants			\$ 5,000	\$ 5,000	\$ 5,000
Street Sales Disruption (MS)			\$ 8,112	\$ 8,112	\$ 8,112
Street Sales Disruption (FF)			\$ 5,000	\$ 5,000	\$ 5,000
Colfax			\$ 8,784	\$ 8,784	\$ 8,784
Total other Federal assistance					
Total Federal financial assistance			\$ 1,329,000	\$ 135,282	\$ 135,282

See Independent Auditor's Report

CITY OF VIDALIA, LOUISIANA
STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 1997
WITH COMPARATIVE TOTALS FOR JUNE 30, 1996

		GO Bond & Interest Sinking Fund			Totals
					1997 1996
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT					
Amount available in Debt Service Fund for Debt Retirement	\$	7,480	\$	7,480	\$ 2,516
Amount to be provided from:					
Ad valorem tax		12,550		12,550	32,474
1% Sales Tax Fund					
Total available and to be provided	\$	<u>20,030</u>	\$	<u>20,030</u>	\$ <u>20,000</u>
GENERAL LONG-TERM DEBT PAYABLE					
Bonds payable	\$	<u>20,000</u>	\$	<u>20,000</u>	\$ <u>20,000</u>
Total General Long-Term Debt	\$	<u>20,000</u>	\$	<u>20,000</u>	\$ <u>20,000</u>

The accompanying notes are an integral part of these financial statements.

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. Payment of maturing obligations, including interest is accounted for in the debt service funds.

CITY OF VIDALIA, LOUISIANA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

<u>Function and Activity</u>	<u>General fixed assets 6/30/96</u>	<u>Additions</u>	<u>Dispositions</u>	<u>General fixed assets 6/30/97</u>
GENERAL GOVERNMENT				
General administration	\$ 16,490	\$	\$	\$ 16,490
Judicial	22,136			22,136
Financial administration	29,492			29,492
General government buildings	<u>681,185</u>			<u>681,185</u>
Total general government	<u>\$ 749,303</u>	<u>\$</u>	<u>\$</u>	<u>\$ 749,303</u>
PUBLIC SAFETY				
Police protection	\$ 392,559	\$ 44,422	\$	\$ 399,981
Fire protection	455,722	6,382		462,004
Ambulance service	67,987	420		68,407
Protective inspection	<u>12,827</u>		<u>12,827</u>	<u>1,991</u>
Total public safety	<u>\$ 929,095</u>	<u>\$ 51,224</u>	<u>\$ 12,827</u>	<u>\$ 918,492</u>
PUBLIC WORKS				
Street maintenance	\$ 392,104	\$ 8,285	\$	\$ 392,104
Sanitation and waste removal	<u>328,820</u>	<u>-</u>		<u>328,820</u>
Total public works	<u>\$ 720,924</u>	<u>\$ 8,285</u>	<u>\$</u>	<u>\$ 720,924</u>
ECONOMIC DEVELOPMENT				
Riverfront development	\$ 295,621	\$ 152,655	\$	\$ 1,148,287
Coast Guard facility	81,900			81,900
Industrial Park improvements	<u>3,038,222</u>	<u>2,378</u>		<u>3,041,600</u>
Total economic development	<u>\$ 3,415,743</u>	<u>\$ 155,033</u>	<u>\$</u>	<u>\$ 3,271,787</u>
Total general fixed assets	<u>\$ 3,885,170</u>	<u>\$ 214,542</u>	<u>\$ 12,827</u>	<u>\$ 3,911,885</u>

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
JUNE 30, 1997 AND 1996

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than buildings</u>	<u>Equipment</u>
GENERAL GOVERNMENT					
General Administration	\$ 16,488	\$	\$	\$	\$ 16,488
Judicial	22,138				22,138
Financial administration	22,488				22,488
General government buildings		681,185	90,000	621,185	
Total general government	<u>\$ 742,302</u>	<u>\$ 681,185</u>	<u>\$ 90,000</u>	<u>\$ 621,185</u>	<u>\$ 59,112</u>
PUBLIC SAFETY					
Police protection	\$ 188,000	\$ 3,000	\$ 145,813	\$	\$ 322,188
Fire protection	483,014		193,000		327,480
Ambulance service	68,457				68,457
Protective inspection	1,001				1,001
Total public safety	<u>\$ 812,352</u>	<u>\$ 3,000</u>	<u>\$ 338,813</u>	<u>\$</u>	<u>\$ 699,118</u>
PUBLIC WORKS					
Street maintenance	\$ 388,300	\$	\$ 83,338	\$ 4,894	\$ 318,268
Sanitation and waste	388,300		12,000		388,300
Total public works	<u>\$ 776,600</u>	<u>\$</u>	<u>\$ 95,338</u>	<u>\$ 4,894</u>	<u>\$ 706,568</u>
ECONOMIC DEVELOPMENT					
Riverfront development	\$ 1,148,287	\$ 1,148,287	\$	\$	\$
Coast Guard facility	81,900			81,900	
Industrial Park and improvements	5,041,520	5,213,001		628,120	
Total economic development	<u>\$ 6,271,707</u>	<u>\$ 6,361,288</u>	<u>\$</u>	<u>\$ 710,020</u>	<u>\$</u>
Totals	<u>\$ 2,827,911</u>	<u>\$ 6,428,798</u>	<u>\$ 424,138</u>	<u>\$ 1,331,205</u>	<u>\$ 1,289,680</u>

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE
JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
GENERAL FIXED ASSETS		
Land	\$5,439,788	\$5,273,755
Buildings	992,759	988,757
Improvements other than buildings	912,991	912,991
Equipment	<u>1,293,323</u>	<u>1,169,872</u>
Total general fixed assets	\$8,638,861	\$8,335,175
INVESTMENT IN GENERAL FIXED ASSETS FROM:		
General obligation bonds	\$ 325,000	\$ 325,000
Federal grants	1,579,604	1,579,604
State grants	3,897,162	3,897,162
General Fund revenues	2,495,195	2,493,509
Special Revenue Fund revenues	603,747	603,351
Donations	<u>603,750</u>	<u>603,750</u>
Total investment in general fixed assets	\$8,131,358	\$8,238,176

The accompanying notes are an integral part of these financial statements.

GENERAL FIXED ASSET ACCOUNT GROUP

To account for all fixed assets of the City, except those accounted for in the Utility Fund and elements of the City's infrastructure, which are not required to be capitalized under generally accepted accounting principles.

CITY OF VIDALIA, LOUISIANA
INTERNAL SERVICE FUND
EMPLOYEE INSURANCE FUND

COMPARATIVE STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
YEARS ENDED JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from City and employees	\$ 218,913	\$ 214,773
Cash received from recoveries	109,614	77,825
Cash payments for claims on employees	(298,547)	(311,255)
Cash payments to suppliers for goods and services	<u>(131,896)</u>	<u>(128,739)</u>
Net cash provided by (used for) operating activities	\$ (96,916)	\$ 57,624
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (96,916)	\$ 57,624
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>182,941</u>	<u>4,417</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ <u>86,025</u>	\$ <u>162,041</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating income (loss)	\$ (10,366)	\$ 4,250
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Change in assets and liabilities:		
(Increase) decrease in:		
Receivables	\$ 18,367	\$ (43,459)
Due from other funds	57,563	(13,568)
Increase (decrease) in:		
Claims payable	(10,840)	(15,229)
Due to other funds	<u>(120,860)</u>	<u>165,330</u>
Total adjustments	\$ (80,560)	\$ 83,374
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (86,916)	\$ 97,624

The accompanying notes are an integral part of these financial statements.

**CITY OF VIDALIA, LOUISIANA
INTERNAL SERVICE FUND
EMPLOYEE INSURANCE FUND**

**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS**

YEARS ENDED JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
OPERATING REVENUES		
City and employee contributions	\$ 288,290	\$ 343,791
Stop loss recoveries	80,747	121,234
Total operating revenues	<u>\$ 379,037</u>	<u>\$ 465,025</u>
OPERATING EXPENSES		
Premium payments	\$ 331,879	\$ 323,669
Claims paid	263,507	355,976
Administrative and general	12	79
Total operating expenses	<u>\$ 418,403</u>	<u>\$ 479,725</u>
Operating income (loss)	\$ (39,366)	\$ 4,250
RETAINED EARNINGS, BEGINNING	<u>(1,548)</u>	<u>(5,298)</u>
RETAINED EARNINGS, ENDING	<u>\$ (37,914)</u>	<u>\$ (1,048)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
INTERNAL SERVICE FUND
EMPLOYEE INSURANCE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1937 AND 1936

	<u>1937</u>	<u>1936</u>
ASSETS		
Cash	\$ 5,128	\$ 102,541
Receivables	24,542	43,403
Due from other funds	<u>5,211</u>	<u>62,714</u>
Total assets	<u>\$ 34,881</u>	<u>\$ 208,658</u>
LIABILITIES AND FUND EQUITY		
Claims payable	\$ 24,792	\$ 24,832
Due to other funds	<u>48,009</u>	<u>174,829</u>
Total liabilities	<u>\$ 72,801</u>	<u>\$ 199,661</u>
Retained earnings	\$ (37,920)	\$ (1,043)
Total liabilities and fund equity	<u>\$ 34,881</u>	<u>\$ 208,658</u>

The accompanying notes are an integral part of these financial statements.

INTERNAL SERVICE FUND**Employee Insurance Fund**

To account for the cost of maintaining a self-insurance medical plan. Contributions are provided from various funds whose employees are covered under the plan.

CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUNDS
UTILITY FUND

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
SEWER DEPARTMENT		
Operating Revenues		
Revenues	\$ <u>267,278</u>	\$ <u>274,375</u>
Operating Expenses		
Personal services		
Salaries and wages	\$ <u>51,327</u>	\$ <u>60,581</u>
Employee benefits	<u>18,122</u>	<u>23,526</u>
Total personal services	\$ <u>69,449</u>	\$ <u>84,107</u>
Materials and supplies		
Office supplies	\$ <u>68</u>	\$ <u>355</u>
Operating supplies	<u>21,907</u>	<u>21,611</u>
Repair and maintenance supplies	<u>51,055</u>	<u>51,526</u>
Total materials and supplies	\$ <u>73,030</u>	\$ <u>73,492</u>
Other services and charges		
Professional fees	\$ <u>19,243</u>	\$ <u>13,579</u>
Communications	<u>1,379</u>	<u>1,611</u>
Travel and seminar	<u>20</u>	<u>241</u>
Dues and subscriptions	<u>-</u>	<u>50</u>
Insurance	<u>19,467</u>	<u>4,602</u>
Utility service	<u>196,534</u>	<u>78,023</u>
Repair and maintenance	<u>2,776</u>	<u>94,351</u>
Rentals	<u>1,596</u>	<u>1,143</u>
Bad debts	<u>2,488</u>	<u>2,242</u>
Total other services and charges	\$ <u>137,412</u>	\$ <u>115,891</u>
Depreciation	\$ <u>70,649</u>	\$ <u>66,605</u>
Total operating expenses	\$ <u>340,738</u>	\$ <u>335,991</u>
Operating loss	\$ <u>(73,460)</u>	\$ <u>(61,616)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUNDS
UTILITY FUND

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
WATER DEPARTMENT		
<u>Operating Revenues</u>		
Revenues	\$ 365,320	\$ 377,704
Less sales tax	(14,807)	(14,309)
Gross profits	<u>\$ 350,513</u>	<u>\$ 363,395</u>
<u>Operating expenses</u>		
Personal services		
Salaries and wages	\$ 351,598	\$ 362,843
Employee benefits	43,322	37,839
Total personal services	<u>\$ 394,920</u>	<u>\$ 400,682</u>
Materials and supplies		
Office supplies	\$ 1,463	\$ 1,463
Operating supplies	78,961	63,204
Repair and maintenance supplies	19,811	41,868
Total materials and supplies	<u>\$ 99,235</u>	<u>\$ 106,535</u>
Other services and charges		
Professional fees	\$ 38,425	\$ 34,760
Communications	7,964	6,280
Travel and seminar	1,190	6,735
Advertising	-	210
Dues and subscriptions	563	300
Insurance	8,871	11,393
Utility service	44,090	40,695
Repair and maintenance	19,166	10,333
Rentals	10,483	8,932
Bad debts	3,061	1,894
Total other services and charges	<u>\$ 133,912</u>	<u>\$ 120,752</u>
Depreciation	<u>\$ 10,875</u>	<u>\$ 12,785</u>
Total operating expenses	<u>\$ 438,212</u>	<u>\$ 450,927</u>
Operating loss	<u>\$ (87,699)</u>	<u>\$ (87,532)</u>

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**CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUNDS
UTILITY FUND**

**COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 1997 AND 1996**

	<u>1997</u>	<u>1996</u>
ELECTRIC DEPARTMENT		
Operating Revenues		
Revenues	\$4,632,994	\$4,894,818
Less purchases and sales tax	<u>(3,149,527)</u>	<u>(3,216,859)</u>
Gross profit	<u>\$1,483,467</u>	<u>\$1,677,959</u>
Operating Expenses		
Personal services		
Salary and wages	\$ 388,778	\$ 346,786
Employee benefits	<u>70,823</u>	<u>65,969</u>
Total personal services	<u>\$ 459,601</u>	<u>\$ 412,755</u>
Materials and supplies		
Office supplies	\$ 1,647	\$ 911
Operating supplies	<u>18,593</u>	<u>34,869</u>
Repair and maintenance supplies	<u>76,211</u>	<u>103,703</u>
Total materials and supplies	<u>\$ 96,451</u>	<u>\$ 149,483</u>
Other services and charges		
Professional fees	\$ 37,940	\$ 64,376
Communications	<u>7,118</u>	<u>8,679</u>
Travel and seminar	<u>4,666</u>	<u>4,139</u>
Advertising	<u>-</u>	<u>239</u>
Dues and subscriptions	<u>599</u>	<u>-</u>
Insurance	<u>16,464</u>	<u>15,238</u>
Utility service	<u>7,118</u>	<u>6,133</u>
Repair and maintenance	<u>4,878</u>	<u>6,429</u>
Rentals	<u>5,489</u>	<u>6,081</u>
Bad debts	<u>10,212</u>	<u>16,234</u>
Total other services and charges	<u>\$ 90,736</u>	<u>\$ 111,449</u>
Depreciation	<u>\$ 112,932</u>	<u>\$ 86,366</u>
Total operating expenses	<u>\$ 841,766</u>	<u>\$ 825,947</u>
Operating income	<u>\$ 641,701</u>	<u>\$ 852,012</u>

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CITY OF VIDALIA, LOUISIANA
SPECIAL REVENUE FUND
AMBULANCE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE BUDGET - (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED JUNE 30, 1996

	1997		Variance (favorable (Unfavorable))	1996
	Budget	Actual		Actual
REVENUES				
Taxes	\$ 218,000	\$ 211,342	\$ 6,658	\$ 249,205
Intergovernmental	16,475	17,117	642	21,764
Other	320	288	(32)	3,219
Total revenues	<u>\$ 234,795</u>	<u>\$ 228,747</u>	<u>\$ 6,048</u>	<u>\$ 274,188</u>
EXPENDITURES				
Current				
Personal services	\$ 254,920	\$ 256,146	\$ (1,226)	\$ 261,945
Materials and supplies	4,450	3,651	799	5,145
Other services and charges	20,950	22,140	(1,190)	23,106
Capital outlay				
Machinery and equipment	480	481	(1)	6,843
Total expenditures	<u>\$ 280,810</u>	<u>\$ 282,428</u>	<u>\$ (1,618)</u>	<u>\$ 297,839</u>
Excess of revenues (expenditures)	\$ (54,115)	\$ (53,743)	\$ 372	\$ (29,641)
OPERATING TRANSFERS				
Transfers - in	38,080		(38,080)	
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ (24,115)	\$ (53,743)	\$ (29,648)	\$ (29,641)
FUND BALANCE, BEGINNING				
	24,318	24,318		47,359
FUND BALANCE, ENDING				
	<u>\$ 283</u>	<u>\$ (29,445)</u>	<u>\$ (29,648)</u>	<u>\$ 24,318</u>

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
SPECIAL REVENUE FUND
CITY COURT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1997
WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED JUNE 30, 1996

	1997		Variance favorable (Unfavorable)	1996
	Budget	Actual		Actual
REVENUES				
Charges for services	\$	\$ 43,510	\$ 43,510	\$ 48,872
Other		1,249	1,249	
Total revenues	\$	\$ 44,759	\$ 44,759	\$ 48,872
EXPENDITURES				
Current				
Judicial	\$	\$ 22,618	\$ (22,618)	\$ 22,977
Capital outlay				
Machinery and equipment				
Total expenditures	\$	\$ 22,618	\$ (22,618)	\$ 22,977
Excess of revenues	\$	\$ 22,141	\$ 22,141	\$ 19,895
OPERATING TRANSFERS				
Transfers out		-	-	(18,600)
Excess of revenues and transfers in (expenditures and transfers out)	\$	\$ 22,141	\$ 22,141	\$ 9,295
FUND BALANCE, BEGINNING		56,296	-	42,101
FUND BALANCE, ENDING	\$	\$ 78,437	\$ 22,141	\$ 51,396

The accompanying notes are an integral part of these financial statements.

CITY OF VIDALIA, LOUISIANA
 SPECIAL REVENUE FUND
 U.D.A.G. SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 1997
 WITH COMPARATIVE ACTUAL AMOUNTS
 FOR YEAR ENDED JUNE 30, 1996

	1997		Variance favorable (Unfavorable)	1996
	Budget	Actual		Actual
REVENUES				
Intergovernmental	\$	\$	\$	\$ 25,000
Other	182	191	8	1,999
Total revenues	\$ 182	\$ 191	\$ 8	\$ 26,999
EXPENDITURES				
Capital outlay				
Land and right-of-ways	\$ 158,788	\$ 152,652	\$ (6,136)	\$ 241,918
Total expenditures	\$ 158,788	\$ 152,652	\$ (6,136)	\$ 241,918
Excess of expenditures	\$ (158,606)	\$ (152,464)	\$ (6,142)	\$ (214,019)
OPERATING TRANSFERS				
Operating transfers in	154,000	151,715	(2,285)	56,000
Excess of revenues and transfers in (expenditures and transfers out)	\$ 3,418	\$ 1,251	\$ (2,167)	\$ (218,019)
FUND BALANCE, BEGINNING				
	248	248	.	258,941
FUND BALANCE, ENDING				
	\$ 4,386	\$ 3,209	\$ (1,177)	\$ 248

The accompanying notes are an integral part of these financial statements.

DEBT SERVICE FUNDS**GENERAL OBLIGATION BOND AND INTEREST SINKING FUND****Public Improvement Bonds Dated April 1, 1978**

To accumulate monies for the payment of the 1978, \$200,000, 5% - 5.55% general obligation public improvement bonds, which are serial bonds due in annual installments of \$5,000 to \$20,000 with interest payable semi-annually until maturity on April 1, 1988.

Financing for all of the above is to be provided by an annual property tax levy. Property taxes levied in excess of actual requirements are legally restricted to servicing these debts.

CITY OF VIDALIA, LOUISIANA
 DEBT SERVICE FUNDS
 GO BOND & INTEREST SINKING FUND
 COMBINING BALANCE SHEET
 JUNE 30, 1997
 WITH COMPARATIVE TOTALS FOR JUNE 30, 1996

	<u>GO Bond & Interest Sinking Fund</u>	<u>1996</u>
ASSETS		
Cash	\$ 5,685	\$ 829
Ad valorem taxes receivable (net of allowance for uncollectible taxes)	<u>1,782</u>	<u>1,747</u>
Total assets	<u>\$ 7,467</u>	<u>\$ 2,576</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to General Fund	\$ _____	\$ _____ 50
Total liabilities	\$ _____	\$ _____ 50
Fund balance		
Available for Debt Service	\$ 7,467	\$ 2,526
Total liabilities and fund balance	<u>\$ 7,467</u>	<u>\$ 2,576</u>

The accompanying notes are an integral part of these financial statements.