

CITY OF VIDALIA, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF JUNE 30, 2003
AND FOR THE YEAR THEN ENDED

CITY OF VIDALIA, LOUISIANA

Annual Financial Statements
As of and for the Year Ended June 30, 2003
With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of the governmental activities, business-type activities, major funds, and remaining fund information, which collectively comprise the basic financial statements of the City of Vidalia, Louisiana, as of and for the year ended June 30, 2003, as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, major funds, and remaining fund information of the City at June 30, 2003, and the changes in financial position and cash flows, where applicable, of those activities and funds and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 19, the City has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*, as of June 30, 2003.

The management's discussion and analysis and budgetary comparison information on Pages 3 through 12 and Pages 44 through 45, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules described in the accompanying Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 23, 2004, on our consideration of internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, grants, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

Julia M. Linnows & Company, LLP

Natchez, Mississippi
February 23, 2004

CITY OF VIDALIA, LOUISIANA
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2003

The management of the City of Vidalia, Louisiana offers readers of the City of Vidalia, Louisiana's (City) financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2003. This management discussion and analysis ("MD&A") is designed to provide an objective analysis of the City's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of City finances. It is also intended to provide readers with an analysis of the City's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the City. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

This is the first year the City has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34. This reporting model changes the presentation of financial data, and also the manner in which the information is recorded. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

Overview of the Financial Statements

This section is intended to serve as an introduction to the City's financial statements. The City's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Assets and Statement of Activities, which seek to give the user of the financial statements a broad overview of the City's financial position and results of operations in a manner similar to private sector businesses.

The statement of net assets presents information on all of the City's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or weakening.

The statement of activities presents information which shows how the government's net assets changed during this fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes).

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues; for example, the police and fire departments. Business-type activities are functions that are intended to support their costs through charges for services or fees; such as the Gas, Electric, Water, and Sewer Departments.

Government-wide Financial Analysis

As noted earlier, net assets may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the City's assets exceeded its liabilities by \$28,947,691 (net assets); this represents an increase of \$2,141,108 from last fiscal year. Of this total net asset amount, \$6,355,565 is unrestricted net assets. The City's net assets are comprised of \$12,633,621 from Governmental Activities and \$16,314,070 from Business Type Activities.

The following is a condensed statement of the City of Vidalia's net assets as of June 30, 2003:

	Governmental Activities	Business- Type Activities	Total
Assets			
Current and other assets	\$ 2,189,707	\$ 7,519,427	\$ 9,709,134
Capital assets (net)	<u>17,157,073</u>	<u>10,542,827</u>	<u>27,699,900</u>
Total assets	<u>\$ 19,346,780</u>	<u>\$ 18,062,254</u>	<u>\$ 37,409,034</u>
Liabilities			
Other liabilities	\$ 753,159	\$ 1,748,184	\$ 2,501,343
Long-term liabilities	<u>5,960,000</u>	<u> </u>	<u>5,960,000</u>
Total liabilities	<u>\$ 6,713,159</u>	<u>\$ 1,748,184</u>	<u>\$ 8,461,343</u>
Net Assets			
Invested in capital assets	\$ 17,157,073	\$ 10,542,827	\$ 27,699,900
Less related debt	<u>6,205,000</u>	<u> </u>	<u>6,205,000</u>
Net of related debt	\$ 10,952,073	\$ 10,542,827	\$ 21,494,900
Restricted	1,097,226		1,097,226
Unrestricted	<u>584,322</u>	<u>5,771,243</u>	<u>6,355,565</u>
Total net assets	<u>\$ 12,633,621</u>	<u>\$ 16,314,070</u>	<u>\$ 28,947,691</u>

By far the largest portion of the City's net assets (\$21,494,900 or 75%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, City infrastructure, etc.) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (\$1,097,226 or 4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance (\$6,355,565 or 21%) are unrestricted net assets, which may be used to meet the government's on-going obligations to citizens and creditors.

The City has total outstanding debt of \$6,205,000, which was used to finance some of the \$27,699,900 capital assets. (For more detailed information on the City's debt and capital assets, see Pages 31 - 35.) Total liabilities of \$8,461,343 are equal to 30% of the total net assets.

Government-wide Financial Analysis – (continued)

The City's governmental activities increased net assets by \$1,302,714. This increase is mainly due to capital asset acquisitions of \$1,532,474, the majority of which were funded from capital grants. For Government-wide Financial Statements the revenue from the grants is recorded currently, while the assets acquired are capitalized and depreciated over their useful lives.

The following is a summary of the statement of activities:

	Governmental Activities	Business- Type Activities	Total
Revenue			
Program revenue	\$ 2,139,881	\$ 16,818,576	\$ 18,958,457
General revenue and transfers	<u>3,451,500</u>	<u>(1,522,161)</u>	<u>1,929,339</u>
Total revenue and transfers	<u>\$ 5,591,381</u>	<u>\$ 15,296,415</u>	<u>\$ 20,887,796</u>
Expenses			
General and administrative	\$ 513,238	\$	\$ 513,238
Public safety	1,829,466		1,829,466
Public works	1,294,004		1,294,004
Economic development	317,571		317,571
Combined utility		7,219,738	7,219,738
Hydro operations		7,238,283	7,238,283
Interest on long-term debt	<u>334,388</u>		<u>334,388</u>
Total expenses	<u>\$ 4,288,667</u>	<u>\$ 14,458,021</u>	<u>\$ 18,746,688</u>
Increase in net assets	\$ 1,302,714	\$ 838,394	\$ 2,141,108
Net assets June 30, 2002	11,212,631	14,859,595	26,072,226
Prior period adjustment	<u>118,276</u>	<u>616,081</u>	<u>734,357</u>
Net assets June 30, 2003	<u>\$ 12,633,621</u>	<u>\$ 16,314,070</u>	<u>\$ 28,947,691</u>

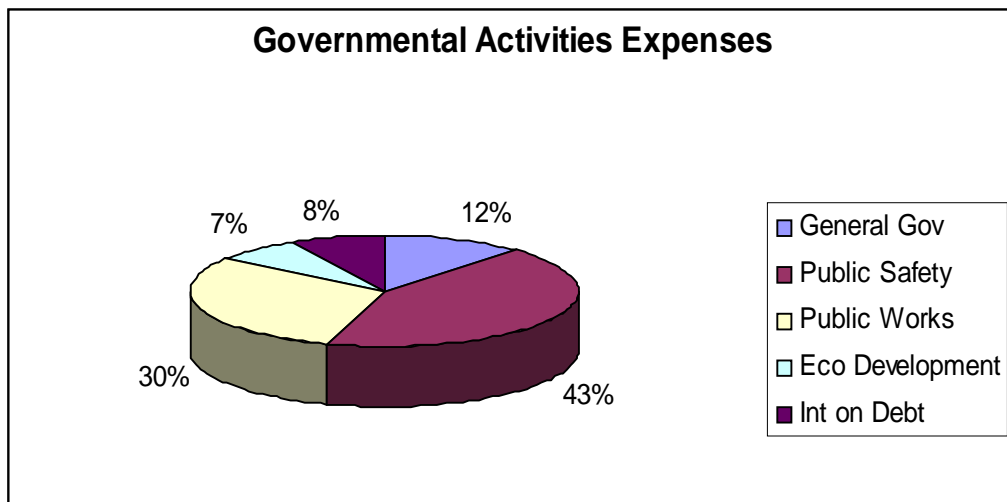
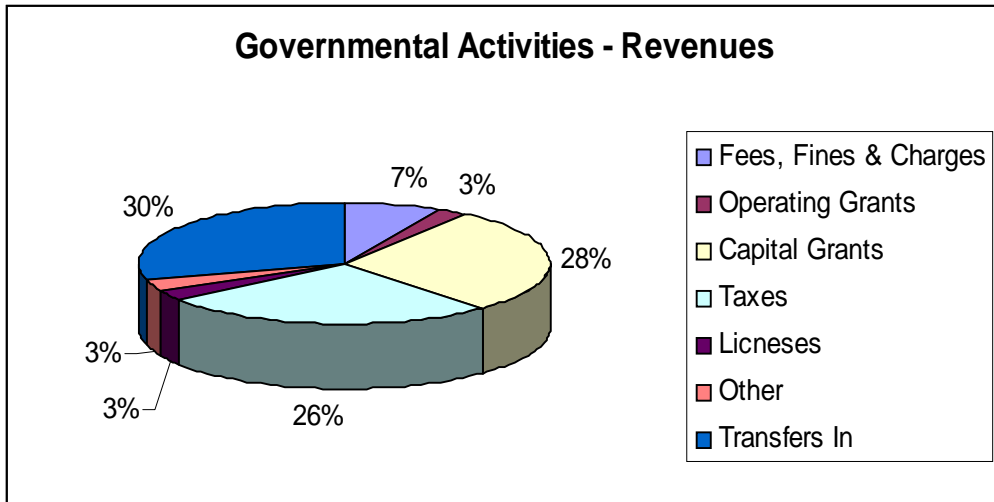
Because of the change in accounting principles described in Note 19 of Notes to the Financial Statements, a comparison of various items included in the Statement Of Activities with the previous year amounts is not presented. In future years these amounts will be available and comparisons presented.

A complete explanation of the above prior period adjustments is contained in Notes to the Financial Statements, Note 20.

Governmental Activities

The Governmental Activities of the City include General Government, Public Safety, Public Works, Economic Development, and Payment of Interest on Long Term debt. In that revenues normally associated with municipal operations, (e.g. sales tax, property tax, franchise fees, license fees, sanitation fees, permits, fines and operating grants) are insufficient for the funding of these activities; the City relies on transfers of excess revenue from its enterprise funds to cover the cost of all activities other than Economic Development. Economic Development Activities in the majority are funded by Capital Grants and Contributions.

The following are a graphical representation of information presented in the Statement Of Activities for Governmental Activities.



The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government-wide financial statements.

Business Type Activities

The Business-Type Activities of the City are those that charge a fee to customers for the services provided. The City has two Business-type Activities, which are accounted for in enterprise funds. The City uses enterprise funds to account for the revenues and expenses related to the provision of gas, electric, water, and sewer services and the revenues derived and expenses paid in connection with the City's contractual obligations involving the S. A. Murray Hydro Electric Station.

Business-type Activities (continued)

The following is a summary of the business-type activities of the City:

	Operating Revenues Net of Purchases and Sales Tax					
	Gas	Electric	Water	Sewer	Hydro	Total
Fiscal year ended June 30, 2002	\$ 414,855	\$ 2,241,054	\$ 471,117	\$ 420,397	\$ 1,724,767	\$5,290,815
Fiscal year ended June 30, 2003	<u>441,181</u>	<u>1,857,294</u>	<u>468,696</u>	<u>418,020</u>	<u>2,322,033</u>	<u>5,523,171</u>
Increase (decrease) between years	<u>\$ 26,326</u>	<u>\$ (383,760)</u>	<u>\$ (2,421)</u>	<u>\$ (2,377)</u>	<u>\$ 597,266</u>	<u>\$ 232,356</u>

	Operating Expenses					
	Gas	Electric	Water	Sewer	Hydro	Total
Fiscal year ended June 30, 2002	\$ 361,178	\$ 989,804	\$ 631,869	\$ 411,384	\$ 24,010	\$5,272,190
Fiscal year ended June 30, 2003	<u>391,424</u>	<u>1,089,849</u>	<u>671,469</u>	<u>437,362</u>	<u>486,191</u>	<u>5,507,224</u>
Increase (decrease) between years	<u>\$ 30,246</u>	<u>\$ 100,045</u>	<u>\$ 39,600</u>	<u>\$ 25,978</u>	<u>\$ 462,181</u>	<u>\$ 235,034</u>

	Net Income (Loss) From Operations					
	Gas	Electric	Water	Sewer	Hydro	Total
Fiscal year ended June 30, 2002	\$ 53,677	\$ 1,251,250	\$(160,752)	\$ 9,013	\$ 1,700,757	\$2,853,945
Fiscal year ended June 30, 2003	<u>49,757</u>	<u>767,445</u>	<u>(202,773)</u>	<u>(19,342)</u>	<u>1,835,842</u>	<u>2,430,929</u>
Increase (decrease) between years	<u>\$ (3,920)</u>	<u>\$ (483,805)</u>	<u>\$ (42,021)</u>	<u>\$ (28,355)</u>	<u>\$ 135,085</u>	<u>\$ (423,016)</u>

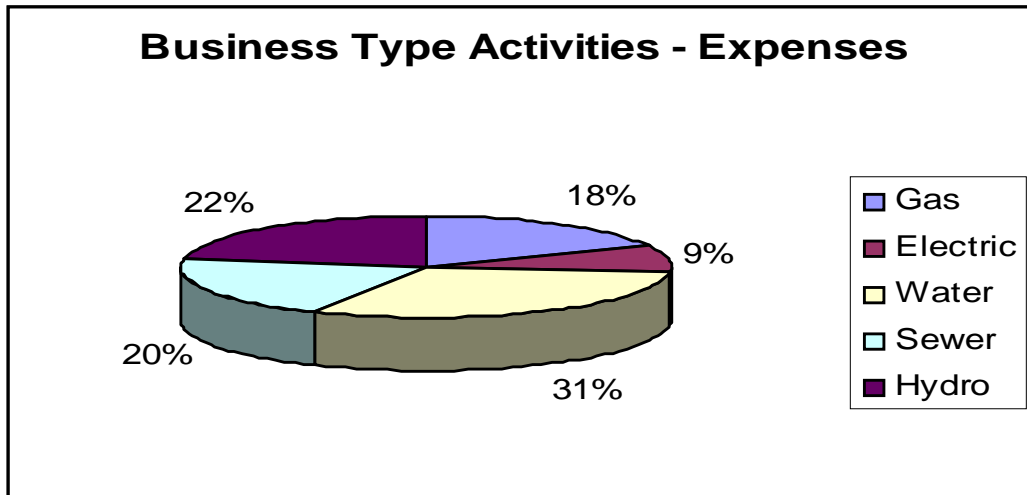
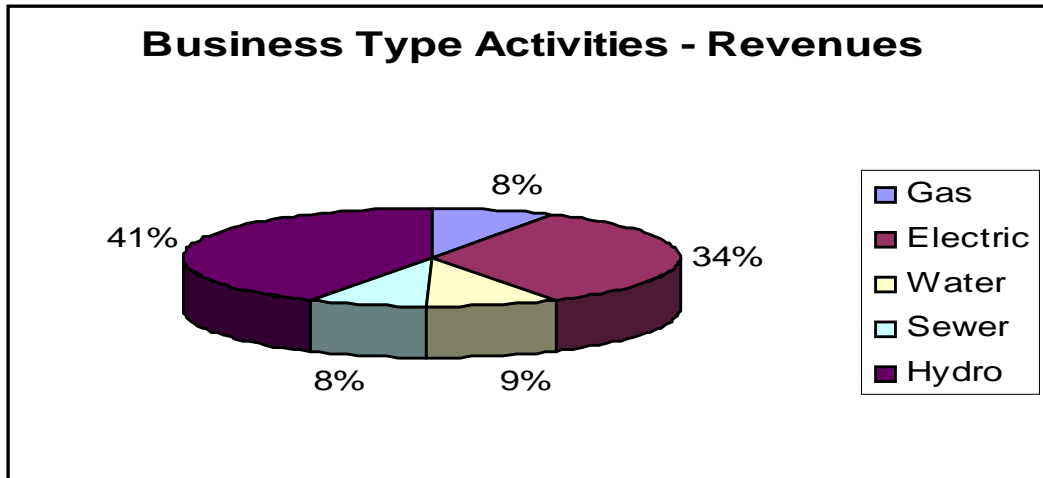
The reasons for major fluctuations noted above are as follows:

Decrease in Electric Net Operating Revenues was the result of increased cost of power for fiscal year 2003. This increase was not passed on in the way of a fuel adjustment on customer's electric bill.

Increase in Hydro Operating Revenues – The Hydro Electric Generating Station is a run of the river hydroelectric plant and thus electric production and related sales of the City's share of production are dependent upon water flows in the Mississippi River. These flows vary greatly from year to year and fluctuations in revenues derived from power sales and the City's cost of purchasing the power produced are to be expected.

Increases in Operating Costs of Gas, Electric, Water, and Sewer Operations totaled \$195,869. Increases in personal service costs (wages, medical benefits, payroll tax etc.) account for \$116,977 or 59% of the total increases. The majority of the balance of the increase was the result of costs incurred in connection with the mapping of the City's electric system.

The following are graphical representations of information presented in the Statement Of Activities for Business Type Activities:



The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government-wide financial statements.

Fund Financial Statements - Governmental Funds

The fund financial statements provide more detailed information about the City’s most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for a particular purpose.

The City maintains four individual governmental fund types. These fund types are General, Special Revenue, Debt Service, and Capital Projects Funds. Information is presented separately in the Governmental Funds Balance Sheet (Statement C) and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement E) for the General Fund and the River Front Development Fund, which are considered to be major funds. Transactions of the remaining governmental funds are combined and shown as Other Governmental Funds on these statements. Individual fund data for each of the non-major governmental funds is provided in the form of combining and individual financial statements in the supplemental information portion of this report, beginning on Page 46.

The City adopts an annual budget for its governmental funds. A statement of revenues, expenditures, and changes in fund balance for the General Fund is presented in the Required Supplemental Information (Part II) which compares actual revenues and expenditures to the original budget and amended budget figures. Budgeted amounts for the remainder of the Governmental Funds are presented in the individual fund statements.

Financial Analysis of the City’s Governmental Funds

The City of Vidalia’s governmental funds reported combined ending fund balances of \$1,711,280, which is a decrease of \$ 427,662. This decrease is caused by the recognition of expenditure of bond proceeds in fiscal year 2003 while the revenues from bond issuance were recognized in prior fiscal years. Of the combined ending fund balance of \$1,711,280, \$739,016 is reserved for debt service.

Governmental Funds - Summary of Financial Data:

	Revenue and Transfers In				
	General	Special Revenue	Debt Service	Capital Projects	Total
Fiscal year ended June 30, 2002	\$ 2,732,329	\$ 1,300,663	\$ 581,706	\$ 1,877,845	\$6,492,543
Fiscal year ended June 30, 2003	<u>2,969,467</u>	<u>1,435,630</u>	<u>584,002</u>	<u>1,698,332</u>	<u>6,687,431</u>
Increase (decrease) between years	<u>\$ 237,138</u>	<u>\$ 134,967</u>	<u>\$ 2,296</u>	<u>\$ (179,513)</u>	<u>\$ 194,888</u>
	Expenditures and Transfers Out				
	General	Special Revenue	Debt Service	Capital Projects	Total
Fiscal year ended June 30, 2002	\$ 2,715,179	\$ 1,213,991	\$ 603,007	\$ 3,021,650	\$7,553,827
Fiscal year ended June 30, 2003	<u>2,959,951</u>	<u>1,331,505</u>	<u>571,544</u>	<u>2,252,093</u>	<u>7,115,093</u>
Increase (decrease) between years	<u>\$ 244,772</u>	<u>\$ 117,514</u>	<u>\$ (31,463)</u>	<u>\$ (769,557)</u>	<u>\$ (438,734)</u>
	Changes in Fund Balance				
	General	Special Revenue	Debt Service	Capital Projects	Total
Fiscal year ended June 30, 2002	\$ 43,622	\$ 427,059	\$ 726,558	\$ 941,703	\$2,138,942
Fiscal year ended June 30, 2003	<u>53,138</u>	<u>531,184</u>	<u>739,016</u>	<u>387,942</u>	<u>1,711,280</u>
Increase (decrease) between years	<u>\$ 9,516</u>	<u>\$ 104,125</u>	<u>\$ 12,458</u>	<u>\$ (553,761)</u>	<u>\$ (427,662)</u>

Fund Financial Statements – Proprietary Funds

The City maintains three proprietary funds. Proprietary funds are used to report the same functions as business-type activities. The City uses enterprise funds (the first type of proprietary fund) to account for its Combined Gas, Electric, Water and Sewer Operations and Revenue and Expenses related to its involvement in the operation of the S. A. Murray Hydro Electric Station. These enterprise funds report the same functions presented as business-type activities in the government-wide financial statements.

The City also operates an Internal Service Fund (the other type of proprietary fund) to account for the cost of providing medical benefits to eligible employees of the City. This fund provides benefits to other departments of the City on a cost reimbursement basis.

Financial Analysis of the City's Proprietary Funds.

The City's proprietary funds show an increase in ending fund balance of \$ 838,394. The 2003 operating loss of the Water and Sewer Departments of \$222,115 represents an increased in loss of \$70,376 from fiscal year 2002. This operating loss was off set by the Electric Department's operating income of \$767,445 which represents a decrease of \$483,805 from fiscal year 2002 and a \$49,757 operating income in the Gas Department which also represents a decrease of \$3,920 compared to the previous fiscal year.

In that financial statements of enterprise funds are presented on the same basis of accounting as in both the government-wide financial statements and the individual fund statements all comments and analysis made under business-type activities apply to these funds.

Expenditures of the Internal Service Fund for the current fiscal year (\$33,200) are immaterial because the City is no longer partially self-funded. This fund will be converted to a Agency Fund or Clearing Account for future fiscal years.

General Fund Budgetary Highlights

The major differences between the original budget and the final amended budget of the General Fund are:

1. The increase in revenue of \$168,110 is due mainly to the anticipation of receiving intergovernmental revenues (grants) in the amount of \$132,536 and an increase of \$44,100 in licenses and permits.
2. Expenditures increased from \$2,715,179 to \$2,939,951 for a difference of \$224,772. This was due to increases in cost of personal services (e.g. salaries and wages, hospitalization insurance, increased employer portion of retirement contributions) and equipment purchases that were not anticipated in the original budget.

Although the actual excess of revenue for the current fiscal year was sufficient to meet all expenditures and show a \$9,516 increase in fund balance, the final budget and the actual results difference show a negative position of \$75,147. The majority of this variance was the result of \$118,276 in grant funds recorded currently were found to be a revenue of the previous period and were removed by a prior period adjustment.

Capital Asset and Debt Administration

The total investment in net capital assets as of June 30, 2003 is \$21,494,900.

New major capital assets purchased or constructed in fiscal 2003 are:

Governmental activities:

1. A new car was purchased for the Mayor \$19,838
2. Radio and Computer Equipment for the Police and Fire Departments \$10,629
3. Two new patrol cars for the Police Department \$39,676
4. New Turn Out Suits for the Fire Department \$24,750
5. New ambulance for the Fire Department \$65,042
6. Miscellaneous Ambulance Equipment \$6,160
7. Miscellaneous Street Department Equipment \$ 5,963
8. Sub Surface Drainage Project – Portion completed this year \$ 595,164
9. River Front Development Project – Restrooms \$131,000, Fountain Plaza \$589,500, Shade Structures \$196,188, Street and Parking Areas \$201,000
10. Additions and extensions to the Combined Utility System \$774,484.
11. New Dodge Pickup Truck for Utility Department \$21,280

In addition to the above, the City had Construction in Progress expenditures totaling \$1,944,736 as of June 30, 2003. This construction is a continuation of the River Front Development \$1,817,783 and repair and additions to the Utility System \$126,953. As of June 30, 2003 the City also has outstanding obligations under uncompleted construction contracts of \$1,165,373.

At the end of the current fiscal year, the City had a total outstanding bonded debt of \$6,205,000. Principle payments of \$245,000 are due during the upcoming fiscal year. These obligations are financed through a 1% sales tax collected within the corporate limits of Vidalia.

Current Financial Factors

With the exception of Capital Grants, revenue for the upcoming fiscal year is expected to remain relatively constant. Construction will continue on the River Front Development Project, the majority of which is funded by Federal and State Capital Grants.

It is anticipated that the cost of providing employees medical insurance and retirement benefits will increase by approximately \$231,000 during the upcoming fiscal year. The cost of implementing Governmental Standards Board Statement No. 34 will be an expense of the upcoming fiscal year and although the total cost of implementation is unknown, the increase in audit and professional fees could be substantial. In order to cover this and other anticipated increases it will be necessary to increase operating transfers to the General Fund to \$2,400,000 or approximately \$325,000 more than the previous fiscal year. This increase will be provided as follows: Sales Tax Fund \$25,300, Hydro Royalty Fund \$244,700 and Utility Fund \$55,000.

The ability of Utility Operations to continue to supplement the ever-increasing costs of general operations of the City is doubtful. The City has effectively capped its cost of electricity, which it resells to retail customers at 3.8 cents by utilizing revenues from the Hydro Royalty Fund to offset any increases above that amount. However, other operating costs continue to increase and it is doubtful that the total net revenues of the Utility Fund can continue to provide general fund support at current levels beyond the upcoming fiscal year. In the event that the cost of natural gas increases substantially, it will be necessary to raise rates charged for gas. Additionally, previously anticipated savings in payroll and chemical costs of operating the new water plant have not been realized. Therefore the Water Department is operating at a deficit and before the City will be eligible for certain Federal Grants these rates will have to be increased so that the combined Water and Sewer Departments operate at a breakeven.

Requests for Information

This financial report is designed to provide a general overview of the City of Vidalia's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Kenneth J. Davis, Comptroller, Post Office Box 2010, Vidalia, Louisiana 71373.

Basic Financial Statements

STATEMENT A

CITY OF VIDALIA, LOUISIANA

STATEMENT OF NET ASSETS

JUNE 30, 2003

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,399,234	\$ 3,506,160	\$ 4,905,394
Receivables (net of allowances for uncollectibles)	157,097	887,726	1,044,823
Internal balances	61,602	(61,602)	-
Due from other agencies	9,858	2,933,151	2,943,009
Due from other governments	560,106	2,000	562,106
Prepaid items	1,810	23,026	24,836
Restricted assets		228,966	228,966
Capital assets (net)	<u>17,157,073</u>	<u>10,542,827</u>	<u>27,699,900</u>
Total assets	<u>\$ 19,346,780</u>	<u>\$ 18,062,254</u>	<u>\$ 37,409,034</u>
<u>LIABILITIES</u>			
Accounts, salaries, and other payables	\$ 370,872	\$ 1,519,218	\$ 1,890,090
Payable from restricted assets		228,966	228,966
Interest payable	29,732	-	29,732
Compensated absences payable	107,555		107,555
Bonds payable, due within one year	245,000		245,000
Bonds payable, beyond one year	<u>5,960,000</u>		<u>5,960,000</u>
Total liabilities	<u>\$ 6,713,159</u>	<u>\$ 1,748,184</u>	<u>\$ 8,461,343</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	\$ 10,952,073	\$ 10,542,827	\$ 21,494,900
Restricted for:			
Capital projects	387,942		387,942
Debt service	709,284		709,284
Unrestricted	<u>584,322</u>	<u>5,771,243</u>	<u>6,355,565</u>
Total net assets	<u>\$ 12,633,621</u>	<u>\$ 16,314,070</u>	<u>\$ 28,947,691</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2003

	Expenses	Program Revenues			Net (Expenses)/ Revenue	Net (Expenses), Revenues, and Changes		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	
<u>GOVERNMENTAL</u>								
<u>ACTIVITIES</u>								
General government	\$ 513,238	\$ 92,468	\$ 9,014	\$ 5,963	\$ (405,793)	\$ (405,793)	\$	\$ (405,793)
Public safety	1,829,466	54,556	114,302	69,585	(1,591,023)	(1,591,023)		(1,591,023)
Public works	1,294,004	269,081			(1,024,923)	(1,024,923)		(1,024,923)
Economic development	317,571		20,949	1,503,963	1,207,341	1,207,341		1,207,341
Interest on long-term debt	334,388				(334,388)	(334,388)		(334,388)
Total governmental activities	<u>\$4,288,667</u>	<u>\$ 416,105</u>	<u>\$ 144,265</u>	<u>\$ 1,579,511</u>	<u>\$ (2,148,786)</u>	<u>\$ (2,148,786)</u>	<u>\$ -</u>	<u>\$ (2,148,786)</u>
<u>BUSINESS-TYPE</u>								
<u>ACTIVITIES</u>								
Gas	\$1,097,887	\$ 1,147,644	\$	\$	\$ 49,757	\$	\$ 49,757	\$ 49,757
Water	687,416	484,643			(202,773)		(202,773)	(202,773)
Sewer	437,362	418,020		28,858	9,516		9,516	9,516
Electric	4,997,073	5,764,518			767,445		767,445	767,445
Hydro-electric	<u>7,238,283</u>	<u>8,974,893</u>			<u>1,736,610</u>		<u>1,736,610</u>	<u>1,736,610</u>
Total business-type activities	<u>\$14,458,021</u>	<u>\$ 16,789,718</u>	<u>\$ -</u>	<u>\$ 28,858</u>	<u>\$ 2,360,555</u>	<u>\$ -</u>	<u>\$ 2,360,555</u>	<u>\$ 2,360,555</u>
Total	<u>\$18,746,688</u>	<u>\$ 17,205,823</u>	<u>\$ 144,265</u>	<u>\$ 1,608,369</u>	<u>\$ 211,769</u>	<u>\$ (2,148,786)</u>	<u>\$ 2,360,555</u>	<u>\$ 211,769</u>
General Revenues:								
Property taxes						\$ 154,064	\$	\$ 154,064
Sales taxes						1,284,343		1,284,343
Franchise taxes						37,754		37,754
Occupational licenses						160,233		160,233
Investment earnings						19,939	128,207	148,146
Other general revenues						144,799		144,799
Transfers						1,650,368	(1,650,368)	-
Total general revenues and transfers						<u>\$ 3,451,500</u>	<u>\$ (1,522,161)</u>	<u>\$ 1,929,339</u>
Change in Net Assets						<u>\$ 1,302,714</u>	<u>\$ 838,394</u>	<u>\$ 2,141,108</u>
Net assets - beginning						\$ 11,212,631	\$ 14,859,595	\$ 26,072,226
Prior period adjustment						118,276	616,081	734,357
Net assets - beginning, restated						<u>\$ 11,330,907</u>	<u>\$ 15,475,676</u>	<u>\$ 26,806,583</u>
Net assets - ending						<u>\$ 12,633,621</u>	<u>\$ 16,314,070</u>	<u>\$ 28,947,691</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT C

CITY OF VIDALIA, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2003

	<u>Major Funds</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>River Front Development Fund</u>		
<u>ASSETS</u>				
Cash and cash equivalents	\$ 67,879	\$ 63,026	1,268,329	\$ 1,399,234
Receivables (net of allowances for uncollectibles)	27,908	299	128,890	157,097
Due from other agencies	395	1,014	8,449	9,858
Due from other governments	19,592	440,151	100,363	560,106
Due from other funds	91,002		404,505	495,507
Prepaid expense	<u>1,810</u>			<u>1,810</u>
 Total assets	 <u>\$ 208,586</u>	 <u>\$ 504,490</u>	 <u>\$ 1,910,536</u>	 <u>\$ 2,623,612</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 38,522	\$ 127,830	\$ 160,446	\$ 326,798
Accrued liabilities	116,926		20,232	137,158
Due to other funds		395,000	38,905	433,905
Other liabilities			<u>14,471</u>	<u>14,471</u>
 Total liabilities	 <u>\$ 155,448</u>	 <u>\$ 522,830</u>	 <u>\$ 234,054</u>	 <u>\$ 912,332</u>
Fund balances:				
Reserved for:				
Capital projects	\$	\$ (18,340)	\$ 406,282	\$ 387,942
Debt services			739,016	739,016
Unreserved, reported in:				
General Fund	53,138			53,138
Special revenue funds			<u>531,184</u>	<u>531,184</u>
 Total fund balances	 <u>\$ 53,138</u>	 <u>\$ (18,340)</u>	 <u>\$ 1,676,482</u>	 <u>\$ 1,711,280</u>
 Total liabilities and fund balances	 <u>\$ 208,586</u>	 <u>\$ 504,490</u>	 <u>\$ 1,910,536</u>	 <u>\$ 2,623,612</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT D

CITY OF VIDALIA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET ASSETS

JUNE 30, 2003

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$ 1,711,280
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	17,157,073
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	\$ 29,732
Bonds payable	<u>6,205,000</u>
	<u>(6,234,732)</u>
Net Assets of Governmental Activities (Statement A)	<u>\$ 12,633,621</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT E

CITY OF VIDALIA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2003

	<u>General Fund</u>	<u>River Front Development Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Taxes:				
Ad valorem	\$ 143,702	\$	\$	\$ 143,702
Sales and use			1,284,344	1,284,344
Other taxes, penalties, interest, etc.	48,116			48,116
Licenses and permits	160,233			160,233
Intergovernmental revenues:				
Federal grants	47,269		28,306	75,575
State	113,296	1,475,656	38,300	1,627,252
Local			20,949	20,949
Fines and forfeitures	52,411			52,411
Charges for services	271,163		92,531	363,694
Investment earnings	457	2,565	16,915	19,937
Other revenues	<u>50,680</u>	<u>68,319</u>	<u>25,800</u>	<u>144,799</u>
Total revenues	<u>\$ 887,327</u>	<u>\$ 1,546,540</u>	<u>\$ 1,507,145</u>	<u>\$ 3,941,012</u>
<u>EXPENDITURES</u>				
General government	\$ 383,501	\$	\$ 66,738	\$ 450,239
Public safety:				
Police	1,064,416			1,064,416
Fire	393,047			393,047
Ambulance			307,402	307,402
Public works:				
Streets	569,492			569,492
Sanitation	423,683			423,683
Economic development		77,632	169,087	246,719
Capital outlay	105,812	1,502,545	390,197	1,998,554
Debt service:				
Principal			230,000	230,000
Interest and fiscal fees			335,490	335,490
Total expenditures	<u>\$ 2,939,951</u>	<u>\$ 1,580,177</u>	<u>\$ 1,498,914</u>	<u>\$ 6,019,042</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,052,624)</u>	<u>\$ (33,637)</u>	<u>\$ 8,231</u>	<u>\$ (2,078,030)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	\$ 2,082,140	\$ 60,000	\$ 604,279	\$ 2,746,419
Transfers out	<u>(20,000)</u>	<u>(41,094)</u>	<u>(1,034,957)</u>	<u>(1,096,051)</u>
Total other financing sources (uses)	<u>\$ 2,062,140</u>	<u>\$ 18,906</u>	<u>\$ (430,678)</u>	<u>\$ 1,650,368</u>
Net change in fund balance	<u>\$ 9,516</u>	<u>\$ (14,731)</u>	<u>\$ (422,447)</u>	<u>\$ (427,662)</u>
Fund balances - beginning	\$ (74,654)	\$ (3,609)	\$ 2,098,929	\$ 2,020,666
Prior period adjustment:				
Correction of error	<u>118,276</u>			<u>118,276</u>
Fund balances (deficit) - beginning, as restated	<u>\$ 43,622</u>	<u>\$ (3,609)</u>	<u>\$ 2,098,929</u>	<u>\$ 2,138,942</u>
Fund balances (deficit) - ending	<u>\$ 53,138</u>	<u>\$ (18,340)</u>	<u>\$ 1,676,482</u>	<u>\$ 1,711,280</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT F

CITY OF VIDALIA, LOUISIANA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2003

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$	(427,662)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		1,532,474
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.		230,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount is the net effect of these differences in the treatment of interest paid on debt.		1,102
The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>(33,200)</u>
Change in Net Assets of Governmental Activities, Statement B	\$	<u>1,302,714</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT G

CITY OF VIDALIA, LOUISIANA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

JUNE 30, 2003

	<u>Business-Type Activities-Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Utility Fund</u>	<u>Hydro- Royalty Fund</u>	<u>Total Enterprise Funds</u>	
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 268,122	\$ 3,238,038	\$ 3,506,160	\$
Receivables (net of allowances for uncollectibles)	880,184	7,542	887,726	
Due from other agencies		2,933,151	2,933,151	
Due from other governments	2,000		2,000	
Due from other funds	673,486		673,486	
Prepaid items	<u>23,026</u>		<u>23,026</u>	
Total current assets	<u>\$ 1,846,818</u>	<u>\$ 6,178,731</u>	<u>\$ 8,025,549</u>	<u>\$ -</u>
Non-current assets				
Restricted assets:				
Cash	\$ 228,966	\$	\$ 228,966	\$
Capital assets (net of accumulated depreciation)	<u>10,542,827</u>		<u>10,542,827</u>	
Total non-current assets	<u>\$ 10,771,793</u>	<u>\$ -</u>	<u>\$ 10,771,793</u>	<u>\$ -</u>
Total assets	<u>\$ 12,618,611</u>	<u>\$ 6,178,731</u>	<u>\$ 18,797,342</u>	<u>\$ -</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	\$ 533,942	\$ 891,000	\$ 1,424,942	\$
Accrued liabilities	94,276		94,276	
Due to other funds	<u>51,336</u>	<u>683,752</u>	<u>735,088</u>	
Total current liabilities	<u>\$ 679,554</u>	<u>\$ 1,574,752</u>	<u>\$ 2,254,306</u>	<u>\$ -</u>
Current liabilities payable from restricted assets				
Consumer deposits	<u>\$ 228,966</u>	<u>\$ -</u>	<u>\$ 228,966</u>	<u>\$ -</u>
Non-current liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	\$ 10,542,827	\$	\$ 10,542,827	\$
Unrestricted	<u>1,167,264</u>	<u>4,603,979</u>	<u>5,771,243</u>	
Total net assets	<u>\$ 11,710,091</u>	<u>\$ 4,603,979</u>	<u>\$ 16,314,070</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT H

CITY OF VIDALIA, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Hydro- Royalty Fund</u>	<u>Total Enterprise Funds</u>	
<u>OPERATING REVENUES</u>				
Charges for services:				
Water sales	\$ 484,643	\$	\$ 484,643	\$
Sewer charges	418,020		418,020	
Electricity sales	5,764,518	1,619,305	7,383,823	
Gas sales	1,147,644		1,147,644	
Hydro royalties		<u>7,355,588</u>	<u>7,355,588</u>	
Total operating revenues	<u>\$ 7,814,825</u>	<u>\$ 8,974,893</u>	<u>\$ 16,789,718</u>	<u>\$ -</u>
<u>OPERATING EXPENSES</u>				
Purchases and sales tax	\$ 4,629,634	\$ 6,652,860	\$ 11,282,494	\$ -
Personal services	1,266,858		1,266,858	
Materials and supplies	381,241		381,241	
Other services and charges	601,009	486,191	1,087,200	33,200
Depreciation	<u>340,996</u>		<u>340,996</u>	
Total operating expenses	<u>\$ 7,219,738</u>	<u>\$ 7,139,051</u>	<u>\$ 14,358,789</u>	<u>\$ 33,200</u>
Operating Income (Loss)	<u>\$ 595,087</u>	<u>\$ 1,835,842</u>	<u>\$ 2,430,929</u>	<u>\$ (33,200)</u>
<u>Non-operating Revenues (Expenses)</u>				
Interest earnings	\$ 7,383	\$ 120,824	\$ 128,207	\$ -
Interest expense		<u>(99,232)</u>	<u>(99,232)</u>	
Total non-operating revenues (expenses)	<u>\$ 7,383</u>	<u>\$ 21,592</u>	<u>\$ 28,975</u>	<u>\$ -</u>
Income (Loss) Before Contributions and Transfers	<u>\$ 602,470</u>	<u>\$ 1,857,434</u>	<u>\$ 2,459,904</u>	<u>\$ (33,200)</u>
Capital contributions	28,858		28,858	
Transfers in	926,585		926,585	
Transfer out	<u>(1,602,321)</u>	<u>(974,632)</u>	<u>(2,576,953)</u>	
Change in Net Assets	<u>\$ (44,408)</u>	<u>\$ 882,802</u>	<u>\$ 838,394</u>	<u>\$ (33,200)</u>
Total net assets - beginning	\$ 11,138,418	\$ 3,721,777	\$ 14,859,595	\$ 33,200
Prior period adjustment	<u>616,081</u>	<u>-</u>	<u>616,081</u>	<u>-</u>
Total net assets - beginning, restated	<u>\$ 11,754,499</u>	<u>\$ 3,721,177</u>	<u>\$ 15,475,676</u>	<u>\$ 33,200</u>
Total net assets - ending	<u>\$ 11,710,091</u>	<u>\$ 4,603,979</u>	<u>\$ 16,314,070</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT I

CITY OF VIDALIA, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Utility Fund</u>	<u>Hydro- Royalty Fund</u>	<u>Total Enterprise Funds</u>	
<u>Cash Flows From Operating Activities</u>				
Receipts from customers and users	\$ 7,900,891	\$ 14,889,864	\$ 22,790,755	\$ -
Receipts from City			-	13,471
Payments to suppliers	(5,511,437)	(7,121,959)	(12,633,396)	(34,012)
Payments to employees	<u>(1,261,168)</u>	<u></u>	<u>(1,261,168)</u>	<u>-</u>
Net cash provided by (used for) operating activities	\$ <u>1,128,286</u>	\$ <u>7,767,905</u>	\$ <u>8,896,191</u>	\$ <u>(20,541)</u>
<u>Cash Flows From Non-Capital Financing Activities</u>				
Proceeds of bonds	\$	\$ 484,122	\$ 484,122	\$
Payment of bond principal		(3,800,000)	(3,800,000)	
Payment of bond interest		(99,232)	(99,232)	
Transfers from other funds	926,585		926,585	
Transfers to other funds	<u>(1,555,938)</u>	<u>(1,247,756)</u>	<u>(2,803,694)</u>	<u></u>
Net cash provided by (used for) non-capital financing activities	\$ <u>(629,353)</u>	\$ <u>(4,662,866)</u>	\$ <u>(5,292,219)</u>	\$ <u>-</u>
<u>Cash Flows From Capital and Related Financing Activities</u>				
Purchases of fixed assets	\$ <u>(372,576)</u>	\$ <u>-</u>	\$ <u>(372,576)</u>	\$ <u>-</u>
Net cash provided by (used for) capital and related financing activities	\$ <u>(372,576)</u>	\$ <u>-</u>	\$ <u>(372,576)</u>	\$ <u>-</u>
<u>Cash Flows from Investing Activities</u>				
Interest on temporary investments	\$ <u>7,383</u>	\$ <u>113,282</u>	\$ <u>120,665</u>	\$ <u>-</u>
Net cash provided by (used for) investing activities	\$ <u>7,383</u>	\$ <u>113,282</u>	\$ <u>120,665</u>	\$ <u>-</u>
Net increase (decrease) in cash and cash equivalents	\$ 133,740	\$ 3,218,321	\$ 3,352,061	\$ (20,541)
Cash and cash equivalents, beginning of year	<u>363,348</u>	<u>19,717</u>	<u>383,065</u>	<u>20,541</u>
Cash and cash equivalents, end of year	\$ <u>497,088</u>	\$ <u>3,238,038</u>	\$ <u>3,735,126</u>	\$ <u>-</u>

-continued-

STATEMENT I

CITY OF VIDALIA, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Utility Fund</u>	<u>Hydro- Royalty Fund</u>	<u>Total Enterprise Funds</u>	
(Continued)				
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities</u>				
Operating income (loss)	\$ 595,087	\$ 1,835,842	\$ 2,430,929	\$ (33,200)
<u>Adjustments to Reconcile Income (Loss) To Net Cash Provided By Operating Activities</u>				
Depreciation	\$ 340,996	\$	\$ 340,996	
Change in assets and liabilities (Increase) decrease in:				
Accounts receivable	82,676		82,676	
Due from other agencies		5,914,971	5,914,971	
Due from other funds				13,471
Prepaid expenses	(23,026)		(23,026)	
Increase (decrease) in:				
Accounts payable	123,473	17,092	140,565	(812)
Accrued liabilities	5,690		5,690	
Customer deposits	3,390		3,390	
Total adjustments	\$ 533,199	\$ 5,932,063	\$ 6,465,262	\$ 12,659
Net cash provided by (used for) operating activities	\$ 1,128,286	\$ 7,767,905	\$ 8,896,191	\$ (20,541)
<u>Listing of Non-Cash Investing Capital and Financial Activities</u>				
Fixed assets contributed by developers	\$ 28,858	\$ -	\$ 28,858	\$ -

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Vidalia was incorporated April 1, 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 ambulance), 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 in the United States of America.

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.

The City Marshall's balances and transactions are accounted for in the City Court Fund.

B. Basis Of Presentation

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The River Front Development Fund is used to account for the collection and expenditure of revenues for the acquisition and development of the City's riverfront. Financing is being provided from general revenues and state grants.

The municipality reports the following major proprietary funds:

The Utility Fund is used 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.

The Hydro Royalty Fund is used to account for the revenues and expenses of the hydroelectric project.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)

Additionally, the government reports the following fund types:

Internal service funds account for services provided to other departments and agencies of the municipality, or to other governments, on a cost reimbursement basis.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Cash Equivalents

The municipality's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition. State law and the municipality's investment policy allow the municipality to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and customer's 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.

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 at 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, 2003, taxes of 3.72 mills were levied on property with assessed valuations totaling \$31,624,080, after abatements and exemptions and were dedicated as follows:

General corporate purposes	3.72
Total taxes levied were	\$143,682

F. 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.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Restricted Assets - Utility Fund

Restricted assets were applicable to the following at June 30, 2003

Consumer deposits	<u>\$ 228,966</u>
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CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Description</u>	<u>Estimated Lives</u>
Streets and Parking Areas	15 - 40 Years
Improvements Other Than Buildings	10 - 40 Years
Buildings and Structures	10 - 40 Years
Machinery and Equipment	5 - 10 Years

J. Compensated Absences

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.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported.

K. Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

M. Estimates

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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.
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, Debt Service Funds, and Capital Project 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.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

EXCESS OF EXPENDITURES OVER APPROPRIATIONS. The following individual fund had actual expenditures over budgeted appropriations for the year ended June 30, 2003.

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
City Court Fund	\$ -	\$ -	\$ 44,950	\$ 44,950

This deficit resulted from auditor's adjustments.

DEFICITS. The following individual funds have deficits in fund balance (net assets) at June 30, 2003:

<u>Fund</u>	<u>Deficit Amount</u>
River Front Development	\$ (18,340)

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 2003, the municipality has cash and cash equivalents (book balances) totaling \$5,134,360 as follows:

Demand deposits	\$ 15,673
Interest-bearing demand deposits	1,719,122
Time deposits	3,397,391
Cash on hand	<u>2,174</u>
Total	<u>\$ 5,134,360</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2003, the municipality has \$5,663,344 in deposits (collected bank balances). These deposits are secured from risk by \$400,000 of federal deposit insurance and \$9,325,115 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 4 - RECEIVABLES

The receivables of \$1,044,823 at June 30, 2003, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Taxes:						
Ad valorem	\$ 2,495	\$	\$	\$	\$	\$ 2,495
Sales and use		113,552				113,552
Other	9,561					9,561
Accounts	15,655	85,442			881,503	982,600
Accrued interest			3,295	299	7,542	11,136
Other	1,592	88			750	2,430
Allowance for uncollectibles	(1,395)	(73,487)			(2,069)	(76,951)
Total	<u>\$ 27,908</u>	<u>\$ 125,595</u>	<u>\$ 3,295</u>	<u>\$ 299</u>	<u>\$ 887,726</u>	<u>\$ 1,044,823</u>

NOTE 5 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units at June 30, 2003 consisted of the following:

	<u>General Fund</u>	<u>Capital Projects Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Due from U. S. Treasury	\$ 3,977	\$	\$	\$ 3,977
Due from State of Louisiana	4,053	511,469	2,000	517,522
Due from Concordia Parish	11,562	29,045		40,607
	<u>\$ 19,592</u>	<u>\$ 540,514</u>	<u>\$ 2,000</u>	<u>\$ 562,106</u>

NOTE 6 - INTERFUND RECEIVABLES/PAYABLES

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

<u>Fund</u>	<u>Inter-Fund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 91,002	\$
River Front Development Fund		395,000
Non-Major Governmental Funds	404,505	38,905
Utility Fund	673,486	51,336
Hydro Royalty Fund		683,752
Totals	<u>\$ 1,168,993</u>	<u>\$ 1,168,993</u>

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 7. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2003, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated				
Land	\$ 3,926,445	\$	\$	\$ 3,926,445
Construction in progress	<u>1,055,841</u>	<u>1,817,783</u>	<u>(1,770,903)</u>	<u>1,102,721</u>
Total capital assets, not being depreciated	<u>\$ 4,982,286</u>	<u>\$ 1,817,783</u>	<u>\$ (1,770,903)</u>	<u>\$ 5,029,166</u>
Capital assets being depreciated				
Buildings and structures	\$ 1,724,357	\$ 131,000	\$	\$ 1,855,357
Improvements other than buildings	4,170,525	1,438,903		5,609,428
Machinery and equipment	1,317,000	180,772		1,497,772
Streets and parking areas	<u>7,907,511</u>	<u>201,000</u>		<u>8,108,511</u>
Total capital assets being depreciated	<u>\$ 15,119,393</u>	<u>\$ 1,951,675</u>	<u>\$ -</u>	<u>\$ 17,071,068</u>
Less accumulated depreciation for:				
Buildings and structures	\$ (639,966)	\$ (29,067)	\$	\$ (669,033)
Improvements other than buildings	(381,169)	(125,369)		(506,538)
Machinery and equipment	(710,169)	(104,398)		(814,567)
Streets and parking areas	<u>(2,745,775)</u>	<u>(207,248)</u>		<u>(2,953,023)</u>
Total accumulated depreciation	<u>\$ (4,477,079)</u>	<u>\$ 466,082</u>	<u>\$ -</u>	<u>\$ 4,943,161</u>
Total capital assets being depreciated, net	<u>\$ 10,642,314</u>	<u>\$ 1,485,593</u>	<u>\$ -</u>	<u>\$ 12,127,907</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated				
Land	\$ 157,400	\$	\$	\$ 157,400
Construction in progress	<u>616,081</u>	<u>126,953</u>	<u>(541,642)</u>	<u>201,392</u>
Total capital assets, not being depreciated	<u>\$ 773,481</u>	<u>\$ 126,953</u>	<u>\$ (541,642)</u>	<u>\$ 358,792</u>
Capital assets being depreciated				
Buildings	\$ 171,674	\$	\$	\$ 171,674
Improvements other than buildings	17,150			17,150
Machinery and equipment	<u>14,208,707</u>	<u>795,764</u>		<u>15,004,471</u>
Total capital assets being depreciated	<u>\$ 14,397,531</u>	<u>\$ 795,764</u>	<u>\$ -</u>	<u>\$ 15,193,295</u>

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 7. CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Less accumulated depreciation for:				
Buildings	\$ 63,956	\$ 5,168	\$	\$ 69,124
Improvements other than buildings	16,698	452		17,150
Machinery and equipment	<u>4,587,610</u>	<u>335,376</u>		<u>4,922,986</u>
 Total accumulated depreciation	 <u>\$ 4,668,264</u>	 <u>\$ 340,996</u>	 <u>\$ -</u>	 <u>\$ 5,009,260</u>
 Total capital assets being depreciated, net	 <u>\$ 9,729,267</u>	 <u>\$ 454,768</u>	 <u>\$ -</u>	 <u>\$ 10,184,035</u>

Depreciation expense of \$466,082 for the year ended June 30, 2003, was charged to the following governmental functions:

General government	\$ 29,799
Public safety	64,602
Public works	300,829
Economic development	<u>70,852</u>
	<u>\$ 466,082</u>

NOTE 8 - CONSTRUCTION COMMITMENTS

The municipality has active construction projects as of June 30, 2003. At year end the commitments with contractors are as follows:

<u>Project</u>	<u>Spent To Date</u>	<u>Remaining Commitment</u>
River Front Development	\$ 1,246,087	\$ 1,150,097
5-Laning of Highway 84	9,424	15,276
Logan Sewell Sewer	<u>48,602</u>	<u>-</u>
 Total	 <u>\$ 1,304,113</u>	 <u>\$ 1,165,373</u>

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 9 - INTERFUND RECEIVABLES, PAYABLE, AND TRANSFERS

The composition of interfund balances as June 30, 2003, is as follows:

Due To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Utility Fund	\$ 42,784
General Fund	Hydro Royalty Fund	10,290
General Fund	Non-Major Governmental Funds	37,928
Utility Fund	Hydro Royalty Fund	673,462
Utility Fund	Non-Major Governmental Funds	24
Non-Major Governmental Funds	River Front Development	395,000
Non-Major Governmental Funds	Utility Fund	8,552
Non-Major Governmental Funds	Non-Major Governmental Funds	<u>953</u>
Total		<u>\$ 1,168,993</u>

Interfund transfers during the year ended June 30, 2003, were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Totals</u>
	<u>General Fund</u>	<u>River Front Development Fund</u>	<u>Utility Fund</u>	<u>Other Governmental Funds</u>	
General Fund	\$	\$	\$	\$ 20,000	\$ 20,000
River Front Development			41,094		41,094
Utility Fund	1,595,000			7,321	1,602,321
Hydro Royalty Fund	175,000		799,632		974,632
Other Governmental Funds	<u>312,140</u>	<u>60,000</u>	<u>85,859</u>	<u>576,958</u>	<u>1,034,957</u>
Totals	<u>\$ 2,082,140</u>	<u>\$ 60,000</u>	<u>\$ 926,585</u>	<u>\$ 604,279</u>	<u>\$ 3,673,004</u>

Transfers are primarily used to move funds from:

- The Proprietary Funds to the General Fund to cover expenses of general operations.
- The Hydro Royalty Fund to the Utility Fund as further described in Note 18.
- The General Fund and Non-Major Governmental Funds to finance various capital projects.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 10 - SHORT-TERM DEBT

The following is a summary of short-term obligation transactions for the year ended June 30, 2003:

Short-term obligations payable at June 30, 2002	\$ 315,878
Revenue bond proceeds	484,122
Revenue bond principal retired	<u>(800,000)</u>
Short-term obligations payable at June 30, 2003	<u>\$ -</u>

On June 20, 2002, the City of Vidalia issued a Revenue Bond in the amount of \$800,000. As of June 30, 2002, \$315,878 had been received by the City. The entire bond was due on January 1, 2003, with interest payable at 4% on October 1, 2002 and January 1, 2003. The proceeds of the bond were used to pay costs of purchasing power and bond issue costs of the City. The bond was repaid from revenues received from the City's participation in the S. A. Murray, Jr. Hydro Station.

NOTE 11 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2003.

	<u>General Long-Term Debt</u>		<u>Enterprise</u>	
	<u>Sales Tax Bonds</u>		<u>Hydro Revenue</u>	
	<u>1999 Series</u>	<u>2000 Series</u>	<u>Bonds</u>	<u>Totals</u>
			<u>2001 Series</u>	
Long-term obligations payable at June 30, 2002	\$ 3,095,000	\$ 3,340,000	\$ 3,000,000	\$ 9,435,000
Principal retired	<u>(120,000)</u>	<u>(110,000)</u>	<u>(3,000,000)</u>	<u>3,230,000</u>
Long-term obligations payable at June 30, 2003	<u>\$ 2,975,000</u>	<u>\$ 3,230,000</u>	<u>\$ -</u>	<u>\$ 6,205,000</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2003:

Current portion	\$ 245,000
Long-term portion	<u>5,960,000</u>
Total	<u>\$ 6,205,000</u>

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 11 - LONG-TERM OBLIGATIONS (continued)

Sales Tax Bond Series 1999 dated December 1, 1999 in the amount of \$3,310,000.

Principal installments are payable on December 1 of each year beginning December 1, 2000 and ending December 1, 2017, with interest rates ranging from 4.00% to 5.45% per annum and principal payments ranging from \$105,000 to \$285,000. Financing for these bonds is to be provided from sales tax revenues. \$ 2,975,000

Sales Tax Bond Series 2000 dated June 1, 2000, in the amount of \$3,535,000.

Principal installments are payable on June 1 of each year beginning June 1, 2001 and ending June 1, 2020, with interest rates ranging from 4.60% to 6.00% per annum and principal payments ranging from \$95,000 to \$290,000. Financing for these bonds is to be provided from sales tax revenues. 3,230,000

\$ 6,205,000

At June 30, 2003, the municipality has accumulated \$739,016 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Year ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2004	\$ 245,000	\$ 325,815	\$ 570,815
2005	255,000	314,765	569,765
2006	275,000	303,155	578,155
2007	290,000	290,540	580,540
2008	310,000	276,900	586,900
2009 - 2013	1,840,000	1,134,795	2,974,795
2014 - 2018	2,425,000	589,135	3,014,135
2019 - 2020	<u>565,000</u>	<u>51,300</u>	<u>616,300</u>
Total	<u>\$ 6,205,000</u>	<u>\$ 3,286,405</u>	<u>\$ 9,491,405</u>

The municipality is legally restricted from incurring long-term bonded debt secured by sales and use taxes in excess of 75% of the avails of the tax. The municipality was within this 75% limitation, when the sales tax bonds were issued.

NOTE 12 - SALES AND USE TAX REVENUES

A. On July 17, 1999, a special election was held at which the citizens of Vidalia approved two individual propositions concerning (1) the levy and use of an additional 1% sales tax, and (2) the use of the existing 1% sales tax, which was approved in 1970.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 12 - SALES AND USE TAX REVENUES (continued)

A. (continued)

Generally, the propositions authorized the imposition of a new 1% sales tax for 18 years and dedicated the proceeds of both the new and existing sales tax for the acquisition, construction, extending, improving, maintaining, and/or operating public streets, drainage facilities, waterworks system facilities and improvements and sewerage system facilities and improvements, and authorized the City to fund the proceeds of both sales taxes into bonds for any capital purpose set forth above.

- B. Proceeds of an additional .5% sales and use tax are dedicated to providing the Community with ambulance service.

NOTE 13 - RETIREMENT SYSTEMS

Substantially all employees of the City of Vidalia, Louisiana, are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters' Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 13 - RETIREMENT SYSTEMS (continued)

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0% of their annual covered salary and the City of Vidalia, Louisiana is required to contribute at an actuarially determined rate. The current rate is 6.25% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of Vidalia, Louisiana are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Vidalia, Louisiana's contributions to the System under Plan B for the year ending June 30, 2003 was \$80,966, equal to the required contributions for the year.

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5% of their annual covered salary and the City of Vidalia, Louisiana is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the City of Vidalia, Louisiana are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Vidalia, Louisiana's contributions to the System for the year ending June 30, 2003 was \$17,612, equal to the required contributions for the year.

C. Firefighters' Retirement System of Louisiana

Plan Description. Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 13 - RETIREMENT SYSTEMS (continued)

C. Firefighters' Retirement System of Louisiana (continued)

Plan Description. Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (504) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 8.0% of their annual covered salary and the City of Vidalia, Louisiana is required to contribute at an actuarially determined rate. The current rate is 18.25% of annual covered payroll. The contribution requirements of plan members and the City of Vidalia, Louisiana are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Vidalia, Louisiana's contributions to the System for the year ending June 30, 2003 was \$24,823, equal to the required contributions for the year.

NOTE 14 - SEGMENT INFORMATION FOR UTILITY FUND

The Utility 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.

	<u>Electric Utility</u>	<u>Gas Utility</u>	<u>Water Utility</u>	<u>Sewer Service</u>	<u>Total</u>
Operating revenues	\$ 5,764,518	\$ 1,147,644	\$ 484,643	\$ 418,020	\$ 7,814,825
Purchase of utility provided	(3,907,224)	(706,463)	(15,947)		(4,629,634)
Operating expenses	(950,377)	(373,274)	(590,960)	(334,497)	(2,249,108)
Depreciation	<u>(139,472)</u>	<u>(18,150)</u>	<u>(80,509)</u>	<u>(102,865)</u>	<u>(340,996)</u>
Operating income (loss)	<u>\$ 767,445</u>	<u>\$ 49,757</u>	<u>\$ (202,773)</u>	<u>\$ (19,342)</u>	\$ 595,087
Capital contributions					28,858
Operating transfers net					(675,736)
Interest income					<u>7,383</u>
Net loss					<u>\$ (44,408)</u>

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 15 - EMPLOYEE INSURANCE FUND

During year ended June 30, 1985, the City of Vidalia established a self-insurance medical plan. To be eligible, an employee had to be full-time and had to have 90 days of service. Employee dependents were also covered. Effective March 1, 2001, the City ceased to be self-insured and became a participant in a public entity risk pool for medical costs (Note 16).

NOTE 16 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Health Care Coverage

The City is a member of Louisiana Municipal Risk Management Agency II (LMRMA). LMRMA is a public entity risk pool. Each member contributes to the plan monthly in the form of insurance premiums. These premiums are used to pay claims up to \$100,000 and to pay for stop-loss insurance coverage to cover claims in excess of \$100,000. Premiums are set each year based on anticipated claims.

NOTE 17 - 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, 2003, their compensation was as follows:

Hiram Copeland, Mayor	\$ 50,975
Maureen Sanders, Alderman	2,807
Carter Warner, Alderman	2,807
Vernon Stevens, Alderman	2,807
Richard Knapp, Alderman	2,807
Jon Betts, Alderman	<u>2,807</u>
	<u>\$ 65,010</u>

NOTE 18 - 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 Atchafalya River near the U. S. Corps of Engineers' Old River Control Project.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 18 - CITY OF VIDALIA - HYDROELECTRIC PROJECT (continued)

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 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 3.75% in the first year of operations, graduated to 11.6% in the year 2021, and 20% thereafter. All such payments shall be paid quarterly by depositing or transferring funds into a royalty account.

B. Restrictions on Revenues

Revenues derived from the City's participation in the S. A. Murray, Jr. Hydro Station shall be deposited into a special bank account and designated as the "City of Vidalia Hydro Royalty Fund". This fund is accounted for as a "Special Revenue Fund" for internal reporting purposes, but due to its business nature is reported as an "Enterprise Fund" in the financial statements in accordance with pronouncements of the Governmental Accounting Standards Board. These revenues shall be maintained and administered in the following order of priority and expended for the following express purposes:

1. Payments of all expenses and costs arising from the City's participation in the S. A. Murray, Jr. Hydro Station.
2. Satisfaction of any debt requirements incurred to finance capital improvements, which were approved pursuant to the conditions as set forth in the following item number seven (7).
3. The establishment and maintenance of a Reserve Fund into which amounts shall be transferred, the total of which shall equal or exceed the highest amount possibly due under the Catalyst Vidalia Power Purchase Agreement in any two month period of any upcoming calendar year.
4. The City transfers to the Utility Fund each month the amount by which the City's "Normal" cost of electric power and energy exceeds thirty eight (38) mills per kilowatt-hour. "Normal" cost of power and energy is the amount paid per kilowatt hour under the current or future power purchase agreements exclusive of power purchased under economic development rate schedules or any other discounted rate schedule which results in a cost which is less than thirty eight (38) mills per kilowatt hour.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

NOTE 18 - CITY OF VIDALIA - HYDROELECTRIC PROJECT (continued)

5. The rebate of an amount, to be determined by the Mayor and Board of Aldermen, to the then current retail customers of the City's Municipal Electric System. This amount shall not exceed fifty percent (50%) of the revenues remaining after payment of amounts noted in items one (1) through four (4). The amount rebated to each class of retail customer shall be determined by applying to the total amount to be rebated the percentage which the gross margin from retail electric sales to each class of customer bears to total gross margin from all retail sales of electric power. This rebate will be based on kilowatt hour usage during the previous calendar year and shall not exceed fifty percent (50%) of each customer's total electric billing during that period. In all cases, the City reserves the right to offset any and all amounts due it from individual customers.
6. The transfer to the City's General Fund an amount necessary to offset any deficits incurred in the operation and maintenance of all non-utility municipal services.
7. Revenue not expended as previously stated shall be considered surplus revenue and may be used for any lawful corporate purpose after satisfying the following conditions.

The Mayor and Board of Aldermen shall annually compile a schedule of projects on which these surplus revenues are proposed to be expended. A summary of these projects shall be published and the public notified that details are available for public inspection. At the same time, a minimum of two (2) public hearings shall be called to discuss the proposed projects and receive public input concerning possible alternative uses of surplus funds.

After holding the required public hearings and giving due consideration of public input, the Board of Aldermen shall approve the expenditures of surplus funds for projects deemed to be in the best public interest.

None of the foregoing shall preclude the loaning of funds to any municipal entity of the City of Vidalia providing that said loan with interest equal to the average rate of return on the investment of surplus municipal funds shall be repaid prior to the expiration of the term of the Mayor and Board of Aldermen authorizing said loan.

C. 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, 2030, but before January 1, 2032, all of the Partnership's rights, 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 THE FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 19 - CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE

For the fiscal year ended June 30, 2003, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

At June 30, 2003, there was no effect on fund balances as a result of implementing GASB Statements 37 and 38.

GASB Statement No. 34 creates new basic financial statements for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting and governmental fund financial statements prepared on the modified accrual basis of accounting, which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column.

The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at June 30, 2002, caused by the conversion to GASB Statement No. 34.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

	General Fund	River Front Development Fund	Other Governmental Funds	Total Governmental Funds
Fund balances, June 30, 2002				
As originally presented	\$ (74,654)	\$ (3,609)	\$ 2,098,928	\$ 2,020,665
Prior period adjustment (See Note 20)	118,276			118,276
Restated fund balance, June 30, 2002	\$ 43,622	\$ (3,609)	\$ 2,098,928	\$ 2,138,941
GASB Statement No. 34 Adjustment:				
Capital asset, net				15,624,600
Accrued interest payable				(30,834)
Long-term liabilities				(6,435,000)
Internal Service Fund				33,200
Governmental activities net assets, June 30, 2002				\$ 11,330,907

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 20 - PRIOR PERIOD ADJUSTMENT

A summary of significant fund equity adjustments is as follows:

Statement B - Statement of Activities

Governmental Activities:

<u>Explanation</u>	<u>Amount</u>
Understatement of prior year receivable	\$ 118,276
Business-type activities:	
<u>Explanation</u>	
Understatement of prior year construction in progress	<u>616,081</u>
Total	<u>\$ 734,357</u>

Statement E - Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund

<u>Major Fund:</u>	<u>Explanation</u>	
General Fund	Understatement of prior year receivable	\$ <u>118,276</u>

Statement H - Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds

<u>Major Fund</u>	<u>Explanation</u>	
Utility Fund	Understatement of prior year construction in progress	\$ <u>616,081</u>

Required Supplemental Information (Part II)

CITY OF VIDALIA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Taxes	\$ 200,900	\$ 192,000	\$ 191,818	\$ (182)
Licenses and permits	116,100	160,200	160,233	33
Intergovernmental revenues	132,464	265,000	160,565	(104,435)
Fines and forfeitures	57,500	52,000	52,411	411
Charges for services	278,142	271,200	271,163	(37)
Other	<u>45,584</u>	<u>58,400</u>	<u>51,137</u>	<u>(7,263)</u>
Total revenues	<u>\$ 830,690</u>	<u>\$ 998,800</u>	<u>\$ 887,327</u>	<u>\$ (111,473)</u>
Expenditures				
Current				
Personal services	\$ 1,990,712	\$ 2,043,250	\$ 2,032,388	\$ 10,862
Materials and supplies	234,155	289,505	281,041	8,464
Other services and charges	500,639	529,207	520,710	8,497
Capital outlay				
Machinery and equipment	<u>32,500</u>	<u>107,175</u>	<u>105,812</u>	<u>1,363</u>
Total expenditures	<u>\$ 2,758,006</u>	<u>\$ 2,969,137</u>	<u>\$ 2,939,951</u>	<u>\$ 29,186</u>
Excess of revenues over expenditures	<u>\$ (1,927,316)</u>	<u>\$ (1,970,337)</u>	<u>\$ (2,052,624)</u>	<u>\$ (82,287)</u>
Other Financing Sources (Uses)				
Transfers in	\$ 1,900,000	\$ 2,075,000	\$ 2,082,140	\$ 7,140
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>\$ 1,880,000</u>	<u>\$ 2,055,000</u>	<u>\$ 2,062,140</u>	<u>\$ 7,140</u>
Net Change in Fund Balance	<u>\$ (47,316)</u>	<u>\$ 84,663</u>	<u>\$ 9,516</u>	<u>\$ (75,147)</u>
Fund Balance (Deficit) at Beginning of Year	\$ (74,654)	\$ (74,654)	\$ (74,654)	\$ -
Prior period adjustment:				
Correction of an error	<u> </u>	<u> </u>	<u>118,276</u>	<u>118,276</u>
Fund balance (deficit) at beginning of year, restated	<u>\$ (74,654)</u>	<u>\$ (74,654)</u>	<u>\$ 43,622</u>	<u>\$ 118,276</u>
Fund Balance (Deficit) at End of Year	<u>\$ (121,970)</u>	<u>\$ 10,009</u>	<u>\$ 53,138</u>	<u>\$ 43,129</u>

The accompanying notes are an integral part of this statement.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2003

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

2. Budget Amendments and Revisions

The budget is adopted by the Board of Aldermen. Amendments can be made on the approval of the Board of Aldermen. A budgetary comparison is presented for the General Fund and each major special revenue fund consistent with accounting principles generally accepted in the United States of America. There were no major special revenue funds.

Other Supplemental Information

CITY OF VIDALIA, LOUISIANA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

	Special Revenue				Debt Service			Capital Projects					Total Non-Major Governmental Fund
	Sales Tax Fund	Ambulance Fund	City Court Fund	Total	Sales Tax Sinking Fund	Sales Tax Reserve Fund	Total	Industrial Park Fund	Sales Tax Bond Construction Fund	1999 LCDBG New Sewer Lift Station Fund	LCDBG Sewer Rehab Program Fund	Total	
Assets													
Cash and cash equivalents	\$250,638	\$ 2,298	\$ 126,296	\$ 379,232	\$ 120,720	\$ 615,001	\$ 735,721	\$ 9,724	\$ 138,567	\$	\$ 5,085	\$ 153,376	\$ 1,268,329
Receivables (net of allowance for uncollectibles)	90,885	22,755	11,955	125,595	99	3,196	3,295					-	128,890
Due from other agencies				-			-	8,449				8,449	8,449
Due from other governments				-			-	3,319	29,045		67,999	100,363	100,363
Due from other funds	<u>100,000</u>	<u>2,184</u>	<u></u>	<u>102,184</u>	<u></u>	<u></u>	<u>-</u>	<u></u>	<u>295,000</u>	<u></u>	<u>7,321</u>	<u>302,321</u>	<u>404,505</u>
Total assets	<u>\$ 441,523</u>	<u>\$ 27,237</u>	<u>\$ 138,251</u>	<u>\$ 607,011</u>	<u>\$ 120,819</u>	<u>\$ 618,197</u>	<u>\$ 739,016</u>	<u>\$ 21,492</u>	<u>\$ 462,612</u>	<u>\$ -</u>	<u>\$ 80,405</u>	<u>\$ 564,509</u>	<u>\$ 1,910,536</u>
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	\$ 1,892	\$ 2,773	\$ -	\$ 4,665	\$	\$	\$ -	\$	\$ 75,376	\$	\$ 80,405	\$ 155,781	\$ 160,446
Accrued liabilities		20,232		20,232									20,232
Due to other funds	31,113		5,346	36,459				2,446				2,446	38,905
Other liabilities			<u>14,471</u>	<u>14,471</u>									<u>14,471</u>
Total liabilities	<u>\$ 33,005</u>	<u>\$ 23,005</u>	<u>\$ 19,817</u>	<u>\$ 75,827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,446</u>	<u>\$ 75,376</u>	<u>\$ -</u>	<u>\$ 80,405</u>	<u>\$ 158,227</u>	<u>\$ 234,054</u>
Fund balances:													
Reserved for:													
Debt service	\$	\$	\$	\$	\$ 120,819	\$ 618,197	\$ 739,016	\$	\$	\$	\$	\$	\$ 739,016
Capital projects				-				19,046	387,236			406,282	406,282
Unreserved, undesignated	<u>408,518</u>	<u>4,232</u>	<u>118,434</u>	<u>531,184</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>531,184</u>
Total fund balances	<u>\$ 408,518</u>	<u>\$ 4,232</u>	<u>\$ 118,434</u>	<u>\$ 531,184</u>	<u>\$ 120,819</u>	<u>\$ 618,197</u>	<u>\$ 739,016</u>	<u>\$ 19,046</u>	<u>\$ 387,236</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,282</u>	<u>\$ 1,676,482</u>
Total liabilities and fund balances	<u>\$ 441,523</u>	<u>\$ 27,237</u>	<u>\$ 138,251</u>	<u>\$ 607,011</u>	<u>\$ 120,819</u>	<u>\$ 618,197</u>	<u>\$ 739,016</u>	<u>\$ 21,492</u>	<u>\$ 462,612</u>	<u>\$ -</u>	<u>\$ 80,405</u>	<u>\$ 564,509</u>	<u>\$ 1,910,536</u>

The accompanying notes are an integral part of this statement.

**CITY OF VIDALIA, LOUISIANA
NON-MAJOR GOVERNMENTAL FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2003

	Special Revenue			Debt Service			Capital Projects					Total Non-Major Governmental Fund	
	Sales Tax	Ambulance	City	Sales Tax	Sales Tax	Industrial	Sales Tax	1999 LCDBG	LCDBG	Total			
	Fund	Fund	Court	Sinking	Reserve		Bond	New Sewer	Sewer				
		Fund	Total	Fund	Fund	Park	Construction	Lift	Rehab				
Revenues													
Sales and use	\$1,027,565	\$ 256,779	\$	\$1,284,344	\$	\$ -	\$	\$	\$	\$	\$ -	\$ 1,284,344	
Intergovernmental													
revenues:													
Federal				-							28,306	28,306	
State		38,300		38,300							-	38,300	
Local				-			20,949				20,949	20,949	
Charges for services		49,639	42,892	92,531							-	92,531	
Investment earnings	338	117		455	1,765	5,279	7,044	183	9,233		9,416	16,915	
Other revenues				-				25,800			25,800	25,800	
Total revenues	<u>\$1,027,903</u>	<u>\$ 344,835</u>	<u>\$ 42,892</u>	<u>\$1,415,630</u>	<u>\$ 1,765</u>	<u>\$ 5,279</u>	<u>\$ 7,044</u>	<u>\$ 46,932</u>	<u>\$ 9,233</u>	<u>\$ -</u>	<u>\$ 28,306</u>	<u>\$ 1,507,145</u>	
Expenditures													
General government	\$ 25,046		\$ 41,692	\$ 66,738	\$	\$ -	\$	\$	\$	\$	\$ -	\$ 66,738	
Public safety		307,402		307,402								307,402	
Community development				-			50,090	118,997			169,087	169,087	
Capital outlay		71,202	3,258	74,460				315,737			315,737	390,197	
Debt service													
Principal				-	230,000		230,000					230,000	
Interest and fiscal fees				335,490			335,490					335,490	
Total expenditures	<u>\$ 25,046</u>	<u>\$ 378,604</u>	<u>\$ 44,950</u>	<u>\$ 448,600</u>	<u>\$ 565,490</u>	<u>\$ -</u>	<u>\$ 565,490</u>	<u>\$ 50,090</u>	<u>\$ 434,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,498,914</u>	
Excess (deficiency) of													
revenues over													
expenditures	<u>\$1,002,857</u>	<u>\$ (33,769)</u>	<u>\$ (2,058)</u>	<u>\$ 967,030</u>	<u>\$ (563,725)</u>	<u>\$ 5,279</u>	<u>\$ (558,446)</u>	<u>\$ (3,158)</u>	<u>\$ (425,501)</u>	<u>\$ -</u>	<u>\$ 28,306</u>	<u>\$ (400,353)</u>	<u>\$ 8,231</u>
Other Financing													
Sources (Uses)													
Transfers in	\$	\$ 20,000	\$	\$ 20,000	\$ 576,958	\$	\$ 576,958	\$	\$	\$	\$ 7,321	\$ 604,279	
Transfers out	<u>(875,765)</u>	<u></u>	<u>(7,140)</u>	<u>(882,905)</u>	<u></u>	<u>(6,054)</u>	<u>(6,054)</u>	<u></u>	<u>(105,147)</u>	<u>(14)</u>	<u>(40,837)</u>	<u>(1,034,957)</u>	
Total other financing	<u>\$(875,765)</u>	<u>\$ 20,000</u>	<u>\$ (7,140)</u>	<u>\$(862,905)</u>	<u>\$ 576,958</u>	<u>\$ (6,054)</u>	<u>\$ 570,904</u>	<u>\$ -</u>	<u>\$ (105,147)</u>	<u>\$ (14)</u>	<u>\$ (33,516)</u>	<u>\$(430,678)</u>	
sources (uses)													
Net change in													
fund balance	\$ 127,092	\$ (13,769)	\$ (9,198)	\$ 104,125	\$ 13,233	\$ (775)	\$ 12,458	\$ (3,158)	\$ (530,648)	\$ (14)	\$ (5,210)	\$ (539,030)	\$ (422,447)
Fund balances - beginning	<u>281,426</u>	<u>18,001</u>	<u>127,632</u>	<u>427,059</u>	<u>107,586</u>	<u>618,972</u>	<u>726,558</u>	<u>22,204</u>	<u>917,884</u>	<u>14</u>	<u>5,210</u>	<u>945,312</u>	<u>2,098,929</u>
Fund balances - ending	<u>\$ 408,518</u>	<u>\$ 4,232</u>	<u>\$ 118,434</u>	<u>\$ 531,184</u>	<u>\$ 120,819</u>	<u>\$ 618,197</u>	<u>\$ 739,016</u>	<u>\$ 19,046</u>	<u>\$ 387,236</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,282</u>	<u>\$ 1,676,482</u>

The accompanying notes are an integral part of this financial statement.

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, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>ASSETS</u>		
Cash	\$ 67,879	\$ 111,989
Accounts receivable, net of allowance for estimated uncollectibles (2003 - \$1,395 and 2002 - \$1,395)	27,908	28,283
Due from other agencies	395	695
Due from other governments	19,592	43,034
Due from other funds	91,002	35,152
Prepaid expense	<u>1,810</u>	<u>-</u>
Total assets	<u>\$ 208,586</u>	<u>\$ 219,153</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities		
Accounts payable	\$ 38,522	\$ 63,426
Accrued liabilities	116,926	97,043
Due to other funds	<u>-</u>	<u>133,338</u>
Total liabilities	<u>\$ 155,448</u>	<u>\$ 293,807</u>
Fund balance - (unreserved)	<u>\$ 53,138</u>	<u>\$ (74,654)</u>
Total liabilities and fund balance	<u>\$ 208,586</u>	<u>\$ 219,153</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA

GENERAL FUND

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

YEAR ENDED JUNE 30, 2003

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	2003		Variance	2002
	Budget	Actual		Actual
<u>REVENUES</u>				
Taxes	\$ 192,000	\$ 191,818	\$ (182)	\$ 191,153
Licenses and permits	160,200	160,233	33	121,756
Fines and forfeits	52,000	52,411	411	60,186
Intergovernmental revenue	265,000	160,565	(104,435)	168,329
Charges for services	271,200	271,163	(37)	269,322
Other	<u>58,400</u>	<u>51,137</u>	<u>(7,263)</u>	<u>139,835</u>
Total revenues	\$ 998,800	\$ 887,327	\$ (111,473)	\$ 950,581
<u>EXPENDITURES</u>				
Current				
Personal services	\$ 2,043,250	\$ 2,032,388	\$ 10,862	\$ 1,895,761
Materials and supplies	289,505	281,041	8,464	239,588
Other services and charges	529,207	520,710	8,497	489,556
Capital outlay				
Machinery and equipment	<u>107,175</u>	<u>105,812</u>	<u>1,363</u>	<u>90,274</u>
Total expenditures	\$ 2,969,137	\$ 2,939,951	\$ 29,186	\$ 2,715,179
Excess of expenditures before operating transfers	\$ (1,970,337)	\$ (2,052,624)	\$ (82,287)	\$ (1,764,598)
<u>OPERATING TRANSFERS</u>				
Transfers - in	2,075,000	2,082,140	7,140	1,781,748
Transfers - out	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ 84,663	\$ 9,516	\$ (75,147)	\$ 17,150
<u>FUND BALANCE (DEFICIT), BEGINNING</u>				
Prior period adjustment				
Correction of an error	<u>-</u>	<u>118,276</u>	<u>118,276</u>	<u>-</u>
Fund balance (deficit), beginning (restated)	\$ (74,654)	\$ 43,622	\$ 118,276	\$ (91,804)
<u>FUND BALANCE (DEFICIT), ENDING</u>				
	\$ 10,009	\$ 53,138	\$ 43,129	\$ (74,654)

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2003
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>2003 Actual</u>	<u>Variance</u>	<u>2002 Actual</u>
<u>GENERAL AND ADMINISTRATIVE</u>				
Personal Services				
Salaries and wages	\$ 65,500	\$ 65,500	\$ -	\$ 62,046
Employee benefits	<u>23,190</u>	<u>22,746</u>	<u>444</u>	<u>18,697</u>
Total personal services	\$ 88,690	\$ 88,246	\$ 444	\$ 80,743
Materials and Supplies				
Office supplies	\$ 6,100	\$ 6,214	\$ (114)	\$ 6,047
Operating supplies	12,480	14,634	(2,154)	6,447
Repair and maintenance supplies	<u>8,500</u>	<u>8,342</u>	<u>158</u>	<u>10,560</u>
Total materials and supplies	\$ 27,080	\$ 29,190	\$ (2,110)	\$ 23,054
Other Services and Charges				
Professional fees	\$ 72,100	\$ 67,290	\$ 4,810	\$ 63,303
Communications	15,260	14,690	570	18,855
Travel and seminar	3,400	4,879	(1,479)	3,345
Advertising	18,100	18,139	(39)	17,257
Dues and subscriptions	3,000	3,294	(294)	3,881
Insurance	10,542	10,538	4	10,060
Utility service	24,700	22,818	1,882	28,452
Repair and maintenance	13,175	12,860	315	12,720
Landfill fees and rentals	<u>1,800</u>	<u>1,730</u>	<u>70</u>	<u>-</u>
Total other services and charges	\$ 162,077	\$ 156,238	\$ 5,839	\$ 157,873
Capital Outlay				
Machinery and equipment	\$ 21,825	\$ 21,322	\$ 503	\$ 2,150
Total capital outlay	\$ 21,825	\$ 21,322	\$ 503	\$ 2,150
Total General and Administrative expenditures	\$ 299,672	\$ 294,996	\$ 4,676	\$ 263,820

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CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2003
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>2003 Actual</u>	<u>Variance</u>	<u>2002 Actual</u>
<u>STREET DEPARTMENT</u>				
Personal Services				
Salaries and wages	\$ 276,800	\$ 276,765	\$ 35	\$ 242,176
Employee benefits	<u>98,500</u>	<u>95,151</u>	<u>3,349</u>	<u>105,998</u>
Total personal services	<u>\$ 375,300</u>	<u>\$ 371,916</u>	<u>\$ 3,384</u>	<u>\$ 348,174</u>
Materials and Supplies				
Office supplies	\$ 700	\$ 644	\$ 56	\$ 384
Operating supplies	52,400	49,513	2,887	37,983
Repair and maintenance supplies	<u>90,700</u>	<u>87,309</u>	<u>3,391</u>	<u>60,119</u>
Total materials and supplies	<u>\$ 143,800</u>	<u>\$ 137,466</u>	<u>\$ 6,334</u>	<u>\$ 98,486</u>
Other Services and Charges				
Professional fees	\$ 5,300	\$ 5,204	\$ 96	\$ 5,906
Communications	4,020	4,051	(31)	1,671
Travel and seminar		-		1,200
Dues and subscriptions		-		200
Insurance	13,150	13,085	65	13,124
Utility service	25,000	24,737	263	25,735
Repair and maintenance	9,370	9,066	304	2,339
Landfill fees and rentals	<u>4,200</u>	<u>3,967</u>	<u>233</u>	<u>2,955</u>
Total other services and charges	<u>\$ 61,040</u>	<u>\$ 60,110</u>	<u>\$ 930</u>	<u>\$ 53,130</u>
Capital Outlay				
Machinery and equipment	<u>\$ 6,000</u>	<u>\$ 5,963</u>	<u>\$ 37</u>	<u>\$ 36,700</u>
Total capital outlay	<u>\$ 6,000</u>	<u>\$ 5,963</u>	<u>\$ 37</u>	<u>\$ 36,700</u>
Total Street Department expenditures	<u>\$ 586,140</u>	<u>\$ 575,455</u>	<u>\$ 10,685</u>	<u>\$ 536,490</u>

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CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2003
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>2003 Actual</u>	<u>Variance</u>	<u>2002 Actual</u>
<u>SANITATION DEPARTMENT</u>				
Personal Services				
Salaries and wages	\$ 185,000	\$ 184,950	\$ 50	\$ 153,750
Employee benefits	<u>82,420</u>	<u>81,381</u>	<u>1,039</u>	<u>72,324</u>
Total personal services	<u>\$ 267,420</u>	<u>\$ 266,331</u>	<u>\$ 1,089</u>	<u>\$ 226,074</u>
Materials and Supplies				
Operating supplies	\$ 13,100	\$ 11,593	\$ 1,507	\$ 10,945
Repair and maintenance supplies	<u>400</u>	<u>305</u>	<u>95</u>	<u>539</u>
Total materials and supplies	<u>\$ 13,500</u>	<u>\$ 11,898</u>	<u>\$ 1,602</u>	<u>\$ 11,484</u>
Other Services and Charges				
Professional fees	\$ 260	\$ 255	\$ 5	\$ 280
Travel and seminar	110	104	6	45
Insurance	9,070	9,016	54	5,428
Landfill fees and rentals	135,200	135,153	47	124,951
Bad debts	<u>1,000</u>	<u>926</u>	<u>74</u>	<u>1,623</u>
Total other services and charges	<u>\$ 145,640</u>	<u>\$ 145,454</u>	<u>\$ 186</u>	<u>\$ 132,327</u>
Total Sanitation Department expenditures	<u>\$ 426,560</u>	<u>\$ 423,683</u>	<u>\$ 2,877</u>	<u>\$ 369,885</u>

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CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2003
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>2003 Actual</u>	<u>Variance</u>	<u>2002 Actual</u>
<u>POLICE DEPARTMENT</u>				
Personal Services				
Salaries and wages	\$ 685,500	\$ 685,434	\$ 66	\$ 662,185
Employee benefits	<u>201,075</u>	<u>197,523</u>	<u>3,552</u>	<u>200,971</u>
Total personal services	<u>\$ 886,575</u>	<u>\$ 882,957</u>	<u>\$ 3,618</u>	<u>\$ 863,156</u>
Materials and Supplies				
Office supplies	\$ 4,100	\$ 4,690	\$ (590)	\$ 7,389
Operating supplies	44,225	41,792	2,433	40,335
Repair and maintenance supplies	<u>26,800</u>	<u>27,170</u>	<u>(370)</u>	<u>25,872</u>
Total materials and supplies	<u>\$ 75,125</u>	<u>\$ 73,652</u>	<u>\$ 1,473</u>	<u>\$ 73,596</u>
Other Services and Charges				
Professional fees	\$ 3,800	\$ 3,593	\$ 207	\$ 7,104
Communications	7,160	7,026	134	6,996
Travel and seminar	12,700	12,662	38	7,307
Advertising	150	148	2	485
Dues and subscriptions	1,100	1,068	32	1,317
Insurance	64,560	64,554	6	59,204
Utility service	11,500	12,355	(855)	13,140
Repair and maintenance	5,600	5,335	265	8,112
Landfill fees and rentals	<u>1,200</u>	<u>1,066</u>	<u>134</u>	<u>180</u>
Total other services and charges	<u>\$ 107,770</u>	<u>\$ 107,807</u>	<u>\$ (37)</u>	<u>\$ 103,845</u>
Capital Outlay				
Machinery and equipment	\$ 41,330	\$ 40,948	\$ 382	\$ 45,373
Total capital outlay	<u>\$ 41,330</u>	<u>\$ 40,948</u>	<u>\$ 382</u>	<u>\$ 45,373</u>
Total Police Department expenditures	<u>\$ 1,110,800</u>	<u>\$ 1,105,364</u>	<u>\$ 5,436</u>	<u>\$ 1,085,970</u>

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CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2003
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>2003 Actual</u>	<u>Variance</u>	<u>2002 Actual</u>
<u>FIRE DEPARTMENT</u>				
Personal Services				
Salaries and wages	\$ 244,500	\$ 244,442	\$ 58	\$ 214,390
Employee benefits	<u>83,865</u>	<u>82,442</u>	<u>1,423</u>	<u>72,357</u>
Total personal services	\$ 328,365	\$ 326,884	\$ 1,481	\$ 286,747
Materials and Supplies				
Office supplies	\$ 2,450	\$ 2,232	\$ 218	\$ 2,422
Operating supplies	12,350	11,912	438	13,681
Repair and maintenance supplies	<u>14,500</u>	<u>13,985</u>	<u>515</u>	<u>14,875</u>
Total materials and supplies	\$ 29,300	\$ 28,129	\$ 1,171	\$ 30,978
Other Services and Charges				
Professional fees	\$ 6,450	\$ 6,372	\$ 78	\$ 6,263
Communications	6,900	6,279	621	5,983
Travel and seminar	4,250	4,026	224	3,212
Advertising	275	263	12	1,282
Dues and subscriptions	1,400	1,348	52	1,202
Insurance	7,720	7,709	11	7,391
Utility service	9,000	9,058	(58)	8,462
Repair and maintenance	3,050	2,852	198	1,419
Landfill fees and rentals	<u>300</u>	<u>127</u>	<u>173</u>	<u>-</u>
Total other services and charges	\$ 39,345	\$ 38,034	\$ 1,311	\$ 35,214
Capital Outlay				
Machinery and equipment	\$ 38,020	\$ 37,579	\$ 441	\$ 6,051
Total capital outlay	\$ 38,020	\$ 37,579	\$ 441	\$ 6,051
Total Fire Department expenditures	\$ 435,030	\$ 430,626	\$ 4,404	\$ 358,990

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CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2003
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>2003 Actual</u>	<u>Variance</u>	<u>2002 Actual</u>
<u>CITY COURT</u>				
Personal Services				
Salaries and wages	\$ 68,900	\$ 68,892	\$ 8	\$ 63,836
Employee benefits	<u>28,000</u>	<u>27,162</u>	<u>838</u>	<u>27,031</u>
Total personal services	<u>\$ 96,900</u>	<u>\$ 96,054</u>	<u>\$ 846</u>	<u>\$ 90,867</u>
Materials and Supplies				
Repair and maintenance supplies	\$ 700	\$ 706	\$ (6)	\$ 1,990
Total materials and supplies	<u>\$ 700</u>	<u>\$ 706</u>	<u>\$ (6)</u>	<u>\$ 1,990</u>
Other Services and Charges				
Communications	\$ 2,500	\$ 2,368	\$ 132	\$ 2,568
Advertising	100		100	100
Insurance	2,175	2,168	7	2,222
Repair and maintenance	<u>8,560</u>	<u>8,531</u>	<u>29</u>	<u>2,277</u>
Total other services and charges	<u>\$ 13,335</u>	<u>\$ 13,067</u>	<u>\$ 268</u>	<u>\$ 7,167</u>
Total City Court expenditures	<u>\$ 110,935</u>	<u>\$ 109,827</u>	<u>\$ 1,108</u>	<u>\$ 100,024</u>

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CITY OF VIDALIA, LOUISIANA
 GENERAL FUND
 STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
 YEAR ENDED JUNE 30, 2003
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>2003 Actual</u>	<u>Variance</u>	<u>2002 Actual</u>
<u>INSPECTION/ BEAUTIFICATION</u>				
Total inspection/beautification expenditures	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Total expenditures – all departments	<u>\$ 2,969,137</u>	<u>\$ 2,939,951</u>	<u>\$ 29,186</u>	<u>\$ 2,715,179</u>

The accompanying notes are an integral part of this financial statement.

SPECIAL REVENUE FUNDS

Sales Tax Fund

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

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 revenue. City Marshall's balances and transactions are accounted for in this Fund. Excess revenue is available for transfer to General Fund.

CITY OF VIDALIA, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2003
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2002

	Non-Major Funds			Totals	
	Sales Tax Fund	Ambulance Fund	City Court Fund	2003	2002
<u>ASSETS</u>					
Cash	\$ 250,638	\$ 2,298	\$ 126,296	\$ 379,232	\$ 232,552
Accounts receivable, net of allowance for uncollectibles; (2003 - \$73,487 and 2002 - \$61,399)	90,885	22,755	11,955	125,595	130,969
Due from other funds	100,000	2,184		102,184	145,031
Total assets	\$ 441,523	\$ 27,237	\$ 138,251	\$ 607,011	\$ 508,552
 <u>LIABILITIES AND FUND BALANCE</u>					
Liabilities					
Accounts payable	\$ 1,892	\$ 2,773	\$	\$ 4,665	\$ 2,594
Accrued liabilities		20,232		20,232	16,879
Bonds on hand			14,471	14,471	14,220
Due to other funds	31,113		5,346	36,459	47,800
Total liabilities	\$ 33,005	\$ 23,005	\$ 19,817	\$ 75,827	\$ 81,493
Fund Balance					
Unreserved	\$ 408,518	\$ 4,232	\$ 118,434	\$ 531,184	\$ 427,059
Total fund balance	\$ 408,518	\$ 4,232	\$ 118,434	\$ 531,184	\$ 427,059
Total liabilities and fund balance	\$ 441,523	\$ 27,237	\$ 138,251	\$ 607,011	\$ 508,552

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2003
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2002

	Non-Major Funds			Totals	
	Sales Tax Fund	Ambulance Fund	City Court Fund	2003	2002
<u>REVENUES</u>					
Taxes	\$ 1,027,565	\$ 256,779	\$	\$ 1,284,344	\$ 1,140,088
Intergovernmental revenue		38,300		38,300	26,500
Charges for services		49,639	42,892	92,531	85,550
Other	338	117		455	533
Total revenues	\$ 1,027,903	\$ 344,835	\$ 42,892	\$ 1,415,630	\$ 1,252,671
<u>EXPENDITURES</u>					
Current					
General government	\$ 25,046	\$	\$ 41,692	\$ 66,738	\$ 36,437
Public safety:					
Ambulance		307,402		307,402	278,145
Capital outlay					
Machinery and equipment		71,202	3,258	74,460	7,744
Debt service					
Interest					3,007
Total expenditures	\$ 25,046	\$ 378,604	\$ 44,950	\$ 448,600	\$ 325,333
Excess of revenues (expenditures)	\$ 1,002,857	\$ (33,769)	\$ (2,058)	\$ 967,030	\$ 927,338
<u>OPERATING TRANSFERS</u>					
Transfers - in		20,000		20,000	47,992
Transfers - out	(875,765)		(7,140)	(882,905)	(888,658)
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ 127,092	\$ (13,769)	\$ (9,198)	\$ 104,125	\$ 86,672
<u>FUND BALANCE, BEGINNING</u>	281,426	18,001	127,632	427,059	340,387
<u>FUND BALANCE, ENDING</u>	\$ 408,518	\$ 4,232	\$ 118,434	\$ 531,184	\$ 427,059

The accompanying notes are an integral part of this financial statement.

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, 2003

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>2003 Actual</u>	<u>Variance</u>	<u>2002 Actual</u>
<u>REVENUES</u>				
Taxes	\$ 1,030,000	\$1,027,564	\$ (2,436)	\$ 912,024
Other	<u>350</u>	<u>338</u>	<u>(12)</u>	<u>443</u>
Total revenues	\$ 1,030,350	\$1,027,902	\$ (2,448)	\$ 912,467
<u>EXPENDITURES</u>				
Current				
Materials and supplies	\$ 125	\$ -	\$ 125	\$ 105
Other services and charges	25,100	25,046	54	17,888
Debt service				
Interest	<u> </u>	<u> </u>	<u> </u>	<u>3,007</u>
Total expenditures	\$ 25,225	\$ 25,046	\$ 179	\$ 21,000
Excess of revenues	\$ 1,005,125	\$1,002,856	\$ (2,269)	\$ 891,467
<u>OPERATING TRANSFERS</u>				
Transfers - in				47,992
Transfers - out	<u>(875,764)</u>	<u>(875,764)</u>	<u> </u>	<u>(885,910)</u>
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ 129,361	\$ 127,092	\$ (2,269)	\$ 53,549
<u>FUND BALANCE, BEGINNING</u>	<u>281,426</u>	<u>281,426</u>	<u> </u>	<u>227,877</u>
<u>FUND BALANCE, ENDING</u>	<u>\$ 410,787</u>	<u>\$ 408,518</u>	<u>\$ (2,269)</u>	<u>\$ 281,426</u>

The accompanying notes are an integral part of this financial statement.

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, 2003
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	2003			2002
	Budget	Actual	Variance	Actual
<u>REVENUES</u>				
Taxes	\$ 257,000	\$ 256,779	\$ (221)	\$ 228,064
Intergovernmental	38,300	38,300		26,500
Charges for services	50,000	49,639	(361)	33,400
Other	120	117	(3)	90
Total revenues	\$ 345,420	\$ 344,835	\$ (585)	\$ 288,054
<u>EXPENDITURES</u>				
Current				
Personal services	\$ 276,000	\$ 275,006	\$ 994	\$ 251,663
Materials and supplies	5,225	4,682	543	3,959
Other services and charges	27,800	27,714	86	22,523
Capital outlay				
Machinery and equipment	71,300	71,202	98	4,944
Total expenditures	\$ 380,325	\$ 378,604	\$ 1,721	\$ 283,089
Excess of expenditures	\$ (34,905)	\$ (33,769)	\$ 1,136	\$ 4,965
<u>OPERATING TRANSFERS</u>				
Transfers - in	\$ 20,000	\$ 20,000	\$ -	\$ -
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ (14,905)	\$ (13,769)	\$ 1,136	\$ 4,965
<u>FUND BALANCE, BEGINNING</u>	18,001	18,001	-	13,036
<u>FUND BALANCE, ENDING</u>	\$ 3,096	\$ 4,232	\$ 1,136	\$ 18,001

The accompanying notes are an integral part of this financial statement.

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, 2003
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	Budget	2003 Actual	Variance	2002 Actual
<u>REVENUES</u>				
Charges for services	\$ _____	\$ 42,892	\$ 42,892	\$ 52,150
Total revenues	\$ _____ -	\$ 42,892	\$ 42,892	\$ 52,150
<u>EXPENDITURES</u>				
Current				
Materials and supplies	\$ _____	\$ 6,014	\$ (6,014)	\$ 2,492
Other services and charges		35,678	(35,678)	15,952
Capital outlay				
Machinery and equipment	_____	3,258	(3,258)	2,800
Total expenditures	\$ _____ -	\$ 44,950	\$ (44,950)	\$ 21,244
Excess of revenues (expenditures)	\$ _____ -	\$ (2,058)	\$ (2,058)	\$ 30,906
<u>OPERATING TRANSFERS</u>				
Transfers - out	\$ _____ -	\$ (7,140)	\$ (7,140)	\$ (2,748)
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ _____	\$ (9,198)	\$ (9,198)	\$ 28,158
<u>FUND BALANCE, BEGINNING</u>	_____ -	127,632	127,632	99,474
<u>FUND BALANCE, ENDING</u>	\$ _____ -	\$ 118,434	\$ 118,434	\$ 127,632

The accompanying notes are an integral part of this financial statement.

DEBT SERVICE FUNDS

SALES TAX BONDS SINKING AND RESERVE FUNDS

Sales Tax Bonds Sinking Fund

To accumulate monies for the payment of the Sales Tax Bonds dated December 1, 1999, in the amount of \$3,310,000, and to accumulate monies for the payment of the Sales Tax Bonds dated June 1, 2000, in the amount of \$3,535,000. Financing to be provided by a special 1% sales tax.

Sales Tax Bonds Reserve Fund

To accumulate monies as required by ST-1999 and ST-2000 Bond Ordinances for Payment of Bonds and Coupons in the event adequate amounts are not available in the Sinking Fund.

CITY OF VIDALIA, LOUISIANA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003
WITH COMPARATIVE TOTALS FOR JUNE 30, 2002

	Non-Major Funds		Totals	
	Sales Tax Bonds Sinking Fund	Sales Tax Bonds Reserve Fund	2003	2002
<u>ASSETS</u>				
Cash	\$ 1,720	\$ 2,001	\$ 3,721	\$ 100,243
Temporary investments - time deposits	119,000	613,000	732,000	613,500
Accrued interest	99	3,196	3,295	5,372
Due from Sales Tax Fund			-	7,443
Total assets	\$ 120,819	\$ 618,197	\$ 739,016	\$ 726,558
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund balance				
Available for Debt Service	\$ 120,819	\$ 618,197	\$ 739,016	\$ 726,558
Total liabilities and fund balance	\$ 120,819	\$ 618,197	\$ 739,016	\$ 726,558

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2003
WITH COMPARATIVE TOTALS FOR JUNE 30, 2002

	Non-Major Funds		Totals	
	Sales Tax Bonds Sinking Fund	Sales Tax Bonds Reserve Fund	2003	2002
<u>REVENUES</u>				
Interest earned on investments	\$ 1,765	\$ 5,279	\$ 7,044	\$ 20,796
Total revenues	\$ 1,765	\$ 5,279	\$ 7,044	\$ 20,796
<u>EXPENDITURES</u>				
Debt Service				
Principal	\$ 230,000	\$ -	\$ 230,000	\$ 210,000
Interest and fiscal fees	335,490	-	335,490	345,015
Total expenditures	\$ 565,490	\$ -	\$ 565,490	\$ 555,015
Excess of revenues (expenditures)	\$ (563,725)	\$ 5,279	\$ (558,446)	\$ (534,219)
<u>OPERATING TRANSFERS</u>				
Transfers - in	576,958		576,958	560,910
Transfers - out	-	(6,054)	(6,054)	(47,992)
Excess of revenues and transfers - in (expenditures and transfers- out)	\$ 13,233	\$ (775)	\$ 12,458	\$ (21,301)
<u>FUND BALANCE, BEGINNING</u>	107,586	618,972	726,558	747,859
<u>FUND BALANCE, ENDING</u>	\$ 120,819	\$ 618,197	\$ 739,016	\$ 726,558

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA

DEBT SERVICE FUNDS
SALES TAX BONDS SINKING FUNDSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUALYEAR ENDED JUNE 30, 2003
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002

	2003		Variance	2002
	Budget	Actual		Actual
<u>REVENUES</u>				
Interest earned on investments	\$ 1,800	\$ 1,765	\$ (35)	\$ 3,007
Total revenues	\$ 1,800	\$ 1,765	\$ (35)	\$ 3,007
<u>EXPENDITURES</u>				
Debt service				
Principal	\$ 230,000	\$ 230,000	\$	\$ 210,000
Interest and fiscal fees	<u>335,490</u>	<u>335,490</u>		<u>345,015</u>
Total expenditures	\$ 565,490	\$ 565,490	\$ -	\$ 555,015
Excess of expenditures	\$ (563,690)	\$ (563,725)	\$ (35)	\$ (552,008)
<u>OPERATING TRANSFERS</u>				
Transfers - in	<u>576,958</u>	<u>576,958</u>	-	<u>560,910</u>
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ 13,268	\$ 13,233	\$ (35)	\$ 8,902
<u>FUND BALANCE, BEGINNING</u>	<u>107,586</u>	<u>107,586</u>		<u>98,684</u>
<u>FUND BALANCE, ENDING</u>	<u>\$ 120,854</u>	<u>\$ 120,819</u>	<u>\$ (35)</u>	<u>\$ 107,586</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA

DEBT SERVICE FUNDS
SALES TAX BONDS RESERVE FUNDSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUALYEAR ENDED JUNE 30, 2003
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002

	Budget	2003 Actual	Variance	2002 Actual
<u>REVENUES</u>				
Interest earned on investments	\$ 5,280	\$ 5,279	\$ (1)	\$ 17,789
Total revenues	\$ 5,280	\$ 5,279	\$ (1)	\$ 17,789
<u>EXPENDITURES</u>				
Debt Service				
Principal	\$	\$	\$	\$ -
Interest and fiscal fees	_____	_____	_____	_____
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess of revenues	\$ 5,280	5,279	\$ 1	\$ 17,789
<u>OPERATING TRANSFERS</u>				
Transfers - out	(6,054)	(6,054)	_____	(47,992)
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ (774)	\$ (775)	\$ (1)	\$ (30,203)
<u>FUND BALANCE, BEGINNING</u>	614,339	618,972	4,633	649,175
<u>FUND BALANCE, ENDING</u>	\$ 613,565	\$ 618,197	\$ 4,632	\$ 618,972

The accompanying notes are an integral part of this financial statement.

CAPITAL PROJECTS FUNDS

Major Fund:

River Front Development Fund

To account for the collection and expenditure of revenues for the acquisition and development of the City's riverfront. Financing is to be provided from general revenues and state grants.

Non-Major 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, federal, and state grants provide financing.

Sales Tax Bond Construction Fund

To account for the financing, acquisition, construction, and improvement of public streets, drainage facilities, waterworks system facilities, and sewerage system facilities. Financing is to be provided by the 1999 and 2000 Series Sales Tax Bonds in the amount of \$3,310,000 and \$3,535,000, respectively.

1999 LCDBG Sewer Lift Station

To account for the construction of sewer system improvements financed by a Federal Grant.

LCDBG Sewer Rehab Program

To account for the construction of sewer system improvements financed by a Federal Grant.

**CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET**

**JUNE 30, 2003
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2002**

	<u>Major Fund</u> River Front Development	<u>Non-Major Funds</u>			<u>Totals</u>		
		<u>Industrial Park</u>	<u>Sales Tax Bond Construction</u>	<u>1999 LCDBG New Sewer Lift Station</u>	<u>LCDBG Sewer Rehab Program</u>	<u>2003</u>	<u>2002</u>
<u>ASSETS</u>							
Cash	\$ 47,635	\$ 9,724	\$ 138,567	\$ -	\$ 5,085	\$ 201,011	\$ 672,908
Investments	15,391					15,391	14,693
Accounts receivable	299					299	692
Due from other agencies	1,014	8,449				9,463	2,270
Due from other funds			295,000		7,321	302,321	483,301
Due from other governments	<u>440,151</u>	<u>3,319</u>	<u>29,045</u>	<u>-</u>	<u>67,999</u>	<u>540,514</u>	<u>431,299</u>
Total assets	\$ 504,490	\$ 21,492	\$ 462,612	\$ -	\$ 80,405	\$ 1,068,999	\$ 1,605,163
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities							
Accounts payable	\$ 127,830	\$ -	\$ 75,376	\$ -	\$ 80,405	\$ 283,611	\$ 468,903
Due to other funds	<u>395,000</u>	<u>2,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>397,446</u>	<u>194,557</u>
Total liabilities	\$ 522,830	\$ 2,446	\$ 75,376	\$ -	\$ 80,405	\$ 681,057	\$ 663,460
Fund balance	<u>\$ (18,340)</u>	<u>\$ 19,046</u>	<u>\$ 387,236</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 387,942</u>	<u>\$ 941,703</u>
Total liabilities and fund balance	\$ 504,490	\$ 21,492	\$ 462,612	\$ -	\$ 80,405	\$ 1,068,999	\$ 1,605,163

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2003
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2002

	<u>Major Fund</u> <u>River Front</u> <u>Development</u>	<u>Non-Major Funds</u>			<u>Totals</u>		
		<u>Industrial</u> <u>Park</u>	<u>Sales Tax</u> <u>Bond</u> <u>Construction</u>	<u>1999</u> <u>LCDBG New</u> <u>Sewer Lift</u> <u>Station</u>	<u>LCDBG</u> <u>Sewer</u> <u>Rehab</u> <u>Program</u>	<u>2003</u>	<u>2002</u>
<u>REVENUES</u>							
Intergovernmental	\$ 1,475,656	\$ 20,949	\$	\$	\$ 28,306	\$ 1,524,911	\$ 1,753,720
Other	70,884	25,983	9,233			106,100	82,215
Total revenues	\$ 1,546,540	\$ 46,932	\$ 9,233	\$ -	\$ 28,306	\$ 1,631,011	\$ 1,835,935
<u>EXPENDITURES</u>							
Current							
Economic development	\$ 77,632	\$ 50,090	\$ 118,997	\$	\$	\$ 246,719	\$ 253,042
Capital outlay							
Other improvements	1,502,545		315,737		-	1,818,282	2,726,698
Total expenditures	\$ 1,580,177	\$ 50,090	\$ 434,734	\$ -	\$ -	\$ 2,065,001	\$ 2,979,740
Excess of revenues							
(expenditures)	\$ (33,637)	\$ (3,158)	\$ (425,501)	\$ -	\$ 28,306	\$ (433,990)	\$ (1,143,805)
<u>OPERATING TRANSFERS</u>							
Transfers - in	60,000				7,321	67,321	41,910
Transfers - out	(41,094)		(105,147)	(14)	(40,837)	(187,092)	(41,910)
Excess of revenues and							
transfers - in (expenditures							
and transfers - out	\$ (14,731)	\$ (3,158)	\$ (530,648)	\$ (14)	\$ (5,210)	\$ (553,761)	\$ (1,143,805)
<u>FUND BALANCE,</u>							
BEGINNING	(3,609)	22,204	917,884	14	5,210	941,703	2,085,508
<u>FUND BALANCE</u>							
(DEFICIT), ENDING	\$ (18,340)	\$ 19,046	\$ 387,236	\$ -	\$ -	\$ 387,942	\$ 941,703

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
RIVER FRONT DEVELOPMENT FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2003

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>2003 Actual</u>	<u>Variance</u>	<u>2002 Actual</u>
<u>REVENUES</u>				
Intergovernmental	\$ 1,495,200	\$ 1,475,656	\$ (19,544)	\$ 1,343,413
Other	<u>71,600</u>	<u>70,884</u>	<u>(716)</u>	<u>41,686</u>
Total revenues	\$ 1,566,800	\$ 1,546,540	\$ (20,260)	\$ 1,385,099
<u>EXPENDITURES</u>				
Current				
Materials and supplies	\$ 59,200	\$ 58,813	\$ 387	\$ 3,230
Other services and charges	195,400	18,819	176,581	96,201
Capital outlay				
Other services and charges		177,593	(177,593)	
Other improvements	<u>1,366,500</u>	<u>1,324,952</u>	<u>41,548</u>	<u>1,325,976</u>
Total expenditures	\$ 1,621,100	\$ 1,580,177	\$ 40,923	\$ 1,425,407
Excess of revenues (expenditures)	\$ (54,300)	\$ (33,637)	\$ 20,663	\$ (40,308)
<u>OPERATING TRANSFERS</u>				
Operating transfers - in	60,000	60,000		-
Operating transfers - out	<u> </u>	<u>(41,094)</u>	<u>(41,094)</u>	<u> </u>
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ 5,700	\$ (14,731)	\$ (20,431)	\$ (40,308)
<u>FUND BALANCE (DEFICIT), BEGINNING</u>				
	<u>(3,609)</u>	<u>(3,609)</u>	<u> </u>	<u>36,699</u>
<u>FUND BALANCE (DEFICIT), ENDING</u>				
	<u>\$ 2,091</u>	<u>\$ (18,340)</u>	<u>\$ (20,431)</u>	<u>\$ (3,609)</u>

The accompanying notes are an integral part of this financial statement.

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, 2003
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	Budget	2003 Actual	Variance	2002 Actual
<u>REVENUES</u>				
Intergovernmental	\$ 20,950	\$ 20,949	\$ (1)	\$ 8,486
Other	21,185	25,983	4,798	10,953
Total revenues	\$ 42,135	\$ 46,932	\$ 4,797	\$ 19,439
<u>EXPENDITURES</u>				
Current				
Personal services	\$ 41,000	\$ 40,630	\$ 370	\$ -
Other services and charges	9,500	9,460	40	14,200
Total expenditures	\$ 50,500	\$ 50,090	\$ 410	\$ 14,200
Excess of revenues (expenditures)	\$ (8,365)	\$ (3,158)	\$ 5,207	\$ 5,239
<u>OPERATING TRANSFERS</u>				
Transfers - out	-	-	-	-
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ (8,365)	\$ (3,158)	\$ 5,207	\$ 5,239
<u>FUND BALANCE, BEGINNING</u>	22,204	22,204	-	16,965
<u>FUND BALANCE, ENDING</u>	\$ 13,839	\$ 19,046	\$ 5,207	\$ 22,204

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
SALES TAX BOND CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2003
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>2003 Actual</u>	<u>Variance</u>	<u>2002 Actual</u>
<u>REVENUES</u>				
Other	\$ 9,250	\$ 9,233	\$ (17)	\$ 29,576
Total revenues	\$ 9,250	\$ 9,233	\$ (17)	\$ 29,576
<u>EXPENDITURES</u>				
Current				
Other services and charges	\$ 8,700	\$ 118,997	\$ (110,297)	\$ 139,411
Capital outlay				
Other improvements	<u>471,200</u>	<u>315,737</u>	<u>155,463</u>	<u>962,076</u>
Total expenditures	\$ 479,900	\$ 434,734	\$ 45,166	\$ 1,101,487
Excess of revenues (expenditures)	\$ (470,650)	\$ (425,501)	\$ 45,149	\$ (1,071,911)
<u>OPERATING TRANSFERS</u>				
Transfers - out	<u>(60,000)</u>	<u>(105,147)</u>	<u>(45,147)</u>	<u>(41,910)</u>
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ (530,650)	\$ (530,648)	\$ 2	\$ (1,113,821)
<u>FUND BALANCE, BEGINNING</u>	<u>917,884</u>	<u>917,884</u>	<u></u>	<u>2,031,705</u>
<u>FUND BALANCE, ENDING</u>	<u>\$ 387,234</u>	<u>\$ 387,236</u>	<u>\$ 2</u>	<u>\$ 917,884</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
1999 LCDBG NEW SEWER LIFT STATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2003
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>2003 Actual</u>	<u>Variance</u>	<u>2002 Actual</u>
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 4,799
Total revenues	\$ -	\$ -	\$ -	\$ 4,799
<u>EXPENDITURES</u>				
Capital outlay				
Other services and charges	\$ -	\$ -	\$ -	\$ 4,799
Total expenditures	\$ -	\$ -	\$ -	\$ 4,799
Excess of revenues (expenditures)	\$ -	\$ -	\$ -	\$ -
<u>OPERATING TRANSFERS</u>				
Transfers - out	(14)	(14)		
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ (14)	\$ (14)	\$ -	\$ -
<u>FUND BALANCE, BEGINNING</u>	14	14		14
<u>FUND BALANCE, ENDING</u>	\$ -	\$ -	\$ -	\$ 14

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
LCDBG SEWER REHAB PROGRAM
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2003
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2002

	<u>Budget</u>	<u>2003 Actual</u>	<u>Variance</u>	<u>2002 Actual</u>
<u>REVENUES</u>				
Intergovernmental	\$ 28,306	\$ 28,306	\$ -	\$ 397,022
Total revenues	\$ 28,306	\$ 28,306	\$ -	\$ 397,022
<u>EXPENDITURES</u>				
Capital outlay				
Other services and charges	\$ 12,406	\$	\$ 12,406	\$ 36,917
Other improvements	<u>28,306</u>	<u> </u>	<u>28,306</u>	<u>396,930</u>
Total expenditures	\$ 40,712	\$	\$ 40,712	\$ 433,847
Excess of expenditures	\$ (12,406)	\$ 28,306	\$ 40,712	\$ (36,825)
<u>OPERATING TRANSFERS</u>				
Transfers - in	7,321	7,321	-	41,910
Transfers - out	<u>(125)</u>	<u>(40,837)</u>	<u>(40,712)</u>	<u> </u>
Excess of revenues and transfers - in	\$ (5,210)	\$ (5,210)	\$ -	\$ 5,085
<u>FUND BALANCE, BEGINNING</u>	<u>5,210</u>	<u>5,210</u>	<u> </u>	<u>125</u>
<u>FUND BALANCE, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,210</u>

The accompanying notes are an integral part of this financial statement.

ENTERPRISE FUNDS

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.

Hydro Royalty Fund

To account for the revenues and expenses of the hydroelectric project.

CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003 AND 2002

	Major Funds		Totals	
	Utility Fund	Hydro-Royalty Fund	2003	2002
ASSETS				
Current Assets				
Cash	\$ 268,122	\$ 588,038	\$ 856,160	\$ 157,489
Temporary investments - time deposits		2,650,000	2,650,000	-
Accounts receivable, net of allowance for uncollectibles (2003 - \$2,069 and 2002 - \$2,069)	880,184	7,542	887,726	962,860
Due from other agencies		2,933,151	2,933,151	8,848,122
Due from other funds	673,486		673,486	653,126
Due from other governments	2,000		2,000	2,000
Prepaid expenses	23,026		23,026	-
Total current assets	\$ 1,846,818	\$ 6,178,731	\$ 8,025,549	\$ 10,623,597
Restricted Assets				
Consumer deposits - cash	\$ 228,966	\$ -	\$ 228,966	\$ 225,576
Total restricted assets	\$ 228,966	\$ -	\$ 228,966	\$ 225,576
Property, Plant, and Equipment	\$ 15,552,087	\$ -	\$ 15,552,087	\$ 15,171,012
Less accumulated depreciation	(5,009,260)		(5,009,260)	(4,668,264)
Net property, plant, and equipment	\$ 10,542,827	\$ -	\$ 10,542,827	\$ 10,502,748
Total assets	\$ 12,618,611	\$ 6,178,731	\$ 18,797,342	\$ 21,351,921
LIABILITIES AND NET ASSETS				
Current liabilities (payable from current assets)				
Accounts payable	\$ 533,942	\$ 891,000	\$ 1,424,942	\$ 1,284,377
Accrued liabilities	94,276		94,276	88,586
Due to other funds	51,336	683,752	735,088	961,829
Short-term revenue bonds payable	-	-	-	3,315,878
Total current liabilities (payable from current assets)	\$ 679,554	\$ 1,574,752	\$ 2,254,306	\$ 5,650,670
Current liabilities (payable from restricted assets)				
Consumer deposits	\$ 228,966	\$ -	\$ 228,966	\$ 225,576
Total current liabilities (payable from restricted assets)	\$ 228,966	\$ -	\$ 228,966	\$ 225,576
Total liabilities	\$ 908,520	\$ 1,574,752	\$ 2,483,272	\$ 5,876,246
Net Assets				
Invested in capital assets, net	\$ 10,542,827	\$ -	\$ 10,542,827	\$ 10,502,748
Unrestricted	1,167,264	4,603,979	5,771,243	4,972,927
Total net assets	\$ 11,710,091	\$ 4,603,979	\$ 16,314,070	\$ 15,475,675
Total liabilities and net assets	\$ 12,618,611	\$ 6,178,731	\$ 18,797,342	\$ 21,351,921

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2003 AND 2002

	Major Funds		2003	2002
	Utility Fund	Hydro-Royalty Fund		
<u>OPERATING REVENUES</u>				
Revenues	\$ 7,814,825	\$ 8,974,893	\$ 16,789,718	\$ 15,779,549
Less purchases and sales tax	<u>(4,629,634)</u>	<u>(6,652,860)</u>	<u>(11,282,494)</u>	<u>(10,507,359)</u>
Gross profit	\$ 3,185,191	\$ 2,322,033	\$ 5,507,224	\$ 5,272,190
<u>OPERATING EXPENSES</u>				
Personal services	\$ 1,266,858	\$	\$ 1,266,858	\$ 1,149,861
Materials and supplies	381,241		381,241	374,763
Other services and charges	601,009	486,191	1,087,200	548,496
Depreciation	<u>340,996</u>	<u></u>	<u>340,996</u>	<u>345,125</u>
Total operating expenses	\$ 2,590,104	\$ 486,191	\$ 3,076,295	\$ 2,418,245
Operating income	\$ 595,087	\$ 1,835,842	\$ 2,430,929	\$ 2,853,945
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest income	\$ 7,383	\$ 120,824	\$ 128,207	\$ 143,382
Interest expense	<u></u>	<u>(99,232)</u>	<u>(99,232)</u>	<u>(76,392)</u>
Total non-operating revenues	\$ 7,383	\$ 21,592	\$ 28,975	\$ 66,990
Net income before operating transfers and contributions	\$ 602,470	\$ 1,857,434	\$ 2,459,904	\$ 2,920,935
<u>OPERATING TRANSFERS AND CONTRIBUTIONS</u>				
Capital contributions	28,858		28,858	433,847
Transfers - in	926,585		926,585	442,979
Transfers - out	<u>(1,602,321)</u>	<u>(974,632)</u>	<u>(2,576,953)</u>	<u>(1,846,979)</u>
Change in net assets	\$ (44,408)	\$ 882,802	\$ 838,394	\$ 1,950,782
<u>NET ASSETS, BEGINNING</u>	<u>11,754,499</u>	<u>3,721,177</u>	<u>15,475,676</u>	<u>13,524,893</u>
<u>NET ASSETS, ENDING</u>	<u>\$ 11,710,091</u>	<u>\$ 4,603,979</u>	<u>\$ 16,314,070</u>	<u>\$ 15,475,675</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
YEARS ENDED JUNE 30, 2003 AND 2002

	Major Funds		Totals	
	Utility Fund	Hydro-Royalty Fund	2003	2002
Cash flows from operating activities				
Cash received from customers	\$ 7,900,891	\$ 14,889,864	\$ 22,790,755	\$ 12,042,853
Cash payments to suppliers for goods and services	(5,511,437)	(7,121,959)	(12,633,396)	(11,407,104)
Cash payments to employees for service	<u>(1,261,168)</u>	<u> </u>	<u>(1,261,168)</u>	<u>(1,141,348)</u>
Net cash provided by (used for) operating activities	<u>\$ 1,128,286</u>	<u>\$ 7,767,905</u>	<u>\$ 8,896,191</u>	<u>\$ (505,599)</u>
Cash flows from non-capital financing activities				
Proceeds of bonds	\$	\$ 484,122	\$ 484,122	\$ 3,315,878
Payment of bond principal		(3,800,000)	(3,800,000)	
Interest on bonds		(99,232)	(99,232)	(76,392)
Operating transfers - in	926,585		926,585	178,447
Operating transfers - out	<u>(1,555,938)</u>	<u>(1,247,756)</u>	<u>(2,803,694)</u>	<u>(2,900,958)</u>
Net cash provided by (used for) non-capital financing activities	<u>\$ (629,353)</u>	<u>\$ (4,662,866)</u>	<u>\$ (5,292,219)</u>	<u>\$ 516,975</u>
Cash flows from capital and related financing activities				
Purchases of fixed assets	\$ (372,576)	\$ -	\$ (372,576)	\$ (67,202)
Net cash used for capital and related financing activities	<u>\$ (372,576)</u>	<u>\$ -</u>	<u>\$ (372,576)</u>	<u>\$ (67,202)</u>
Cash flows from investing activities				
Interest on temporary investments	\$ 7,383	\$ 113,282	\$ 120,665	\$ 143,382
Net cash provided by investing activities	<u>\$ 7,383</u>	<u>\$ 113,282</u>	<u>\$ 120,665</u>	<u>\$ 143,382</u>
Net increase in cash and cash equivalents	\$ 133,740	\$ 3,218,321	\$ 3,352,061	\$ 87,556
Cash and cash equivalents - beginning of year	<u>363,348</u>	<u>19,717</u>	<u>383,065</u>	<u>295,509</u>
Cash and cash equivalents - end of year	<u>\$ 497,088</u>	<u>\$ 3,238,038</u>	<u>\$ 3,735,126</u>	<u>\$ 383,065</u>

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CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
YEARS ENDED JUNE 30, 2003 AND 2002

	Major Funds		Totals	
	Utility Fund	Hydro-Royalty Fund	2003	2002
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income	\$ 595,087	\$ 1,835,842	\$ 2,430,929	\$ 2,853,945
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	\$ 340,996	\$	\$ 340,996	\$ 345,125
Change in assets and liabilities				
(Increase) decrease in				
Accounts receivable	82,676		82,676	(59,246)
Due from other agencies		5,914,971	5,914,971	(3,683,917)
Prepaid expenses	(23,026)		(23,026)	500
Increase (decrease) in				
Accounts payable	123,473	17,092	140,565	23,014
Accrued liabilities	5,690		5,690	8,513
Customer deposits	3,390		3,390	6,467
Total adjustments	<u>\$ 533,199</u>	<u>\$ 5,932,063</u>	<u>\$ 6,465,262</u>	<u>\$ (3,359,544)</u>
Net cash provided by (used for) operating activities	<u>\$ 1,128,286</u>	<u>\$ 7,767,905</u>	<u>\$ 8,896,191</u>	<u>\$ (505,599)</u>
Supplemental schedule of significant non-cash activities				
Fixed assets contributed by developers	<u>\$ 28,858</u>	<u>\$ -</u>	<u>\$ 28,858</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
 ENTERPRISE FUNDS
 UTILITY FUND
 COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>ELECTRIC DEPARTMENT</u>		
<u>Operating Revenues</u>		
Revenues	\$ 5,764,518	\$ 5,607,676
Less purchases and sales tax	<u>(3,907,224)</u>	<u>(3,366,622)</u>
Gross profit	\$ 1,857,294	\$ 2,241,054
<u>Operating Expenses</u>		
Personal services		
Salaries and wages	\$ 408,181	\$ 400,348
Employee benefits	<u>139,582</u>	<u>107,409</u>
Total personal services	\$ 547,763	\$ 507,757
Materials and supplies		
Office supplies	\$ 2,340	\$ 2,111
Operating supplies	24,123	20,370
Repair and maintenance supplies	<u>142,939</u>	<u>153,146</u>
Total materials and supplies	\$ 169,402	\$ 175,627
Other services and charges		
Professional fees	\$ 113,437	\$ 47,914
Communications	18,183	13,901
Travel and seminar	10,114	7,831
Advertising	-	520
Dues and subscriptions	290	7,302
Insurance	12,845	11,011
Utility service	12,442	12,100
Repair and maintenance	37,943	15,429
Rentals	11,221	16,521
Bad debts	<u>16,737</u>	<u>27,600</u>
Total other services and charges	\$ 233,212	\$ 160,129
Depreciation	<u>\$ 139,472</u>	<u>\$ 146,291</u>
Total operating expenses	\$ 1,089,849	\$ 989,804
Operating income	\$ 767,445	\$ 1,251,250

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CITY OF VIDALIA, LOUISIANA
 ENTERPRISE FUNDS
 UTILITY FUND
 COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
<u>GAS DEPARTMENT</u>		
<u>Operating Revenues</u>		
Revenues	\$ 1,147,644	\$ 1,029,770
Less purchases and sales tax	(706,463)	(614,915)
Gross profit	\$ 441,181	\$ 414,855
<u>Operating Expenses</u>		
Personal services		
Salaries and wages	\$ 214,595	\$ 193,511
Employee benefits	73,361	71,807
Total personal services	\$ 287,956	\$ 265,318
Materials and supplies		
Office supplies	\$ 96	\$ 923
Operating supplies	9,019	5,548
Repair and maintenance supplies	23,907	18,233
Total materials and supplies	\$ 33,022	\$ 24,704
Other services and charges		
Professional fees	\$ 12,947	\$ 19,855
Communications	1,440	2,293
Travel and seminar	265	271
Dues and subscriptions	1,288	450
Insurance	22,002	14,915
Repair and maintenance	5,167	-
Rentals	1,582	1,761
Bad debts	7,605	16,713
Total other services and charges	\$ 52,296	\$ 56,258
Depreciation	\$ 18,150	\$ 14,898
Total operating expenses	\$ 391,424	\$ 361,178
Operating income	\$ 49,757	\$ 53,677

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CITY OF VIDALIA, LOUISIANA
 ENTERPRISE FUNDS
 UTILITY FUND
 COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
<u>WATER DEPARTMENT</u>		
<u>Operating Revenues</u>		
Revenues	\$ 484,643	\$ 489,742
Less sales tax	(15,947)	(18,625)
Gross profit	\$ 468,696	\$ 471,117
<u>Operating Expenses</u>		
Personal services		
Salaries and wages	\$ 236,036	\$ 206,246
Employee benefits	76,230	77,747
Total personal services	\$ 312,266	\$ 283,993
Materials and supplies		
Office supplies	\$ 1,653	\$ 1,412
Operating supplies	79,612	68,111
Repair and maintenance supplies	32,791	64,627
Total materials and supplies	\$ 114,056	\$ 134,150
Other services and charges		
Professional fees	\$ 52,076	\$ 34,893
Communications	3,298	3,008
Travel and seminar	3,375	3,482
Advertising	170	-
Dues and subscriptions	2,369	1,135
Insurance	8,411	10,996
Utility service	75,635	57,519
Repair and maintenance	6,913	1,441
Rentals	9,735	15,636
Bad debts	2,656	3,875
Total other services and charges	\$ 164,638	\$ 131,985
Depreciation	\$ 80,509	\$ 81,741
Total operating expenses	\$ 671,469	\$ 631,869
Operating loss	\$ (202,773)	\$ (160,752)

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CITY OF VIDALIA, LOUISIANA

ENTERPRISE FUNDS
UTILITY FUNDCOMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>SEWER DEPARTMENT</u>		
<u>Operating Revenues</u>		
Revenues	\$ 418,020	\$ 420,397
<u>Operating Expenses</u>		
Personal services		
Salaries and wages	\$ 88,461	\$ 67,586
Employee benefits	30,412	25,207
Total personal services	<u>\$ 118,873</u>	<u>\$ 92,793</u>
Materials and supplies		
Office supplies	\$ 48	\$ 461
Operating supplies	29,907	13,472
Repair and maintenance supplies	34,806	26,349
Total materials and supplies	<u>\$ 64,761</u>	<u>\$ 40,282</u>
Other services and charges		
Professional fees	\$ 21,042	\$ 9,983
Communications	713	1,308
Dues and subscriptions	75	1,301
Insurance	4,518	4,388
Utility service	111,485	153,087
Repair and maintenance	10,063	703
Rentals	1,259	2,026
Bad debts	1,708	3,318
Total other services and charges	<u>\$ 150,863</u>	<u>\$ 176,114</u>
Depreciation	<u>\$ 102,865</u>	<u>\$ 102,195</u>
Total operating expenses	<u>\$ 437,362</u>	<u>\$ 411,384</u>
Operating income (loss)	<u>\$ (19,342)</u>	<u>\$ 9,013</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA

ENTERPRISE FUNDS
HYDRO-ROYALTY FUNDCOMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>OPERATING REVENUES</u>		
Hydro power sales	\$ 1,617,968	\$ 1,290,246
Hydro power royalties	7,355,588	6,941,718
Other	<u>1,337</u>	<u>-</u>
	\$ 8,974,893	\$ 8,231,964
Less purchases and sales tax	<u>6,652,860</u>	<u>(6,507,197)</u>
Gross profit	<u>\$ 2,322,033</u>	<u>\$ 1,724,767</u>
<u>OPERATING EXPENSES</u>		
Other services and charges		
Professional fees	\$ 8,053	\$ 17,833
Communications	851	-
Insurance	-	1,227
Utility service	10,290	-
Repair and maintenance	-	4,950
Hydro royalty rebates	<u>466,997</u>	<u>-</u>
Total other services and charges	<u>\$ 486,191</u>	<u>\$ 24,010</u>
Total operating expenses	<u>\$ 486,191</u>	<u>\$ 24,010</u>
Operating income	<u>\$ 1,835,842</u>	<u>\$ 1,700,757</u>

The accompanying notes are an integral part of this financial statement.

INTERNAL SERVICE FUND

Employee Insurance Fund

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

CITY OF VIDALIA, LOUISIANA
INTERNAL SERVICE FUND
EMPLOYEE INSURANCE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>ASSETS</u>		
Cash	\$ -	\$ 20,541
Due from other funds	<u>-</u>	<u>13,471</u>
Total assets	<u>\$ -</u>	<u>\$ 34,012</u>
<u>LIABILITIES AND NET ASSETS</u>		
Claims payable	<u>\$ -</u>	<u>\$ 812</u>
Total liabilities	<u>\$ -</u>	<u>\$ 812</u>
Net assets	<u>\$ -</u>	<u>\$ 33,200</u>
Total liabilities and net assets	<u>\$ -</u>	<u>\$ 34,012</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
INTERNAL SERVICE FUND
EMPLOYEE INSURANCE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>OPERATING REVENUES</u>		
City and employee contributions	\$ -	\$ 538,149
Stop loss recoveries	<u>-</u>	<u>1,512</u>
Total operating revenues	\$ <u>-</u>	\$ <u>539,661</u>
<u>OPERATING EXPENSES</u>		
Premium payments	\$ 29,343	\$ 489,105
Claims paid	3,817	-
Administrative and general	<u>40</u>	<u>930</u>
Total operating expenses	\$ <u>33,200</u>	\$ <u>490,035</u>
Operating income (loss) before operating transfers	\$ (33,200)	\$ 49,626
<u>OPERATING TRANSFERS</u>		
Transfers to General Fund	<u>-</u>	<u>(50,000)</u>
Change in net assets	\$ (33,200)	\$ (374)
<u>NET ASSETS, BEGINNING</u>	<u>33,200</u>	<u>33,574</u>
<u>NET ASSETS, ENDING</u>	<u>\$ -</u>	<u>\$ 33,200</u>

The accompanying notes are an integral part of this financial statement.

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, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from City and employees	\$ 13,471	\$ 540,823
Cash received from recoveries	-	42,918
Cash payments for claims on employees	(4,629)	(31,735)
Cash payments to suppliers for goods and services	<u>(29,383)</u>	<u>(487,616)</u>
Net cash provided by (used for) operating activities	\$ (20,541)	\$ 64,390
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Operating transfers - out	<u>\$ -</u>	<u>\$ (50,000)</u>
Net cash used for non-capital financing activities	\$ -	\$ (50,000)
<u>Net increase (decrease) in cash and cash equivalents</u>	\$ (20,541)	\$ 14,390
<u>Cash and cash equivalents - beginning of year</u>	<u>20,541</u>	<u>6,151</u>
<u>Cash and cash equivalents - end of year</u>	<u>\$ -</u>	<u>\$ 20,541</u>
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</u>		
Operating income (loss)	\$ (33,200)	\$ 49,626
<u>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities</u>		
Change in assets and liabilities		
(Increase) decrease in:		
Receivables	\$ -	\$ 41,406
Due from other funds	13,471	2,674
Increase (decrease) in:		
Bank overdrafts	-	(20,517)
Claims payable	<u>(812)</u>	<u>(8,799)</u>
Total adjustments	\$ 12,659	\$ 14,764
<u>Net cash provided by (used for) operating activities</u>	\$ (20,541)	\$ 64,390

The accompanying notes are an integral part of this financial statement.

Reports On Compliance And Internal Control

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**INDEPENDENT AUDITOR'S REPORT ON
 COMPLIANCE AND INTERNAL CONTROL OVER
 FINANCIAL REPORTING BASED ON AN AUDIT OF
 THE BASIC FINANCIAL STATEMENTS
 PERFORMED IN ACCORDANCE WITH
 GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of City of Vidalia, Louisiana, as of and for the year ended June 30, 2003, and have issued our report thereon dated February 23, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether City of Vidalia, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of non-compliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as Item 2003-1.

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of management, City Aldermen, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Silas M. Simmons & Company, LLP

Natchez, Mississippi
February 23, 2004

CITY OF VIDALIA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2003

Section 1: Summary of Auditor's Results

Financial Statements:

- | | |
|------------------------------------------------------------------------------------------|-------------|
| 1. Type of auditor's report issued on the financial statements: | Unqualified |
| 2. Material non-compliance relating to the financial statements? | Yes |
| 3. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Reportable condition(s) identified that are not considered to be material weaknesses? | No |

Section 2: Financial Statement Findings

2003-1 Finding

The City's audited financial statements were not completed and submitted to the Legislative Auditor's Office by the statutory completion date of December 31, 2003. The City was unable to compile complete and accurate records in time for the audit to be delivered by the statutory deadline.

Recommendation

We recommend that the City work diligently to make records available in a timely manner.

Section 3: Federal Awards Findings and Questioned Costs

Not applicable.

AUDITEE'S CORRECTIVE ACTION PLAN

City of Vidalia, Louisiana, has prepared and hereby submits the following corrective action for the findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2003:

Finding: Corrective Action Plan Detail

2003-1 1. Name of Contact Person Responsible for Corrective Action:

Kenneth J. Davis
(318) 336-5206

2. Corrective Action Plan:

The City will work diligently to insure that records are made available to the Auditor in a timely manner.

3. Anticipated Completion Date:

June 30, 2004 Audit

CITY OF VIDALIA, LOUISIANA
STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2003

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
2002-1	2002	The City's audited financial statements were not completed and submitted to the Legislative Auditor's Office by the statutory completion date of December 31, 2002. The City was unable to compile complete and accurate records in time for the audit to be delivered by the statutory deadline.	No	See Auditee's Corrective Action Plan for Finding 2003-1