



# **City Of Ruston**

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## **Annual Financial Report**

**September 30, 2000**

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## **Ruston, Louisiana**

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

Release Date 08/07/01

**KPMG LLP**

**Certified Public Accountants**

**Shreveport, Louisiana**

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City of Ruston, Louisiana  
Annual Financial Report  
For the Year Ended September 30, 2000

**CITY OF RUSTON, LOUISIANA**  
**Annual Financial Report**  
**For The Year Ended September 30, 2000**

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***Financial  
Information***



333 Texas Street, Suite 1900  
Shreveport, LA 71101-3692

## **Independent Auditors' Report**

To the Honorable Members of the Board of Aldermen and  
Honorable Dan Hollingsworth, Mayor  
City of Ruston, Louisiana:

We have audited the accompanying general purpose financial statements and the combining, individual fund, and account group financial statements and schedules of the City of Ruston, Louisiana as of and for the year ended September 30, 2000, as listed in the Table of Contents as Exhibits 1-5 and A-1 to H-1. These financial statements and schedules are the responsibility of the City of Ruston, Louisiana's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audit. We did not audit the component unit financial statements of the City Court and City Marshal, which represent 100% of the assets of the component unit column on Exhibit 1 and 100% of the revenues of the component unit column on Exhibit 2. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the financial statements and schedules, insofar as it relates to the amounts included for the City Court and City Marshal is based on the reports of the other auditors.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 opinion.

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Ruston, Louisiana as of September 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining, individual fund, and account group financial statements and schedules referred to above present fairly, in all material respects, the financial position of each of the individual funds and individual account groups of the City, as of September 30, 2000, and the results of operations of such funds and the cash flows of individual proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.





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In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2000 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund, and account group financial statements and schedules listed in the first paragraph. The accompanying financial information listed as supplementary information in the Table of Contents as Schedules 1-5 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Ruston, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

KPMG LLP

December 7, 2000

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GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF RUSTON  
 Combined Balance Sheet - All Fund Types.  
 Account Groups and Discretely Presented Component Units  
 September 30, 2000

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES			ACCOUNT GROUPS			TOTALS		TOTALS REPORTING ENTITY (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE	FIXED ASSETS	LONG-TERM DEBT	PRIMARY GOVERNMENT				
									(MEMORANDUM ONLY)	COMPONENT UNITS			
<b>ASSETS AND OTHER DEBITS</b>													
Cash and Cash Equivalents (Note 3)	2,467,795	3,141,326	112,921	308,499	9,149,860	342,881	-	-	15,523,282	175,356	-	15,698,638	
Accounts Receivable, net (Note 5)	177,387	2,075	-	1,550	1,262,720	247,290	-	-	1,691,022	601	-	1,691,623	
Unbilled Revenues	63,468	-	-	-	2,069,958	-	-	-	2,133,426	-	-	2,133,426	
Due from Other Funds (Note 5)	1,392,622	1,784,146	-	7,800	2,136,410	100,012	-	-	5,420,990	816	-	5,421,806	
Due from Other Gov't Units	-	-	-	-	2,500	-	-	-	2,500	6,459	-	8,959	
Inventories, at Cost	57,637	-	-	-	685,095	-	-	-	742,732	-	-	742,732	
Prepaid Items	2,930	-	-	-	-	-	-	-	2,930	2,391	-	5,321	
<b>Restricted Assets:</b>													
Cash and Cash Equivalents (Note 3)	-	-	-	-	3,661,032	-	-	-	3,661,032	-	-	3,661,032	
Fixed Assets, net (Note 6)	-	-	-	-	30,536,218	-	17,573,876	-	48,110,094	202,103	-	48,312,197	
<b>Other Debits:</b>													
Amount Available in Debt Service Fund	-	-	-	-	-	-	-	112,921	112,921	-	-	112,921	
Amount to be Provided for the Retirement of General Long-Term Debt	-	-	-	-	-	-	-	2,537,490	2,537,490	-	-	2,537,490	
<b>Total Assets and Other Debits</b>	<b>4,161,839</b>	<b>4,927,547</b>	<b>112,921</b>	<b>317,849</b>	<b>49,503,793</b>	<b>690,183</b>	<b>17,573,876</b>	<b>2,650,411</b>	<b>79,938,419</b>	<b>387,726</b>	<b>80,326,145</b>		
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>													
<b>Liabilities:</b>													
Accounts and Retainage Payable	429,219	14,406	-	-	2,650,230	269,357	-	-	3,363,212	6,519	-	3,369,731	
Accrued & Other Liabilities	119,315	4,476	-	-	101,091	429,830	-	-	654,712	15,741	-	670,453	
Deposits	-	100	-	-	-	-	-	-	100	26,242	-	26,342	
Due to Other Funds (Note 5)	76,661	1,853,151	-	1,322	2,828,657	661,199	-	-	5,420,990	816	-	5,421,806	
<b>Payable from Restricted Assets:</b>													
Accrued Interest & Coupons	-	-	-	-	205,593	-	-	-	205,593	-	-	205,593	
Customer Deposits & Interest	-	-	-	-	591,282	-	-	-	591,282	-	-	591,282	
Certificates of Indebtedness (Note 9)	-	-	-	-	-	-	-	942,000	942,000	-	-	942,000	
Due to Municipal Police Employees Retirement System (Note 7)	-	-	-	-	-	-	-	229,472	229,472	-	-	229,472	
Obligation under Capital Lease (Note 10)	-	-	-	-	83,009	-	-	374,428	457,437	-	-	457,437	
Bonds Payable (Note 9)	-	-	-	-	3,914,018	-	-	-	3,914,018	-	-	3,914,018	
Compensated Absences (Note 9)	-	-	-	-	343,989	27,452	-	1,104,511	1,475,952	-	-	1,475,952	
<b>Total Liabilities</b>	<b>625,195</b>	<b>1,872,133</b>	<b>-</b>	<b>1,322</b>	<b>10,717,869</b>	<b>1,387,838</b>	<b>-</b>	<b>2,650,411</b>	<b>17,254,769</b>	<b>49,318</b>	<b>17,304,086</b>		

Equity and Other Credits:												
Contributed Capital (Note 12)	-	-	9,369,775	-	-	-	9,369,775	-	9,369,775	-	9,369,775	
Investment in General Fixed Assets	-	-	-	-	17,573,876	-	17,573,876	-	17,573,876	202,103	17,775,979	
Retained Earnings (Deficit):												
Reserved for Debt Service	-	-	1,403,308	-	-	-	1,403,308	-	1,403,308	-	1,403,308	
Reserved for Encumbrances	-	-	784,656	-	-	300	784,956	-	784,956	-	784,956	
Unreserved	-	-	27,228,185	-	-	(697,955)	26,530,230	-	26,530,230	-	26,530,230	
Fund Balances:												
Reserved for Inventories	57,637	-	-	-	-	-	57,637	-	57,637	-	57,637	
Reserved for Debt Service	5,540	-	-	112,921	-	-	118,461	-	118,461	-	118,461	
Reserved for Encumbrances	177,076	16,149	-	-	-	-	193,225	-	193,225	-	193,225	
Unreserved:												
Designated for Future Years' Expenditures	-	-	-	-	-	-	70,261	-	70,261	-	70,261	
Undesignated	3,296,391	3,039,265	-	-	-	-	6,581,922	136,305	6,581,922	136,305	6,718,227	
Total Equity and Other Credits	3,536,644	3,055,414	38,785,924	112,921	17,573,876	(697,655)	62,683,651	338,408	63,022,059			
Total Liabilities, Equity, and Other Credits	4,161,839	4,927,547	49,503,793	112,921	17,573,876	690,183	79,938,419	387,726	80,326,145			

See accompanying notes to financial statements.

CITY OF RUSTON  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - All Governmental Funds Types  
 For the Year Ended September 30, 2000

Exhibit 2

	GOVERNMENTAL FUND TYPES				TOTALS		TOTAL REPORTING ENTITY (Memorandum Only)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	(Memorandum Only)	COMPONENT UNITS	
Revenues:							
Taxes	598,780	6,290,712	-	-	6,889,492	-	6,889,492
License & Permits	542,404	-	-	-	542,404	-	542,404
Intergovernmental	801,764	784,593	-	-	1,586,357	-	1,586,357
Charges for Services	1,062,533	-	-	-	1,062,533	492,944	1,555,477
Fines & Forfeitures	222,446	-	-	-	222,446	-	222,446
Miscellaneous	384,095	265,135	8,402	17,548	675,180	7,834	683,014
<b>Total Revenues</b>	<b>3,612,022</b>	<b>7,340,440</b>	<b>8,402</b>	<b>17,548</b>	<b>10,978,412</b>	<b>500,778</b>	<b>11,479,190</b>
Expenditures:							
Current:							
General Government	1,931,989	926,302	-	-	2,858,291	462,781	3,321,072
Public Safety	3,968,573	-	-	-	3,968,573	-	3,968,573
Public Works	3,208,840	-	-	-	3,208,840	-	3,208,840
Recreation	-	586,579	-	-	586,579	-	586,579
Capital Outlay	-	-	-	22,777	22,777	-	22,777
Debt Service	66,714	-	203,315	-	270,029	-	270,029
<b>Total Expenditures</b>	<b>9,176,116</b>	<b>1,512,881</b>	<b>203,315</b>	<b>22,777</b>	<b>10,915,089</b>	<b>462,781</b>	<b>11,377,870</b>

Excess (Deficiency) of Revenues Over Expenditures	(5,564,094)	5,827,559	(194,913)	(5,229)	63,323	37,997	101,320
Other Financing Sources (Uses):							
Operating Transfers In (Note 13)	6,114,000	278,747	206,357	-	6,599,104	-	6,599,104
Operating Transfers Out (Note 13)	(67,736)	(5,403,294)	-	-	(5,471,030)	-	(5,471,030)
Sale of General Fixed Assets	-	-	-	-	-	231	231
<b>Total Other Financing Sources (Uses)</b>	<b>6,046,264</b>	<b>(5,124,547)</b>	<b>206,357</b>	<b>-</b>	<b>1,128,074</b>	<b>231</b>	<b>1,128,305</b>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	482,170	703,012	11,444	(5,229)	1,191,397	38,228	1,229,625
Fund Balances, October 1	3,054,474	2,352,402	101,477	321,756	5,830,109	98,077	5,928,186
Fund Balances, September 30	3,536,644	3,055,414	112,921	316,527	7,021,506	136,305	7,157,811



Combined Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget (GAAP Basis) and Actual  
 General and Certain Special Revenue Funds  
 For the Year Ended September 30, 2000

	GENERAL FUND		CERTAIN SPECIAL REVENUE FUNDS		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	BUDGET	ACTUAL	
Revenues:					
Taxes	550,000	598,780	5,562,500	6,290,712	728,212
License & Permits	489,550	542,404	-	-	-
Intergovernmental	766,087	801,764	802,998	761,856	(41,142)
Charges for Services	1,127,000	1,062,533	-	-	-
Fines & Forfeitures	219,300	222,446	-	-	-
Miscellaneous	137,250	384,095	170,706	265,135	94,429
<b>Total Revenues</b>	<b>3,289,187</b>	<b>3,612,022</b>	<b>6,536,204</b>	<b>7,317,703</b>	<b>781,499</b>
Expenditures:					
Current:					
General Government	2,098,201	1,931,989	865,094	905,587	(40,493)
Public Safety	4,026,075	3,968,573	-	-	-
Public Works	3,529,428	3,208,840	-	-	-
Recreation	-	-	725,255	586,579	138,676
Debt Service	66,714	66,714	-	-	-
<b>Total Expenditures</b>	<b>9,720,418</b>	<b>9,176,116</b>	<b>1,590,349</b>	<b>1,492,166</b>	<b>98,183</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(6,431,231)</b>	<b>(5,564,094)</b>	<b>4,945,855</b>	<b>5,825,537</b>	<b>879,682</b>

Other Financing Sources (Uses):						
Operating Transfers In	6,001,313	6,114,000	112,687	247,736	278,747	31,011
Operating Transfers Out	(67,736)	(67,736)	-	(5,379,214)	(5,403,294)	(24,080)
Total Other Financing Sources (Uses)	5,933,577	6,046,264	112,687	(5,131,478)	(5,124,547)	6,931
Excess (Deficiency) of Revenues & Other Sources Over Expenditures & Other Uses						
	(497,654)	482,170	979,824	(185,623)	700,990	886,613
Fund Balances, October 1	3,054,474	3,054,474	-	2,352,397	2,352,397	-
Fund Balances, September 30	2,556,820	3,536,644	979,824	2,166,774	3,053,387	886,613

See accompanying notes to the financial statements.

CITY OF RUSTON  
 Combined Statement of Revenues, Expenses and  
 Changes in Retained Earnings (Deficit)  
 All Proprietary Fund Types  
 For the Year Ended September 30, 2000

Exhibit 4

	ENTERPRISE	INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY)
<b>Operating Revenues:</b>			
Charges for Services	23,903,815	164,840	24,068,655
Rent Income	47,383	-	47,383
Charges to Other Funds and Employees	-	1,619,955	1,619,955
Miscellaneous Income	1,144,931	-	1,144,931
<b>Total Operating Revenues</b>	<b>25,096,129</b>	<b>1,784,795</b>	<b>26,880,924</b>
<b>Operating Expenses:</b>			
Direct Expenses	23,002,878	2,528,943	25,531,821
Indirect Expenses	1,750,322	-	1,750,322
<b>Total Operating Expenses</b>	<b>24,753,200</b>	<b>2,528,943</b>	<b>27,282,143</b>
<b>Operating Income(Loss)</b>	<b>342,929</b>	<b>(744,148)</b>	<b>(401,219)</b>
<b>Nonoperating Revenues (Expenses):</b>			
Interest Income	715,599	31,824	747,423
Sale of Hay	3,162	-	3,162
Federal and State Disaster Relief	238,537	-	238,537
Gain (Loss) on Sale of Assets	(54,321)	-	(54,321)
Interest Expense & Fiscal Charges	(205,899)	-	(205,899)
<b>Net Nonoperating Revenues (Expenses)</b>	<b>697,078</b>	<b>31,824</b>	<b>728,902</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>1,040,007</b>	<b>(712,324)</b>	<b>327,683</b>
Operating Transfers Out (Note 13)	(1,134,266)	-	(1,134,266)
Operating Transfers In (Note 13)	6,193	-	6,193
<b>Net Income (Loss)</b>	<b>(88,066)</b>	<b>(712,324)</b>	<b>(800,390)</b>
<b>Depreciation on Fixed Assets</b>			
Acquired with Capital Grants	440,246	-	440,246
<b>Retained Earnings, October 1</b>	<b>29,063,969</b>	<b>14,669</b>	<b>29,078,638</b>
<b>Retained Earnings (Deficit), September 30</b>	<b>29,416,149</b>	<b>(697,655)</b>	<b>28,718,494</b>

See accompanying notes to financial statements.

CITY OF RUSTON  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types  
 For the Year Ended September 30, 2000

Exhibit 5

	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS	TOTALS (MEMORANDUM) ONLY)
<b>Cash Flows From Operating Activities:</b>			
Operating Income (Loss)	342,929	(744,148)	(401,219)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided By (Used In) Operating Activities:			
Depreciation and Amortization	2,090,627	-	2,090,627
(Increase) Decrease in Operating Assets:			
Accounts Receivables	166,889	(202,699)	(35,810)
Due from Other Governmental Units	(2,500)	-	(2,500)
Inventories	(30,103)	-	(30,103)
Due From Other Funds	(1,650,811)	(2,276)	(1,653,087)
Other Assets	27,580	-	27,580
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	109,377	254,842	364,219
Accrued Liabilities	24,132	-	24,132
Customer Deposits	9,363	-	9,363
Estimated Payable for Outstanding Claims	-	40,426	1,373,082
Due to Other Funds	1,332,656	227,500	1,560,156
Compensated Absences	7,010	1,133	8,143
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>2,427,149</b>	<b>(425,222)</b>	<b>3,334,583</b>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Operating Transfers Out	(1,134,266)	-	(1,134,266)
Operating Transfers In	6,193	-	6,193
Federal & State Disaster Relief	238,537	-	238,537
<b>Net Cash Used In Noncapital Financing Activities</b>	<b>(889,536)</b>	<b>-</b>	<b>(889,536)</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Purchase of Capital Assets	(3,810,280)	-	(3,810,280)
Capital Lease Obligation Payments	(38,483)	-	(38,483)
Principal Paid on Bond Maturities	(355,000)	-	(355,000)
Interest Paid on Bonds	(211,340)	-	(211,340)
Capital Grants	-	-	-
<b>Net Cash Used In Capital and Related Financing Activities</b>	<b>(4,415,103)</b>	<b>-</b>	<b>(4,415,103)</b>
<b>Cash Flows From Investing Activities:</b>			
Interest Received	715,599	31,824	747,423
Sale of Hay	3,162	-	3,162
<b>Net Cash Flows From Investing Activities</b>	<b>718,761</b>	<b>31,824</b>	<b>750,585</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(2,158,729)</b>	<b>(393,398)</b>	<b>(2,552,127)</b>
Cash and Cash Equivalents, October 1	14,969,621	736,279	15,705,900
<b>Cash and Cash Equivalents, September 30</b>	<b>12,810,892</b>	<b>342,881</b>	<b>13,153,773</b>

See accompanying notes to financial statements.

CITY OF RUSTON, LOUISIANA  
 Combining Balance Sheet - Component Units  
 All Fund Types  
 September 30, 2000

	GOVERNMENTAL FUND TYPE		FIDUCIARY FUND TYPES AGENCY FUNDS		GENERAL FIXED ASSETS ACCOUNT GROUP		Totals (Memorandum Only)
	City Court of Ruston 9/30/00	Ruston City Marshal's Office 9/30/00	City Court of Ruston 9/30/00	Ruston City Marshal's Office 9/30/00	City Court of Ruston 9/30/00	Ruston City Marshal's Office 9/30/00	
<b>ASSETS</b>							
Cash and Cash Equivalents	67,972	62,116	40,701	4,567	-	-	175,356
Due from Other Funds	816	-	-	-	-	-	816
Prepaid Expenses	2,391	-	-	-	-	-	2,391
Due from Other Governmental Units	6,459	-	-	-	-	-	6,459
Accounts Receivable	-	451	150	-	-	-	601
Fixed Assets	-	-	-	-	125,415	76,688	202,103
<b>TOTAL ASSETS</b>	<b>77,638</b>	<b>62,567</b>	<b>40,851</b>	<b>4,567</b>	<b>125,415</b>	<b>76,688</b>	<b>387,726</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Liabilities</b>							
Accounts Payable	1,777	1,325	-	3,417	-	-	6,519
Accrued & Other Liabilities	721	77	13,793	1,150	-	-	15,741
Civil Deposits	-	-	26,242	-	-	-	26,242
Due to Other Funds	-	-	816	-	-	-	816
<b>Total Liabilities</b>	<b>2,498</b>	<b>1,402</b>	<b>40,851</b>	<b>4,567</b>	<b>-</b>	<b>-</b>	<b>49,318</b>
<b>EQUITY AND OTHER CREDITS</b>							
Investment in General Fixed Assets	-	-	-	-	125,415	76,688	202,103
Fund Balance: Unreserved/Undesignated	75,140	61,165	-	-	-	-	136,305
<b>Total Fund Balance</b>	<b>75,140</b>	<b>61,165</b>	<b>-</b>	<b>-</b>	<b>125,415</b>	<b>76,688</b>	<b>338,408</b>
<b>TOTAL LIABILITIES and FUND BALANCE</b>	<b>77,638</b>	<b>62,567</b>	<b>40,851</b>	<b>4,567</b>	<b>125,415</b>	<b>76,688</b>	<b>387,726</b>

CITY OF RUSTON, LOUISIANA  
 Combining Statement of Revenues, Expenditures,  
 And Changes in Fund Balance - Component Units  
 All Government Fund Types  
 For the Year Ended September 30, 2000

	<u>GOVERNMENTAL FUND TYPES</u>			
	City Court of Ruston 9/30/00	Ruston City Marshal's Office 9/30/00	Totals (Memorandum Only)	
REVENUES				
Charges for Services	277,762	215,182	492,944	
Miscellaneous	1,540	6,294	7,834	
<b>TOTAL REVENUES</b>	<b>279,302</b>	<b>221,476</b>	<b>500,778</b>	
EXPENDITURES - CURRENT:				
General Government	232,349	230,432	462,781	
Excess (Deficiency) of Revenues Over Expenditures	46,953	(8,956)	37,997	
OTHER FINANCING SOURCES				
Sale of General Fixed Assets	-	231	231	
Excess (Deficiency) of Revenues And Other Sources Over Expenditure	46,953	(8,725)	38,228	
FUND BALANCE, OCTOBER 1	28,187	69,890	98,077	
FUND BALANCE, SEPTEMBER 30	75,140	61,165	136,305	

See accompanying notes to financial statements.



**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The accounting policies of the City of Ruston conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

The City of Ruston, Louisiana, was incorporated in 1898, under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Alderman form of government. The City's major operations include public safety, fire protection, public works, recreation and parks, utility services, and general administrative services. In addition, the City exercises sufficient control over other governmental agencies and authorities that are included as part of the City's reporting entity.

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The financial statements present the City of Ruston (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

**BLENDED COMPONENT UNIT**

Park and Recreation Board

The Ruston Parks and Recreation Board is responsible for providing recreation facilities and programs to the citizens of Ruston. The Board consists of eight members appointed by the City of Ruston. Although the Board is legally separate, the City acts as its financial agent and has the ability to modify and approve its budget. Separate financial statements are not issued for the Board since it has been historically included as a fund within the City's financial statements. Since the Board provides services almost entirely to the City and due to the significance of the financial dependency relationship, it has been blended with the City's financial statements.

**DISCRETELY PRESENTED COMPONENT UNITS**

The component units columns in the combined financial statements include the financial data of the City's discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the City.



**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

City Court

The City Court of Ruston was created by special legislative act. Its jurisdiction includes the incorporated area of the City. The City Judge is elected and cannot be removed by City officials. The City Court is fiscally dependent on the City. The City has the ability to modify or approve its budget that comes from the General Fund. There are certain funds collected by the City Court, pursuant to state statute, which are under the control of the Court. The City Court serves the citizenry of the City. The financial statements of the City Court included in the accompanying financial statements are as of and for the fiscal year ended September 30, 2000.

City Marshal

The City Marshal is an elected official. The City Marshal is fiscally dependent on the City. The City has the ability to modify or approve the budget that comes from the General Fund. There are certain funds collected as court costs, pursuant to state statute, which are under the control of the City Marshal. The City Marshal serves the citizenry of the City. The financial statements of the City Marshal included in the accompanying financial statements are as of and for the fiscal year ended September 30, 2000.

Complete financial statements of the individual component units may be obtained at the following addresses:

City Court  
P.O. Box 1821  
Ruston, Louisiana 71273-1821

City Marshal  
P. O. Box 1582  
Ruston, Louisiana 71273-1582

**OTHER RELATED ORGANIZATIONS**

Housing Authority

The Authority was created by state statutes and it is legally separate from the City. The Mayor appoints the commissioners; however, the City cannot impose its will on the Authority since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the commissioners. The Authority is fiscally independent and there is no financial benefit or burden relationship with the City. Therefore, it is not included in the City's financial statements.

Lincoln Parish Sales and Use Tax Commission

The Commission is an independent agency that collects sales taxes. It is legally separate from the City. The commission is a jointly governed organization. The City does not retain an ongoing financial interest or responsibility for its operations. It is not included in the City's financial statements.

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

Complete financial statements of the individual related organizations may be obtained at the following addresses:

Ruston Housing Authority  
1615 North Farmerville  
Ruston, Louisiana 71270

Lincoln Parish Sales and Use Tax Commission  
P.O. Box 863  
Ruston, Louisiana 71273-0863

**B. BASIS OF PRESENTATION - FUND ACCOUNTING**

The accounts of the City of Ruston are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The City utilizes several types of funds and a number of discrete funds within each fund type.

Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

The following funds and account groups are utilized by the City:

(1) Governmental Fund Types

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

a. General Fund

The General Fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. The fund accounts for all activities of the government for which a separate fund has not been established.

b. Special Revenue Funds

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

c. Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for the payment of interest and principal on long-term general obligation debt other than those payable from proprietary funds.

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

d. Capital Project Funds

Capital Project Funds are used to account for the proceeds of Grants, Bond Issues, and other funding sources used in the construction or acquisition of capital assets other than those financed by proprietary funds and trust funds.

(2) Proprietary Fund Types

These funds account for operations that are organized to be self-supporting through user charges. All proprietary funds are accounted for on a capital maintenance focus; that is the measurement focus is on determination of net income. Included in this category are the Enterprise Funds and Internal Service Funds.

a. Enterprise Funds

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

b. Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis.

(3) Account Groups

a. General Fixed Assets Account Group

General Fixed Assets Account Group accounts for all general fixed assets of the City except those accounted for in proprietary funds.

b. General Long-Term Debt Account Group

General Long-Term Debt Account Group accounts for the outstanding principal balances of general obligation bonds, other long-term obligations and compensated absences not reported in the proprietary funds.

C. BASIS OF ACCOUNTING

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. That is, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Their fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by all governmental funds (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds). Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Federal and State grants, general property taxes, self-assessed taxes, and investment earnings are recorded when earned (when they are measurable and available). Revenues which are susceptible to accrual are property taxes and interest. Property taxes are considered measurable in the calendar year of the tax levy. Interest on investments is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, and other long-term obligations which are recognized when paid.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Interest on revenue bonds, proceeds of which are used in financing the construction of certain assets, is capitalized during the construction period net of interest on the investment of unexpended bond proceeds. The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements in its proprietary funds, as well as all other authoritative pronouncements issued prior to November 30, 1989, unless those pronouncements conflict or contradict GASB.

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

D. BUDGETARY DATA

Formal budgetary accounting is employed as a management control tool for the City. The Treasurer's Office compiles for the Mayor estimates of revenues and requests for appropriations of the annual budget. Before September 30, the Mayor's budget is submitted to the Council for possible revision and adoption. The Council conducts public hearings on the budget, which must be adopted by September 30 to become effective October 1. State law provides that in no event shall the total appropriations exceed total anticipated revenues taking into account the estimated surplus or deficit at the end of the current fiscal year. Budgets may be amended during the year with Council approval.

Budgets of the General Fund and certain Special Revenue Funds are prepared on the modified accrual basis of accounting, which is consistent with the method of accounting for such funds. Budgetary control is exercised at the departmental level, with the exception of salaries, regular and overtime, which are at the line item level, or by projects. A comparison of budget versus actual at the legal level of control is presented for the General Fund in Schedule 1 of the *Supplementary Information section of the report*. The General Fund is the only fund for which the legal level of control is at a lower level than presented in the exhibits which are reported on a functional level. Appropriations lapse at year end.

Formal budgetary integration is used for management control in the accounting records during the year for the General and certain Special Revenue Funds (Sales Tax Funds, Ruston Parks and Recreation Board, and Section 8 Housing Funds). Formal budgetary integration is not used for Debt Service Funds since authorization for payment of principal and interest on general long-term debt is provided through the bond indentures, and expenditures for these purposes can be exactly determined. The Capital Project Funds do not have annual budgets, as they are accounted for on a project basis. Annual budgets are also adopted for all Enterprise Funds, but are not presented in the financial statements since they are not required information.

E. CASH AND CASH EQUIVALENTS

The City pools cash resources of its various funds in order to facilitate the processing of accounts payable. Cash applicable to a particular fund is readily identifiable. Cash in the individual funds in excess of current requirements is invested in interest bearing securities and disclosed as part of the City's investments. For the purposes of the Statement of Cash Flows, cash equivalents for each fund are considered to be highly liquid investments with maturities of three months or less.

F. UNBILLED ACCOUNTS RECEIVABLE

Estimated unbilled revenues from the General, Electric, Water, and Sewer Funds are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

G. INVESTMENTS

Investments are stated at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Interest is accrued as earned. Louisiana statutes permit the City to invest in United States treasury obligations, obligations of the Government agencies which are federally insured, certificates of deposit of state banks having their principal office in the State of Louisiana, and in mutual or trust fund institutions which are registered and which have underlying investments limited to securities of the U.S. Government or its agencies. All investments have a maturity of twelve months or less and are therefore classified as cash equivalents at September 30, 2000.

H. INTERFUND RECEIVABLE AND PAYABLE

Interfund transactions are transactions between the different funds.

Due To and Due From Other Funds

Interfund receivables and payables arising from interfund transactions expected to be repaid in the next accounting cycle are recorded by all funds affected in the period in which transactions are executed. Interfund Receivables and Payables have not been eliminated.

I. INVENTORIES

Inventories for all governmental funds are valued at cost using the first in, first out (FIFO) method. Reported inventories in these funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation even though they are a component of net current assets. Inventories of proprietary funds are valued at the lower of cost, FIFO or market.

Inventories are accounted for as assets when purchased and recorded as expenditures or expenses as consumed (consumption method).

J. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond September 30, 2000, are recorded as prepaid items.

K. RESTRICTED ASSETS

Enterprise Funds, based on certain bond covenants, are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt. Additionally, amounts received from utility customers as deposits are carried as restricted assets.

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

L. FIXED ASSETS

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, sidewalks, bridges and drainage improvements are not capitalized.

Fixed assets acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group. Depreciation is not recorded in the General Fixed Assets Account Group.

Fixed assets acquired for proprietary funds are capitalized in the respective funds to which it applies.

Fixed assets are stated at cost except assets acquired by gift or bequest which are recorded at their fair market value on the date of transfer.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation of exhaustible fixed assets purchased by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the proprietary funds' balance sheets. That portion of depreciation expense applicable to assets acquired with grants, entitlements and shared revenues is reflected as a reduction of the respective contributed capital account. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

M. LONG-TERM DEBT

Long-term general obligations of the City are reported in the General Long-Term Debt Account Group. Long-term liabilities for revenue bonds are reported in the appropriate proprietary fund.

N. FUND EQUITY

Contributed capital is recorded in proprietary funds that have received capital grants and contributions from developers, customers, or other funds.

Depreciation on assets acquired by contributions from grants is charged against contributions.

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance accounts are summarized below:

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

Reserve for Inventories

These reserves were created to represent the portion of the fund balance that is not available for expenditure even though inventories are a component of net current assets.

Reserve for Debt Service

These reserves segregate a portion of fund balance/retained earnings for debt service. These reservations are established to satisfy restrictions imposed by various bond agreements.

Reserve for Encumbrances

Encumbrances outstanding at year-end represent the estimated amount the City intends to honor as a commitment regardless of the lapse in the appropriation.

Designated Fund Balance

The unreserved portion of fund balance designated for future years' expenditures indicates the balance has been legally authorized to make up the following years' budget.

O. INTERFUND TRANSACTIONS

Quasi-external transactions, such as the transfers to the internal service funds, are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditure/expenses in the fund that is reimbursed. All other interfund transactions are reported as operating transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers.

P. PROPERTY TAX REVENUES

Property taxes levied are based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A revaluation of all real property must be made every four years. The last revaluation date was January 1, 2000.

Property taxes are recognized as revenue when they are collected. Taxes are either collected or adjudicated each year by September 30. Therefore, there are generally no unpaid property taxes at year end.

Q. VACATION, SICK LEAVE, AND OTHER COMPENSATED ABSENCES

City employees are entitled to certain compensated absences based on their length of employment. Compensated absences for vacation pay does vest and accumulate. The maximum vacation hours that can be accumulated or earned shall not exceed that for a two year period (four weeks, six weeks, or eight weeks - depending on the employee's years of employment). Employees are permitted to use sick leave toward retirement up to a maximum of six months, if they have sufficient time to qualify for retirement. Only unpaid vacation pay for the employees has been accrued, and sick leave for the employees eligible for retirement benefits has been accrued. All other sick leave is recorded as an expenditure when paid.



**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

R. MEMORANDUM ONLY - TOTAL COLUMNS

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate additional analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in aggregation of this data.

S. GRANTS FROM OTHER GOVERNMENTAL AGENCIES

Federal and state governmental agencies represent an important source of supplemental funding to finance rent assistance, construction programs and other activities beneficial to the community. These funds, primarily in the form of grants, are recorded in the General, Special Revenue, and Capital Projects Funds. A grant receivable is recorded when the city has a right to reimbursement under the related grant. The grants normally specify the purpose for which the fund may be used and are subject to audit by the granting agency or its representative.

T. CLAIMS AND JUDGMENTS

Claims and judgments are recorded as expenses in the appropriate internal service fund. GASB Statement 10 is followed in accruing the liabilities. An expense is accrued when information is available that it is probable a liability has been incurred, and the amount is reasonably estimated.

U. CAPITAL LEASES

Capital leases are recorded in governmental funds as expenditures and other financing sources at inception at an amount equal to the present value of minimum lease payments. The asset is recorded in the General Fixed Assets Account Group and the related debt in the General Long-Term Debt Account Group. In proprietary funds, capital leases are recorded as assets and liabilities at inception within the funds at an amount equal to the present value of minimum lease payments.

V. ENCUMBRANCES

Encumbrance accounting is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as reservations of fund balances and are carried forward.

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 2 - STEWARDSHIP COMPLIANCE & ACCOUNTABILITY

A. FINANCE RELATED LEGAL AND CONTRACTUAL PROVISIONS

There are a number of limitations and restrictions contained in the various bond indentures. No material violations of finance-related legal and contractual provisions occurred during the year.

B. DEFICIT FUND BALANCE OF INDIVIDUAL FUNDS

The Section 8 Existing Housing Fund had a deficit fund balance of \$45,797. This deficit is expected to be funded by transfers from the Section 8 Voucher Housing Fund in subsequent years. The Section 8 Modrehab Housing Fund had a deficit fund balance of \$32,524. This deficit is also expected to be funded by transfers from the Section 8 Voucher Housing Fund in subsequent years. The Worker's Compensation Fund had a deficit at year end of \$26,914. This deficit is expected to be funded by fees charged to other funds in subsequent years. The General Self-Insurance Internal Service Fund had a deficit at year end of \$667,664. This deficit is expected to be funded by fees charged in subsequent years. The Purchasing/ Warehouse Internal Service Fund had a deficit retained earnings at year end of \$3,077. This fund deficit is expected to be removed by a subsequent year's transfer.

C. EXPENDITURES IN EXCESS OF APPROPRIATIONS

	<u>OVER BUDGET</u>
<u>Special Revenue Fund</u>	
1968 Sales Tax	\$ 495
1985 Sales Tax	\$ 1,025
1990 Sales Tax	\$ 843
Section 8 Voucher Housing	\$202,663
 <u>General Fund</u>	
General Government	
Ward Marshal:	
Salaries – Regular	\$ 183
Employee Benefits - Retirement	176
Employee Benefits – Insurance	123
Section 8:	
Salaries – Regular	\$ 342
Employee Benefits – Retirement	90
Employee Benefits – Insurance	53
Community Development:	
Salaries – Regular	\$ 532
Engineering:	
Salaries – Regular	\$ 323
Employee Benefits – Retirement	108
Employee Benefits – FICA	11

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

Employee Benefits – Insurance	4
Inspections:	
Salaries – Regular	\$ 1,125
Employee Benefits – Retirement	283
Employee Benefits – FICA	21
Employee Benefits – Insurance	198
Public Safety	
Police Department:	
Salaries – Regular	\$ 4,980
Salaries – Overtime	14,310
Probation Office:	
Salaries – Overtime	\$ 7
Uniforms	83
Supplies	115
Street Lighting:	
Utilities	\$ 4,117
Public Works	
Administration:	
Salaries	\$ 3,803
Solid Waste:	
Supplies	\$ 959
Bad Debt Expense	14,891
Animal Control:	
Employee Benefits – Retirement	\$ 91
Employee Benefits – Insurance	58

**NOTE 3 - CASH AND INVESTMENTS**

**A. Deposits**

All deposits of the City are held by area financial institutions. At September 30, 2000, the carrying amount of the City's deposits was \$12,869,774 and the bank balance was \$15,603,482. This difference is due to outstanding checks and deposits in transit at September 30, 2000. The City's deposits at year end are categorized below to give an indication of the level of risk assumed by the City at year end. Category 1 includes deposits that are insured or collateralized with securities held by the entity or by its agent in the entity's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

	September 30, 2000
	<u>Bank Balances</u>
Category 1	\$404,148
Category 2	\$15,199,334

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

Discretely Presented Component Units

Deposits – Carrying Amount	\$ 175,356
Deposits – Bank Balance Category 1	\$ 242,154

NOTE 3 – CASH AND INVESTMENTS (Con't)

B. Investments

The City's investments at year end are categorized below to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name.

	CATEGORY			Carrying Amount & Fair Value
	1	2	3	
U.S. government and U.S. government agency securities	<u>\$ 4,946,056</u>	<u>\$ --</u>	<u>\$ --</u>	\$ 4,946,056
Louisiana Asset Management Pool				<u>1,368,484</u>
Total Investments				6,314,540
Total Deposits				<u>12,869,774</u>
Total Cash, Cash Equivalents & Investments				<u>19,184,314</u>

The investments in the Louisiana Asset Management Pool are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Louisiana Asset Management Pool ("LAMP"), a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

**NOTE 4 - PROPERTY TAXES**

Property taxes are assessed and collected on a calendar year basis. Property taxes attach as an enforceable lien on property as of January 1. Tax notices are usually mailed in November each year and become delinquent after December 31 of that year.

All property taxes are recognized in compliance with NCGA Interpretation-3 (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For the year ended December 31, 2000, taxes of 9.69 mills were levied on property with assessed valuations totaling \$91,644,509 and were dedicated as follows:

General Fund	6.75 Mills
Recreation Tax	2.97 mills

Total taxes levied were \$891,704.

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (LRS 47:2101).

After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (LRS 47:2181).

**NOTE 5 - RECEIVABLES**

**A. DUE FROM/TO OTHER FUNDS**

As of September 30, 2000, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund (01)	\$1,392,622	\$76,661
<u>Special Revenue Funds:</u>		
1968 Sales Tax (05)	10	1,416,398
1985 Sales Tax (06)	717,226	15,004
1990 Sales Tax (07)	692,991	-
Ruston Parks & Recreation Board (15)	43,554	20,299
Section 8 Existing Housing (70)	94,787	236,004
Section 8 Modrehab Housing (71)	64,222	100,941
Section 8 Voucher Housing (72)	<u>171,356</u>	<u>64,505</u>
Total Special Revenue Funds	1,784,146	1,853,151

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 5 - RECEIVABLES (con't)

Capital Projects:

Park & Recreation C of I (33)	7,800	1,322
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Enterprise Funds:

Electrical System (50)	88,872	2,246,479
Water System (52)	1,047,010	64,327
Sewerage System (53)	972,069	72,132
Ruston Airport Authority (54)	3,498	84,495
Ambulance (55)	<u>24,961</u>	<u>361,224</u>
Total Enterprise Funds:	2,136,410	2,828,657

Internal Service Funds:

Workmen's Compensation (60)	98,140	-
General Insurance (61)	1,851	651,865
Purchasing/Warehouse Fund (62)	<u>21</u>	<u>9,334</u>
Total Internal Service Funds:	100,012	661,199

Totals	<u>\$ 5,420,990</u>	<u>\$ 5,420,990</u>
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B. ACCOUNTS RECEIVABLE CUSTOMERS – ENTERPRISE FUNDS

	<u>TOTAL RECEIVABLES</u>	<u>ALLOWANCE FOR DOUBTFUL ACCOUNTS</u>	<u>NET RECEIVABLES</u>
Electric	1,059,497	185,123	874,374
Water	164,831	31,845	132,986
Sewer	146,235	39,258	106,977
Airport	1,906	-	1,906
Ambulance	<u>768,612</u>	<u>636,015</u>	<u>132,597</u>
Totals	<u>2,141,081</u>	<u>892,241</u>	<u>1,248,840</u>

NOTE 6 - FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance 10-01-99</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-00</u>
Land	\$ 778,859	\$ -	\$ -	778,859
Buildings	4,152,026	-	-	4,152,026
Improvements Other Than Buildings	4,239,505	17,197	-	4,256,702
Equipment	<u>9,014,637</u>	<u>573,521</u>	<u>(1,201,869)</u>	<u>8,386,289</u>
Totals	<u>\$18,185,027</u>	<u>\$590,718</u>	<u>\$(1,201,869)</u>	<u>\$17,573,876</u>

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 6 - FIXED ASSETS (con't)

A summary of fixed assets of all proprietary funds is presented below:

<u>Description</u>	<u>Electrical System</u>	<u>Water System</u>	<u>Sewer System</u>	<u>Airport Authority</u>	<u>Ambulance Service</u>	<u>Total</u>
Land	53,505	75,070	149,256	138,239	-	416,070
Buildings	2,064,336	173,078	114,130	407,215	-	2,758,759
System Improvement	16,299,057	7,986,455	16,419,164	51,155	-	40,782,480
Equipment	17,140,437	732,320	662,590	-	379,135	18,914,482
Runways, Aprons, and Taxiways	-	-	-	4,081,365	-	4,081,365
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	35,557,335	8,966,923	17,345,140	4,677,974	379,135	66,926,507
Accumulated Depreciation	<u>(24,261,853)</u>	<u>(4,242,116)</u>	<u>(6,899,874)</u>	<u>(662,822)</u>	<u>(323,624)</u>	<u>(36,390,289)</u>
Net Fixed Assets	<u>\$11,295,482</u>	<u>\$4,724,807</u>	<u>\$10,445,266</u>	<u>\$4,015,152</u>	<u>\$55,511</u>	<u>\$30,536,218</u>

The estimated useful lives of proprietary fund property, plant and equipment are as follows:

Buildings	20-50 Years
Improvements	20-50 Years
Equipment	4-20 Years

Depreciation expense in the proprietary funds amounted to \$2,087,238 for the fiscal year.

NOTE 7 - PENSION COSTS

Municipal Employees' Retirement System

Plan Description. Substantially all full-time employees except police and firemen of the City of Ruston are covered under the Municipal Employees' Retirement System of Louisiana, (the "System") a cost sharing multiple employer public employee retirement system, controlled and administered by the Board of Trustees of the System. The System is mandatory for all employees who are employed on a permanent basis working at least 35 hours per week. Benefits are established by State statutes. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing the Board of Trustees, 7937 Office Park Blvd., Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 7 - PENSION COSTS (con't)

Funding Policy. Covered employees are required to contribute 9.25% of their annual compensation and the City is required to contribute 5.75% of annual compensation. The contribution requirements are established and may be amended by State statute. The City's contributions to the System for the years ended September 30, 2000, 1999 and 1998 were \$268,216, \$266,007, and \$259,612, respectively, equal to the required contributions for each year. In accordance with GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employees, the net pension obligation was determined to be zero. Prior to adoption of GASB 27, the City did not report a pension liability.

Statewide Firefighter's Retirement System (SFRS)

Plan Description. The City of Ruston contributes to the Statewide Firefighter's Retirement System of Louisiana, a cost sharing multiple employer defined benefit pension plan administered by the Firefighter's Retirement System. SFRS covers firefighters employed by any municipality, parish, or fire protection district of the State of Louisiana under the provisions of Louisiana Revised Statutes 11:2251 through 2269 effective January 1, 1980. Benefits are established by State statutes. The SFRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing the Board of Trustees, Firefighters' Retirement System, 2051 Silverside Drive, Suite 210, Baton Rouge, Louisiana 70808-4136 or by calling (504) 925-4060.

Funding Policy. Covered employees are required to contribute 8% of their annual compensation and the City is required to contribute 9% of annual compensation excluding overtime but including State supplemental pay. The contribution requirements are established and may be amended by State statute. The City's contributions to SFRS for the years ended September 30, 2000, 1999 and 1998 were \$97,434, \$99,788, and \$101,469, respectively, equal to the required contributions for each year. In accordance with GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employees, the net pension obligation was determined to be zero. Prior to adoption of GASB 27, the City did not report a pension liability.

Municipal Police Employees Retirement System (MPERS)

Plan Description. The City of Ruston contributes to the Municipal Police Employees Retirement System Pension Plan, a cost sharing multiple employer defined benefit pension plan administered by the Municipal Police Employees' Retirement System. MPERS covers any full-time police officer, empowered to make arrests, employed by any municipality of the State and engaged in law enforcement, earning at least \$375 per month excluding state supplemental pay, or an elected Chief of Police whose salary is at least \$100 per month, and any employee of this system may participate in the MPERS. Benefits are established by State statutes. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing the Board of Trustees of the Municipal Police Employees' Retirement System, 8401 United Plaza Blvd., Room 305, Baton Rouge, Louisiana 70806 or by calling 1-800-443-4248.



**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

Funding Policy. Plan members are required to contribute 7.5% of their annual compensation and the City is required to contribute 9% of annual compensation excluding overtime but including State supplemental pay. The contribution requirements are established and may be amended by State statute. The City's contributions to MPERS for the years ended September 30, 2000, 1999 and 1998 were \$110,846, \$107,576, and \$109,744 respectively, equal to the required contributions for each year. In accordance with GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employees, the net pension obligation was determined to be \$229,472 at September 30, 2000. On September 1, 1983, the Ruston Police Pension and Relief Fund was merged with the Municipal Police Employees' Retirement System. In connection with this merger, the City made a commitment to pay the Municipal Police Employees' Retirement System quarterly payments of \$22,669 for a period of twenty years beginning September 1, 1983 for unfunded pension costs. Total cost to the City for this obligation will be \$1,813,520. The unpaid balance at September 30, 2000 is \$229,472 and is recorded in the General Long-Term Debt Account Group.

**NOTE 8 - RISK MANAGEMENT**

**Worker's Compensation**

The City established a limited risk management program for worker's compensation in 1988. Premiums are paid into the Workmen's Compensation Self Insurance Fund by other funds and are available to pay claims, claim reserves, and administrative costs of the program. During the year ended September 30, 2000, a total of \$318,366 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$175,000. Reported claims of \$277,231 have been accrued as a liability based upon the service company's loss reserve report. Interfund premiums are based upon the approximate premium. Payments to the worker's compensation fund are accounted for as an expenditure of the paying fund. The Workmen's Compensation Self Insurance Fund has a retained earnings deficit of \$26,914 at September 30, 2000. This deficit will be reduced by charges to funds in subsequent years. There was no increase in insurance coverage from coverage in the prior year. No claims exceeded the City's insurance coverage for each of the past three fiscal years.

**General Self Insurance**

The City established a limited risk management program for employee medical coverage in 1988. Amounts paid into the General Self Insurance Fund stem from employee contributions, payments by retired employees, and payments by other funds, and are available to pay claims, claim reserves and administrative costs of the program. During the year ended September 30, 2000, a total of \$2,050,463 was paid in benefits and administrative costs. The insurance fund has a deficit of \$667,664 at September 30, 2000. An excess coverage co-insurance policy covers individual claims in excess of \$70,000 per calendar year. Incurred but not reported claims of \$152,599 have been accrued as a liability based upon information provided by the claims administrators. Interfund payments are based on total operating expenses minus employee contributions and payments by retired employees. Payments to the agency fund are accounted for as an expenditure of the paying fund. There were no reductions in insurance coverage from coverage in the prior year. No claims exceeded the City's insurance coverage for each of the past three fiscal years.

A reconciliation of changes in the aggregate liabilities for self-insured claims are as follows:

	<u>Balance</u> <u>October 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30</u>
1999	\$336,872	\$1,461,345	\$1,408,813	\$ 389,404
2000	\$389,404	\$2,107,763	\$2,067,337	\$ 429,830

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

**NOTE 9 – LONG-TERM DEBT**

The following is a summary of the City's long-term debt transactions for the year ended September 30, 2000.

	<u>General Obligations</u>				
	<u>Certificates of Indebtedness</u>	<u>Police Pension Fund Liability</u>	<u>Compensated Absences</u>	<u>Capital Leases</u>	<u>Total</u>
Balance 10-01-99	\$1,153,000	\$ 302,873	\$ 963,447	\$ 552,896	\$2,972,216
Additions	-	-	721,972	-	721,972
Retirements & Payments	(211,000)	(73,401)	(580,908)	(178,468)	(1,043,777)
Balance 9-30-00	<u>\$942,000</u>	<u>\$229,472</u>	<u>\$1,104,511</u>	<u>\$374,428</u>	<u>\$2,650,411</u>

Payments for maturing certificates of indebtedness of \$165,000 were made from the Debt Service Fund and payments of \$46,000 were made from the General Fund.

Bonds and certificates of indebtedness payable at September 30, 2000, are comprised of the following individual issues:

<b><u>General Obligation Certificate of Indebtedness</u></b>	<b><u>Outstanding 09-30-00</u></b>
\$1,100,000 1993 Certificate of Indebtedness dated 4-1-93, due in annual installments of \$115,000 to \$135,000 through 4-1-03, interest at 4.8% to 5.1% (this issue is secured by pledge and dedication of the excess annual revenue of the City of Ruston)	\$ 380,000
\$500,000 - 1996 Certificate of Indebtedness dated 5-23-96, due in annual installments of \$46,000 to \$62,000 through 5-1-06, interest at 5.48% (this issue is secured by pledge and dedication of the excess annual revenue of the City of Ruston)	332,000
\$500,000 - 1993 Certificate of Indebtedness dated 3-1-94, due in annual installments of \$50,000 to \$60,000 through 3-1-04, interest at 5.15% to 5.6% (this issue is secured by pledge and dedication of the excess annual revenue of the City of Ruston.)	<u>230,000</u>
Total General Obligation Certificates of Indebtedness	<u>\$942,000</u>

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 9 – LONG-TERM DEBT (Con't)

**Revenue Bonds**

\$4,500,000 authorized 1990 Sewer Revenue Bonds, \$3,204,747 issued, interest at 5.15%, payable in annual installments of \$130,000 to \$245,000 through October 1, 2012 2,300,000

\$1,620,000 authorized 1993 Sewer Revenue Bonds \$1,432,536 issued, interest at 2.45%, payable in installments over not more than 20 years after the completion date. 1,060,000

\$850,000 1996 Water Utility Revenue Refunding Bonds dated 12-23-96 due in annual installments of \$75,000 to \$110,000 through October 1, 2006, interest at 4.689% to 5.079%. Refunding resulted in a deferred loss of \$25,650 which is being amortized over the life of the debt. Net deferred loss at 9/30/00 was \$10,982 and amortization was \$3,389. 554,018

Total Enterprise Funds Bonds \$3,914,018

The annual requirements to amortize all bonded debt outstanding as of September 30, 2000, including interest payments of \$1,323,902 follows:

<u>Year Ending September 30</u>	<u>Certificates of Indebtedness</u>	<u>Enterprise Revenue Bonds</u>
2001	223,000	225,000
2002	231,000	310,000
2003	249,000	320,000
2004	117,000	330,000
2005	60,000	350,000
Thereafter	<u>\$ 62,000</u>	<u>\$ 2,390,000</u>
Total Principal	\$942,000	\$ 3,925,000
Total Interest	<u>121,846</u>	<u>1,202,056</u>
Total Future Requirements	<u>\$1,063,846</u>	<u>\$ 5,127,056</u>

The annual requirements to amortize the liability for the Police Pension Fund as of September 30, 2000, including interest payments of \$19,185 are as follows:

2001	90,676
2002	90,676
2003	<u>67,305</u>
Total	<u>\$248,657</u>

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 9 – LONG-TERM DEBT (Con't)

The amount of long-term debt that can be incurred by the City is limited by state statute. State law allows a maximum of 10% of the assessed valuation of bonded debt for any one purpose or 35% of the total assessed value for all purposes. The City assessed property value at December 31, 2000, was \$88,950,480. The maximum debt allowable for any one purpose and total debt allowable by state law as of December 31, 2000, is \$8,895,048 and \$31,132,668 respectively. The City currently has \$942,000 of general bonded debt outstanding.

All outstanding revenue bonds are secured by a first lien on net revenues earned by Enterprise Funds. Net revenues are defined in the revenue bond agreements. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

During December 1996, the City issued \$850,000 in Utilities Revenue Refunding Bonds to advance refund \$855,000 of outstanding 1986 Utilities Revenue Bonds. The proceeds, net of issuance costs, were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1986 Utilities Revenue Bonds. The 1986 Utilities Revenue Bonds are considered to be defeased and have been removed from the City's financial statements. The principal outstanding at September 30, 2000 on the bonds refunded was \$660,000.

NOTE 10 - CAPITAL LEASES

The City of Ruston has financed the acquisition of computer hardware and software for its utility billing system and financial system information. The City has also financed the acquisition of six garbage trucks, a street sweeper, two excavators and a 544 Loader for the Public Works Department. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease terms). The value of the fixed assets recorded in the Electric Fund is \$242,608 and the equipment was placed in service at September 30, 1993, and September 30, 1998. The value of the fixed assets recorded in the Water Fund is \$51,954 and the equipment was placed in service at September 1998.

The following is a schedule of the future minimum lease payments under capital lease:

ENTERPRISE FUND (ELECTRIC & WATER SYSTEM):

<u>Year Ending 09/30</u>	<u>Minimum Lease Payment</u>	<u>Principal Payment</u>
2001	43,563	40,045
2002	40,755	39,450
2003	<u>4,109</u>	<u>3,514</u>
Total	<u>\$88,427</u>	<u>\$83,009</u>

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 10 - CAPITAL LEASES (Con't)

GENERAL LONG-TERM DEBT ACCOUNT GROUP:

<u>Year Ending 09/30</u>	<u>Minimum Lease Payment</u>	<u>Principal Payment</u>
2001	197,506	181,719
2002	127,926	121,697
2003	<u>48,996</u>	<u>55,127</u>
Total	<u>\$374,428</u>	<u>\$358,543</u>

NOTE 11 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The City operates a Utilities System, an Airport Authority, and an Ambulance Service. The Utilities System provides electric, water and sewerage services to the residents of the City of Ruston. The Airport Authority accounts for the revenue and expenses of Ruston Municipal Airport. The Ambulance Service provides the residents of Lincoln Parish, Louisiana with emergency medical services.

Segment information for Utilities Systems, Airport Authority, and Ambulance Service for the fiscal year ended September 30, 2000, is as follows:

	<u>Electric System</u>	<u>Water System</u>	<u>Sewerage System</u>	<u>Airport Authority</u>	<u>Ambulance System</u>	<u>Total Enterprises</u>
Operating Revenue	19,751,611	2,107,404	2,426,607	51,669	758,838	25,096,129
Depreciation and Amortization	1,034,426	314,248	496,633	207,692	37,628	2,090,627
Operating Income (Loss)	(1,201,096)	891,184	796,233	(206,168)	61,727	341,880
Operating Transfers In(Out)	(1,121,373)	(12,893)	-	6,193	-	(1,128,073)
Net Income (Loss)	(1,778,262)	942,790	864,021	(191,804)	75,189	(88,066)
Fixed Asset – Additions	2,539,384	386,977	883,919	-	-	3,810,280
Total Assets	21,104,932	7,772,510	15,900,532	4,198,931	526,888	49,503,793
Revenue Bonds Payable	-	554,018	3,360,000	-	-	3,914,018
Total Contributed Capital and Retained Earnings	15,298,918	6,986,262	12,232,912	4,112,263	155,569	38,785,924
Net Working Capital	4,282,648	2,458,945	2,737,868	97,111	109,948	9,686,520

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 12 - CONTRIBUTED CAPITAL - ENTERPRISE FUNDS

Changes in contributed capital during were as follows:

	<u>Electric System</u>	<u>Water System</u>	<u>Sewerage System</u>	<u>Airport Authority</u>	<u>Ambulance System</u>	<u>Total</u>
Balance, October 1	\$325,128	\$813,828	\$5,049,637	\$3,534,373	\$87,055	\$9,810,021
Less: Depreciation	-	<u>11,830</u>	<u>203,668</u>	<u>224,748</u>	-	<u>440,246</u>
Balance, September 30	<u>\$325,128</u>	<u>\$801,998</u>	<u>\$4,845,969</u>	<u>\$3,309,625</u>	<u>\$87,055</u>	<u>\$9,369,775</u>

NOTE 13 - INTERFUND TRANSFERS

Transfers In and Out are listed by fund type for the year:

	<u>Transfer In</u>	<u>Transfer Out</u>
Operating Transfers		
General Fund	\$6,114,000	\$67,736
Special Revenue Funds:		
Sales Tax Funds		
1968 Sales Tax Fund	-	1,533,000
1985 Sales Tax Fund	-	2,290,616
1990 Sales Tax Fund	-	1,513,000
Ruston Parks & Recreation Board	278,747	66,678
Total Special Revenue Funds	<u>278,747</u>	<u>5,403,294</u>
Debt Service Fund	206,357	-
Enterprise Funds:		
Electrical System	-	1,121,373
Water System	-	12,893
Airport	6,193	-
Total Enterprise Funds	<u>6,193</u>	<u>1,134,266</u>
Total Operating Transfers In and Out	<u>\$6,605,297</u>	<u>\$6,605,297</u>
Residual Equity Transfers		
Capital Projects Funds:		
Public Works Shop Construction	-	66,239
Central Shop Construction	<u>66,239</u>	-
Total Residual Equity Transfers	<u>\$66,239</u>	<u>\$66,239</u>

**CITY OF RUSTON**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2000**

NOTE 14 - COMPENSATION PAID TO CITY COUNCIL MEMBERS

Per diem paid to the City Council members for the current year is as follows:

Elmore D. Mayfield	\$4,800
Levell Thurman	4,800
Jim Tuten	4,800
Jim Pearce	4,800
David Hedgepeth	<u>4,800</u>
	<u>\$24,000</u>

NOTE 15 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

The City is defendant in several lawsuits in which the outcome is uncertain at the present time. In the opinion of the City Attorney, the City's ultimate exposure will not have a material adverse affect on the financial condition of the City. The City believes they are adequately covered by insurance should the Court find in favor of the plaintiffs. Management of the City, including the City Attorney, are not aware of any liability that should be recorded under Financial Accounting Standard No. 5.

Federally Assisted Programs

The City receives financial assistance from Federal and State governmental agencies in the form of grants. The disbursements of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with the Office of Management and Budget Circular A-133 and are subject to further examination by the grantor agency. Management, however, does not believe questioned costs, if any, as a result of these audits will be material to the City's financial position or operating results.

NOTE 16 - POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in note 7, the City provides post-retirement health care benefits, in accordance with state statutes, to all retiring employees who were participating in the group health insurance plan prior to their retirement date. The City is self-insured for medical benefits including post-retirement health care benefits. Currently, there are 108 retirees receiving such benefits. During 2000, expenses of \$219,003 were recognized for post-retirement health care. The expense is recognized when costs are incurred. The costs are funded on a pay-as-you-go basis. At year-end, an estimate is made for incurred but not reported claims.

COMBINING, INDIVIDUAL FUND AND ACCOUNT  
GROUP STATEMENTS AND SCHEDULES



## GENERAL FUND

The General Fund accounts for resources traditionally associated with government which are not legally required or by sound financial management to be accounted for in another fund.

CITY OF RUSTON, LOUISIANA  
 General Fund  
 Comparative Balance Sheets  
 September 30, 2000 and 1999

Exhibit A-1

	2000	1999
<b>ASSETS</b>		
Cash and Cash Equivalents	2,467,795	1,959,928
Accounts Receivable	177,387	258,271
Unbilled Revenues	63,468	68,808
Travel Advances	2,930	-
Due from Other Funds	1,392,622	1,413,734
Inventories, at Cost	57,637	46,548
<hr/>		
<b>TOTAL ASSETS</b>	<b>4,161,839</b>	<b>3,747,289</b>
<hr/>		
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts Payable	429,219	550,889
Deposits	-	2,421
Due to Other Funds	76,661	55,956
Due to Other Governmental Units	-	3,333
Accrued Salaries	119,315	80,216
<hr/>		
<b>Total Liabilities</b>	<b>625,195</b>	<b>692,815</b>
<hr/>		
<b>Fund Balance</b>		
Reserved for Inventories	57,637	46,548
Reserved for Debt Service	5,540	5,596
Reserved for Encumbrances	177,076	-
Unreserved - Undesignated	3,296,391	3,002,330
<hr/>		
<b>Total Fund Balance</b>	<b>3,536,644</b>	<b>3,054,474</b>
<hr/>		
<b>TOTAL LIABILITIES and FUND BALANCE</b>	<b>4,161,839</b>	<b>3,747,289</b>
<hr/>		

See accompanying independent auditors' report.

## General Fund

Comparative Statements of Revenues,  
Expenditures and Changes in Fund Balances  
For the Years Ended September 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
REVENUES		
Taxes		
Property Tax - General	598,780	568,428
<u>Total Taxes</u>	<u>598,780</u>	<u>568,428</u>
Licenses and Permits		
Insurance Licenses	250,132	229,837
Alcoholic Beverage Licenses	2,865	3,210
Bicycle License Fees	-	29
Franchise - Arkla Gas	79,463	81,818
Franchise - Cable T.V.	127,692	111,249
Inspection - Building	43,133	51,073
Inspection - Plumbing	9,820	10,020
Inspection - Electrical	18,390	18,387
Inspection - Mechanical	8,324	8,657
Inspection - Occupancy	2,585	1,770
<u>Total Licenses and Permits</u>	<u>542,404</u>	<u>516,050</u>
Intergovernmental		
Solid Waste Mgmt. Program	467,211	450,302
Video Poker Tax	-	89,279
RPD LLBG Grant	56,087	43,212
Louisiana Beer Tax	33,945	20,246
LA Mainstreet Program	-	22,000
LA Dept of Highways	36,435	35,646
Louisiana Fire Insurance	35,866	46,072
Louisiana Tobacco Tax	73,381	97,841
HUD Administration Fee	98,839	97,942
<u>Total Intergovernmental</u>	<u>801,764</u>	<u>902,540</u>
Charges for Services		
Refuse Collection Fees	1,057,510	1,067,494
Crematory Fees	5,023	3,340
<u>Total Charges for Services</u>	<u>1,062,533</u>	<u>1,070,834</u>

See accompanying independent auditors' report.

## CITY OF RUSTON, LOUISIANA

Exhibit A-2

## General Fund

Comparative Statements of Revenues,  
Expenditures and Changes in Fund Balances  
For the Years Ended September 30, 2000 and 1999

	2000	1999
Fines and Forfeitures		
City Marshall	120,671	125,104
Probation	48,484	43,109
DWI Testing	7,599	8,110
Court Summons	6,980	7,122
Animal Control	7,369	2,685
Parking Tickets	17,555	19,467
Accident Reports - Police	5,378	5,627
Incident Reports - Fire	83	131
RPD Miscellaneous	8,327	741
Total Fines and Forfeitures	222,446	212,096
Miscellaneous		
Civic Center Income	30,787	32,467
Interest	166,120	64,307
Rentals - City Property	120	5,226
Sale of Culvert	124	285
Sale of Equipment	26,715	-
Commision Bell South	33	29
Concession Receipts	1,104	1,325
Miscellaneous	68,893	76,434
Federal Disaster Relief	90,199	113,387
Total Miscellaneous	384,095	293,460
<b>TOTAL REVENUES</b>	<b>3,612,022</b>	<b>3,563,408</b>
EXPENDITURES		
Current		
General Government	1,931,989	1,939,960
Public Safety	3,968,573	3,639,796
Public Works	3,208,840	3,435,900
Debt Service:		
Certificate of Indebtedness Principal Payment	46,000	43,000
Certificate of Indebtedness Interest Payment	20,714	23,071
<b>TOTAL EXPENDITURES</b>	<b>9,176,116</b>	<b>9,081,727</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 General Fund  
 Comparative Statements of Revenues,  
 Expenditures and Changes in Fund Balances  
 For the Years Ended September 30, 2000 and 1999

Exhibit A-2

	2000	1999
DEFICIENCY OF REVENUES OVER EXPENDITURES	(5,564,094)	(5,518,319)
OTHER FINANCING SOURCES (USES)		
Operating Transfers In	6,114,000	6,060,615
Operating Transfers Out	(67,736)	(327,947)
TOTAL OTHER FINANCING SOURCES (USES)	6,046,264	5,732,668
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	482,170	214,349
FUND BALANCE, OCTOBER 1	3,054,474	2,830,808
RESIDUAL EQUITY TRANSFER IN	-	9,317
FUND BALANCE, SEPTEMBER 30	3,536,644	3,054,474

See accompanying independent auditors' report.

## CITY OF RUSTON, LOUISIANA

Exhibit A-3

## General Fund

Statement of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended September 30, 2000

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Taxes		
Property Tax - General	550,000	598,780
<u>Total Taxes</u>	<u>550,000</u>	<u>598,780</u>
Licenses and Permits		
Insurance Licenses	225,000	250,132
Alcoholic Beverage Licenses	3,000	2,865
Bicycle License Fees	50	-
Franchise - Arkla Gas	85,000	79,463
Franchise - Cable T.V.	100,000	127,692
Inspection - Building	40,000	43,133
Inspection - Plumbing	10,000	9,820
Inspection - Electrical	17,000	18,390
Inspection - Mechanical	8,000	8,324
Inspection - Occupancy	1,500	2,585
<u>Total Licenses and Permits</u>	<u>489,550</u>	<u>542,404</u>
Intergovernmental		
Solid Waste Mgmt. Program	443,000	467,211
Video Poker Tax	-	-
RPD LLBG Grant	56,087	56,087
Louisiana Beer Tax	25,000	33,945
LA Mainstreet Program	-	-
LA Dept of Highways	35,000	36,435
Louisiana Fire Insurance	37,000	35,866
Louisiana Tobacco Tax	100,000	73,381
HUD Administration Fee	70,000	98,839
<u>Total Intergovernmental</u>	<u>766,087</u>	<u>801,764</u>
Charges for Services		
Refuse Collection Fees	1,125,000	1,057,510
Crematory Fees	2,000	5,023
<u>Total Charges for Services</u>	<u>1,127,000</u>	<u>1,062,533</u>

See accompanying independent auditors' report.

## General Fund

Statement of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended September 30, 2000

	Budget	Actual
Fines and Forfeitures		
City Marshall	120,000	120,671
Probation	36,000	48,484
DWI Testing	6,000	7,599
Court Summons	7,000	6,980
Animal Control	2,300	7,369
Parking Tickets	18,000	17,555
Accident Reports - Police	5,000	5,378
Incident Reports - Fire	-	83
RPD Miscellaneous	25,000	8,327
<u>Total Fines and Forfeitures</u>	<u>219,300</u>	<u>222,446</u>
Miscellaneous		
Civic Center Income	40,000	30,787
Interest	70,000	166,120
Rentals - City Property	-	120
Sale of Culvert	700	124
Sale of Equipment	-	26,715
Commision Bell South	150	33
Concession Receipts	1,400	1,104
Miscellaneous	25,000	68,893
Federal Disaster Relief	-	90,199
<u>Total Miscellaneous</u>	<u>137,250</u>	<u>384,095</u>
<b>TOTAL REVENUES</b>	<b>3,289,187</b>	<b>3,612,022</b>
EXPENDITURES		
Current		
General Government	2,098,201	1,931,989
Public Safety	4,026,075	3,968,573
Public Works	3,529,428	3,208,840
Debt Service:		
Certificate of Indebtedness Principal Payment	46,000	46,000
Certificate of Indebtedness Interest Payment	20,714	20,714
<b>TOTAL EXPENDITURES</b>	<b>9,720,418</b>	<b>9,176,116</b>

See accompanying independent auditors' report.

## General Fund

Statement of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended September 30, 2000

	<u>Budget</u>	<u>Actual</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(6,431,231)	(5,564,094)
OTHER FINANCING SOURCES (USES)		
Operating Transfers In	6,001,313	6,114,000
Operating Transfers Out	(67,736)	(67,736)
TOTAL OTHER FINANCING SOURCES	5,933,577	6,046,264
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(497,654)	482,170
FUND BALANCE, OCTOBER 1	3,054,474	3,054,474
FUND BALANCE, SEPTEMBER 30	2,556,820	3,536,644

See accompanying independent auditors' report.





## SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific revenues that are legally restricted to expenditure for particular purposes.

### SALES TAX FUNDS

Sales Tax Funds account for the receipt and use of proceeds of the City's sales and use tax. One-half percent of the sales tax is dedicated to general operating expenses, general fixed assets, and waterworks extensions and improvements, while three-fourths percent is dedicated to the recreation department, streets and drainage, fire protection and police protection, and one-half percent is dedicated for police and fire departments and drug prevention.

### RUSTON PARKS & RECREATION BOARD

This fund accounts for the receipts and subsequent expenditures of the City of Ruston Park and Recreation Program.

### STATE REVENUE SHARING FUND

This fund accounts for the receipt and subsequent expenditures of revenue sharing funds received from the State of Louisiana.

### D.A.R.T GRANT PROGRAM

This fund accounts for the receipt and subsequent expenditures of a State of Louisiana Emergency Shelter Grant Program.

### DECENTRALIZED ARTS GRANT

This fund accounts for the receipt and subsequent expenditures of a State of Louisiana Decentralized Arts Grant Program.

### HEALTH AND SAFETY REHAB

This fund accounts for a \$150,000 Louisiana Housing Finance Agency Grant in accordance with the terms of the executed State Recipient Agreement, HOME Project Summaries.

### SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAMS

Section 8 Housing Funds account for receipt of Federal Funds and the payment of Housing Assistance Payments to *qualifying rental property owners*.

CITY OF RUSTON, LOUISIANA  
 Special Revenue Funds  
 Combining Balance Sheet  
 September 30, 2000

Exhibit B-1

With Comparative Totals For September 30, 1999

	1,968 Sales Tax	1,985 Sales Tax	1,990 Sales Tax	Ruston Parks & Recreation Board
<b>ASSETS</b>				
Cash and Cash Equivalents	2,384,977	-	-	301,963
Accounts Receivable	-	-	-	48
Due from Other Funds	10	717,226	692,991	43,554
<b>TOTAL ASSETS</b>	<b>2,384,987</b>	<b>717,226</b>	<b>692,991</b>	<b>345,565</b>
<b>LIABILITIES AND RETAINED EARNINGS</b>				
<b>Liabilities</b>				
Accounts Payable	4,532	-	-	9,874
Deposits	-	-	-	100
Due to Other Funds	1,416,398	15,004	-	20,299
Accrued Salaries	-	-	-	4,476
<b>Total Liabilities</b>	<b>1,420,930</b>	<b>15,004</b>	<b>-</b>	<b>34,749</b>
<b>Fund Balances (Deficits)</b>				
Designated for Future Year's Expenditures	-	-	-	16,149
Undesignated	964,057	702,222	692,991	294,667
<b>Fund Balances - Unreserved</b>	<b>964,057</b>	<b>702,222</b>	<b>692,991</b>	<b>310,816</b>
<b>TOTAL LIABILITIES and FUND BALANCE</b>	<b>2,384,987</b>	<b>717,226</b>	<b>692,991</b>	<b>345,565</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
Special Revenue Funds  
Combining Balance Sheet  
September 30, 2000

Exhibit B-1

With Comparative Totals For September 30, 1999

D.A.R.T Grant Program	Section 8 Existing Housing	Section 8 Modrehab Housing	Section 8 Voucher Housing	Totals 2,000	1,999
-	95,420	4,195	354,771	3,141,326	2,374,007
2,027	-	-	-	2,075	1,176
-	94,787	64,222	171,356	1,784,146	682,225
<u>2,027</u>	<u>190,207</u>	<u>68,417</u>	<u>526,127</u>	<u>4,927,547</u>	<u>3,057,408</u>
-	-	-	-	14,406	16,570
-	-	-	-	100	3,637
-	236,004	100,941	64,505	1,853,151	681,671
-	-	-	-	4,476	3,128
<u>-</u>	<u>236,004</u>	<u>100,941</u>	<u>64,505</u>	<u>1,872,133</u>	<u>705,006</u>
-	-	-	-	16,149	-
2,027	(45,797)	(32,524)	461,622	3,039,265	2,352,402
<u>2,027</u>	<u>(45,797)</u>	<u>(32,524)</u>	<u>461,622</u>	<u>3,055,414</u>	<u>2,352,402</u>
<u>2,027</u>	<u>190,207</u>	<u>68,417</u>	<u>526,127</u>	<u>4,927,547</u>	<u>3,057,408</u>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
September 30, 2000  
With Comparative Totals for September 1999

Exhibit B-2

	1968 Sales Tax	1985 Sales Tax	1990 Sales Tax	Ruston Parks & Recreation Board	D.A.R.T Grant Program
<b>REVENUES</b>					
Taxes	1,722,323	2,583,493	1,722,324	262,572	-
Intergovernmental	-	-	-	-	22,737
Miscellaneous	52,649	21,529	20,106	142,165	-
<b>TOTAL REVENUES</b>	<b>1,774,972</b>	<b>2,605,022</b>	<b>1,742,430</b>	<b>404,737</b>	<b>22,737</b>
<b>EXPENDITURES</b>					
General Government	30,495	28,525	18,843	-	20,715
Recreation	-	-	-	586,579	-
<b>TOTAL EXPENDITURES</b>	<b>30,495</b>	<b>28,525</b>	<b>18,843</b>	<b>586,579</b>	<b>20,715</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,744,477</b>	<b>2,576,497</b>	<b>1,723,587</b>	<b>(181,842)</b>	<b>2,022</b>
<b>OTHER FINANCING SOURCES</b>					
Operating Transfers In	-	-	-	278,747	-
Operating Transfers Out	(1,533,000)	(2,290,616)	(1,513,000)	(66,678)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,533,000)</b>	<b>(2,290,616)</b>	<b>(1,513,000)</b>	<b>212,069</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>211,477</b>	<b>285,881</b>	<b>210,587</b>	<b>30,227</b>	<b>2,022</b>
FUND BALANCE, OCTOBER 1	752,580	416,341	482,404	280,589	5
RESIDUAL EQUITY TRANSFER OUT	-	-	-	-	-
<b>FUND BALANCE, SEPTEMBER 30</b>	<b>964,057</b>	<b>702,222</b>	<b>692,991</b>	<b>310,816</b>	<b>2,027</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
Special Revenue Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
September 30, 2000

Exhibit B-2

Section 8 Existing Housing	Section 8 Modrehab Housing	Section 8 Voucher Housing	Totals	
			2000	1999
-	-	-	6,290,712	5,932,449
147,276	20,190	594,390	784,593	811,541
5,785	-	22,901	265,135	247,194
153,061	20,190	617,291	7,340,440	6,991,184
454,006	57,280	316,438	926,302	803,775
-	-	-	586,579	518,965
454,006	57,280	316,438	1,512,881	1,322,740
(300,945)	(37,090)	300,853	5,827,559	5,668,444
-	-	-	278,747	371,141
-	-	-	(5,403,294)	(5,434,533)
-	-	-	(5,124,547)	(5,063,392)
(300,945)	(37,090)	300,853	703,012	605,052
255,148	4,566	160,769	2,352,402	1,756,667
-	-	-	-	(9,317)
(45,797)	(32,524)	461,622	3,055,414	2,352,402

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 1968 Sales Tax Fund  
 Statement of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended September 30, 2000

Exhibit B-3

	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes - Sales Tax	1,520,000	1,722,323	202,323
Miscellaneous - Interest Income	40,000	52,649	12,649
<b>TOTAL REVENUES</b>	<b>1,560,000</b>	<b>1,774,972</b>	<b>214,972</b>
<b>EXPENDITURES</b>			
General Government - Collection & Administrative	30,000	30,495	(495)
<b>TOTAL EXPENDITURES</b>	<b>30,000</b>	<b>30,495</b>	<b>(495)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>1,530,000</b>	<b>1,744,477</b>	<b>214,477</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating Transfers Out	(1,533,000)	(1,533,000)	-
<b>TOTAL OTHER FINANCING USES</b>	<b>(1,533,000)</b>	<b>(1,533,000)</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(3,000)</b>	<b>211,477</b>	<b>214,477</b>
FUND BALANCE, OCTOBER 1	752,580	752,580	-
<b>FUND BALANCE, SEPTEMBER 30</b>	<b>749,580</b>	<b>964,057</b>	<b>214,477</b>

See accompanying independent auditors' report.

## CITY OF RUSTON, LOUISIANA

Exhibit B-4

## 1985 Sales Tax Fund

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Taxes - Sales Tax	2,280,000	2,583,493	303,493
Miscellaneous - Interest Income	10,000	21,529	11,529
<b>TOTAL REVENUES</b>	<b>2,290,000</b>	<b>2,605,022</b>	<b>315,022</b>
EXPENDITURES			
General Government - Collection & Administrative	27,500	28,525	(1,025)
<b>TOTAL EXPENDITURES</b>	<b>27,500</b>	<b>28,525</b>	<b>(1,025)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>2,262,500</b>	<b>2,576,497</b>	<b>313,997</b>
OTHER FINANCING SOURCES (USES)			
Operating Transfers Out	(2,266,500)	(2,290,616)	(24,116)
<b>TOTAL OTHER FINANCING USES</b>	<b>(2,266,500)</b>	<b>(2,290,616)</b>	<b>(24,116)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(4,000)</b>	<b>285,881</b>	<b>289,881</b>
FUND BALANCE, OCTOBER 1	416,341	416,341	-
<b>FUND BALANCE, SEPTEMBER 30</b>	<b>412,341</b>	<b>702,222</b>	<b>289,881</b>

See accompanying independent auditors' report.



CITY OF RUSTON, LOUISIANA  
 1990 Sales Tax Fund  
 Statement of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended September 30, 2000

Exhibit B-5

	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Taxes - Sales Tax	1,520,000	1,722,324	202,324
Miscellaneous - Interest Income	8,000	20,106	12,106
<b>TOTAL REVENUES</b>	<b>1,528,000</b>	<b>1,742,430</b>	<b>214,430</b>
EXPENDITURES			
General Government - Collection & Administrative	18,000	18,843	(843)
<b>TOTAL EXPENDITURES</b>	<b>18,000</b>	<b>18,843</b>	<b>(843)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>1,510,000</b>	<b>1,723,587</b>	<b>213,587</b>
OTHER FINANCING SOURCES (USES)			
Operating Transfers Out	(1,513,000)	(1,513,000)	-
<b>TOTAL OTHER FINANCING USES</b>	<b>(1,513,000)</b>	<b>(1,513,000)</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(3,000)</b>	<b>210,587</b>	<b>213,587</b>
FUND BALANCE, OCTOBER 1	482,404	482,404	-
<b>FUND BALANCE, SEPTEMBER 30</b>	<b>479,404</b>	<b>692,991</b>	<b>213,587</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
Ruston Parks and Recreation Board  
Statement of Revenues, Expenditures and  
Changes in Fund Balance- Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

Exhibit B-6

	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes			
Property Tax - Recreation	242,500	262,572	20,072
<b>Total Taxes</b>	<b>242,500</b>	<b>262,572</b>	<b>20,072</b>
Miscellaneous			
Program Charges	80,000	109,976	29,976
Concessions	16,000	12,266	(3,734)
Interest	2,000	7,502	5,502
Rentals	8,500	4,931	(3,569)
Other	3,500	7,490	3,990
<b>Total Miscellaneous</b>	<b>110,000</b>	<b>142,165</b>	<b>32,165</b>
<b>TOTAL REVENUES</b>	<b>352,500</b>	<b>404,737</b>	<b>52,237</b>
<b>EXPENDITURES</b>			
Recreation			
Regular Salaries	291,133	235,187	55,946
Regular Overtime	2,000	1,730	270
Employee Benefits - Retirement	12,792	10,560	2,232
Employee Benefits - FICA Tax	6,353	6,335	18
Employee Benefits - Insurance	33,427	23,449	9,978
Uniforms	2,740	2,739	1
Workmen's Compensation	2,550	2,550	-
Training of Personnel & Travel	3,500	3,032	468
Printing of Forms	250	-	250
Supplies	18,775	18,762	13
Safety Supplies	500	0	500
Maintenance of Bldg & Grounds	7,475	6,098	1,377
Repairs & Maintenance - Parks	2,500	2,341	159
Repairs & Maintenance - Pool	10,800	10,512	288
Maintenance of Equipment	9,500	6,065	3,435
Maintenance of Office Equipment	725	722	3
Utilities	32,100	32,065	35
Heating	5,000	3,189	1,811
Telephone	7,350	7,319	31
Auto Allowances	8,400	8,384	16
Auto & Truck Repair	4,600	2,920	1,680
Gasoline, Oil & Diesel	3,450	3,435	15

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
Ruston Parks and Recreation Board  
Statement of Revenues, Expenditures and  
Changes in Fund Balance- Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

Exhibit B-6

	Budget	Actual	Favorable (Unfavorable)
Audit Fees	3,750	3,750	0
Advertising	1,000	910	90
Consulting/Programs	10,500	2,577	7,923
Cash Short/(Over)	25	10	15
Concession Supplies	23,035	11,073	11,962
Dues & Subscriptions	1,500	1,116	384
Insurance - Fire	3,205	2,404	801
Insurance - General Liability	9,000	8,723	277
Automobile Liability	1,500	759	741
Recreation Activities Expense	36,000	34,934	1,066
Youth & Adult Sports Expense	46,000	41,141	4,859
Medical Supplies & Services	2,305	2,304	1
Miscellaneous	15	15	0
Postage	1,500	1,346	154
Capital Assets	120,000	88,123	31,877
<b>TOTAL RECREATION EXPENDITURES</b>	<b>725,255</b>	<b>586,579</b>	<b>138,676</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(372,755)</b>	<b>(181,842)</b>	<b>190,913</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating Transfers In	247,736	278,747	31,011
Operating Transfers Out	(66,714)	(66,678)	36
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>181,022</b>	<b>212,069</b>	<b>31,047</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(191,733)</b>	<b>30,227</b>	<b>221,960</b>
<b>FUND BALANCE, OCTOBER 1</b>	<b>280,589</b>	<b>280,589</b>	<b>-</b>
<b>FUND BALANCE, SEPTEMBER 30</b>	<b>88,856</b>	<b>310,816</b>	<b>221,960</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
Section 8 Existing Housing  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

Exhibit B-7

	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Intergovernmental	605,665	147,276	(458,389)
Miscellaneous	1,876	5,785	3,909
TOTAL REVENUES	607,541	153,061	(454,480)
EXPENDITURES			
General Government	596,330	454,006	142,324
TOTAL EXPENDITURES	596,330	454,006	142,324
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,211	(300,945)	(312,156)
FUND BALANCE, OCTOBER 1	255,148	255,148	-
FUND BALANCE, SEPTEMBER 30	266,359	(45,797)	(312,156)

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
Section 8 ModRehab Housing  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

Exhibit B-8

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental	82,000	20,190	(61,810)
Miscellaneous	254	0	(254)
<b>TOTAL REVENUES</b>	<b>82,254</b>	<b>20,190</b>	<b>(62,064)</b>
EXPENDITURES			
General Government	79,489	57,280	22,209
<b>TOTAL EXPENDITURES</b>	<b>79,489</b>	<b>57,280</b>	<b>22,209</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,765</b>	<b>(37,090)</b>	<b>(39,855)</b>
FUND BALANCE, OCTOBER 1	4,566	4,566	-
<b>FUND BALANCE, SEPTEMBER 30</b>	<b>7,331</b>	<b>(32,524)</b>	<b>(39,855)</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
Section 8 Voucher Housing  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

Exhibit B-9

	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Intergovernmental	115,333	594,390	479,057
Miscellaneous	576	22,901	22,325
TOTAL REVENUES	115,909	617,291	501,382
EXPENDITURES			
General Government	113,775	316,438	(202,663)
TOTAL EXPENDITURES	113,775	316,438	(202,663)
EXCESS OF REVENUES OVER EXPENDITURES	2,134	300,853	298,719
FUND BALANCE, OCTOBER 1	160,769	160,769	-
FUND BALANCE, SEPTEMBER 30	162,903	461,622	298,719

See accompanying independent auditors' report.



### DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.



CITY OF RUSTON, LOUISIANA  
Debt Service Fund  
Comparative Balance Sheets  
September 30, 2000 and 1999

Exhibit C-1

	2000	1999
<b>ASSETS</b>		
Cash and Cash Equivalents	112,921	101,477
<b>TOTAL ASSETS</b>	112,921	101,477
 <b>LIABILITIES AND FUND BALANCE</b>		
Total Liabilities	-	-
Fund Balance		
Reserved for Debt Service	112,921	101,477
Total Fund Balance	112,921	101,477
<b>TOTAL LIABILITIES and FUND BALANCE</b>	112,921	101,477

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
Debt Service Fund  
Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Years Ended September 30, 2000 and 1999

Exhibit C-2

	2000	1999
REVENUES		
Interest	8,402	2,715
TOTAL REVENUES	8,402	2,715
EXPENDITURES		
Bond Principal	165,000	160,000
Bond Interest	38,315	44,045
TOTAL EXPENDITURES	203,315	204,045
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(194,913)	(201,330)
OTHER FINANCING SOURCES		
Operating Transfers In	206,357	208,894
TOTAL OTHER FINANCING SOURCES	206,357	208,894
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	11,444	7,564
FUND BALANCE, OCTOBER 1	101,477	93,913
FUND BALANCE, SEPTEMBER 30	112,921	101,477

See accompanying independent auditors' report.



## CAPITAL PROJECTS FUNDS

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

### FIRE STATION CONSTRUCTION

To account for receipts and disbursements of the proceeds from the issuance of Certificates of Indebtedness Series 1993, designated for the construction of a new fire station.

### CENTRAL SHOP CONSTRUCTION

To account for receipts and disbursements of the proceeds from the issuance of Certificates of Indebtedness Series 1993, designated for the construction of a central repair shop.

### PUBLIC WORKS SHOP CONSTRUCTION

To account for receipt and disbursement of the proceeds from the issuance of Certificates of Indebtedness Series 1994A, designated for the Construction of a Public Works Shop.

### HAZARD MITIGATION GRANT

To account for receipts and disbursements of a grant received from the State of Louisiana for removing repetitive loss structures from the flood plain.

### PARKS & RECREATION - 1996 CERTIFICATES OF INDEBTEDNESS

To account for receipts and disbursements of the proceeds from the issuance of Certificates of Indebtedness, Series 1996, designated for Park and Recreation capital purchases and improvements.

### SEWER DEMONSTRATED NEEDS GRANT

To account for receipts and disbursements of a grant received from the Louisiana Community Development Block Grant for sewer force main replacement.

CITY OF RUSTON, LOUISIANA  
 Capital Projects Funds  
 Combining Balance Sheet  
 September 30, 2000

Exhibit D-1

With Comparative Totals for September 30, 1999

	Fire Station Construction	Central Shop Construction	Public Works Shop Construction	Hazard Mitigation Grant	Parks & Rec. 1996 Certificate of Indebtedness	Sewer Demonstrated Needs Grant	Totals 2000	Totals 1999
<b>ASSETS</b>								
Cash and Cash Equivalents	76,669	161,930	-	5,226	62,233	2,441	308,499	333,723
Accounts Receivable	-	-	-	-	1,550	-	1,550	-
Due from Other Funds	-	-	-	-	7,800	-	7,800	-
<b>TOTAL ASSETS</b>	<b>76,669</b>	<b>161,930</b>	<b>-</b>	<b>5,226</b>	<b>71,583</b>	<b>2,441</b>	<b>317,849</b>	<b>333,723</b>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>Liabilities</b>								
Due to Other Funds	-	-	-	-	1,322	-	1,322	11,967
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,322</b>	<b>-</b>	<b>1,322</b>	<b>11,967</b>
<b>Fund Balance</b>								
Designated for Future Years'	-	-	-	-	70,261	-	70,261	150,431
Expenditures	-	-	-	-	-	2,441	246,266	171,325
Undesignated	76,669	161,930	-	5,226	-	-	-	-
<b>Total Fund Balances</b>	<b>76,669</b>	<b>161,930</b>	<b>-</b>	<b>5,226</b>	<b>70,261</b>	<b>2,441</b>	<b>316,527</b>	<b>321,756</b>
<b>TOTAL LIABILITIES and FUND BALANCE</b>	<b>76,669</b>	<b>161,930</b>	<b>-</b>	<b>5,226</b>	<b>71,583</b>	<b>2,441</b>	<b>317,849</b>	<b>333,723</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA

Capital Projects Funds

Combining Statement of Revenues, Expenditures and

Changes in Fund Balances

For the Year Ended September 30, 2000

With Comparative Totals for September 30, 1999

	Fire Station Construction	Central Shop Construction	Public Works Shop Construction	Hazard Mitigation Grant	Parks & Rec. 1996 Certificate of Indebtedness	Sewer Demonstrated Needs Grant	Totals 2000	Totals 1999
REVENUES								
Intergovernmental	-	-	-	-	-	-	-	8,474
Miscellaneous	3,917	4,454	4,151	331	4,695	-	17,548	151,052
<b>TOTAL REVENUES</b>	<b>3,917</b>	<b>4,454</b>	<b>4,151</b>	<b>331</b>	<b>4,695</b>	<b>-</b>	<b>17,548</b>	<b>159,526</b>
EXPENDITURES								
Capital Outlay								
Legal Services	-	-	-	-	-	-	-	52,537
Equipment	-	-	-	-	20,973	-	20,973	5,098
Construction Work-Grants	-	-	-	-	1,550	-	1,550	9,028
Miscellaneous	-	-	-	-	254	-	254	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,777</b>	<b>-</b>	<b>22,777</b>	<b>66,663</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,917	4,454	4,151	331	(18,082)	-	(5,229)	92,863
OTHER FINANCING SOURCES								
Operating Transfers In	-	-	-	-	-	-	-	150,021
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	3,917	4,454	4,151	331	(18,082)	-	(5,229)	242,884
FUND BALANCE, OCTOBER 1	72,752	91,237	62,088	4,895	88,343	2,441	321,756	78,872
RESIDUAL EQUITY TRANSFER IN (OUT)	-	66,239	(66,239)	-	-	-	-	-
<b>FUND BALANCE, SEPTEMBER 30</b>	<b>76,669</b>	<b>161,930</b>	<b>-</b>	<b>5,226</b>	<b>70,261</b>	<b>2,441</b>	<b>316,527</b>	<b>321,756</b>

See accompanying independent auditors' report.



## ENTERPRISE FUNDS

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

### ELECTRIC SYSTEM FUND

This fund accounts for the operations of the Electric System.

### WATER SYSTEM FUND

This fund accounts for the operations of the Waterworks System.

### SEWERAGE SYSTEM FUND

This fund accounts for the operations of the Sewerage System.

### RUSTON AIRPORT AUTHORITY

This fund accounts for the operations of the Ruston Municipal Airport.

### AMBULANCE FUND

This fund accounts for the operations of the Ruston-Lincoln Ambulance Service.



CITY OF RUSTON, LOUISIANA  
Enterprise Funds  
Combining Balance Sheet  
September 30, 2000

With Comparative Totals For September 30, 1999

	Electric System	Water System	Sewer System	Ruston Airport Authority	Ambulance	Totals
					2000	1999
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	5,894,175	1,096,276	1,671,455	176,940	311,014	9,149,860
Accounts Receivable, Net	874,374	132,986	106,977	1,906	132,597	1,248,840
Accounts Receivable, Other	10,866	1,579	-	1,435	-	13,880
Unbilled Revenue	1,727,542	187,170	154,941	-	305	2,069,958
Due from Other Governmental Units, Net	-	-	-	-	2,500	2,500
Due from Other Funds	88,872	1,047,010	972,069	3,498	24,961	2,136,410
Prepaid Expenses	-	-	-	-	-	-
Inventories, at Cost	547,608	112,449	25,038	-	-	685,095
<b>TOTAL CURRENT ASSETS</b>	<b>9,143,437</b>	<b>2,577,470</b>	<b>2,930,480</b>	<b>183,779</b>	<b>471,377</b>	<b>15,306,543</b>
<b>Restricted Assets</b>						
Cash and Cash Equivalents	666,013	470,233	2,524,786	-	-	3,661,032
<b>TOTAL RESTRICTED ASSETS</b>	<b>666,013</b>	<b>470,233</b>	<b>2,524,786</b>	<b>-</b>	<b>-</b>	<b>3,661,032</b>
<b>Fixed Assets</b>						
Property, Plant & Equipment	35,557,335	8,966,923	17,345,140	4,677,974	379,135	66,926,507
Less Accumulated Depreciation	(24,261,853)	(4,242,116)	(6,899,874)	(662,822)	(323,624)	(36,390,289)
<b>TOTAL FIXED ASSETS</b>	<b>11,295,482</b>	<b>4,724,807</b>	<b>10,445,266</b>	<b>4,015,152</b>	<b>55,511</b>	<b>28,867,497</b>
(Net of Accumulated Depreciation)						
<b>TOTAL ASSETS</b>	<b>21,104,932</b>	<b>7,772,510</b>	<b>15,900,532</b>	<b>4,198,931</b>	<b>526,888</b>	<b>49,503,793</b>
						<b>48,504,856</b>

LIABILITIES, CONTRIBUTED CAPITAL, AND RETAINED EARNINGS

Current Liabilities									
Accounts Payable	2,501,497	25,875	120,480	2,173	205	2,650,230	2,540,853		
Obligations Under Capital Lease	20,023	20,022	-	-	-	40,045	37,946		
Due to Other Funds	2,246,479	64,327	72,132	84,495	361,224	2,828,657	1,496,001		
Accrued Liabilities	92,790	8,301	-	-	-	101,091	76,959		
<b>Total Current Liabilities</b>	<b>4,860,789</b>	<b>118,525</b>	<b>192,612</b>	<b>86,668</b>	<b>361,429</b>	<b>5,620,023</b>	<b>4,151,759</b>		
Liabilities Payable from Restricted Assets									
Bonds Payable	-	-	-	-	-	-	85,000		
Accrued Interest & Coupons	114,909	15,964	74,720	-	-	205,593	211,034		
Customer Deposits	591,117	-	165	-	-	591,282	581,919		
<b>Total Liabilities Payable from Restricted Asset</b>	<b>706,026</b>	<b>15,964</b>	<b>74,885</b>	<b>-</b>	<b>-</b>	<b>796,875</b>	<b>877,953</b>		
Long-term Liabilities									
Compensated Absences	220,500	73,476	40,123	-	9,890	343,989	336,979		
Obligation Under Capital Lease	18,699	24,265	-	-	-	42,964	83,546		
Bonds Payable	-	554,018	3,360,000	-	-	3,914,018	4,180,629		
<b>Total Long-term Liabilities</b>	<b>239,199</b>	<b>651,759</b>	<b>3,400,123</b>	<b>-</b>	<b>9,890</b>	<b>4,300,971</b>	<b>4,601,154</b>		
<b>TOTAL LIABILITIES</b>	<b>5,806,014</b>	<b>786,248</b>	<b>3,667,620</b>	<b>86,668</b>	<b>371,319</b>	<b>10,717,869</b>	<b>9,630,866</b>		
<b>CONTRIBUTED CAPITAL</b>	<b>325,128</b>	<b>801,998</b>	<b>4,845,969</b>	<b>3,309,625</b>	<b>87,055</b>	<b>9,369,775</b>	<b>9,810,021</b>		
Retained Earnings									
Reserved for Debt Service	-	340,578	1,062,730	-	-	1,403,308	832,934		
Reserved for Encumbrances	237,936	11,442	534,189	-	1,089	784,656	-		
Unreserved - Undesignated	14,735,854	5,832,244	5,790,024	802,638	67,425	27,228,185	28,231,035		
<b>Total Retained Earnings</b>	<b>14,973,790</b>	<b>6,184,264</b>	<b>7,386,943</b>	<b>802,638</b>	<b>68,514</b>	<b>29,416,149</b>	<b>29,063,969</b>		
<b>TOTAL CONTRIBUTED CAPITAL and RETAINED EARNINGS</b>	<b>15,298,918</b>	<b>6,986,262</b>	<b>12,232,912</b>	<b>4,112,263</b>	<b>155,569</b>	<b>38,785,924</b>	<b>38,873,990</b>		
<b>TOTAL LIABILITIES, CONTRIBUTED CAPITAL AND RETAINED EARNINGS</b>	<b>21,104,932</b>	<b>7,772,510</b>	<b>15,900,532</b>	<b>4,198,931</b>	<b>526,888</b>	<b>49,503,793</b>	<b>48,504,856</b>		

See accompanying independent auditors' report.



CITY OF RUSTON, LOUISIANA  
 Enterprise Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Retained Earnings  
 September 30, 2000  
 With Comparative Totals for September 1999

	Electric System	Water System	Sewer System	Ruston Airport Authority	Ambulance	Totals
	2000	2000	2000	2000	2000	1999
<b>OPERATING REVENUES</b>						
Charges for Services	19,228,353	1,944,446	1,958,212	13,966	758,838	23,903,815
Rent Income	32,113	-	-	15,270	-	47,383
Miscellaneous	491,145	162,958	468,395	22,433	-	1,144,931
<b>TOTAL OPERATING REVENUES</b>	<b>19,751,611</b>	<b>2,107,404</b>	<b>2,426,607</b>	<b>51,669</b>	<b>758,838</b>	<b>25,096,129</b>
<b>OPERATING EXPENSES</b>						
Direct Expenses	19,703,000	1,032,281	1,313,698	257,837	696,062	23,002,878
Indirect Expenses	1,249,707	183,939	316,676	-	-	1,750,322
<b>TOTAL OPERATING EXPENSES</b>	<b>20,952,707</b>	<b>1,216,220</b>	<b>1,630,374</b>	<b>257,837</b>	<b>696,062</b>	<b>24,753,200</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,201,096)</b>	<b>891,184</b>	<b>796,233</b>	<b>(206,168)</b>	<b>62,776</b>	<b>342,929</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest Income	398,806	88,108	207,052	8,171	13,462	715,599
Sale of Hay	-	-	3,162	-	-	3,162
Federal and State Disaster Relief	220,650	3,220	14,667	-	-	238,537
Gain (Loss) on Sale of Assets	(33,502)	(9,234)	(10,536)	-	(1,049)	(54,321)
Interest Expense	(41,747)	(17,595)	(146,557)	-	-	(205,899)
<b>NET NONOPERATING REVENUES (EXPENSES)</b>	<b>544,207</b>	<b>64,499</b>	<b>67,788</b>	<b>8,171</b>	<b>12,413</b>	<b>697,078</b>
<b>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>(656,889)</b>	<b>955,683</b>	<b>864,021</b>	<b>(197,997)</b>	<b>75,189</b>	<b>1,040,007</b>
OPERATING TRANSFERS OUT	(1,121,373)	(12,893)	-	-	-	(1,134,266)
OPERATING TRANSFERS IN	-	-	-	6,193	-	6,193
<b>NET INCOME (LOSS)</b>	<b>(1,778,262)</b>	<b>942,790</b>	<b>864,021</b>	<b>(191,804)</b>	<b>75,189</b>	<b>(88,066)</b>
<b>DEPRECIATION OF FIXED ASSETS ACQUIRED WITH CAPITAL CONTRIBUTIONS</b>						
RETAINED EARNINGS, OCTOBER 1	16,752,052	5,229,644	6,319,254	769,694	(6,675)	29,063,969
<b>RETAINED EARNINGS, SEPTEMBER 30</b>	<b>14,973,790</b>	<b>6,184,264</b>	<b>7,386,943</b>	<b>802,638</b>	<b>68,514</b>	<b>29,416,149</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA

Enterprise Funds  
Combining Statement of Cash Flows

September 30, 2000

With Comparative Totals for September 30, 1999

	Electric System	Water System	Sewer System	Ruston Airport Authority	Ambulance	Totals
					2000	1999
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating Income (Loss)	(1,201,096)	891,184	796,233	(206,168)	62,776	2,289,101
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	1,034,426	314,248	496,633	207,692	37,628	1,930,296
(Increase) Decrease in Operating Assets:						
Accounts Receivable	141,032	44,611	54,062	(3,341)	(69,475)	(1,163,704)
Due from Other Gov't Units	-	-	-	-	(2,500)	140,000
Due from Other Funds	(7,533)	(806,135)	(820,775)	(3,498)	(12,870)	143,149
Inventories	(31,190)	3,731	(2,644)	-	-	(27,633)
Other Assets	27,580	-	-	-	-	8,026
Increase (Decrease) in Operating Liabilities:						
Accounts Payable and Other Liabilities	106,887	(74,965)	78,988	2,094	(3,627)	1,286,382
Accrued Liabilities	21,721	2,411	-	-	-	(115,017)
Customer Deposits	11,638	-	(2,275)	-	-	(22,459)
Due to Other Funds	1,156,409	39,668	60,008	36,591	39,980	418,856
Compensated Absences	15,204	(10,300)	(1,377)	-	3,483	192,411
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>1,275,078</b>	<b>404,453</b>	<b>658,853</b>	<b>33,370</b>	<b>55,395</b>	<b>5,079,408</b>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Operating Transfers Out	(1,121,373)	(12,893)	-	-	-	-
Operating Transfers In	-	-	-	6,193	-	-
Federal & State Disaster Relief	220,650	3,220	14,667	-	-	215,511
<b>NET CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(900,723)</b>	<b>(9,673)</b>	<b>14,667</b>	<b>6,193</b>	<b>-</b>	<b>(889,536)</b>
						<b>215,511</b>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Purchase of Capital Assets	(2,539,384)	(386,977)	(883,919)	-	-	(3,810,280)	(1,385,072)		
Capital Lease Obligation Payments	(19,604)	(18,879)	-	-	-	(38,483)	(39,442)		
Proceeds on the Sale of Fixed Assets	-	(155,000)	(200,000)	-	-	(355,000)	(597,536)		
Principal Paid on Bond Maturities	(42,547)	(19,353)	(149,440)	-	-	(211,340)	(227,636)		
Interest Paid on Bonds	-	-	-	-	-	-	-	102,939	
Capital Grants	-	-	-	-	-	-	-	-	
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(2,601,535)	(580,209)	(1,233,359)	-	-	(4,415,103)	(2,146,747)		
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest Received	398,806	88,108	207,052	8,171	13,462	715,599	624,342		
Sale of Hay	-	-	3,162	-	-	3,162	2,348		
NET CASH FLOW FROM INVESTING ACTIVITIES	398,806	88,108	210,214	8,171	13,462	718,761	626,690		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,828,374)	(97,321)	(349,625)	47,734	68,857	(2,158,729)	2,746,671		
CASH AND CASH EQUIVALENTS, OCTOBER 1, 1999	8,388,562	1,663,830	4,545,866	129,206	242,157	14,969,621	12,222,950		
CASH AND CASH EQUIVALENTS, SEPTEMBER 30, 2000	6,560,188	1,566,509	4,196,241	176,940	311,014	12,810,892	14,969,621		

See accompanying independent auditors' report.



## INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

### WORKMEN'S COMPENSATION SELF-INSURANCE FUND

Workmen's Compensation Fund accumulates resources to finance employee workmen's compensation injuries and claims.

### GENERAL SELF-INSURANCE FUND

General Self-Insurance Fund accumulates resources to finance claims and judgments arising from employee health insurance and other exposures.

### PURCHASING-WAREHOUSE FUND

Purchasing-Warehouse Fund coordinates purchasing and warehousing operations for all applicable funds.



CITY OF RUSTON, LOUISIANA  
Internal Service Funds  
Combining Balance Sheet  
September 30, 2000

Exhibit F-1

With Comparative Totals For September 30, 1999

	Workmen's Compensation	General Insurance	Purchasing/ Warehouse	Totals 2000	Totals 1999
<b>ASSETS</b>					
Cash and Cash Equivalents	309,165	-	33,716	342,881	736,279
Accounts Receivable	-	247,290	-	247,290	44,591
Due from Other Funds	98,140	1,851	21	100,012	97,736
<b>TOTAL ASSETS</b>	<b>407,305</b>	<b>249,141</b>	<b>33,737</b>	<b>690,183</b>	<b>878,606</b>
<b>LIABILITIES AND RETAINED EARNINGS (DEFICIT)</b>					
<b>Liabilities</b>					
Accounts Payable	156,988	112,341	28	269,357	14,515
Estimated Payable for Outstanding Claims	277,231	152,599	-	429,830	389,404
Compensated Absences	-	-	27,452	27,452	26,319
Due to Other Funds	-	651,865	9,334	661,199	433,699
<b>Total Liabilities</b>	<b>434,219</b>	<b>916,805</b>	<b>36,814</b>	<b>1,387,838</b>	<b>863,937</b>
<b>Retained Earnings (Deficit)</b>					
Reserved for Encumbrances	-	-	300	300	-
Unreserved - Undesignated	(26,914)	(667,664)	(3,377)	(697,955)	14,669
<b>Total Retained Earnings (Deficits)</b>	<b>(26,914)</b>	<b>(667,664)</b>	<b>(3,077)</b>	<b>(697,655)</b>	<b>14,669</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS (DEFICIT)</b>	<b>407,305</b>	<b>249,141</b>	<b>33,737</b>	<b>690,183</b>	<b>878,606</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
Internal Service Funds  
Combining Statement of Revenues, Expenses and  
Changes in Retained Earnings (Deficits)  
For the Year Ended September 30, 2000  
With Comparative Totals for September 30, 1999

Exhibit F-2

	Workmen's Compensation	General Insurance	Purchasing/ Warehouse	Totals 2000	Totals 1999
<b>OPERATING REVENUES</b>					
Insurance Subrogations	-	3,184	-	3,184	6,725
Premiums Paid by Retired Employees	-	293,842	-	293,842	232,648
Charges to Other Funds	48,228	1,274,701	-	1,322,929	1,517,475
Charges for Services	-	-	164,840	164,840	167,340
<b>TOTAL OPERATING REVENUE</b>	<b>48,228</b>	<b>1,571,727</b>	<b>164,840</b>	<b>1,784,795</b>	<b>1,924,188</b>
<b>OPERATING EXPENSES</b>					
Claims	235,877	1,831,460	-	2,067,337	1,173,444
Insurance Premiums	82,489	219,003	-	301,492	651,457
Cost of Services	-	-	160,114	160,114	166,746
<b>TOTAL OPERATING EXPENSES</b>	<b>318,366</b>	<b>2,050,463</b>	<b>160,114</b>	<b>2,528,943</b>	<b>1,991,647</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(270,138)</b>	<b>(478,736)</b>	<b>4,726</b>	<b>(744,148)</b>	<b>(67,459)</b>
<b>NONOPERATING REVENUES</b>					
Interest Income	19,838	9,601	2,385	31,824	30,178
<b>NET INCOME (LOSS)</b>	<b>(250,300)</b>	<b>(469,135)</b>	<b>7,111</b>	<b>(712,324)</b>	<b>(37,281)</b>
<b>RETAINED EARNINGS (DEFICIT), OCTOBER 1</b>	<b>223,386</b>	<b>(198,529)</b>	<b>(10,188)</b>	<b>14,669</b>	<b>51,950</b>
<b>RETAINED EARNINGS (DEFICIT), SEPTEMBER 30</b>	<b>(26,914)</b>	<b>(667,664)</b>	<b>(3,077)</b>	<b>(697,655)</b>	<b>14,669</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
Internal Service Funds  
Combining Statement of Cash Flows  
September 30, 2000  
With Comparative Totals for September 30, 1999

Exhibit F-3

	Workmen's Compensation	General Insurance	Purchasing/ Warehouse	Totals 2000	Totals 1999
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating Income (Loss)	(270,138)	(478,736)	4,726	(744,148)	(67,459)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:					
Decrease (Increase) in Operating Assets:					
Accounts Receivable	-	(202,699)	-	(202,699)	32,720
Due from Other Funds	(404)	(1,851)	(21)	(2,276)	-
Increase (Decrease) in Operating Liabilities:					
Accounts Payable	142,473	112,341	28	254,842	(7,411)
Estimated Payable for Outstanding Claims	1	40,425	-	40,426	52,533
Due to Other Funds	(3,409)	225,000	5,909	227,500	(2,856)
Compensated Absences	-	-	1,133	1,133	(3,202)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(131,477)</b>	<b>(305,520)</b>	<b>11,775</b>	<b>(425,222)</b>	<b>4,325</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest	19,838	9,601	2,385	31,824	30,179
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>19,838</b>	<b>9,601</b>	<b>2,385</b>	<b>31,824</b>	<b>30,179</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(111,639)</b>	<b>(295,919)</b>	<b>14,160</b>	<b>(393,398)</b>	<b>34,504</b>
<b>CASH AND CASH EQUIVALENTS, OCTOBER 1, 1999</b>	<b>420,804</b>	<b>295,919</b>	<b>19,556</b>	<b>736,279</b>	<b>701,775</b>
<b>CASH AND CASH EQUIVALENTS, SEPTEMBER 30, 1999</b>	<b>309,165</b>	<b>-</b>	<b>33,716</b>	<b>342,881</b>	<b>736,279</b>

See accompanying independent auditors' report.

### GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Asset Account Group accounts for fixed assets of the governmental jurisdiction which are not accounted for in an Enterprise, Internal Service, or Trust and Agency Fund.

CITY OF RUSTON, LOUISIANA  
 Comparative Schedule of General Fixed Asset  
 September 30, 2000 and 1999

Exhibit G-1

GENERAL FIXED ASSETS	2000	1999
Land	778,859	778,859
Buildings	4,152,026	4,152,026
Improvements Other Than Buildings	4,256,702	4,239,505
Equipment	8,386,289	9,014,637
TOTAL GENERAL FIXED ASSETS	17,573,876	18,185,027

INVESTMENT IN GENERAL FIXED ASSETS		
General Government	4,089,482	4,052,087
Public Safety	2,459,908	2,864,561
Public Works	9,495,460	9,854,513
Recreation	1,529,026	1,413,866
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	17,573,876	18,185,027

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 Schedule of General Fixed Assets By Function and Activity  
 September 30, 2000

Exhibit G-2

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Equipment	Total
General Government	344,461	2,352,065	-	1,392,956	4,089,482
Public Safety	312,181	150,961	-	1,996,766	2,459,908
Public Works	4,713	1,486,093	3,270,943	4,733,711	9,495,460
Recreation	117,504	162,907	985,759	262,856	1,529,026
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>778,859</b>	<b>4,152,026</b>	<b>4,256,702</b>	<b>8,386,289</b>	<b>17,573,876</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 Schedule of Changes in General Fixed Assets  
 For the Year Ended September 30, 2000

Exhibit G-3

Function and Activity	General Fixed Assets October 1, 1999	Additions	Adjustments and Retirements	General Fixed Assets September 30, 2000
General Government	4,052,087	94,633	(57,238)	4,089,482
Public Safety	2,864,561	225,417	(630,070)	2,459,908
Public Works	9,854,513	155,508	(514,561)	9,495,460
Recreation	1,413,866	115,160	-	1,529,026
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>18,185,027</b>	<b>590,718</b>	<b>(1,201,869)</b>	<b>17,573,876</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 Schedule of Changes in General Fixed Assets By Sources  
 For the Year Ended September 30, 2000

Exhibit G-4

	Land	Buildings	Improvements Other Than Buildings	Equipment	Total
GENERAL FIXED ASSETS, October 1, 1999	778,859	4,152,026	4,239,505	9,014,637	18,185,027
Additions:					
General Fund	-	-	17,197	573,521	590,718
<b>TOTAL ADDITIONS</b>	-	-	17,197	573,521	590,718
Deductions:					
Retirements	-	-	-	(1,201,869)	(1,201,869)
<b>TOTAL DEDUCTIONS</b>	-	-	-	(1,201,869)	(1,201,869)
<b>GENERAL FIXED ASSETS</b> September 30, 2000	778,859	4,152,026	4,256,702	8,386,289	17,573,876

See accompanying independent auditors' report.



### GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-Term Debt Account Group records the general obligation bonds and other forms of long-term debt supported by general revenues that are obligations of a governmental unit as a whole and not its individual constituent funds.

CITY OF RUSTON, LOUISIANA  
Schedule of Changes in General Long-Term Debt  
For the Year Ended September 30, 2000

Exhibit H-1

	October 1, 1999	Additions	Deductions	September 30, 2000
Amount Available in Debt Service Fund	101,477	11,444	-	112,921
Amount to be Provided for Retirement of General Long-Term Debt	2,870,739	721,972	(1,055,221)	2,537,490
<b>TOTAL</b>	<b>2,972,216</b>	<b>733,416</b>	<b>(1,055,221)</b>	<b>2,650,411</b>

Long-Term Obligations Payable

Compensated Absences	963,447	721,972	(580,908)	1,104,511
Certificates of Indebtedness	1,153,000	-	(211,000)	942,000
Municipal Police Employees' Retirement System	302,873	-	(73,401)	229,472
Capital Leases	552,896	-	(178,468)	374,428
<b>Total</b>	<b>2,972,216</b>	<b>721,972</b>	<b>(1,043,777)</b>	<b>2,650,411</b>

See accompanying independent auditors' report.



***Supplemental  
Information***

CITY OF RUSTON, LOUISIANA  
General Fund

Schedule 1

Schedule of Expenditures - Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

	Budget	Actual	Favorable (Unfavorable)
<b>GENERAL GOVERNMENT</b>			
<b>EXECUTIVE</b>			
Salaries - Regular	367,610	360,105	7,505
Employee Benefits - Retirement	19,780	19,777	3
Employee Benefits - FICA Tax	5,987	5,529	458
Employee Benefits - Insurance	69,475	66,850	2,625
Uniforms	250	223	27
Workman's Compensation	1,575	1,575	-
Unemployment Compensation	3,000	2,964	36
Printing of Forms	3,500	2,878	622
Supplies	13,000	8,739	4,261
Maint of Office Equip	7,500	5,132	2,368
Rent of Office Equip	15,000	8,579	6,421
Utilities	86,000	85,554	446
Heating	24,000	19,733	4,267
Telephone	27,000	22,076	4,924
Auto Allowances/Mileage	7,100	6,757	343
Travel	6,500	6,224	276
Audit Fees	12,500	11,450	1,050
Legal Advertising	4,500	2,151	2,349
Legal Services	53,800	51,265	2,535
GIS Expense	22,200	22,183	17
Coroner Fees	15,000	13,542	1,458
Consulting	39,169	32,728	6,441
Data Processing	3,500	1,233	2,267
Tax Assessor/Collection Fees	34,000	33,622	378
Cash Short (Over)	100	(4)	104
Lincoln Parish Health Unit	5,000	5,000	-
Lincoln Parish Vets Admin	2,772	2,696	76
Dues & Subscriptions	24,000	23,145	855
Errors & Omissions Liab	16,550	15,970	580
Medical Supplies & Services	1,500	1,315	185
Drug Ed/Prevention	11,500	11,040	460
Council Expenses	1,000	303	697
Miscellaneous	23,750	23,706	44
Postage	5,100	5,079	21
Railroad Park Expense	100	67	33
Warehouse	8,000	8,000	-
Capital Assets	55,000	52,608	2,392
<b>Total Executive</b>	<b>996,318</b>	<b>939,794</b>	<b>56,524</b>

See accompanying independent auditors' report.

## CITY OF RUSTON, LOUISIANA

Schedule 1

## General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

	Budget	Actual	Favorable (Unfavorable)
<u>CITY COURT</u>			
Salaries - Regular	109,673	108,557	1,116
Employee Benefits - Retirement	5,110	5,085	25
Judge's Retirement	2,812	2,718	94
Employee Benefits - FICA Tax	1,526	1,507	19
Employee Benefits - Insurance	6,869	5,977	892
Workman's Compensation	600	600	-
Training Personnel	1,200	-	1,200
Witness Fee - Officers	14,500	10,100	4,400
Telephone	3,000	2,928	72
Juvenile Assistance Program	10,500	10,500	-
Medical Supplies	500	166	334
Capital Assets	5,000	5,000	-
<b>Total City Court</b>	<b>161,290</b>	<b>153,138</b>	<b>8,152</b>
<u>MARSHAL</u>			
Salaries - Regular	92,202	92,385	(183)
Salaries - Overtime	2,000	557	1,443
Employee Benefits - Retirement	6,337	6,513	(176)
Employee Benefits - FICA Tax	912	864	48
Employee Benefits - Insurance	22,356	22,479	(123)
Workman's Compensation	750	750	-
Medical Supplies & Services	215	210	5
Postage	200	150	50
<b>Total Marshal</b>	<b>124,972</b>	<b>123,908</b>	<b>1,064</b>
<u>CIVIC CENTER/CITY HALL</u>			
Salaries - Regular	95,837	91,737	4,100
Salaries - Overtime	3,600	2,751	849
Salaries - Contract Labor	1,500	-	1,500
Employee Benefits - Retirement	4,472	4,370	102
Employee Benefits - FICA Tax	2,616	2,295	321
Employee Benefits - Insurance	9,640	9,059	581
Uniforms	300	238	62
Workman's Compensation	750	750	-
Unemployment	2,000	(2,498)	4,498
Chemicals	900	827	73
Printing of Forms	100	45	55
Supplies	12,500	12,185	315
Maint of Bldg & Grnds	58,400	58,344	56
Maint of Equipment	1,800	452	1,348
Telephone	1,600	1,447	153
Auto Allowance	600	517	83
Gasoline, Oil & Diesel	400	148	252
Insurance - Fire	5,800	2,481	3,319
Insurance - Gen Liability	15,360	13,957	1,403
Medical Supplies	800	774	26
Postage	100	9	91
Capital Assets	9,000	7,762	1,238
<b>Total Civic Center/City Hall</b>	<b>228,075</b>	<b>207,650</b>	<b>20,425</b>

See accompanying independent auditors' report.

## CITY OF RUSTON, LOUISIANA

Schedule 1

## General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

	Budget	Actual	Favorable (Unfavorable)
<u>SECTION 8</u>			
Salaries - Regular	55,567	55,909	(342)
Employee Benefits - Retirement	2,620	2,710	(90)
Employee Benefits - FICA Tax	662	624	38
Employee Benefits - Insurance	9,558	9,611	(53)
Workman's Compensation	300	300	-
Training	3,323	2,715	608
Printing of Forms	350	-	350
Supplies	3,773	2,572	1,201
Utilities	1,200	959	241
Heating	400	184	216
Telephone	2,400	2,343	57
Auto Allowance/Mileage	950	450	500
Consulting	12,400	10,162	2,238
Dues & Subscriptions	1,100	994	106
Postage	1,100	977	123
Capital Assets	26,727	23,693	3,034
<b>Total Section 8</b>	<b>122,430</b>	<b>114,203</b>	<b>8,227</b>
<u>ENGINEERING</u>			
Salaries - Regular	57,683	58,006	(323)
Salaries - Overtime	2,063	731	1,332
Employee Benefits - Retirement	3,318	3,426	(108)
Employee Benefits - FICA Tax	357	368	(11)
Employee Benefits - Insurance	5,455	5,459	(4)
Workman's Compensation	300	300	-
Training of Personnel	2,999	-	2,999
Supplies	7,000	1,429	5,571
Maint of Equipment	4,000	1,264	2,736
Maint of Radio	100	-	100
Telephone	2,500	1,875	625
Auto Allowance/Mileage	1,201	1,200	1
Auto & Truck Repair	1,000	23	977
Gasoline, Oil & Diesel	1,150	272	878
Consulting	50,000	18,293	31,707
Dues & Subscriptions	2,200	231	1,969
General liability Insurance	3,703	3,489	214
Auto Liability	760	759	1
Medical Supplies	250	-	250
Postage	200	6	194
Capital Assets	5,000	4,920	80
<b>Total Engineering</b>	<b>151,239</b>	<b>102,051</b>	<b>49,188</b>

See accompanying independent auditors' report.

## CITY OF RUSTON, LOUISIANA

Schedule 1

## General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

	Budget	Actual	Favorable (Unfavorable)
<u>COMMUNITY DEVELOPMENT</u>			
Salaries - Regular	41,876	42,408	(532)
Contract Labor	2,700	1,200	1,500
Employee Benefits - Retirement	2,510	2,503	7
Employee Benefits - FICA Tax	608	528	80
Employee Benefits - Insurance	4,164	4,138	26
Workman's Compensation	150	150	-
Training of Personnel	3,000	-	3,000
Printing of Forms	100	-	100
Supplies	4,000	3,397	603
Telephone	1,500	631	869
Auto Allowance/Mileage	600	600	-
Travel	1,000	-	1,000
Legal Advertising	2,400	1,168	1,232
Dues & Subscriptions	1,000	913	87
Medical Supplies & Services	100	47	53
Postage	600	132	468
Capital Assets	16,956	15,756	1,200
<b>Total Community Development</b>	<b>83,264</b>	<b>73,571</b>	<b>9,693</b>
<u>INSPECTIONS</u>			
Salaries - Regular	135,024	136,149	(1,125)
Employee Benefits - Retirement	8,339	8,622	(283)
Employee Benefits - FICA Tax	2,103	2,124	(21)
Employee Benefits - Insurance	19,424	19,622	(198)
Workman's Compensation	750	750	-
Training of Personnel/Travel	4,690	4,527	163
License & Permits	200	200	-
Printing of Forms	1,500	1,003	497
Supplies	3,000	2,226	774
Asbestos Testing	150	-	150
Maint of Office Equipment	200	-	200
Maint of Radio Equipment	100	-	100
House Demolition	34,800	23,087	11,713
Telephone	3,200	2,897	303
Auto Allowance/Mileage	11,050	11,036	14
Legal Advertising	200	156	44
Dues & Subscriptions	1,285	917	368
Medical Supplies/Services	250	156	94
Postage	500	369	131
Capital Assets	3,848	3,833	15
<b>Total Inspections</b>	<b>230,613</b>	<b>217,674</b>	<b>12,939</b>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>2,098,201</b>	<b>1,931,989</b>	<b>166,212</b>

See accompanying independent auditors' report.



CITY OF RUSTON, LOUISIANA  
General Fund

Schedule 1

Schedule of Expenditures - Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

	Budget	Actual	Favorable (Unfavorable)
<b>PUBLIC SAFETY</b>			
<b><u>POLICE</u></b>			
Salaries - Regular	1,324,948	1,329,928	(4,980)
Salaries - Overtime	160,665	174,975	(14,310)
DWI Enforcement	14,000	12,734	1,266
Retirement - Municipal	10,138	4,389	5,749
Retirement - Police	117,323	110,846	6,477
Retirement - Former	90,676	90,676	-
Employee Benefits - FICA Tax	17,346	17,219	127
Employee Benefits - Insurance	208,608	200,314	8,294
Uniforms	13,290	13,276	14
Workman's Compensation	6,975	6,975	-
Training of Personnel/Travel	20,000	19,444	556
Training Supplies	5,000	4,971	29
Narcotics Enforcement Team	5,000	4,328	672
Emergency Response Team	5,000	4,206	794
Printing of Forms	1,600	740	860
Supplies	22,210	21,932	278
Maint of Bldg, Grounds, Equip	11,000	10,984	16
Rent of Office Equipment	4,400	4,056	344
Telephone	22,000	20,082	1,918
Auto Allowances	4,500	4,500	-
Auto & Truck Repair	38,000	35,219	2,781
Gasoline, Oil & Diesel	49,000	45,971	3,029
Legal Advertising	1,000	157	843
Legal Services	5,750	5,500	250
Dues & Subscriptions	3,000	2,202	798
Insurance	33,840	32,313	1,527
Insurance - Auto Liab	8,605	8,346	259
Investigative Awards	500	500	-
Lincoln Parish Detention Ctr	15,000	15,000	-
Medical Supplies & Services	4,015	4,013	2
Postage	1,185	777	408
Capital Assets	100,500	100,023	477
LLBG Expenditures	56,087	51,426	4,661
Matching Grant	16,184	16,184	-
<b>Total Police</b>	<b>2,397,345</b>	<b>2,374,206</b>	<b>23,139</b>
<b><u>FIRE</u></b>			
Salaries - Regular	853,302	852,791	511
Salaries - Overtime	29,354	27,752	1,602
Retirement - Fire	84,404	67,952	16,452
Employee Benefits - FICA Tax	6,304	6,060	244
Employee Benefits - Insurance	166,864	164,200	2,664
Uniforms	9,024	8,188	836
Workman's Compensation	4,935	4,935	-
Training of Personnel/Travel	20,800	20,521	279
Supplies	18,500	17,822	678

See accompanying independent auditors' report.

## General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

	Budget	Actual	Favorable (Unfavorable)
Maint of Bldg & Grnds	44,915	40,748	4,167
Rent of Office Equip	20,050	20,048	2
City Utilities	19,690	19,686	4
Heating	5,575	5,528	47
Telephone	16,875	16,870	5
Auto Allowances	14,300	14,268	32
Auto & Truck Repair	17,250	16,511	739
Gasoline, Oil & Diesel	6,350	5,792	558
Consulting	2,353	2,352	1
Dues & Subscriptions	2,877	2,762	115
Insurance - Fire	6,314	3,211	3,103
Insurance - Gen Liab	13,600	12,212	1,388
Insurance - Auto Liab	7,850	7,587	263
Medical Supplies & Services	3,732	3,531	201
Postage	300	44	256
Capital Assets	50,383	50,335	48
<b>Total Fire</b>	<b>1,425,901</b>	<b>1,391,706</b>	<b>34,195</b>
<b><u>STREET LIGHTING</u></b>			
Maintenance of Lights	4,000	1,806	2,194
City Utilities	120,000	124,117	(4,117)
Electricity- Traffic Lights	1,000	998	2
Electricity- Claiborne Electric	1,000	964	36
<b>Total Street Lighting</b>	<b>126,000</b>	<b>127,885</b>	<b>(1,885)</b>
<b><u>PROBATION</u></b>			
Salaries - Regular	50,453	50,453	-
Salaries - Overtime	1,502	1,509	(7)
Employee Benefits - Retirement	2,671	2,667	4
Employee Benefits - FICA Tax	1,140	1,071	69
Employee Benefits - Insurance	7,965	7,867	98
Uniforms	1,502	1,585	(83)
Workman's Compensation	375	375	-
Training of Personnel/Travel	451	390	61
Supplies	2,500	2,615	(115)
Maint of Equipment	300	143	157
Telephone	2,847	2,610	237
Auto & Truck Repair	450	445	5
Gas, Oil, & Diesel	998	962	36
Bond Insurance	105	-	105
Auto Liability	760	759	1
Medical Supplies	1,310	961	349
Capital Assets	1,500	364	1,136
<b>Total Probation</b>	<b>76,829</b>	<b>74,776</b>	<b>2,053</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>4,026,075</b>	<b>3,968,573</b>	<b>57,502</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
General Fund

Schedule 1

Schedule of Expenditures - Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

	Budget	Actual	Favorable (Unfavorable)
<b>PUBLIC WORKS</b>			
<b>ADMINISTRATION</b>			
Salaries - Regular	147,952	151,755	(3,803)
Salaries - Overtime	800	799	1
Employee Benefits - Retirement	7,968	7,966	2
Employee Benefits - FICA Tax	2,432	2,401	31
Employee Benefits - Insurance	10,816	10,762	54
Uniforms	462	-	462
Workman's Compensation	675	675	-
Training of Personnel	2,797	2,272	525
Printing of Forms	500	-	500
Supplies	5,000	4,994	6
Maint of Bldg & Grounds	3,700	2,816	884
Maint of Office Equipment	2,000	422	1,578
Main of Radio Equipment	200	19	181
Utilities	38,000	35,694	2,306
Heating	10,000	8,107	1,893
Telephone	14,500	12,370	2,130
Auto Allowances/Mileage	5,253	4,932	321
Dues & Subscriptions	500	448	52
Fire Insurance	13,260	5,765	7,495
Medical Services & Supplies	250	218	32
Postage	100	64	36
Capital Assets	2,500	2,462	38
<b>Total Administration</b>	<b>269,665</b>	<b>254,941</b>	<b>14,724</b>

**STREETS**

Salaries - Regular	479,611	465,722	13,889
Salaries - Overtime	26,253	18,778	7,475
Contract Labor	24,000	20,654	3,346
Employee Benefits - Retirement	28,038	25,719	2,319
Employee Benefits - FICA Tax	8,157	6,524	1,633
Employee Benefits - Insurance	94,245	94,079	166
Uniforms	8,760	8,358	402
Workman's Compensation	4,275	4,275	-
Unemployment Compensation	1,500	828	672
Training of Personnel	2,000	389	1,611
Chemicals	3,500	2,727	773
Signs	14,500	14,009	491
Supplies	18,500	18,350	150
Small Tools & Equipment	3,000	2,322	678
Street Paint	11,000	10,721	279
Maint of Bldgs & Grnds	3,000	1,252	1,748
Maint of Equipment	43,000	38,294	4,706
Maint of Streets	448,642	369,137	79,505

See accompanying independent auditors' report.

## CITY OF RUSTON, LOUISIANA

Schedule 1

## General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

	Budget	Actual	Favorable (Unfavorable)
Rent of Equipment	105,901	101,165	4,736
Auto & Truck Repair	22,000	18,689	3,311
Gasoline, Oil & Diesel	33,500	32,295	1,205
Insurance - Gen Liab	29,661	27,914	1,747
Insurance - Auto Liab	13,660	13,657	3
Medical Supplies & Services	2,100	1,912	188
Capital Assets	73,720	71,029	2,691
Capital Assets - Culvert	980	689	291
<b>Total Streets</b>	<b>1,503,503</b>	<b>1,369,488</b>	<b>134,015</b>
<b>SOLID WASTE</b>			
Salaries - Regular	528,747	515,308	13,439
Salaries - Overtime	31,800	31,213	587
Employee Benefits - Retirement	31,955	30,208	1,747
Employee Benefits - FICA Tax	5,029	4,699	330
Employee Benefits - Insurance	82,270	79,453	2,817
Uniforms	7,800	7,734	66
Workman's Compensation	4,500	4,500	-
Training of Personnel/Travel	3,000	352	2,648
Supplies	33,500	34,459	(959)
Small Tools & Equipment	700	636	64
Maint of Bldg & Grounds	1,000	180	820
Maint of Equipment	53,250	47,520	5,730
Rent of Equipment	125,429	125,428	1
Auto & Truck Repair	68,000	60,469	7,531
Gasoline, Oil & Diesel	51,900	51,426	474
Bad Debt Expense	5,000	19,891	(14,891)
Insurance - General Liability	14,771	13,957	814
Insurance - Auto Liability	22,025	22,003	22
Medical Supplies & Services	2,000	1,791	209
Capital Assets	160,500	31,414	129,086
<b>Total Solid Waste</b>	<b>1,233,176</b>	<b>1,082,641</b>	<b>150,535</b>
<b>REPAIR SHOP</b>			
Salaries - Regular	260,774	256,823	3,951
Salaries - Overtime	10,473	8,470	2,003
Employee Benefits - Retirement	16,374	15,146	1,228
Employee Benefits - FICA Tax	4,129	3,720	409
Employee Benefits - Insurance	41,304	40,488	816
Uniforms	4,250	4,017	233
Workman's Compensation	1,950	1,950	-
Training personnel/Travel	5,960	1,330	4,630
Licenses & Permits	975	646	329
Supplies	13,500	12,037	1,463
Small Tools & Equipment	5,000	4,340	660
Maint of Building & Grnds	1,000	725	275

See accompanying independent auditors' report.

## CITY OF RUSTON, LOUISIANA

Schedule 1

## General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2000

	Budget	Actual	Favorable (Unfavorable)
Maint of Equipment	4,350	4,316	34
Auto Allowance	2,740	1,318	1,422
Auto & Truck Repair	2,246	1,551	695
Gasoline, Oil & Diesel	3,100	2,513	587
Insurance - Auto Liab	3,035	3,035	-
Medical Supplies & Services	900	891	9
Capital Assets	18,000	17,451	549
<b>Total Repair Shop</b>	<b>400,060</b>	<b>380,767</b>	<b>19,293</b>
<b>ANIMAL CONTROL</b>			
Salaries - Regular	71,925	71,835	90
Salaries - Overtime	5,000	4,237	763
Employee Benefits - Retirement	3,643	3,734	(91)
Employee Benefits - FICA Tax	1,575	1,542	33
Employee Benefits - Insurance	11,772	11,830	(58)
Uniforms	1,874	1,871	3
Workman's Compensation	525	525	-
Training of Personnel	2,625	2,439	186
Licenses & Permits	125	120	5
Supplies	7,100	6,890	210
Maint of Building & Grnds	600	511	89
Maint of Equipment	425	422	3
City Utilities	2,835	2,831	4
Heating	5,875	5,554	321
Telephone	2,125	1,995	130
Auto & Truck Repair	920	832	88
Gasoline, Oil & Diesel	2,300	2,062	238
Insurance - Auto Liab	760	759	1
Medical Supplies & Services	1,010	1,006	4
Postage	10	8	2
<b>Total Animal Control</b>	<b>123,024</b>	<b>121,003</b>	<b>2,021</b>
<b>TOTAL PUBLIC WORKS</b>	<b>3,529,428</b>	<b>3,208,840</b>	<b>320,588</b>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>9,653,704</b>	<b>9,109,402</b>	<b>544,302</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 Enterprise Fund - Electric System  
 Schedule of Operating Expenses By Department  
 For the Years Ended September 30, 2000 and 1999

Schedule 2

	2000 Actual	1999 Actual	Change
<b>DIRECT EXPENSES</b>			
<u>STEAM PLANT</u>			
Salaries - Regular	401,470	418,609	(17,139)
Salaries - Overtime	55,043	53,297	1,746
Municipal Emp Retirement	23,681	22,701	980
Employers Match FICA Tax	3,849	3,509	340
Employee Insurance	75,139	68,408	6,731
Uniforms	1,633	1,690	(57)
Workmans Compensation	3,000	2,700	300
Training Personnel/Travel	4,047	1,865	2,182
Chemicals	87,426	86,763	663
Fuel	7,112,334	3,421,366	3,690,968
Energy	8,699,653	4,557,201	4,142,452
Office Supplies	-	16	(16)
Permits	2,126	12,200	(10,074)
Supplies	44,714	39,100	5,614
Maint of Bldg & Grnds	8,139	5,360	2,779
Maint of Equip	557,647	891,764	(334,117)
Hazardous Waste Expense	6,107	15,318	(9,211)
City Utilities	184,506	163,917	20,589
Telephone	8,013	8,367	(354)
Auto Allowances	2,605	5,100	(2,495)
Auto & Truck Repair	395	1,680	(1,285)
Gasoline, Oil & Diesel	2,738	805	1,933
Insurance - Fire(Boiler)	49,705	74,418	(24,713)
Insurance - General Liab	105,602	62,716	42,886
Insurance - Auto Liab	1,517	1,345	172
Medical Supplies & Services	246	580	(334)
Depreciation	396,000	373,773	22,227
<b>Total Steam Plant</b>	<b>17,837,335</b>	<b>10,294,568</b>	<b>7,542,767</b>
<u>DIESEL PLANT</u>			
Supplies	-	309	(309)
Maint of Bldg & Grnds	366	-	366
City Utilities	112	237	(125)
<b>Total Diesel Plant</b>	<b>478</b>	<b>546</b>	<b>(68)</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 Enterprise Fund - Electric System  
 Schedule of Operating Expenses By Department  
 For the Years Ended September 30, 2000 and 1999

Schedule 2

	2000 Actual	1999 Actual	Change
<u>DISTRIBUTION SYSTEM</u>			
Salaries - Regular	356,258	371,119	(14,861)
Salaries - Overtime	61,693	57,782	3,911
Salaries - Contract Labor	5,971	4,985	986
Municipal Emp Retirement	20,410	22,789	(2,379)
Employers Match FICA Tax	3,901	3,876	25
Employee Insurance	63,729	63,301	428
Uniforms	2,823	1,522	1,301
Workmans Compensation	2,475	2,680	(205)
Training Personnel/Travel	3,243	281	2,962
Supplies	22,142	21,661	481
Maint of Bldg & Grnds	872	490	382
Maint of Equip	31,514	8,449	23,065
Maint of Dist System	415,203	390,581	24,622
Maint of Radio Equipment	-	642	(642)
Maint of Right of Way	96,719	120,656	(23,937)
Hazardous Waste Expense	103	5,950	(5,847)
City Utilities	61	73	(12)
Heating	110	121	(11)
Telephone	2,801	2,935	(134)
Auto & Truck Repair	7,388	7,235	153
Gasoline, Oil & Diesel	13,251	10,822	2,429
Damages	1,148	749	399
Insurance - Auto Liab	6,829	6,052	777
Medical Supplies & Services	1,070	917	153
Depreciation	531,128	489,945	41,183
<b>Total Distribution System</b>	<b>1,650,842</b>	<b>1,595,613</b>	<b>55,229</b>
<u>SUBSTATIONS</u>			
Supplies	32	-	32
Maint of Bldg & Grounds	1,573	1,099	474
Maint of Equipment	212,740	70,335	142,405
<b>Total Substations</b>	<b>214,345</b>	<b>71,434</b>	<b>142,911</b>
<b>TOTAL DIRECT EXPENSES</b>	<b>19,703,000</b>	<b>11,962,161</b>	<b>7,740,839</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 Enterprise Fund - Electric System  
 Schedule of Operating Expenses By Department  
 For the Years Ended September 30, 2000 and 1999

Schedule 2

	2000 Actual	1999 Actual	Change
<b>INDIRECT EXPENSES</b>			
<b><u>GENERAL &amp; ADMINISTRATIVE</u></b>			
Salaries - Regular	280,029	279,814	215
Salaries - Overtime	17,595	6,770	10,825
Municipal Emp Retirement	16,623	15,864	759
Employers Match FICA Tax	3,173	3,045	128
Employee Insurance	31,313	33,135	(1,822)
Uniforms	749	457	292
Workman's Compensation	1,500	1,350	150
Training Personnel/Travel	18,572	7,062	11,510
Office Supplies	15	1,121	(1,106)
Supplies	7,794	4,937	2,857
Warehouse	132,500	132,500	-
Maint of Office Equip	2,600	2,013	587
Maint of Radio Equip	2,258	2,649	(391)
Telephone	7,796	5,345	2,451
Auto Allowances	2,762	7,777	(5,015)
Auto & Truck Repair	2,028	2,031	(3)
Gasoline, Oil & Diesel	2,794	2,216	578
Audit Fees	15,846	13,590	2,256
Legal Advertising	683	792	(109)
Errors and Omissions Liability	110	-	110
Bad Debt Expense	68,472	-	68,472
Dues & Subscriptions	10,527	9,347	1,180
Insurance - Fire	14,304	16,449	(2,145)
Insurance - Auto Liability	1,517	1,345	172
Medical Supplies & Services	461	320	141
Miscellaneous	4,409	8,496	(4,087)
Postage	2,613	2,605	8
Depreciation	107,298	105,341	1,957
<b>Total General &amp; Administrative</b>	<b>756,341</b>	<b>666,371</b>	<b>89,970</b>
<b><u>COLLECTION OFFICE</u></b>			
Salaries - Regular	191,912	189,163	2,749
Salaries - Overtime	5,459	5,468	(9)
Municipal Emp Retirement	10,272	10,440	(168)
Employers Match FICA Tax	3,425	2,669	756
Employee Insurance	20,674	26,676	(6,002)
Uniforms	185	53	132
Workmans Compensation	1,200	1,350	(150)
Training Personnel	-	945	(945)
Office Supplies	-	2,352	(2,352)
Printing of Forms	3,854	5,934	(2,080)

See accompanying independent auditors' report.



CITY OF RUSTON, LOUISIANA  
 Enterprise Fund - Electric System  
 Schedule of Operating Expenses By Department  
 For the Years Ended September 30, 2000 and 1999

Schedule 2

	2000 Actual	1999 Actual	Change
Supplies	12,607	11,824	783
Maint of Office Equipment	10,982	18,954	(7,972)
Maint of Radio Equipment	-	110	(110)
Telephone	6,727	5,314	1,413
Auto Allowances	123	200	(77)
Travel	2,771	1,556	1,215
Collection Costs	7,727	11,968	(4,241)
Data Processing	39,986	1,440	38,546
Cash (Over) Short	(299)	79	(378)
Dues & Subscriptions	235	262	(27)
Insurance - Computer	636	636	-
Insurance - General Liability	1,745	1,493	252
Medical Supplies & Services	425	213	212
Miscellaneous	-	35	(35)
Postage	26,825	31,570	(4,745)
<b>Total Collection Office</b>	<b>347,471</b>	<b>330,704</b>	<b>16,767</b>
<b>METER READERS</b>			
Salaries - Regular	91,381	104,608	(13,227)
Salaries - Overtime	8,474	4,829	3,645
Municipal Emp Retirement	5,338	6,393	(1,055)
Employers Match FICA Tax	1,363	1,383	(20)
Employee Insurance	17,657	22,590	(4,933)
Uniforms	1,158	1,073	85
Workmans Compensation	750	1,119	(369)
Supplies	2,973	1,573	1,400
Maint of Radio Equip	613	-	613
Auto & Truck Repair	6,915	3,939	2,976
Gasoline, Oil & Diesel	5,843	4,531	1,312
Insurance - Auto Liab	2,276	2,017	259
Medical Supplies & Services	430	574	(144)
Miscellaneous	724	591	133
<b>Total Meter Readers</b>	<b>145,895</b>	<b>155,220</b>	<b>(9,325)</b>
<b>TOTAL INDIRECT EXPENSES</b>	<b>1,249,707</b>	<b>1,152,295</b>	<b>97,412</b>
<b>TOTAL ELECTRIC FUND</b>	<b>20,952,707</b>	<b>13,114,456</b>	<b>7,838,251</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
Enterprise Fund - Water System  
Schedule of Operating Expenses By Department  
For the Year Ended September 30, 2000

Schedule 3

	2000 Actual	1999 Actual	Change
<b>DIRECT EXPENSES</b>			
<b><u>WATER PRODUCTION SYSTEM</u></b>			
Salaries - Regular	61,640	72,705	(11,065)
Salaries - Overtime	5,533	4,650	883
Municipal Emp Retirement	3,477	3,242	235
Employers Match FICA Tax	335	346	(11)
Employee Insurance	8,742	8,814	(72)
Uniforms	68	297	(229)
Workmans Compensation	450	450	-
Training/Travel	640	639	1
Chemicals	84,994	67,424	17,570
Supplies	3,637	2,956	681
Maint of Bldg & Grnds	183	150	33
Maint of Equipment	1,050	1,135	(85)
Maint of Water Tanks	2,742	1,183	1,559
Maint of Water Wells	33,849	150,596	(116,747)
City Utilities	239,652	189,580	50,072
Telephone	5,464	5,379	85
Auto & Truck Repair	292	522	(230)
Gasoline, Oil & Diesel	3,648	1,383	2,265
Medical Supplies & Services	176	178	(2)
Depreciation	91,713	68,628	23,085
<b>Total Water Production</b>	<b>548,285</b>	<b>580,257</b>	<b>(31,972)</b>
<b><u>WATER DISTRIBUTION SYSTEM</u></b>			
Salaries - Regular	100,082	135,216	(35,134)
Salaries - Overtime	18,006	12,688	5,318
Municipal Emp Retirement	6,710	6,874	(164)
Employers Match FICA Tax	1,345	1,285	60
Employee Insurance	24,509	22,794	1,715
Uniforms	1,291	948	343
Workmans Compensation	825	1,050	(225)
Training	931	1,335	(404)
Supplies	8,841	7,484	1,357
Equipment Rental	3,209	430	2,779
Maint of Equipment	7,560	12,093	(4,533)
Maint of Distribution System	101,918	107,615	(5,697)
Maint of Radio Equipment	1,182	337	845
Maint of Right of Way	-	75	(75)
City Utilities	126	103	23
Auto & Truck Repair	4,691	4,329	362
Gasoline, Oil & Diesel	6,607	7,188	(581)
Damages	561	68	493
Medical Supplies & Services	391	461	(70)
Depreciation	195,211	119,712	75,499
<b>Total Water Distribution</b>	<b>483,996</b>	<b>442,085</b>	<b>41,911</b>
<b>TOTAL DIRECT EXPENSES</b>	<b>1,032,281</b>	<b>1,022,342</b>	<b>9,939</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 Enterprise Fund - Water System  
 Schedule of Operating Expenses By Department  
 For the Year Ended September 30, 2000

Schedule 3

	2000 Actual	1999 Actual	Change
<b>INDIRECT EXPENSES</b>			
<b><u>GENERAL &amp; ADMINISTRATIVE</u></b>			
Salaries - Regular	79,211	81,982	(2,771)
Salaries - Overtime	891	1,087	(196)
Municipal Emp Retirement	4,621	3,728	893
Employee FICA Tax	154	-	154
Employee Insurance	6,012	5,530	482
Workmans Compensation	300	300	-
Training Personnel/Travel	799	684	115
Supplies	1,109	49	1,060
Warehouse	19,000	19,000	-
Maint of Bldg & Grnds	128	375	(247)
Maint of Office Equipment	225	217	8
Maint of Radio Equip	3,113	767	2,346
Telephone	206	3,514	(3,308)
Auto & Truck Repair	45	56	(11)
Gasoline, Oil & Diesel	4,288	1,599	2,689
Audit Fees	6,500	5,521	979
Legal Advertising	15	45	(30)
Consulting	5,000	-	5,000
Paying Agent Fees	301	1,036	(735)
Bad Debt Expense	10,595	4,011	6,584
Dues & Subscriptions	1,377	1,020	357
Fire Insurance	5,147	5,483	(336)
Insurance - General Liab	5,234	4,480	754
Insurance - Auto Liab	759	672	87
Medical Supplies & Services	47	144	(97)
Miscellaneous	1,744	101,646	(99,902)
Postage	3,184	-	3,184
Depreciation	23,934	37,528	(13,594)
			-
<b>TOTAL INDIRECT EXPENSES</b>	<b>183,939</b>	<b>280,474</b>	<b>(96,535)</b>
<b>TOTAL WATER FUND</b>	<b>1,216,220</b>	<b>1,302,816</b>	<b>(86,596)</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 Enterprise Fund - Sewerage System  
 Schedule of Operating Expenses By Department  
 For the Years Ended September 30, 2000 and 1999

Schedule 4

	2000 Actual	1999 Actual	Change
<b>DIRECT EXPENSES</b>			
<b><u>SEWERAGE COLLECTION SYSTEM</u></b>			
Salaries - Regular	169,500	159,461	10,039
Salaries - Overtime	34,945	26,590	8,355
Municipal Emp Retirement	9,073	9,720	(647)
Employers Match FICA Tax	2,281	2,187	94
Employee Insurance	17,893	20,954	(3,061)
Uniforms	550	2,370	(1,820)
Workmans Compensation	1,200	1,350	(150)
Laboratory Testing	800	-	800
Training/Travel	2,974	905	2,069
Chemicals	5,321	11,548	(6,227)
Supplies	18,329	19,911	(1,582)
Equipment Rental	6,500	4,930	1,570
Maint of Bldg & Grnds	5,395	8,028	(2,633)
Maint of Equipment	28,066	29,670	(1,604)
Maint of Radio Equipment	227	135	92
Maint of Sewer System	106,946	124,063	(17,117)
Maint. of Right of Way	5,783	567	5,216
City Utilities	79,266	83,155	(3,889)
Heating	525	246	279
Electricity - Claiborne	375	635	(260)
Electricity - LP&L	552	839	(287)
Telephone	2,287	1,057	1,230
Auto & Truck Repair	8,731	8,425	306
Gasoline, Oil & Diesel	13,873	10,263	3,610
Consulting	91,478	-	91,478
Damages	547	225	322
Insurance - Fire	1,460	1,645	(185)
Medical Supplies & Services	670	748	(78)
Depreciation	260,102	257,346	2,756
<b>Total Sewerage Collection</b>	<b>875,649</b>	<b>786,973</b>	<b>88,676</b>
<b><u>SEWERAGE TREATMENT PLANT</u></b>			
Salaries - Regular	30,562	86,279	(55,717)
Salaries - Overtime	10,657	7,070	3,587
Municipal Emp Retirement	2,968	3,860	(892)
Employers Match FICA Tax	-	293	(293)
Employee Insurance	5,269	9,909	(4,640)
Uniforms	220	-	220
Workmans Compensation	450	450	0
Unemployment Compensation	1,764	-	1,764
Training/Travel	647	1,867	(1,220)
Chemicals	19,490	19,111	379
Permits	5,296	9,878	(4,582)

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 Enterprise Fund - Sewerage System  
 Schedule of Operating Expenses By Department  
 For the Years Ended September 30, 2000 and 1999

Schedule 4

	2000 Actual	1999 Actual	Change
Laboratory Testing	13,234	14,195	(961)
Supplies	5,575	4,093	1,482
Maint of Bldg & Grnds	3,710	21	3,689
Maint of Equip	23,792	24,711	(919)
City Utilities	131,638	84,704	46,934
Telephone	1,920	2,066	(146)
Auto & Truck Repair	558	1,224	(666)
Gasoline, Oil & Diesel	1,377	1,101	276
Auto Liability	759	672	87
Medical Supplies & Services	125	183	(58)
Depreciation	99,586	93,039	6,547
<b>Total Sewerage Treatment</b>	<b>359,597</b>	<b>364,726</b>	<b>(5,129)</b>
<b>SLUDGE DISPOSAL</b>			
Salaries - Regular	42,609	40,110	2,499
Salaries - Overtime	2,096	200	1,896
Municipal Emp Retirement	2,505	2,266	239
Employers Match FICA Tax	607	542	65
Employee Insurance	7,650	7,100	550
Uniforms	152	227	(75)
Workmans Compensation	300	300	0
Training/Travel	771	1,015	(244)
Chemicals	1,895	2,000	(105)
Permits	1,575	1,650	(75)
Laboratory Testing	5,543	5,659	(116)
Supplies	1,180	2,285	(1,105)
Maint of Bldg & Grounds	208	385	(177)
Maint of Equipment	5,923	4,188	1,735
City Utilities	1,947	1,244	703
Telephone	931	693	238
Auto & Truck Repair	419	145	274
Gasoline, Oil & Diesel	1,979	497	1,482
Medical Supplies & Services	162	157	5
<b>Total Sludge Disposal</b>	<b>78,452</b>	<b>70,663</b>	<b>7,789</b>
<b>TOTAL DIRECT EXPENSES</b>	<b>1,313,698</b>	<b>1,222,362</b>	<b>91,336</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 Enterprise Fund - Sewerage System  
 Schedule of Operating Expenses By Department  
 For the Years Ended September 30, 2000 and 1999

Schedule 4

	2000 Actual	1999 Actual	Change
<b>INDIRECT EXPENSES</b>			
<b><u>GENERAL &amp; ADMINISTRATIVE</u></b>			
Salaries - Regular	67,040	52,309	14,731
Salaries - Overtime	1,004	1,352	(348)
Municipal Emp Retirement	3,867	2,992	875
Employers Match FICA Tax	937	758	179
Employee Insurance	10,729	10,258	471
Workmans Compensation	300	300	0
Training Personnel/Travel	1,187	861	326
Supplies	2,776	1,952	824
Warehouse Expense	5,340	5,340	-
Maint of Building & Grounds	1,889	-	1,889
Maint of Office Equipment	687	375	312
Heating	353	367	(14)
Telephone	2,976	2,919	57
Mileage Reimbursement	222	-	222
Auto & Truck Repair	498	272	226
Gasoline, Oil & Diesel	891	648	243
Audit Fees	7,150	6,073	1,077
Legal Advertising	130	187	(57)
Legal Fees	257	2,123	(1,866)
Consulting	200	1,623	(1,423)
Construction	8,200	-	8,200
Paying Agent Fees	17,800	19,050	(1,250)
Bad Debt Expense	11,577	391	11,186
Dues & Subscriptions	272	92	180
Insurance - Fire	4,744	5,483	(739)
Insurance - General Liab	5,234	4,480	754
Insurance - Auto Liab	1,517	1,345	172
Medical Supplies & Services	122	114	8
Miscellaneous	900	351	549
Sewer Lift Station Relocation	19,296	25,106	(5,810)
Postage	1,526	53	1,473
Depreciation	136,944	127,448	9,496
<b>Total General &amp; Administrative</b>	<b>316,565</b>	<b>274,622</b>	<b>41,943</b>
<b><u>PEST CONTROL</u></b>			
Chemicals	-	496	(496)
Supplies	-	32	(32)
Maint of Equipment	-	18	(18)
Gas, Oil, Diesel	111	57	54
<b>Total Pest Control</b>	<b>111</b>	<b>603</b>	<b>(492)</b>
<b>TOTAL INDIRECT EXPENSES</b>	<b>316,676</b>	<b>275,225</b>	<b>41,451</b>
<b>TOTAL SEWER FUND</b>	<b>1,630,374</b>	<b>1,497,587</b>	<b>132,787</b>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 COMBINED SCHEDULE OF BONDS PAYABLE  
 SEPTEMBER 30, 2000

Schedule 5

RATES	PAYMENT DATES	ISSUE DATES	FINAL MATURITY DATES	ANNUAL SERIAL PAYMENTS		BONDS AUTHORIZED & ISSUED	RETIRED	OUTSTANDING 09/30/2000			
<b>REVENUE BONDS</b>											
<i>Water Utility Revenue Bonds</i>											
4.7800%	4/1; 10/1	12/23/1996	10/01/2006	85,000	2001	850,000	285,000	565,000			
4.8515%				85,000	2002						
4.9035%				90,000	2003						
4.9555%				95,000	2004						
4.9880%				100,000	2005						
5.0790%				110,000	2006						
<i>Total Waterworks Utility Revenue Bonds</i>						850,000	285,000	565,000			
<i>Sewerage Utility Revenue Bonds</i>											
5.00%	4/1; 10/1	04/01/1992	10/01/2012	145,000	2001	3,204,747	904,747	2,300,000			
5.00%				150,000	2002						
5.00%				160,000	2003						
5.00%				165,000	2004						
5.00%				175,000	2005						
5.00%				185,000	2006						
5.00%				195,000	2007						
5.00%				205,000	2008						
5.00%				215,000	2009						
5.00%				225,000	2010						
5.00%				235,000	2011						
5.00%				245,000	2012						
2.45%				60,000	2001				1,432,536	372,536	1,060,000
2.45%				65,000	2002						
2.45%				65,000	2003						
2.45%				70,000	2004						
2.45%				70,000	2005						
2.45%				70,000	2006						
2.45%				75,000	2007						
2.45%				75,000	2008						
2.45%				80,000	2009						
2.45%				80,000	2010						
2.45%				85,000	2011						
2.45%				85,000	2012						
2.45%				90,000	2013						
2.45%				90,000	2014						
<i>Total Sewerage Utility Revenue Bonds</i>						4,637,283	1,277,283	3,360,000			
<b>TOTAL REVENUE BONDS</b>						<b>5,487,283</b>	<b>1,562,283</b>	<b>3,925,000</b>			

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA  
 COMBINED SCHEDULE OF BONDS PAYABLE  
 SEPTEMBER 30, 2000

Schedule 5

RATES	PAYMENT DATES	ISSUE DATES	FINAL MATURITY DATES	ANNUAL SERIAL PAYMENTS		BONDS AUTHORIZED & ISSUED	RETIRED	OUTSTANDING 09/30/2000
CERTIFICATES OF INDEBTEDNESS								
Sales Tax Certificates of Indebtedness Series 1993								
4.80%	4/1; 10/1	10/01/1993	04/01/2003	120,000	2001	1,100,000	720,000	380,000
4.90%				125,000	2002			
5.00%				135,000	2003			
5.10%								
Public Works Shop Certificates of Indebtedness Series 1993A								
5.15%	3/1; 9/1	03/01/1994	03/01/2004	55,000	2001	500,000	270,000	230,000
5.25%				55,000	2002			
5.30%				60,000	2003			
5.55%				60,000	2004			
City of Ruston Certificates of Indebtedness Series 1996								
5.48%	5/1; 11/1	05/23/1996	05/01/2006	48,000	2001	500,000	168,000	332,000
5.48%				51,000	2002			
5.48%				54,000	2003			
5.48%				57,000	2004			
5.48%				60,000	2005			
5.48%				62,000	2006			
<b>TOTAL CERTIFICATES OF INDEBTEDNESS</b>						<b>2,100,000</b>	<b>1,158,000</b>	<b>942,000</b>

See accompanying independent auditors' report.





01/15/05

**CITY OF RUSTON, LOUISIANA**  
**OMB Circular A-133 Reports**  
**For the Year Ended September 30, 2000**  
**(With Independent Auditors' Reports Thereon)**

**CITY OF RUSTON, LOUISIANA**

**OMB Circular A-133 Reports**

**For the Year Ended September 30, 2000**

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333 Texas Street, Suite 1900  
Shreveport, LA 71101-3692

**Independent Auditors' Report on Compliance and on Internal Control Over  
Financial Reporting Based on an Audit of the General Purpose Financial Statements  
Performed in Accordance With *Government Auditing Standards***

The Honorable Members of the Board of Aldermen and  
Honorable Dan Hollingsworth, Mayor  
City of Ruston, Louisiana:

We have audited the general purpose financial statements of the City of Ruston, Louisiana ("City") as of and for the year ended September 30, 2000 and have issued our report thereon dated December 7, 2000. 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 the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the general purpose 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 00-1.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in 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 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting, which we have reported to management of the City in a separate letter dated December 7, 2000.



This report is intended solely for the information and use of the Mayor, Board of Aldermen, management, State of Louisiana Legislative Auditor, 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.

KPMG LLP

December 7, 2000



333 Texas Street, Suite 1900  
Shreveport, LA 71101-3692

**Independent Auditors' Report on Compliance With Requirements Applicable to  
Each Major Program and Internal Control Over Compliance in Accordance With  
OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards**

The Honorable Members of the Board of Aldermen and  
Honorable Dan Hollingsworth, Mayor  
City of Ruston, Louisiana:

**Compliance**

We have audited the compliance of the City of Ruston, Louisiana ("City") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2000. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2000. However, the results of our auditing procedures also disclosed four instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 00-2, 00-3, 00-4 and 00-5.



**Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program 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 internal control over compliance and its operation that we consider to be material weaknesses.

**Schedule of Expenditures of Federal Awards**

We have audited the general purpose financial statements of the City as of and for the year ended September 30, 2000 and have issued our report thereon dated December 7, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor, Board of Aldermen, management, State of Louisiana Legislative Auditor, 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.

**KPMG LLP**

December 7, 2000

**CITY OF RUSTON, LOUISIANA**

**Schedule of Expenditures of Federal Awards**

For the year ended September 30, 2000

<u>Grant Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
<b>United States Department of Housing and Urban Development:</b>			
Section 8 - Housing Choice Vouchers	14.871	N/A	\$ 770,444
Section 8 - Moderate Rehabilitation	14.856	FW-2159	57,280
Pass through Louisiana Departments:			
Community Development Block Grant:			
D.A.R.T. CDBG Program	14.231	10-8370	<u>20,715</u>
Total United States Department of Housing and Urban Development			848,439
<b>United States Department of Justice:</b>			
Local Law Enforcement	16.592	B464	16,184
Local Law Enforcement	16.592	B248	<u>51,426</u>
			67,610
<b>Federal Emergency Management Agency</b>	<b>83.544</b>	<b>1012-061-0003</b>	<u><b>328,736</b></u>
<b>Total federal assistance</b>			<b>\$ <u>1,244,785</u></b>

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF RUSTON, LOUISIANA**

**Notes to Schedule of Expenditures of Federal Awards**

**Year ended September 30, 2000**

**(1) General**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Ruston, Louisiana and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.



**CITY OF RUSTON, LOUISIANA**

**Schedule of Findings and Questioned Costs**

**Year ended September 30, 2000**

**Section 1 – Summary of Auditors’ Results**

*Financial Statements*

Type of report issued: unqualified opinion

Internal control over financial reporting:

- Material weakness(es) identified? No
- Reportable condition(s) identified that are not considered to be material weakness(es)? None reported

Noncompliance material to financial statements noted? No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? No
- Reportable condition(s) identified that are not considered to be material weakness(es)? None reported

Type of auditor’s report issued on compliance for major program: unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	United States Department of Housing and Urban Development Section 8 Housing Choice Vouchers
83.544	Federal Emergency Management Agency

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? No

**Section 2 – Financial Statement Findings**

**Item:** 00-1

**Criteria or specific requirement:** R.S. 40:1742 states the specific fines required to be collected for citations issued against a violator of a mobility-impaired parking space and it requires that two-thirds of the fines collected be distributed to the State Treasurer’s Office within 30 days after collection.

**Condition:** The City has not been collecting the appropriate amounts for these citations and has not been distributing the appropriate amounts to the State Treasurer’s Office.

**CITY OF RUSTON, LOUISIANA**

**Schedule of Findings and Questioned Costs**

**Year ended September 30, 2000**

**Questioned costs:** Unknown.

**Context:** The City was not in compliance with the statute.

**Effect:** The City Police Department has misstated revenue and corresponding payments to other governmental agencies.

**Cause:** Unaware of new law surrounding this issue.

**Recommendation:** The City should take necessary steps to be in compliance with the state law.

**Management's response:**

- A) Name of Contact Responsible – Chief of Police and Court System
- B) Corrective Action Planned – We plan to create new tickets for these citations which will increase the amount of the fine, and we plan to distribute the collections appropriately.
- C) Completion Date – December 1, 2000

**Section 3 – Federal Award Findings and Questioned Costs**

**Item:** 00-2

**Grant:** Section 8 Housing Choice Voucher Program

**CFDA No.:** 14.871

**Grant Number:** Not applicable

**Award Year:** 2000

**Specific Requirement:** Special Test & Provisions - Utility Allowances

**Condition:** Utility allowances for several tenants were calculated using the 1999 utility allowance schedule instead of the 2000 utility allowance schedule.

**Context:** Out of a sample size of thirty tenants, we noted eight tenants' utility allowance was calculated using the 1999 utility allowance schedule.

**Questioned Costs:** None.

**Effect:** The City is in violation of program compliance requirements.

**Recommendation:** The utility allowance schedule should be reviewed annually for each tenant for any potential adjustments.

**CITY OF RUSTON, LOUISIANA**

**Schedule of Findings and Questioned Costs**

**Year ended September 30, 2000**

**Management's Response:**

- A) Name of Contact Responsible – Section 8 Office Personnel
- B) Corrective Action Planned – Section 8 office personnel will review annually the utility allowance schedule for each tenant for any potential adjustments.
- C) Anticipated Completion Date – September 30, 2001

**Item:** 00-3

**Grant:** Federal Emergency Management Agency

**CFDA No.:** 83.544

**Grant Number:** N/A

**Award Year:** 2000

**Specific Requirement:** Allowable Costs / Cost Principles

**Condition:** During our audit, we noted that the reimbursement for public works equipment on the FEMA project worksheet was overstated by \$6,079.

**Context:** The supporting documentation provided by the City did not agree in total to the FEMA worksheet by \$6,079.

**Questioned Costs:** \$6,079

**Effect:** The City was reimbursed by FEMA in excess of its costs under the program.

**Recommendation:** The City should have accurate documentation to support the reconciliation between the City schedules prepared during an incident to the FEMA project worksheet. The process of preparing such documentation would prevent errors in the preparation of the project worksheet.

**Management's Response:**

- A) Name of Contact Responsible – Mayor, Treasurer, FEMA Grant Administrator
- B) Corrective Action Planned – Currently, we have a FEMA claim due to the recent ice storm. We will work to ensure that proper documentation exists that supports the project worksheet.
- C) Anticipated Completion Date – September 30, 2001

**Item:** 00-4

**Grant:** Federal Emergency Management Agency

**CFDA No.:** 83.544

**CITY OF RUSTON, LOUISIANA**

**Schedule of Findings and Questioned Costs**

**Year ended September 30, 2000**

**Grant Number:** N/A

**Award Year:** 2000

**Specific Requirement:** Allowable Costs / Cost Principles

**Condition:** During our audit, we noted that for six pieces of equipment on the FEMA project worksheet the City could not provide support documenting the number of hours used. The six pieces of equipment were as follows:

- 8721 – Dump Truck #72 5CY 210 HP
- 8701 – Shuttle Truck #25 200 HP
- Gererac Stand-by Generator (Hdqtrs) EG-1 72 HP
- Portable Sewage Lift Station
- 8190 – Chainsaws
- 8721 – Dump Truck #72 210 HP

**Context:** Out of a total sample size of 25, the costs in the FEMA project worksheet for the six specified pieces of equipment could not be supported by documentation from the City.

**Questioned Costs:** \$9,859

**Effect:** Appropriate documentation could not be obtained to support amounts for which the City has been reimbursed under the program.

**Recommendation:** The City should maintain supporting documentation for costs for which FEMA reimburses the City under the program. The City should have accurate documentation to support the reconciliation between the City schedules prepared during an incident to the FEMA project worksheet. The process of preparing such documentation would prevent errors in the preparation of the project worksheet.

**Management's Response:**

- A) Name of Contact Responsible – Mayor, Treasurer, FEMA Grant Administrator
- B) Corrective Action Planned – We will work to ensure that accurate documentation supports the schedules that are prepared.
- C) Anticipated Completion Date – September 30, 2001

**Item:** 00-5

**Grant:** Federal Emergency Management Agency

**CFDA No.:** 83.544

**Grant Number:** N/A

**CITY OF RUSTON, LOUISIANA**

**Schedule of Findings and Questioned Costs**

**Year ended September 30, 2000**

**Award Year: 2000**

**Specific Requirement: Allowable Costs / Cost Principles**

**Condition:** During our audit, we noted that for the pickup trucks used during the storm cleanup the City's documents supporting the hours of use were less than those documented on the FEMA project worksheet.

**Context:** Out of a total sample size of 25, the documentation provided by the City for the hours the trucks were operated was less than the hours for which the City was reimbursed for by FEMA.

**Questioned Costs: \$8,780**

**Effect:** The City's documentation does not support the amounts the City has been reimbursed for under the program.

**Recommendation:** The City should maintain supporting documentation for costs for which FEMA reimburses the City under the program. The City should have accurate documentation to support the reconciliation between the City schedules prepared during an incident to the FEMA project worksheet. The process of preparing such documentation would prevent errors in the preparation of the project worksheet.

**Management's Response:**

- A) Name of Contact Responsible – Mayor, Treasurer, FEMA Grant Administrator
- B) Corrective Action Planned – We will work to ensure that accurate documentation supports the reconciliation between the City schedules prepared and the FEMA project worksheet.
- C) Anticipated Completion Date – September 30, 2001



333 Texas Street, Suite 1900  
Shreveport, LA 71101-3692

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December 7, 2000

The Board of Aldermen  
City of Ruston  
Ruston, Louisiana

Ladies and Gentlemen:

We have audited the financial statements of the City of Ruston for the year ended September 30, 2000 and have issued our report thereon dated December 7, 2000. In planning and performing our audit of the financial statements of the City of Ruston, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

#### **SECTION 8 TENANT ELIGIBILITY REVIEW PROCESS**

Currently the Section 8 office has two employees that determine eligibility of applicants. Because there are only two employees that work in the Section 8 program, they often are unable to perform a timely review of each other's work in determining the eligibility of applicants. For example, when an applicant submits information to determine eligibility, one of the two employees will process this information. Yet, this process is not reviewed by the other employee until the next year during the tenant re-examination. However, the Director performs spot checks of tenant files on a random basis during the year, but not all tenant files are reviewed.

Because determining eligibility for applicants under Section 8 program guidelines are numerous and complex, someone other than the employee who processes the information should review supporting documentation for each tenant to ensure accuracy and completeness. A timely review of each tenant file should be performed by either the executive director or the employee who did not process the information. Such a review should be indicated on the supporting documentation by initials, signature, etc.

**Management's Response:** We agree that timely reviews should be performed. Either the executive director or the employee who did not process the information will review the documentation and either initial or sign it.



## **RUSTON DEPARTMENT OF WATER AND LIGHT**

During the current year, the Department of Water and Light experienced two different problems with its billings. First, bills for one of the July billing cycles did not reflect the increase in the fuel cost rate. The error occurred because adequate review procedures were not in place to detect this before the bills were mailed.

Second, bills for one of the August billing cycles were mailed with incorrect due dates. The due date was identified as two days after the bills were mailed instead of the usual ten days. Again, there were not adequate review procedures in place to detect this before the bills were mailed.

After these errors were discovered and corrected, the City made changes to the controls over the billing process to prevent these instances from occurring in the future. The Controller is now responsible for reviewing several bills from each billing cycle before they are mailed. She reviews the bill date and fuel cost rate for accuracy. A log is kept to document the current fuel costs, the date fuel costs were reviewed and the initials of the person who reviewed the cost factor.

**Management's Response:** We agree that there were billing errors during the past year. As noted, we have implemented controls that should correct these deficiencies.

## **BUSINESS CONTINGENCY PLAN**

During our inquiries associated with the City's preparedness for Year 2000 in the prior year, we noted that the City does not have an overall Business Contingency Plan in place for its financial administration systems. Failure to develop, document, test and train personnel in the execution of a business contingency plan increases the risk that important business functions may not be restored before significant financial losses or other business exposures are incurred. While it is possible that some business functions might not suffer large financial losses in the event of disruption, other units may be subject to significant exposures. A Business Contingency Plan would provide the City with the capability to recover critical information systems in a more timely and orderly manner. In developing such a plan, we recommend the City consider the following:

- Formalize business impact assessment;
- Identify and prioritize critical applications to recovery;
- Identify recovery time objectives based on financial and operational impact;
- Develop emergency escalation procedures;
- Include business continuity team member information;
- Define roles and responsibilities of team members;
- Include important phone numbers (employee, vendors, customer fire department);
- Develop Business Contingency Plan Test Plan; and
- Develop Training Plan.

**Management's Response:** We agree that a business contingency plan would be useful. We will determine whether we will allocate the resources necessary to implement a plan.

### INTERNAL SERVICE FUND

As of September 30, 2000, there remains a deficit in the General Self Insurance Fund of \$667,664. It is our understanding that the City has reduced benefits of the plan effective October 1, 2000, and anticipates that these changes will enable the fund, over a reasonable period of time, to become solvent. We recommend that the City review the financial position of this fund at March 31, 2001, and every six months thereafter, to monitor the City's progress toward eliminating the deficit of the fund. If the deficit is not being reduced the City should take appropriate steps to either change the benefits of the plan, raise premiums or make a transfer from the general fund to ensure that the deficit is eliminated over a reasonable period of time.

**Management's Response:** The deficit in this fund continues to be monitored. As noted, the Mayor and City Council took aggressive steps in October 2000 to attempt to control the situation. We will review this fund every six months and will take appropriate action to eliminate this deficit over a reasonable period of time.

### MILLAGE ROLLBACK AND ROLLFORWARD

During the process of adopting the millage rollback and rollforward ordinances, the City did not comply with state law requiring that public notices be advertised no less than thirty days before a public hearing is held. As such, the ordinance adopted by the City as it relates to the millage rollforward is invalid. However, it is our understanding, based on the City's discussions with the Tax Assessor and the Legislative Auditor's offices, that the rollback will stand and the City will be able to rollforward the millage in June or July 2001. The result of this issue is lower tax millage for the City until the rollforward can be accomplished. This error occurred when these items were mistakenly placed on the agenda earlier than they should have been. We recommend the City establish written procedures to address the timing of public notices to coincide with the appropriate date to be placed on agendas at public hearings.

**Management's Response:** Written procedures have been established which should eliminate an error of this type from occurring in the future.

### NEW REPORTING MODEL – GASB 34

After years of study and consideration of the needs of users of government financial statements, the Governmental Accounting Standards Board (GASB) issued its revolutionary new reporting model in June 1999. The new model dramatically changes the presentation of governments' external financial statements. In the GASB's view, the objective of the new model is to enhance the clarity and usefulness of government financial statements to the citizenry, oversight bodies, investors and creditors. It will substantially affect the City's financial data accumulation and financial statement presentation processes. Some of the key aspects of the changes follow:

*Management's Discussion and Analysis (MD&A)* – A comprehensive MD&A will now be included as required supplementary information. The MD&A will introduce the financial statements by presenting an analysis of the government's financial performance for the year and its financial position at year-end. The MD&A will be *in addition* to the transmittal letter currently required for Government Finance Officers Association (GFOA) award candidates, but we expect that the GFOA will make changes in their requirements so as to avoid any duplication between the two documents.



*Government-Wide Reporting* – The City will be required to report financial operations and net assets, not only at the fund perspective for governmental activities, but will also have to prepare statements at the government-wide level. This level will distinguish between government and business type activities. All information at the government-wide level will be reported using the economic resources measurement focus and accrual basis of accounting, as enterprise funds do under the current model. Fiduciary activities will be excluded from the government-wide level of reporting. General government fixed assets and long-term liabilities of the government will need to be reported with all other governmental assets and liabilities.

*Statement of Activities* – Governments will now be required to use a “net program cost” format for the government-wide statements instead of a traditional operating statement. This new format groups revenues and expenses by functional categories (such as public safety, public works, etc.). The purpose of the new statement is to inform readers about the cost of specific functions and the extent to which they are financed with program revenues or general revenues of the government. Governments will have the option of reporting both direct and indirect program costs. Depreciation expense will now generally be reflected as a cost in the statement of activities.

*Infrastructure Reporting* – Historically, the City has not been required to record infrastructure assets in its financial statements. Under the new standard, the City must report infrastructure assets acquired within the last twenty-five years at historical cost. The standard provides several alternatives for determining historical cost of infrastructure assets. Although the standard generally requires depreciation of infrastructure assets, the City may not be required to depreciate these assets if it can demonstrate that it is preserving its infrastructure at approximately (or above) a disclosed condition level established by the City.

*Fund Level Reporting* – Fund level financial statements will still be required and will provide information about the City’s fund types, including fiduciary funds and blended component units. General capital assets and general long-term liabilities will only be reported at the government-wide level. Fund level reporting will continue to focus on fiscal accountability and reflect the flows and balances of current financial resources. The modified accrual basis of accounting will continue to be used at the fund level, except for proprietary and fiduciary funds which would continue reporting based on economic resources and the accrual method of accounting. Reconciliation between the fund and the government-wide statements will be required on the face of the fund statements. Finally, proprietary fund cash flows statements must be presented using the direct method.

*Presentation of Budgetary Information* – The standard requires budgetary statements for the general fund and certain other governmental funds as required supplementary information. The original adopted budget of the City as well as the final revised budget must be presented. Actual results on a budgetary basis will need to be reconciled to the GAAP (generally accepted accounting principles) basis on the face of the statements.

The effective date of the new pronouncement will require implementation by the City for its year ending September 30, 2003. The magnitude of these changes and the time required to prepare for implementation should not be underestimated. We recommend that the City begin to look at its systems and processes to ensure that the required information will be available to ensure timely implementation. Further, we recommend that the City consider the cost of required changes to its systems and processes to ensure availability of necessary funds in its upcoming budget.

The Board of Aldermen  
City of Ruston  
December 7, 2000  
Page 5

**Management's Response:** The implementation of this pronouncement will require an analysis to determine what resources will be required. We have contacted other municipalities to determine whether they are attempting to implement this pronouncement in house or whether they are contracting it out. We will take this into account when we prepare our upcoming budget.

\* \* \* \* \*

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the City's organization gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

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

Very truly yours,

**KPMG LLP**