

# ***City of Ruston*** **LOUISIANA**



Comprehensive Annual Financial Report  
For the Year Ended September 30, 2003

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## Annual Financial Report



of the  
**City of Ruston, Louisiana**  
For the Year Ended September 30, 2009

Mayor  
Dan Hollingsworth

Director of Finance  
George E. Murphy, Jr.

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

Release Date 7-28-04

## **Introductory Section**

**CITY OF RUSTON, LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

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**CITY OF HUXTON, LOUISIANA  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

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## City of Ruston

George Murphy, CPA  
City Clerk/Treasurer

Ashley Burton  
Counselor

Pam Womack  
Administrative Assistant

January 16, 2004

Mayor Dan Hollingsworth  
Members of the City Council  
City of Ruston, Louisiana

**Mayor and Members of the City Council:**

I am pleased to submit the Comprehensive Annual Financial Report for the year ended September 30, 2003. The financial statements were prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted government auditing standards by a firm of licensed certified public accountants. I believe this report presents comprehensive information about the City's financial and operating activities during 2003 that is useful to taxpayers, citizens, and other interested persons.

This report was prepared by the Finance Department and consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

In accordance with the Louisiana Act, the City Council is required to provide for an annual independent audit of the accounts and financial transactions of the City by a firm of independent certified public accountants duly licensed to practice in the State of Louisiana. The accounting firm of KPMG LLP was selected by the City to conduct its annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence

supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unqualified opinions that the City's financial statements for the fiscal year ended September 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantee agencies. The standards governing Single Audit engagements require the independent auditee to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

#### **Profile of the City of Ruston**

The City of Ruston was incorporated in 1898. It is located in North Central Louisiana at the cross roads of U.S. Highway 167, Interstate 20 and U.S. Highway 80, approximately thirty-five miles south of Monroe. Ruston is the seat of Lincoln Parish. The current area of the City is approximately 20 square miles.

The City of Ruston has been organized under a Mayor – Board of Aldermen form of government. There is a five member board, with each member selected for four year terms from separate wards of the City. The mayor is elected at-large for a four-year term, is not a member of the council, but has veto power over council action.

The City provides a wide range of services including public safety, highways and streets, recreation, electric, water, and sewer service, airports, ambulance, municipal activities, general administration functions and others.

These financial statements present the City of Ruston (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Included as discretely presented component units is the financial data for the City Judge's Office and the City Marshal. They are reported separately within the City's financial statements to emphasize that they are legally separate from the City. Additional information on these legally separate entities can be found in the notes to the financial statements.

## Budgetary Control

The annual budget serves as the foundation for the City's financial planning and control. The Treasurer's Office compiles for the Mayor estimates of revenues and requests for appropriations of the annual budget. Before August 31, the Mayor's budget is submitted to the Council for possible revision and adoption. The Council conducts a public hearing 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.

Budgetary control is exercised at the departmental object level, with the exception of salaries, regular and overtime, which are at the line item level. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year.

**Local economy.** The City's local economy is very much reflective of the nation's economy. Building permit valuations were \$11.4 million for the fiscal year compared to \$15.9 million for the previous fiscal year. Three new churches are being constructed. Several new banks and businesses have been built. There were a number of additions to existing businesses.

The City of Ruston and Lincoln Parish continue to gain in population in recent decades. The City added approximately 3,000 residents between 2000 and 2008 and the Parish grew by nearly 8,000 persons.

Plans are taking place to build a top notch state of the art movie theater in Ruston. The project is expected to cost \$13 million for a future Range developer. The movie theater will bring with it a number of restaurants and about 300 permanent local jobs. This project will also provide an ideal location for new businesses.

Overall, the local economy is stable and the outlook is good.

**Long-term financial planning.** Until the economy improves, the City cannot expect any real growth in our largest general revenue source which is sales taxes. In the General Fund, sales tax represents 47% of the revenues and transfers in. Increasing trends in retirement costs and health insurance make it difficult to balance the budget now and in the future.

**Cash management policies and practices.** Cash temporarily idle during the year was invested in certificates of deposit, or obligations of the U.S. Treasury. The maturities of the investments range from 180 days to two years.

The City's investment policy is to exercise due judgment and care which mean of prudence, discretion, and intelligence consist in the management of their own affairs. Investments are selected as investments, not for speculation, considering the probable safety of the capital, as well as the probable income to be derived. Accordingly, deposits are either insured by federal depository insurance or collateralized. All of the investments held by the City are classified in the category of lowest risk. State statute require that all public funds should be

insured or self-insured. The City's policy is not to have uninsured/unself-insured funds which it controls.

**Risk management.** The City partially assumes the risk for property, liability, workers' compensation, and general health insurance. As part of this comprehensive plan, resources are being accumulated in the General Fund to meet potential losses. In addition, various risk control techniques including an employee safety program, drug free workplace program with mandatory drug screening for new employees as well as random drug screening for current employees, and pre-employment physicals have been implemented to minimize accident-related losses. The City has third-party coverage subject to self-insured retentions which are more fully described in the notes to the financial statements.

**Pension and other postemployment benefits.** Substantially all employees of the City of Baton Rouge are members of one of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana (MERS), Statewide Firefighter's Retirement System (SFRS), or Municipal Police Employees Retirement System of Louisiana (MPERS). These systems are multiple employer (cost-sharing), public employee retirement systems (PERS), controlled and administered by separate State-appointed board of trustees. The City of Baton Rouge has no obligation in connection with employee benefits offered through these plans beyond its annual contribution payments to these State Pensions Boards.

Additional information on the City's pension arrangements and postemployment benefits can be found in the notes to the financial statements.

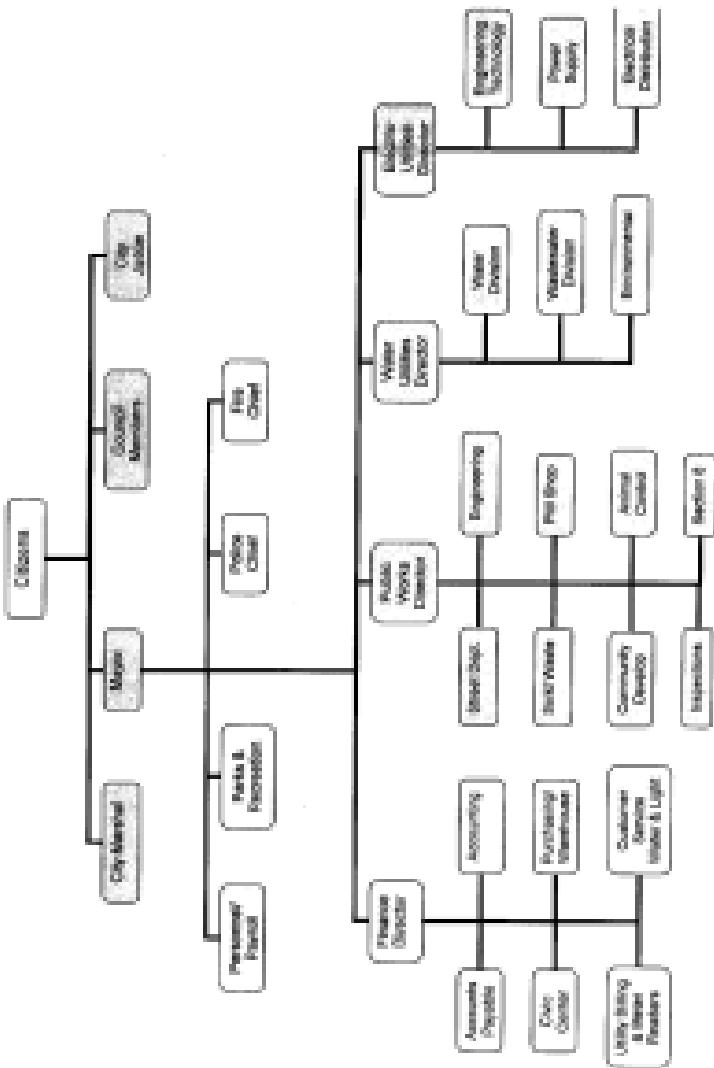
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support of excellence in financial reporting and fiscal integrity.

Sincerely,

  
George E. Murphy, Jr.  
Treasurer

  
Ashley Burke  
Controller

THE HOLLYWOOD CHART



## CITY OF RUSTON, LOUISIANA

### PRINCIPAL OFFICIALS

**Dan Hollingsworth**  
Mayor

**George Byrnside**  
Mayor Appointee

### Members of City Council

Levell Thornton	Ward 1
Ronore D. Mayfield	Ward 2
Judd Lewis	Ward 3
Jim Pearce	Ward 4
Maria Riggs	Ward 5

## **Financial Section**



XPMG LLP  
Suite 1900  
100 Texas Street  
DALLAS, TX 75201-3882

### 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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, such major fund, and the aggregate remaining fund information of the City of Ruston, Louisiana (the City) as of and for the year ended September 30, 2001, which collectively comprise the City's basic financial statements as listed in the Table of Contents. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, and internal service funds presented as supplementary information in the accompanying combining fund financial statements as of and for the year ended September 30, 2001, as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the aggregate discretely presented component units. These financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units 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. These 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 and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, such major fund, and the aggregate remaining fund information of the City as of September 30, 2001, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise and internal service funds of the City, as of September 30, 2001, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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As described in note 13 to the basic financial statements, the City implemented a new financial reporting model as required by the provisions of Governmental Accounting Standards Board Statement No. 14, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government*; Governmental Accounting Standards Board Statement No. 17, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government*; Omnibus Governmental Accounting Standards Board Statement No. 18, *Certain Financial Statement Note Disclosures*; and Governmental Accounting Standards Board Interpretation No. 8, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of October 1, 2002.

In accordance with Government Auditing Standards, we have also issued our report dated January 16, 2004 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual fund schedules and the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly we express no opinion on it.

KPMG LLP

January 16, 2004

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## **Management's Discussion and Analysis**

We offer readers of the City of Ranson's financial statements this narrative overview and analysis of the financial activities of the City of Ranson for the fiscal year ended September 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. The discussion focuses on the primary government of the City.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model required by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the City of Ranson has elected to exclude the information in this report. Subsequent reports will include the comparative information.

### **Financial Highlights**

Key financial highlights for the year ended September 30, 2003 include the following:

- The assets of the City exceeded its liabilities at September 30, 2003 by \$76,203,003 (net assets). Of this amount, \$21,717,108 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$4,876,661 for the year ended September 30, 2003. Net assets of governmental activities increased \$4,916,072 and net assets of business-type activities decreased \$(39,411).
- As of September 30, 2003, the City's governmental funds reported combined ending fund balances of \$12,487,499, an increase of \$2,058,386 from the prior year. Of this amount, \$9,620,453 was unreserved, undesignated, and available for spending; \$1,111,810 was unreserved but designated for subsequent years' expenditures; \$1,269,341 was reserved for debt service; \$1,396,042 was reserved for accumulated; \$18,541 was reserved for investments; and \$5,380 was reserved for prepaid items.
- At the end of the current fiscal year, unreserved, undesignated fund balances for the General Fund was \$2,058,387 or 45.3 % of total General Fund expenditure and transfers out.
- The City's total long-term liabilities decreased by \$1,793,264 during the current fiscal year primarily due to a reduction in long-term debt.

## **Overview of the Financial Statements**

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

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Racine's finances, in a manner similar to private-sector business.

The statement of net assets presents information on all of the City's assets less liabilities which results in net assets. The statement is designed to display the financial position of the City. Over time, increases or decreases in net assets help determine whether the City's financial position is improving or deteriorating.

The statement of activities provides information which shows how the City's net assets changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported as soon as the underlying event giving rise to the revenue or expense occurs regardless of the timing of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities distinguish functions of the City that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) from functions that use fees and charges to customers help to cover all or most of the cost of services (business-type activities). The City's governmental activities include general government, public safety, public works, and cultural and recreation. The business-type activities of the City include airports, electric, water, and sewer systems, and ambulance operations.

Not only do the government-wide financial statements include the City itself which is the primary government, but also its component units, City Judge's Office, and City Marshal. Although these component units are legally separate, their operational or financial relationship with the City makes the City financially accountable for them. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Racine, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on new-zero inflows and outflows of spendable resources, as well as on

balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City of Roscoe's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains sixteen individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, 1988 Sales Tax Special Revenue Fund, 1989 Sales Tax Special Revenue Fund, and 1990 Sales Tax Special Revenue Fund, all of which are considered to be major funds. Data for the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these remaining governmental funds is provided in the form of consolidating statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and certain special revenue funds. Budgetary comparison schedules have been provided elsewhere in this report to demonstrate compliance with these budgets.

**Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, and sewer systems, airport and ambulance services. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its workers' compensation, general insurance and purchasing warehouse services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary Fund financial statements provide separate information for the electric, water system, sewer system, and airport authority which are considered to be major funds of the City of Roscoe. Data from the other proprietary fund is also presented although it is not considered a major fund.

Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of consolidating statements elsewhere in this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, budgetary schedules are presented as required supplementary information. Also, the concluding statements referred to earlier in connection with revenue, governmental funds, municipal proprietary funds, and internal service funds are presented immediately following the notes to the financial statements.

#### Financial Analysis of Government-wide Activities

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City's, assets exceeded liabilities by \$76,810,000 at the close of the current fiscal year.

The largest portion of the City of Ranson's net assets totaling approximately \$53.3 million (90.3%) reflects its investment in capital assets (e.g., land, buildings, streets, drainage, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Ranson's Net Assets**  
September 30, 2003

	Governmental activities	Business-type activities	Total
Current and other assets	\$14,151,575	\$14,535,146	\$28,686,721
Capital assets	25,086,365	12,527,484	37,613,849
Total assets	39,237,940	27,062,630	66,299,570
Current and other liabilities	573,815	2,452,854	3,026,669
Long-term liabilities	1,254,348	5,053,458	6,308,806
Total liabilities	1,828,163	7,506,312	9,334,475
Net assets:			
Invested in capital assets, net of related debt	25,700,673	20,565,834	46,266,507
Restricted	1,209,345	607,447	1,816,388
Unrestricted	30,159,662	11,087,447	41,247,109
Total net assets	\$35,069,675	\$41,159,328	\$76,810,003

2.4% of net assets represent resources that are subject to external restriction on how they may be used. Amounts reserved for debt service account for the rest of restricted net assets. The remaining balance of unrestricted net assets of \$21,717,108 may be used to meet the City of Ranson's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Buxton is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The City of Buxton's net assets increased by \$4,519,681 during the current fiscal year. Key elements of this increase are as follows:

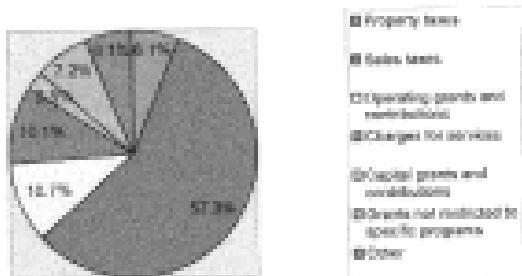
#### City of Buxton's Changes in Net Assets

	Governmental activities	Business-type activities	Total
<b>Revenues</b>			
Program revenues			
Charges for services	\$1,563,981	124,461,050	\$126,024,031
Operating grants and contributions	1,655,912	-	1,655,912
Capital grants and contributions	394,239	995,336	1,390,555
General revenues			
Property taxes	348,715	-	348,715
Sales taxes	8,891,934	-	8,891,934
Other taxes	586,828	-	586,828
Court and convictions not received in specific programs	1,124,421	-	1,124,421
Other	360,128	991,293	1,351,421
Total revenues	<u>\$3,595,236</u>	<u>26,451,173</u>	<u>41,946,399</u>
<b>Expenses</b>			
General government	3,344,985	-	3,344,985
Public safety	3,111,037	-	3,111,037
Public works	3,194,233	-	3,194,233
Cultural and recreation	685,941	-	685,941
City Judge's Office and Marshal	575,225	-	575,225
Interest on long-term debt	57,771	-	57,771
Electric	-	18,814,284	18,814,284
Water	-	1,350,257	1,350,257
Sewer	-	3,262,921	3,262,921
Regional airport	-	392,527	392,527
Ambulance service	-	292,807	292,807
Total expenses	<u>12,777,151</u>	<u>24,312,746</u>	<u>37,089,897</u>
<b>Increase in net assets</b>			
Before transfers	2,719,034	2,118,627	4,837,661
Transfers	2,170,008	(2,778,282)	-
Increase (decrease) in net assets	<u>4,889,002</u>	<u>(979,655)</u>	<u>4,879,347</u>
Net assets at beginning of year	56,253,445	41,268,739	71,522,184
Net assets at end of year	<u>\$59,642,447</u>	<u>\$41,278,084</u>	<u>\$76,510,621</u>

Revenues for the City's governmental activities for the year ended September 30, 2003 were \$15,332,238 compared to \$10,634,638 in 2002. The increase of \$4,797,600 was largely attributable to an increase in general revenues, specifically sales tax. Sales tax accounts for \$1,658,000, or 35.5%, of this increase.

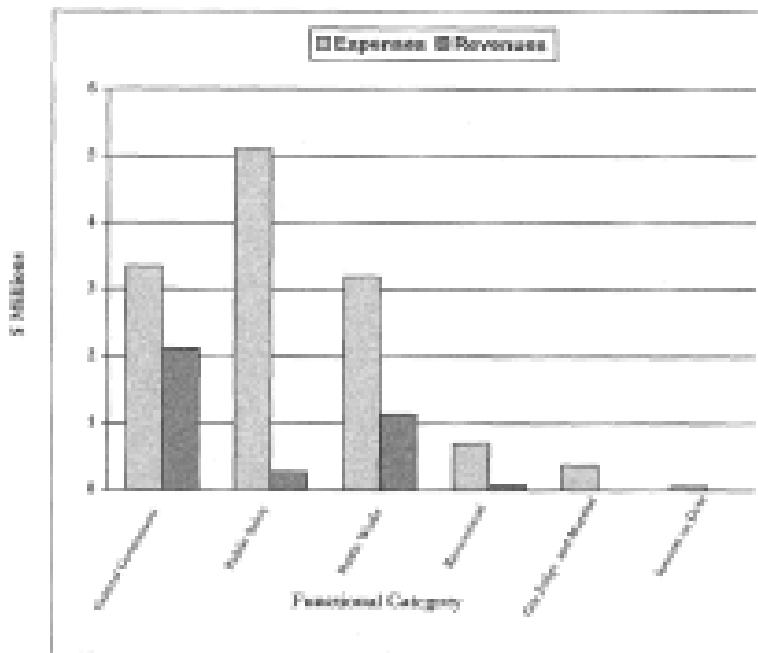
General revenues, specifically sales tax (35.5%), are the largest component of revenues.

#### Revenues by Source - Governmental Activities



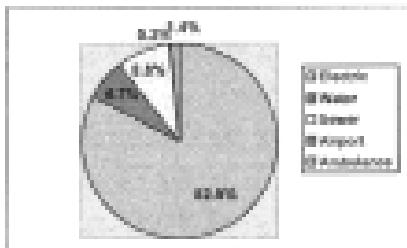
The cost of all governmental activities this year was \$12,771,192, a decrease of approximately \$79,800 from 2002. The City's largest programs are general government, public safety, and public works. The graph below shows the expenses and program revenues generated by governmental activities.

### Expenses and Program Revenues – Governmental Activities



**Business-type Activities.** Charges for services for the City of El Paso's business-type activities were \$24,893,000, an increase of \$113,000 from 2002. The majority of this increase is due to an increase in fuel adjustment revenue of \$1,070,000. The increase occurred because of an increase in the consumption of energy.

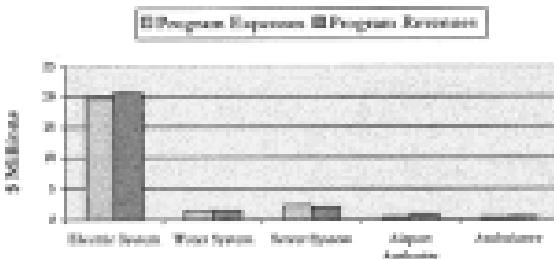
### Revenue by Source - Business-type Activities



### Expense and Program Revenues - Business-type Activities

The costs of these activities were \$24,132,746, an increase of \$4,706,317 from 2002. The Electric fund accounted for 57% of the increase as the cost of electricity purchased increased 44%. The increase in the cost of electricity occurred because the consumption of energy increased.

### Program Expenses and Revenues - Business-type Activities



### Financial Analysis of the City of Boston's Funds

#### Governmental Funds

As noted earlier, the City of Boston uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fiscal balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

- As of the close of the current fiscal year, the City of Boston's governmental funds reported a combined ending fund balance of \$11,467,489, an increase of \$2,034,585 in comparison with the prior fiscal year. Of this amount, \$9,658,463 or 77.3% was unreserved, undesignated and available for spending. \$113,818 is designated for subsequent years' expenditures. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$1,394,042), (2) to pay debt service (\$2,299,341), or (3) for other restricted purposes (\$21,984).
- The General Fund is the chief operating fund of the City of Boston. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$3,089,837. The total (undesignated) is available for spending at the City Council's discretion. The fund balance of the General Fund increased by \$1,093,038. A key factor in this growth is a decrease in transfers out to the health insurance fund due to the health insurance fund's self sufficiency.
- The 1988 Sales Tax Fund has a total fund balance of \$1,269,993 all of which is unreserved, undesignated and available for spending. Fund balance increased \$274,575 as a result of an increase in sales taxes received due to a special settlement received during the year.
- The 1989 Sales Tax Fund has a total fund balance of \$1,269,993 all of which is unreserved, undesignated and available for spending. Fund balance increased \$401,550 as a result of an increase in sales taxes received due to a special settlement received during the year.
- The 1990 Sales Tax Fund has a total fund balance of \$1,812,681 all of which is unreserved, undesignated and available for spending. Fund balance increased \$246,171 as a result of an increase in sales taxes received due to a special settlement received during the year.

#### Proprietary Funds

The City of Boston's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- Unrestricted net assets of the Electric System at the end of the year amounted to \$5,414,057. Total net assets for the Electric System decreased \$262,485 as a result of a decrease in income revenue earned and increase in indirect costs paid to the General Fund.
- The unrestricted net assets for the Water System amounted to \$2,363,721. Total net assets for the Water System decreased \$187,264 primarily as a result of a decrease in water consumption by customers.
- The unrestricted net assets for the Sewer System were \$1,343,704. Total net assets for the Sewer System decreased \$229,559 primarily as a result of an increase in salaries paid due to hiring additional personnel, an increase in depreciation expense due to the acquisition of additional capital, and a decrease in consulting fees related to the sewer system improvements project.

- The unrestricted net assets for the Airport Authority were \$89,719. Total net assets for the Airport Authority increased \$50,572 as a result of an increase in capital contributions received from the Federal Aviation Administration related to improvements of the airport runway.

### General Fund Budgetary Highlights

The budget policy of the City of Ruston complies with state law, as amended, and is set forth in Louisiana Revised Statute Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.).

The original budget for the General Fund of the City of Ruston was adopted on September 16, 2002. During the year, the City Council revised the City's budget several times. Changes were made as new information indicated a need. The major difference between the original budget and the final budget was primarily the increase of \$234,581 to appropriate open purchase orders as of September 30, 2002. The increase was spread throughout all departments. Differences between the budget and the actual results of the General Fund are as follows:

#### Revenues

- Licenses and permits were expected to be similar to prior year revenues. Actual revenues were more than budget by \$123,328 due to an increase in activity and concessions in the City.
- Miscellaneous revenues were expected to be similar to prior year revenues. Actual revenues were more than budget by \$150,410 because more activity occurred than was anticipated.

#### Expenditures

- Engineering expenditures were under budget by \$95,789 and solid waste department expenditures were under budget by \$156,663 as a result of the postponement of hiring additional personnel.
- Fire department employee benefit expenditures were under budget by \$76,643 as a result of retirement costs being lower than expected. The City portion of the retirement rate was expected to increase to 21% but remained at 19% during the year.
- Street department expenditures were under budget by \$176,036 as a result of street maintenance conversations open at the end of the year and the postponement of hiring additional personnel.

### Capital Assets and Debt Administration

**Capital assets.** The City of Ruston's investment in capital assets as of September 30, 2003 amounts to \$56,216,749, net of depreciation. This investment in capital assets includes land, buildings and improvements, fixtures, damage, furniture and equipment, and construction in progress. The table below shows the value at the end of the fiscal year.

**City of Rosston's Capital Assets**  
 (net of depreciation)

	Governmental activities	Business-type activities
Land and land improvements	\$4,875,197	\$0,74,814
Buildings	3,845,521	1,193,429
Systems Improvements:	-	21,296,734
Improvements other than buildings	2,118,987	4,166,239
Equipment	3,980,215	4,621,868
Infrastructure	6,711,683	-
Construction in progress	2,140,574	412,705
Total	<u>\$21,995,324</u>	<u>\$72,122,454</u>

Major capital asset additions during the current fiscal year included the following:

- The purchase of a snow blower for the Street department for approximately \$131,000.
- The purchase of a dump truck for the Solid Waste department for approximately \$137,000.
- An upgrade of a turbine at the Electric Steam Plant for approximately \$240,000.
- The purchase of a power transformer for the Electric Distribution System for approximately \$245,000.
- A project to relocate the Electrical Distribution Lines and the Water System along Highway 167 for approximately \$256,000.
- The Cypress Springs project for the Water fund for approximately \$246,000.
- The Fraser Road Lift Station project for the Sewer fund for approximately \$266,000.
- The North Plaza Platfor project for the Sewer fund for approximately \$915,000.
- The rehabilitation of the runways and taxiways at the airport for approximately \$912,000.

**Long-term debt.** At the end of the current fiscal year, the City of Rosston had total debt outstanding of \$2,195,324. The following table summarizes bonds outstanding as September 30, 2015.

**Owedonging Debt**

	Governmental	Business-type
General obligation bonds	\$1,935,000	-
Revenue bonds	160,000	42,766,450
Total	<u>\$2,195,000</u>	<u>\$42,766,450</u>

During the current fiscal year, the City refinanced some of its existing debt to take advantage of favorable interest rates. The City entered into a revenue bond refinancing that is expected to decrease future debt service payments by \$66,000.

For additional information regarding capital assets and long-term debt, see the notes to the body financial statements.

#### Economic Factors and Next Year's Budgets and Rates

In setting the budgets for 2004, the City dealt with a number of issues with City-wide impact. One of the factors was the national economy. Although the local economy is stable, the City is not immune to national economic trends. Sales tax collections, excluding special assessments, increased 9% from 2003 to 2002 and 2% from 2002 to 2003. Sales tax collections are only expected to grow 2% in 2004. Unemployment rates for September 2003 were down to 5.8% compared to a high of 6.5% at January 2002. Employment in services and in the retail/wholesale sectors is growing the fastest which reflects the national trend.

Spending health care costs nationwide continue to have an impact on City budgets, in addition to increasing enforcement costs. In 2004, the budgets will be required to provide more than \$1.8 million to pay the City's portion of health care premiums.

All of these factors were considered in preparing the City's budget for the 2004 fiscal year.

#### Requests for Information

- This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City of Boston's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Boston Treasurer's Office, 404 North Tremont Street, Boston, MA 02120.

## **Basic Financial Statements**

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CITY OF RESTON, LOUISIANA  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2003

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,791,044	\$ 3,767,353	\$ 10,558,397	\$ 286,204
Investments	5,543,168	5,185,283	10,728,451	38,674
Receivables, net	1,243,787	1,380,233	2,623,020	1,973
Unbilled revenue	73,392	1,991,381	2,064,773	-
Due from other governments	-	2,000	2,000	5,667
Internal balances	346,479	166,878	-	-
Inventories	18,541	425,541	444,082	-
Prepaid items	1,500	500	1,800	1,973
Bond issue costs, net	43,406	262,7	306,113	-
Capital assets:				
Land and construction in progress	1,943,171	1,084,719	10,299,490	-
Other capital assets, net of depreciation	14,983,498	21,238,768	16,218,338	38,641
Total assets	<u>\$ 30,730,033</u>	<u>\$ 33,331,457</u>	<u>\$ 36,517,828</u>	<u>\$ 38,641</u>
<b>LIABILITIES</b>				
Accrued payable	574,714	1,564,348	2,039,054	41,111
Accrued liability	712,749	115,747	228,296	784
Accrued interest payable	4,750	150,054	154,804	-
Claims	289,321	-	289,321	-
Deposits	478	438,891	439,369	-
Harmfulened liabilities:				
Due within one year	187,000	342,268	529,268	-
Due in more than one year	1,203,546	2,711,288	4,024,834	-
Total liabilities	<u>2,390,546</u>	<u>3,053,557</u>	<u>7,144,407</u>	<u>40,895</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	20,730,473	20,488,404	40,218,877	38,641
Restricted net:				
Debt service	1,299,041	457,047	1,656,088	-
Unrestricted	10,409,004	11,627,467	21,317,466	38,641
Total net assets	<u>\$ 30,730,033</u>	<u>\$ 41,750,000</u>	<u>\$ 72,487,453</u>	<u>\$ 40,895</u>

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

**CITY OF BOSTON**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2000**

	<b>Expenditure</b>	<b>Program Revenues</b>			
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Functions/Programs</b>					
<b>Municipal Government:</b>					
Governmental Activities:					
General government	\$ 3,344,965	\$ 111,798	\$ 1,457,848	\$ 214,237	
Public safety	3,111,037	546,003	23,507	-	
Public works	3,194,338	1,121,991	23,218	-	
Cultural and recreation	595,541	82,208	-	-	
City Judge and Marshal	593,325	-	-	-	
Interest on long-term debt	82,771	-	-	-	
Total governmental activities	<u>12,191,439</u>	<u>1,000,991</u>	<u>1,680,773</u>	<u>214,237</u>	
Business-type activities:					
Electric System	18,814,334	20,429,674	-	106,719	
Water System	1,588,197	1,883,768	-	-	
Street System	2,281,921	2,895,463	-	-	
Boston Airport Authority	392,827	17,154	-	892,617	
Ambulances	281,697	342,991	-	-	
Total business-type activities	<u>23,382,779</u>	<u>20,429,674</u>	<u>-</u>	<u>106,719</u>	
Total primary government	<u><u>35,574,218</u></u>	<u><u>31,430,665</u></u>	<u><u>\$ 1,680,773</u></u>	<u><u>\$ 214,237</u></u>	
<b>Component units:</b>					
City Judge	341,741	395,634	-	-	
City Marshall	247,240	230,460	-	-	
Total component units	<u>588,981</u>	<u>626,094</u>	<u>-</u>	<u>-</u>	

**General revenues:**

**Taxes:**

Property taxes levied for general purposes

Property taxes levied for recreation facilities and programs

Sales taxes levied for general purposes

Sales taxes levied for recreation facilities and programs

Sales taxes levied for street and drainage facilities

Sales taxes levied for fire protection

Sales taxes levied for public protection

Sales taxes levied for drug prevention programs

Sales taxes levied for clean service

Insurance taxes

Alcoholic beverage taxes

Nonalcoholic

Intergovernmental

Investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in Net Assets

Net assets - beginning

Net assets - ending

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

**Net (Expense) Revenue and  
Changes In Net Assets**

		Primary Government	
Governmental Activities	Business-type Activities	Total	Component Entity
\$ (1,229,151)	\$ -	\$ (1,229,151)	\$ -
(4,810,476)	-	(4,810,476)	-
(2,555,733)	-	(2,555,733)	-
(61,146)	-	(61,146)	-
(21,228)	-	(21,228)	-
50,771	-	50,771	-
<b>\$ (10,000)</b>	<b>\$ -</b>	<b>\$ (10,000)</b>	<b>\$ -</b>
-	700,203	700,203	-
-	(6,507)	(6,507)	-
-	(187,456)	(187,456)	-
-	307,764	307,764	-
-	71,154	71,154	-
<b>-</b>	<b>1,134,454</b>	<b>1,134,454</b>	<b>-</b>
<b>\$ (10,000)</b>	<b>\$ 1,134,454</b>	<b>\$ 1,134,454</b>	<b>-</b>
			40,820
			(13,388)
			<b>40,432</b>
429,743	-	429,743	-
289,816	-	289,816	-
4,321,247	-	4,321,247	-
271,647	-	271,647	-
428,000	-	428,000	-
1,211,180	-	1,211,180	-
1,211,180	-	1,211,180	-
30,000	-	30,000	-
1,465,527	-	1,465,527	-
271,674	-	271,674	-
4,080	-	4,080	-
329,373	-	329,373	-
1,124,421	-	1,124,421	-
138,887	309,735	448,622	1,429
704,262	655,550	1,359,140	-
2,116,236	(2,116,236)	-	-
<b>14,289,737</b>	<b>\$ 1,134,454</b>	<b>\$ 14,289,737</b>	<b>\$ 1,429</b>
4,953,073	(21,417)	(4,974,490)	(20,987)
30,723,403	41,209,738	71,930,342	320,860
<b>35,676,573</b>	<b>\$ 41,209,738</b>	<b>\$ 71,930,342</b>	<b>\$ 41,781</b>

**CITY OF RUSTON LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DEPTember 30, 2000**

	<u>General</u>	<u>TMS Sales Tax</u>	<u>TMS Sales Tax</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,363,139	\$ 1,129,064	-
Investments	3,019,261	3,071,024	-
Receivables, net:	308,585	167,282	\$ 251,073
Unbilled revenues	73,492	-	-
Due from other funds	572,985	-	1,001,239
Inventories, at cost	18,341	-	-
Prepaid items	3,080	-	-
Total assets	<u>\$ 6,079,197</u>	<u>\$ 3,366,473</u>	<u>\$ 1,302,390</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 408,676	-	-
Accrued liabilities	202,251	-	-
Due to other funds	38,482	\$ 1,796,819	\$ 17,287
Deposits and deferred charges	-	-	-
Total liabilities	<u>\$ 67,199</u>	<u>\$ 1,994,819</u>	<u>17,287</u>
Fund Balances:			
Reserved for:			
Credit services	5,567	-	-
Equipment	473,643	-	-
Inventories	18,341	-	-
Prepaid items	3,200	-	-
Unreserved, undesignated	1,008,607	1,269,853	1,269,084
Unreserved, designated reported in nonmajor:			
Capital project funds	-	-	-
Unreserved, undesignated, reported in nonmajor:			
Special revenue funds	-	-	-
Total fund balances	<u>\$ 3,025,086</u>	<u>\$ 2,539,503</u>	<u>\$ 1,269,084</u>
Total liabilities and fund balances	<u>\$ 6,179,197</u>	<u>\$ 3,366,473</u>	<u>\$ 1,302,390</u>

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

<u>1998 Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
-	\$ 2,745,345	\$ 4,257,444
-	-	5,096,283
\$ 1,112,481	449,237	1,242,747
-	-	73,487
945,299	145,145	984,444
-	-	18,541
		2,300
<b>\$ 1,112,481</b>	<b>\$ 3,360,217</b>	<b>\$ 10,321,380</b>

-	\$ 49,544	\$ 456,500
-	5,972	208,233
-	114,595	2,148,443
-	475	625
<b>-</b>	<b>175,094</b>	<b>2,803,961</b>

-	1,293,274	1,298,241
-	900,179	1,296,042
-	-	18,541
-	-	3,560
<b>1,112,481</b>	<b>-</b>	<b>8,776,587</b>
-	111,816	111,816
-	661,808	661,793
<b>\$ 1,112,481</b>	<b>\$ 3,167,491</b>	<b>\$ 17,487,489</b>
<b>\$ 1,112,481</b>	<b>\$ 3,360,217</b>	<b>\$ 10,321,380</b>

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**CITY OF BISMARCK, NORTH DAKOTA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

Fund Balances - Total governmental funds	\$ 10,887,000
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental capital assets:	38,706,175
Less accumulated depreciation	<u>(11,295,929)</u>
	27,410,246
Other assets used in governmental activities that are not financial resources and therefore are not reported in the governmental funds.	
Unamortized bond issuance costs	4,400
Long-term liabilities including bonds payable that are not due and payable in the current period and therefore are not reported in the governmental funds.	
Accrued interest payable:	(4,716)
Compensated absences	(1,145,917)
Bonds, notes, and lines payable	<u>(295,000)</u>
	1,445,273
Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities.	
Net assets of governmental activities	<u>3,354,671,671</u>

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

**CITY OF RUSTON, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NON-BUDGETED FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2001**

	<u>General</u>	<u>State Sales Tax</u>	<u>1995 Sales Tax</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 429,965	-	\$ 3,123,534
Sales	498,026	\$ 2,082,340	-
Use taxes and permits	-	-	-
Intergovernmental	1,000,171	-	-
Charges for services	1,113,465	-	-
Rates and forfeitures	354,348	-	-
Investment earnings	61,853	15,285	12,474
Miscellaneous	970,610	-	-
Total revenues	<u>4,384,152</u>	<u>2,297,645</u>	<u>3,132,508</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,350,623	29,070	31,336
Public safety	3,113,745	-	-
Public works	3,412,711	-	-
Culture and recreation	-	-	-
City Council and Marshal	369,878	-	-
Debt service:			
Principal	58,000	-	-
Interest and other charges	12,753	-	-
Capital outlay:			
Total expenditures	<u>7,133,240</u>	<u>39,000</u>	<u>31,336</u>
(Excess/(deficiency) of revenues over/(under) expenditures	<u>(\$3,809,087)</u>	<u>2,668,575</u>	<u>3,114,172</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	8,152,051	-	-
Transfers out	(255,456)	(1,754,000)	(2,713,121)
Total other financing sources and (uses)	<u>7,896,595</u>	<u>(1,754,000)</u>	<u>(2,713,121)</u>
Net change in fund balances	10,092,598	274,575	401,990
Fund balances - beginning	4,459,236	1,895,378	883,008
Fund balances - ending	<u>\$ 15,552,093</u>	<u>\$ 1,169,953</u>	<u>\$ 1,285,998</u>

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

TWQ Sales Tax:	Other Governmental Funds	Total Governmental Funds
-	\$ 289,810	\$ 349,775
3,080,340	1,420,477	8,891,931
-	-	878,528
-	1,624,371	9,574,542
-	82,376	1,055,943
-	-	256,246
7,408	22,625	101,657
-	23,472	233,232
<u>3,081,248</u>	<u>3,785,448</u>	<u>18,335,554</u>
13,591	1,135,273	3,540,493
-	-	5,113,746
-	-	3,412,711
-	489,234	607,336
-	-	348,894
-	1,145,008	1,199,008
-	39,458	52,411
-	1,170,633	1,190,633
<u>13,591</u>	<u>4,110,400</u>	<u>15,460,339</u>
<u>2,078,177</u>	<u>(404,750)</u>	<u>45,708</u>
-	398,541	8,754,613
(1,795,000)	(211,570)	(6,743,126)
(1,795,000)	387,933	1,991,436
265,137	(162,746)	1,035,389
824,304	3,204,453	18,449,113
<u>3,113,681</u>	<u>\$ 3,187,097</u>	<u>\$ 17,387,399</u>

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**CITY OF BURTON, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2003**

Net change in fund balances - governmental funds	\$ 2,028,284
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	2,451,723
Depreciation expense	<u>(1,124,427)</u>
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, write-offs, and donations) is to decrease net assets.	(265,841)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows:	
Capital lease	46,984
Principal payments	<u>1,119,030</u>
	1,247,014
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Americanization of leave cash	(1,987)
Increase in compensated absences	29,709
Municipal Police Employees' Retirement System	(44,881)
Decrease in accrued interest	<u>3,737</u>
	1,813
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.	
	423,699
Change in net assets of governmental activities	<u>3,474,872</u>

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



Category	Performance from Activities					Total	
	Revenue Growth		Operating Costs		Net Income		
	Revenue	Growth	Costs	Variance			
<b>Business Unit A</b>							
Current Initiatives							
Market Expansion	1,200,000	+5%	800,000	+10.0%	400,000	1,000,000	
Product Innovation	800,000	+3%	600,000	+8.0%	200,000	600,000	
Digital Transformation	500,000	+7%	400,000	+12.0%	100,000	500,000	
New Product Line	300,000	+2%	200,000	+5.0%	100,000	300,000	
Customer Acquisition	200,000	+4%	150,000	+9.0%	50,000	200,000	
Total Revenue	3,800,000	+4.0%	2,900,000	+9.0%	900,000	3,800,000	
Future Initiatives							
Market Expansion	1,500,000	+6%	1,000,000	+12.0%	500,000	1,500,000	
Product Innovation	1,000,000	+4%	800,000	+10.0%	200,000	1,000,000	
Digital Transformation	700,000	+8%	500,000	+14.0%	200,000	700,000	
New Product Line	400,000	+3%	300,000	+7.0%	100,000	400,000	
Customer Acquisition	300,000	+5%	200,000	+11.0%	100,000	300,000	
Total Revenue	4,900,000	+5.0%	3,400,000	+11.0%	1,500,000	4,900,000	
<b>Business Unit B</b>							
Current Initiatives							
Market Expansion	1,000,000	+4%	700,000	+9.0%	300,000	1,000,000	
Product Innovation	700,000	+2%	500,000	+7.0%	200,000	700,000	
Digital Transformation	500,000	+6%	350,000	+11.0%	150,000	500,000	
New Product Line	300,000	+1%	200,000	+5.0%	100,000	300,000	
Customer Acquisition	200,000	+3%	150,000	+8.0%	50,000	200,000	
Total Revenue	3,300,000	+3.0%	2,400,000	+8.0%	900,000	3,300,000	
Future Initiatives							
Market Expansion	1,300,000	+5%	900,000	+12.0%	400,000	1,300,000	
Product Innovation	900,000	+3%	700,000	+10.0%	200,000	900,000	
Digital Transformation	700,000	+7%	500,000	+14.0%	200,000	700,000	
New Product Line	500,000	+2%	350,000	+9.0%	150,000	500,000	
Customer Acquisition	400,000	+4%	300,000	+11.0%	100,000	400,000	
Total Revenue	4,400,000	+4.0%	3,400,000	+11.0%	1,500,000	4,400,000	
<b>Overall Summary</b>							
Total Revenue	8,100,000	+4.0%	6,700,000	+10.0%	1,400,000	8,100,000	
Net Income	2,400,000	+3.0%	1,900,000	+9.0%	500,000	2,400,000	
EPS	0.50	+0.05	0.40	+0.04	0.10	0.50	
ROE	15.0%	+1.0%	12.0%	+1.0%	3.0%	15.0%	
EPS Margin	30.0%	+3.0%	25.0%	+4.0%	10.0%	30.0%	
ROE Margin	15.0%	+1.0%	12.0%	+1.0%	3.0%	15.0%	

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**CITY OF RISON, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**COMPONENT UNITS**  
**SEPTEMBER 30, 2003**

	<u>Benton City Judge's Office</u>	<u>Benton City Monrovia Office</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 260,362	\$ 25,942	\$ 286,304
Investments	-	50,676	50,676
Reserves	-	1,992	1,992
Prepaid items	1,363	560	1,923
Due from governmental units	3,667	-	3,667
Capital assets, net of depreciation	55,834	23,012	78,846
Total assets	<u>221,454</u>	<u>102,593</u>	<u>324,047</u>
<b>LIABILITIES</b>			
Accounts payable	3,431	2,460	5,891
Accrued liabilities	766	-	766
Total liabilities	<u>4,197</u>	<u>2,460</u>	<u>6,657</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	55,834	23,012	78,846
Unrestricted	<u>129,266</u>	<u>74,730</u>	<u>203,996</u>
Total net assets	<u>\$ 185,099</u>	<u>\$ 98,742</u>	<u>\$ 281,841</u>

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

**CITY OF BOSTON, MASSACHUSETTS**  
**STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Boston City Judge's Office</u>	<u>Boston City Monthlies Office</u>	<u>Total</u>
City Judge Judicial	\$ 361,741	\$ 395,381	\$ 33,620	-	\$ 33,620
City Monthlies Judicial	247,340	333,482	-	\$ (13,589)	\$ (13,589)
	<u>\$ 608,081</u>	<u>\$ 728,863</u>	<u>\$ 33,620</u>	<u>\$ (13,589)</u>	<u>40,262</u>
General Revenues:					
Interest earnings		3,629	-	3,629	
Change in net assets		57,446	(13,589)	40,857	
Net assets - beginning		297,080	113,200	370,280	
Net assets - ending		<u>\$ 351,539*</u>	<u>\$ 99,747</u>	<u>\$ 451,286</u>	

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

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**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Ruston, Louisiana, (the "City") was incorporated in 1886, under the provisions of the Louisiana Act. The City operates under a Mayor-Board of Alderman form of government. The City's major operations include police and fire protection, public works, parks and recreation, 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 another governmental organization should be included in a primary governmental unit's reporting entity for 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 beneficiary 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.

**BUSINESS OPERATORIAL UNIT**

The Ruston Parks and Recreation Board is responsible for providing recreation facilities and programs to the citizens of the City of Ruston and Lincoln Parish. 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 column in the government-wide financial statements includes 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 Judge's Office**

The Ruston City Judge's Office 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 Judge's Office is fiscally dependent on the City. The City has the ability to modify or approve its budget which comes from the General Fund. There are certain funds collected by the City Judge's Office, pursuant to state statute, which are under the control of the Court. The City Judge's Office serves the attorney of the City. The financial statements of the City Judge's Office included in the accompanying financial statements are as of and for the fiscal year ended September 30, 2003.

**City Marshal**

The Ruston 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 which comes from the General Fund.

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

Certain funds are collected such 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, 2003.

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

City Judge's Office  
P.O. Box 1821  
Ruston, Louisiana 71273-1821

City Marshal  
P.O. Box 1822  
Ruston, Louisiana 71273-1822

**OTHER RELATED ORGANIZATIONS**

**Ruston 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 no financial benefit or burden relationship exists with the City. Therefore, it is not included in the City's financial statements.

**Uncle 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.

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

Ruston Housing Authority  
1815 North Paragould  
Ruston, Louisiana 71270

Uncle Parish Sales and Use Tax Commission  
P.O. Box 860  
Ruston, Louisiana 71270-0860

The accounting policies of the City of Ruston, Louisiana, conform to generally accepted accounting principles applicable to governmental units. The accounting policies of the discretely presented component units are consistent with those of the City. The following is a summary of the more significant policies:

**CITY OF BURTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

**b. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

During the current year, the City adopted the provisions of Governmental Accounting Standards Board's Quality Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. See note 13 for additional information.

The government-wide financial statements (GWS) (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense is identified by function and is included in the direct expense of each function. Interest on general long-term debt of governmental activities is considered an indirect expense and is reported separately on the statement of activities. Interest on long-term debt of business-type activities is recorded as direct expense. Program revenues include: 1) fees, fines, and charges to customers or employees who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items, not properly included among program revenues, are reported instead as general revenues.

Separate fund financial statements (FFS) are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the FFS with nonmajor governmental, nonmajor enterprise and internal service funds being reported on an aggregated basis.

**b. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues

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

are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for franchise tax revenues which are considered available if collected within 90 days and grant revenue if collected within one year. Property taxes are recognized as revenues in the year in which final approval is received from the Louisiana Tax Commission, at which time a valid claim exists to the extent considered available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes are considered "measurable" at the time of levy whereas such items as beer taxes are considered "measurable" when in the hands of intermediaries collecting collections and are recognized as revenue at that time. Substantially all other non-intergovernmental revenues are susceptible to accrual and are recognized when earned or the underlying transaction occurs. Sales taxes are accrued in the individual funds in which they occur. For Intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Grants and similar items are recognized as revenues as soon as all eligibility requirements have been met. In reimbursement type programs, monies must be expended on the specific purpose or project before any amounts will be paid to the City. Therefore revenues are recognized based upon the expenditures recorded. In other programs in which monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements, the resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met and all other eligibility requirements are met.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/non-assets, revenues, expenditures/expenses, and other changes in fund balance/non-assets. The various funds are summarized by type in the financial statements. The following funds are used by the City:

#### **Governmental Funds**

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The City reports the following major governmental funds:

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

**1960 Sales Tax Fund** - This special revenue fund accounts for the receipt and use of proceeds of the City's sales and use tax. A one-half cent sales tax is dedicated to general operating expenses, general capital assets, and wastewater extensions and improvements.

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

**2003 Sales Tax Fund** – This special revenue fund accounts for the receipt and use of proceeds of the City's sales and use tax. A three-fourth cent sales tax is dedicated to the recreation department, streets and drainage, fire protection and police protection.

**1990 Sales Tax Fund** – This special revenue fund accounts for the receipt and use of proceeds of the City's sales and use tax. A one-half cent sales tax is dedicated for police and fire departments and drug prevention.

Additionally the City reports nonmajor governmental funds in the aggregate. The funds are within the following governmental fund types:

**Special Revenue Funds** – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

**Debt Service Funds** – The debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The debt service funds receive a portion of all property and sales taxes paid to the City.

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

**Proprietary Funds**

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. All proprietary funds are accounted for on a capital maintenance basis; that is, the measurement focus is upon determination of the change in net assets. The City reports the following proprietary fund types:

**Enterprise Funds** – Enterprise funds are used to account for activities in which established fees and charges are designed to recover its costs, including capital costs such as depreciation and debt service.

**Internal Service Funds** – Internal service funds are used to account for the financing of services provided by one department of the City to other departments on a cost-reimbursement basis. The City maintains these internal service funds for workers' compensation, general insurance coverage, and purchasing/warehouse.

The City reports the following major enterprise funds:

**Electric System Fund** – Operated as a self-sustaining utility of the City and is responsible for providing the residents of the City of Ruston, Louisiana, with electricity.

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

Water System Fund - Operated as a self-sustaining utility of the City and is responsible for providing the residents of the City of Ruston, Louisiana with water.

Sewerage System Fund - Operated as a self-sustaining utility of the City and is responsible for providing the residents of the City of Ruston, Louisiana with sewer treatment.

Airport Authority Fund - Accounts for the activities involved in operating the Ruston Municipal Airport.

The City applies all applicable GASB pronouncements in accounting and reporting for its government-wide and business-type activities and its enterprise funds as well as the following pronouncements issued on or before November 30, 1999, unless those pronouncements conflict with or contradict GASB pronouncements, Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins.

In general rule the effect of interfund activity has been eliminated from the City. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's electric, water, and sewerage function and various other functions of the government. Elimination of these charges would change the direct costs and program revenues reported for the various functions concerned. Transactions that would be treated as revenues, expenditures or expenses if they involved organizations external to the City as they are exchange transactions are accounted for as revenues and expenditures or expenses in the funds involved.

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

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

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

The reserve method is used to account for bad debt expense on enterprise fund receivables. Unbilled service receivables of the General Fund, Electric Fund, Water Fund, and Sewer Fund are determined based on October and November billings for electric, water, sewer and refuse services. A percentage is computed based on the total debts for each cycle and then applied to the total billings.

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

**c. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the GATS and the proprietary funds. Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at estimates fair value on the date of donation. The City maintains a threshold level for capitalization of capital assets except land and construction in progress. All land and construction in progress is capitalized regardless of the amount. All other capital assets are capitalized utilizing a threshold of \$500. The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets are not reported in the governmental FTS.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is minimal. Straight-line depreciation is calculated based on the following estimated useful lives:

Assets	Years
Buildings	10-50
Improvements other than buildings	10-50
Infrastructure	20-75
Distribution and collection systems	10-50
Equipment	3-20

**d. LONG-TERM LIABILITIES**

In the GATS and proprietary funds in the FTS, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary funds statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount.

In the FTS, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. issuance costs, whether or not withheld from the related debt proceeds received, are reported as debt service expenditures.

**e. INVESTMENTS**

For all funds, investments are stated at fair value based on quoted market prices. The investments at September 30, 2003 were primarily U.S. government and U.S. government agency securities (see note 2 for the City's investment policy.)

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

**I. PREPAID ITEMS**

Prepaid items consist of items such as prepaid insurance and other prepaid expenditures. The cost is recorded as an asset at the time such items are purchased in both GAWF and FTS. The reserve for prepaid items in governmental funds is equal to the amount of prepaid items to indicate a portion of the fund balance is not available for future expenditures.

**J. INVENTORIES**

Inventories are valued at cost (first-in, first-out). The cost is recorded as an asset of the time individual inventory items are purchased and charged as an expenditure when used in both GAWF and FTS. Inventories in the General fund consist of expendable supplies held for consumption. Inventories in the enterprise funds consist of repair inventories and spare parts.

**K. REIMBURSABLE DEPOSITS**

The electric system fund requires that its test time utility customers or customers not in good standing place a deposit before service is rendered. If customers maintain the status of good standing for one year, the deposits are returned. These monies are restricted and are reported as assets and liabilities.

**L. VACATION AND SICK LEAVE**

City employees are granted vacation and sick leave in varying amounts. 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 leaves is recorded as an expenditure when paid. The estimated liability for unused vacation for governmental funds is recorded in the GAWF. Vacation leave of governmental funds is recorded as an expenditure when paid. Accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as it is earned by the employees.

**M. PENSION FUNDS**

The State of Louisiana has 3 pension plans which cover substantially all employees of the City who meet certain length of service requirements. See note 8 for details of these plans.

**N. RESTRICTED ASSETS**

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted cash on the statement of net assets because their use is limited by applicable bond covenants.

**CITY OF RUSTIN, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

**L FUND EQUITY**

In the GATS, governmental activities report restrictions on net assets for accounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Specific reservations of the net assets are summarized below:

**Invested in Capital Assets, Net of Related Debt** - These portions were created to represent the City's interest in its capital assets, less any related debt.

**Restricted for Debt Service** - These portions segregate an amount of net assets for debt service. These reservations are established to satisfy restrictions imposed by various bond agreements.

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

Specific reservations of the fund balance accounts are summarized below:

**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 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 date 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 year's budget.

**M. INTERFUND ACTIVITIES AND PAYABLES**

All outstanding balances between funds are reported as due to/from other funds in the fund financial statements. There is no activity between funds that is representative of lending/borrowing arrangements at the end of the fiscal year. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the GATS as internal balances.

**N. PROPERTY TAXES**

Property taxes attach as an enforceable lien on property when the assessment is approved by the Louisiana Tax Commission. Property taxes levied are based on the assessed value of property defined on the previous December 31. Taxes are normally

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

levied in November of each year and are due on or before December 31. A revaluation of all real property must be made every four years. The next revaluation date will January 1, 2004.

**D. GRANTS FROM OTHER GOVERNMENTAL AGENCIES**

Federal and state governmental agencies represent an important source of supplementary funding to finance housing, employment and construction programs, and other activities beneficial to the community. These funds, generally in the form of grants, are recorded in the General Fund, special revenue funds, capital projects fund, and enterprise funds. The grants normally specify the purpose for which the funds may be used and are subject to audit by the granting agency or its representatives.

**E. CASH AND CASH EQUIVALENTS**

For purposes of the statement of cash flows, the City considers all highly liquid debt instruments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

**F. SELF-INSURANCE CLAIMS**

The City is self-insured for workers' compensation coverage and medical insurance for employees. Self-insured claims are recorded in the City's Internal service funds in accordance with Circular Statement No. 10.

Uninsured but not reported claims are recorded as liabilities in the insurance Fund. An estimate for these claims is provided by a third party administrator based on historical experience.

**G. ESTIMATES**

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

**H. CASH AND INVESTMENTS**

All deposits of the City are held by two financial institutions. At September 30, 2003, the carrying amount of the City's deposit was \$21,512,687 and the bank balance was \$22,390,882. The difference is due to the outstanding checks and deposits in transit at September 30, 2003.

The bank balance was covered by federal depository insurance or was collateralized with securities held by the City's agent (one of its custodial banks) in the City's name. Statute requires that securities pledged for deposit of the City be held by a bank other than the pledging bank.

State statutes authorize the City to invest in United States bonds, treasury notes, government agencies' securities, certificates and time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana, or mutual or trust fund institutions which have underlying investments consisting solely of and limited

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

To securities of the United States government or its agencies. During the year ended September 30, 2000, the City invested in certificates of deposit and U.S. government and U.S. government agency securities.

The City's investments are categorized below to give an indication of the level of custodial credit risk assumed by the City of September 30, 2000. 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 with securities held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the City's name.

	CATEGORY			Carrying Amount At Fair Value
	1	2	3	
U.S. government and U.S. government agency securities	\$273,343	\$_____	\$_____	\$273,343
Louisiana Asset Management Pool				1,482,408
Total Investments				1,752,751
Total Deposits				215,12,807
Total cash, cash equivalents & investments, including restricted cash and investments				\$20,375,559

The investments in the Louisiana Asset Management Pool are not categorized because they are not evidenced by securities that exist in physical or book entries form. Louisiana Asset Management Pool ("LAMP"), a local government investment pool, is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. 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 3-02, which governs registered money market funds. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. 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.

#### **Discretely Presented Component Units -Deposits**

All deposits of the component units are held by one financial institution. At the respective year ends, all deposits are insured or collateralized with securities held in the component unit's name by its agent (the trust department of a bank other than the pledging bank). The securities have a fair value of \$342,170 of September 30, 2000.

**CITY OF BURTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

**3. PROPERTY TAXES**

The City levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the City on property values assessed by the Lincoln Parish Assessor and approved by the State of Louisiana Tax Commission. Total assessed value was \$197,000,000 and \$173,615,000 in 2003 and 2002, respectively. The distribution of the City's levy (tax rate per \$1,000 assessed value) was as follows for 2003 and 2002:

	<i>Lever</i>	
	2003	2002
General Fund	4.74	4.76
Recreation Tax	3.87	3.87
	<u>8.75</u>	<u>8.75</u>

**4. RECEIVABLES**

Receivables as of year end for the City's individual major funds and nonmajor and internal service funds, including the applicable allowances for uncollectible accounts, are outlined below:

	Customer	Bank	Other	Allowance for uncollectible accounts	Net Receivable
<b>Governmental activities:</b>					
General	\$88,500	-	326,093	(\$29,840)	388,653
1998 Sales Tax	-	\$142,582	-	-	142,582
1995 Sales Tax	-	251,073	-	-	251,073
1990 Sales Tax	-	162,583	-	-	162,583
Nonmajor governmental funds	340,480	156,727	-	-	497,207
<b>Total governmental activities</b>	<u>\$803,563</u>	<u>\$460,587</u>	<u>320,720</u>	<u>(\$29,840)</u>	<u>\$1,343,243</u>
<b>Business-type activities:</b>					
Electric System	1,424,700	-	34,303	(\$50,890)	909,044
Water System	152,209	-	4,162	(\$6,520)	90,527
Sewer System	146,694	-	4,121	(\$5,894)	82,677
Nonmajor enterprise funds	403,759	-	-	(\$17,701)	386,058
<b>Total business-type activities</b>	<u>3,023,952</u>	<u>0</u>	<u>41,586</u>	<u>(\$50,890)</u>	<u>2,662,572</u>

**5. CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	Balance September 30, 2002	Additions	Remeasurements	Balance September 30, 2003
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$6,872,157	-	-	\$6,872,157
Construction in progress	1,023,347	\$1,132,753	-	2,156,004
Total capital assets, not being depreciated	<u>7,895,494</u>	<u>\$1,132,753</u>	<u>0</u>	<u>9,032,241</u>

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year ended September 30, 2003**

	Balance September 30, 2003	Additions	Reclassifications	Balance September 30, 2003
<b>Capital assets, being depreciated:</b>				
Buildings	4,150,575		(910,071)	4,147,504
Improvements other than buildings	4,621,830	1,034		4,622,864
Equipment	6,023,307	117,084	(847,094)	6,173,297
Infrastructure	9,043,258	603,680		9,646,138
Total capital assets, being depreciated	28,817,870	1,520,710	(881,165)	28,857,424
<b>Less accumulated depreciation for:</b>				
Buildings	(1,630,311)	(184,104)	10,114	(1,714,303)
Improvements other than buildings	(2,358,486)	(125,367)		(2,483,753)
Equipment	(4,779,645)	(807,451)	564,990	4,200,304
Infrastructure	(6,486,103)	(235,443)		(6,721,534)
Total accumulated depreciation	11,185,360	(1,334,611)	175,156	11,120,023
<b>Total capital assets, being depreciated, net</b>	<b>14,632,510</b>	<b>285,000</b>	<b>(886,663)</b>	<b>14,736,454</b>
<b>Governmental activities capital assets, net</b>	<b>\$21,724,092</b>	<b>10,337,204</b>	<b>(320,061)</b>	<b>\$32,139,235</b>

Construction in progress for governmental activities consisted of \$1,028,703 for the 100 Infrastructure project; \$40,000 for the Sewer Southwest project; \$41,473 for the Greenwood project; and \$91,456 for a new soccer field.

	Balance September 30, 2003	Additions	Reclassifications	Balance September 30, 2003
<b>Business-type activities:</b>				
<b>Electric System:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$42,508			\$42,508
Construction in progress	165,251	427,854	(847,251)	105,254
<b>Total capital assets, not being depreciated</b>	<b>\$17,759</b>	<b>427,854</b>	<b>(847,251)</b>	<b>\$17,362</b>
<b>Capital assets, being depreciated:</b>				
Buildings	2,064,334			2,064,334
System Improvement	17,307,607	1,405,361		18,804,168
Equipment	12,972,029	(60,365)	(563,430)	12,388,634
Total capital assets, being depreciated	37,444,164	1,405,360	(563,434)	38,939,300
<b>Less accumulated depreciation for:</b>				
Buildings	(1,419,572)	(96,063)		(1,455,635)
System Improvement	(10,602,826)	(790,102)	16,358	(11,289,540)
Equipment	(12,591,982)	(229,036)	22,213	(14,330,393)
Total accumulated depreciation	30,603,380	(1,789,139)	38,571	31,243,817
<b>Total capital assets, being depreciated, net</b>	<b>11,401,329</b>	<b>(63,352)</b>	<b>(31,193)</b>	<b>11,513,486</b>
<b>Electric System capital assets, net</b>	<b>\$11,258,729</b>	<b>1,250,634</b>	<b>(326,034)</b>	<b>\$11,782,468</b>

Construction in progress for the electric system consisted of \$10,659 for the Kentucky Avenue Substation; \$19,456 for the OII project; and \$3,139 on the wastewater project.

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

	Balance September 30, 2002	Additions	Rollovers	Balance September 30, 2003
<b>Water System</b>				
Capital assets, not being depreciated:				
Land	475,875	-	-	575,000
Construction in progress	179,644	100,400	-	280,288
Total capital assets, not being depreciated	254,719	100,400	-	355,288
Capital assets, being depreciated:				
Buildings	176,838	17,357	(36,251)	159,934
System Improvement	8,143,754	474,426	142,091	8,575,121
Equipment	256,882	19,852	(216,286)	622,400
Total capital assets being depreciated	7,177,474	571,735	(314,624)	7,434,585
Less accumulated depreciation for:				
Buildings	(82,472)	(3,758)	7,428	(78,982)
System Improvement	(4,280,740)	(311,417)	49,452	4,528,107
Equipment	(201,372)	(11,852)	202,740	(190,620)
Total accumulated depreciation	(4,284,184)	(334,627)	259,220	4,255,720
Total capital assets, being depreciated, net	4,893,293	138,108	(11,801)	4,929,590
Water system capital assets, net	<b>\$1,420,907</b>	<b>100,400</b>	<b>(311,801)</b>	<b>\$1,208,140</b>
Construction in progress for the water system consisted of \$1,000,000 for the concrete ground water storage project and \$1,300 to repair the water tank at Jerry and I-20.				
<b>Sewer system</b>				
Capital assets, not being depreciated:				
Land	\$200,801	-	-	\$203,804
Construction in progress	460,774	156,300	(206,156)	379,744
Total capital assets, not being depreciated	662,375	156,300	(206,156)	480,745
Capital assets, being depreciated:				
Buildings	114,730	-	-	114,730
System Improvement	14,982,369	1,829,000	(80,875)	17,888,500
Equipment	721,252	524,977	(142,846)	1,003,000
Total capital assets being depreciated	17,736,031	1,829,000	(223,821)	19,385,000
Less accumulated depreciation for:				
Buildings	(29,434)	(3,762)	-	(33,238)
System Improvement	(7,493,081)	(600,803)	40,762	(8,053,121)
Equipment	(122,370)	(126,886)	138,841	(114,765)
Total accumulated depreciation	(8,043,885)	(636,650)	(171,233)	(8,669,110)
Total capital assets, being depreciated, net	9,692,146	(515,800)	(23,821)	10,148,325
Sewer system capital assets, net	<b>\$10,393,363</b>	<b>100,400</b>	<b>(523,801)</b>	<b>\$11,117,760</b>

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

Construction in progress consisted of \$236,858 for the Sanitary Sewer Corrective Plan; \$27,855 for drift station at West Kentucky and Hilton Posture; and \$23,700 on the Phase II of the Sewer System Improvement.

	Balance September 30, 2002			Balance September 30, 2003
	Additions	Referrals		
<b>Airport Authority</b>				
Capital assets, not being depreciated:				
Land	\$141,639	-	-	\$141,639
Capital assets, being depreciated:				
Buildings	407,215	-	-	407,215
Roadways, airports, and taxiways	4,648,002	\$112,850	-	5,261,852
Equipment	32,180	5,614	-	32,684
Total capital assets being depreciated	4,687,397	\$118,464	-	5,296,201
Less accumulated depreciation for:				
Buildings	-	(12,340)	-	(12,340)
Roadways, airports, and taxiways	(1,073,580)	(379,442)	-	(1,452,922)
Equipment	(3,012)	(12,621)	-	(15,633)
Total accumulated depreciation	1,076,602	(394,493)	-	1,461,295
Total capital assets, being depreciated, net	3,610,795	\$23,968	-	3,835,206
Airport Authority capital assets, net	\$4,137,459	\$23,251	-	\$4,171,200
<b>Amendable Fund</b>				
Capital assets, being depreciated:				
Equipment	\$986,768	\$73,751	(350,470)	\$600,549
Less accumulated depreciation for:				
(610,372)	(51,387)	30,439	-	(241,664)
Total capital assets, being depreciated, net	376,396	\$42,362	-	\$35,885
<b>Business-type activities: capital assets</b>				
Capital assets, not being depreciated:				
Land	\$474,016	-	-	\$474,016
Construction in progress	273,122	\$106,000	(232,811)	412,300
Total capital assets, not being depreciated	1,246,138	\$106,000	(232,811)	1,088,329
Capital assets, being depreciated:				
Buildings	3,764,369	17,397	(54,251)	3,729,415
System improvement	42,424,750	3,938,120	(103,151)	45,250,919
Roadways, airports, and taxiways	4,648,002	\$12,600	-	5,261,602
Equipment	20,081,202	1,344,174	(573,074)	28,452,302
Total capital assets being depreciated	67,979,303	\$3,202,453	(1,131,774)	73,990,340

**CITY OF BURSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

	Balance September 30, 2003	Additions	Reductions	Balance September 30, 2003
Less accumulated depreciation for:				
Buildings	(1,221,480)	(25,796)	7,487	(1,248,184)
System Improvement	(22,379,048)	(1,702,321)	-	(23,954,769)
Roadways, airports, and highways	(1,873,320)	(219,462)	-	(1,992,782)
Equipment	(35,406,231)	(566,028)	442,408	(35,033,453)
Total accumulated depreciation	(80,003,659)	(2,338,381)	206,358	(82,334,080)
Total capital assets, being depreciated, net	25,307,081	2,303,078	189,312	23,322,751
Business-type activities capital assets, net	\$26,723,261	\$2,459,531	\$489,786	\$25,302,464

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental activities:</b>	
General government	\$140,113
Public safety	194,964
Public works, including depreciation of general infrastructure assets	711,349
Recreation	56,148
Total depreciation expense-governmental activities	\$1,124,470
<b>Business-type activities:</b>	
Electric System	\$4,405,771
Water System	453,379
Sewer System	734,739
Airport Authority	344,493
Ambulance	21,282
Total depreciation expense-business-type activities	\$5,336,882

#### **6. LONG-TERM LIABILITIES**

Long-term liability activity for the year ended September 30, 2003 was as follows:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
<b>Governmental activities:</b>					
Reserve funds payable	\$1,050,000	-	\$90,000	\$100,000	-
Certificates of indebtedness	486,000	-	309,000	177,000	\$117,000
Police Retirement Fund liability	44,681	-	64,681	-	-
Capital leases	48,771	-	48,771	-	-
Compensated absences	1,070,344	60,082	255,800	1,035,526	20,000
<b>Concurrent activities</b>					
Total long-term liabilities	\$2,745,141	\$60,082	\$1,211,427	\$1,514,546	\$137,000

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
<b>Electric Systems:</b>					
Compensated absences	\$142,294	100,294	160,131	92,361	92,361
<b>Water Systems:</b>					
Revolving bonds	\$799,000	-	\$40,000	\$759,000	\$759,000
Deferred loss on refunding	(5,450)	10,165	-	(5,350)	-
Compensated absences	10,937	11,928	22,865	9,121	14,000
Water System long-term liabilities	\$806,368	311,127	31,032	\$106,361	\$106,361
<b>Sewer Systems:</b>					
Revolving bonds	\$2,740,000	31,650,000	\$2,180,000	\$2,460,000	\$221,000
Compensated absences	26,282	173,325	153,882	22,725	3,000
Sewer System long-term liabilities	\$2,766,282	31,823,325	\$2,333,882	\$2,483,225	\$221,000
<b>Ambulance Fund:</b>					
Compensated absences	\$30,918	31,306	50,129	\$21,731	\$1,200
<b>Business-type activities long-term liabilities:</b>					
Revolving bonds	\$3,335,000	\$1,455,000	\$2,390,000	\$2,770,000	\$380,000
Deferred loss on refunding	(16,450)	21,000	-	(13,350)	-
Compensated absences	285,313	304,821	307,125	284,000	22,200
Business-type activity long-term liabilities	\$2,615,823	\$1,261,724	\$2,337,125	\$2,293,880	\$342,200

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. For the governmental activities, the balance of compensated absences is generally liquidated by the General Fund.

Bonds payable of September 30, 2003 are comprised of the following issues:

Governmental Activities: Certificates of indebtedness	Outstanding 09-30-03
\$800,000 - 1995 Certificate of indebtedness dated 5-29-96, due in annual installments of \$27,000 to \$42,000 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)	\$177,000
\$800,000 - 1993 Certificate of indebtedness dated 3-1-93, due in annual installments of \$40,000 through 3-1-04. Interest at 5.48% (this issue is secured by pledge and dedication of the excess annual revenue of the City of Ruston)	\$0,000
Total General Obligation Certificates of Indebtedness	\$177,000

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

**Tax Increment Bonds**

\$100,000 - 2001 Sales Tax Increment Revenue Bonds dated 12/31/01, of \$100,000 due 7-1-13, interest at 4.5%	\$100,000
Total Tax Increment Bonds	<b>\$100,000</b>

**Revenue Bonds**

\$1,400,000 authorized 1973 Sewer Revenue Bonds \$1,400,504 issued, interest at 3.40%, payable in annual installments of \$70,000 to 1904/05 through October 1, 2014.	\$1,400,000
\$1,585,000 2003 Sewer Utility Revenue Refunding Bonds dated 3-23-03 due in annual installments of \$155,000 to \$160,000 through October 1, 2012, interest at 1.80% to 4.00%.	1,585,000
\$890,000 1994 Water Utility Revenue Refunding Bonds dated 12/23/94 due in annual installments of \$95,000 to \$110,000 through October 1, 2004, interest at 4.7550% to 5.8775%. Refunding resulted in a deferred loss of \$25,400, which is being amortized over the life of the debt. Net deferred loss of 1994/95 was \$3,300 and amortization was \$2,189.	301,600
Total Revenue Bonds	<b>\$2,386,600</b>

The annual requirements to service all debt outstanding as of September 30, 2000, including interest requirements are as follows:

	Governmental activities		Business-type activities		Total
	Funded	Interest	Funded	Interest	
Year ending September 30:					
2004	\$117,000	\$4,637	\$300,000	\$83,355	\$916,354
2005	48,000	11,207	300,000	74,344	403,551
2006	42,000	7,988	345,000	64,422	429,422
2007	-	4,293	245,000	53,495	300,295
2008	-	4,399	295,000	47,462	302,462
2009-2013	108,000	22,950	1,185,000	115,143	1,403,293
2014-2018	-	-	80,000	2,309	82,309
	<b>\$238,000</b>	<b>\$67,403</b>	<b>\$2,070,000</b>	<b>\$460,362</b>	<b>\$2,347,724</b>

There are a number of limitations and restrictions contained in the various bond indentures. The City believes it is in compliance with all significant covenants and restrictions.

In May 2000, the City issued \$1,400,000 in sewer utility Revenue Refunding Bonds. The bonds were issued to advance refund \$2,000,000 of the 1990 Utilities Revenue Bonds. The net proceeds of \$1,428,101 (after payment of \$25,899 in issuance costs) along with \$291,500 of existing funds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1990 bonds. As a result, the 1990 bonds are considered defeased and the liability for those bonds has been removed from these financial statements. The principal outstanding at September 30, 2000 on the refunded bonds was \$1,646,000. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt and

**CITY OF BURSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

complete the refunding totaled \$261,667. An economic gain (difference between the present value of the old and new debt service payments) of \$164,453 resulted from the refunding. No gain or loss (the difference between the carrying amount of the defeased debt and the recognition price) resulted from this refunding.

During December 1996, the City issued \$850,000 in Water Utilities Revenue Refunding Bonds to redeem refund \$850,000 of outstanding Water 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 1996 Utilities Revenue bonds. The 1996 Utilities Revenue bonds are considered to be defeased and have been removed from the City's financial statements. The principal outstanding on September 30, 2003 on the refunded bond was \$420,000.

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 25% of the total assessed value for all purposes. The City's assessed property value of December 31, 2003, was \$99,770,682. The maximum debt allowable for any one purpose and total debt allowable state law as of December 31, 2003, is \$9,977,087 and \$24,717,682 respectively. The City currently has \$209,000 of general bonded debt outstanding.

**7. SALES TAX**

The 1988 Sales Tax, 1990 Sales Tax, and 1993 Sales Tax Funds account for the collection of a one-half cent, three-quarter cent, and one-half cent City sales and use tax, respectively, and the distribution of this tax to other funds of the City. For financial reporting purposes, sales taxes are recorded as revenue in the individual funds which collect the sales tax and are recorded as transfers to and from the operations or projects for which the taxes were levied and as approved by ordinance of the Council.

The 1988 one-half cent sales tax is used initially to pay operating expenses incurred in the administration and collection of sales taxes. Certain contributions may be made from these funds. After these payments, the remaining amount is payable to the General Fund.

The 1993 three-quarter cent sales tax is used initially to pay operating expenses incurred in the administration and collection of sales taxes. Scheduled payments are made to pay the 1994 Certificates of Indebtedness. Payments are also made on a monthly basis to the Burston Parks and Recreation Fund or up to seven percent of the annual net proceeds for construction, acquiring, improving and/or operating recreation facilities and programs. After these payments, the remaining amount is payable to the General Fund for public works, fire protection, and police protection.

The 1990 one-half cent sales tax is used initially to pay operating expenses incurred in the administration and collection of sales taxes. After these payments, the remaining amount is payable to the General fund for fire protection and police protection.

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements:**  
**For the Year Ended September 30, 2003**

**8. MULTIPLE-EMPLOYER COST-SHARING BENEFIT PLANS – PUBLIC EMPLOYEE RETIREMENT SYSTEMS**  
**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 20 hours per week. Benefits are established by State statute. 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, 7907 Office Park Drive, Baton Rouge, Louisiana 70809, or by calling (225) 763-4610.

**Funding Policy** - Covered employees are required to contribute 8.25% of their annual compensation and the City is required to contribute 1.1% 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, 2003, 2002, and 2001 were \$1,021,117, \$96,184, and \$100,371, 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 Statute 11:2251 through 2254 effective January 1, 1980. Benefits are established by State statute. 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 Firefighters' Retirement System, 2031 Shreveport Drive, Suite 210, Baton Rouge, Louisiana 70808-4050 or by calling (225) 763-4605.

**Funding Policy** - Covered employees are required to contribute 8% of their annual compensation and the City is required to contribute 1% 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, 2003, 2002, and 2001 were \$120,017, \$96,184, and \$100,371, 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 (MPPRS)**

**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 Employee's Retirement System. MPPRS covers any law enforcement officer, empowered to make arrests, employed by any municipality of the State and engaged in law enforcement, earning of less than \$375 per month (excluding state supplemental

**CITY OF RUSTON, LOUISIANA,  
Notes to Financial Statements  
For the Year Ended September 30, 2003**

per, or an elected Chief of Police whose salary is at least \$180 per month, and any employee of this system may participate in the MPPRS. Benefits are established by State statutes. The MPPRS issues a bi-annual 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 Press Blvd., Baton Rouge, Louisiana, 70806 or by calling 1-800-443-4048.

**Funding Policy:** - Plan members are required to contribute 7.2% of their annual compensation and the City is required to contribute 10.25% 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 MPPRS for the years ended September 30, 2003, 2002, and 2001 were \$158,744, \$150,446, and \$125,588, respectively, equal to the required contributions for each year.

**9. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

**a. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund balances at September 30, 2003 were as follows:

FUND	DEBT FROM OTHER FUNDS							Municipal General Enterprise Fund	Municipal Enterprise Fund	Total
	General Fund	M&W Sales Tax	PPRS Debt Tax	PPRS Sole Tax	Health System	Pension System	Lease Debt			
General Fund	-	-	-	-	-	-	-	\$56,462	-	\$56,462
M&W Sales Tax	-	\$1,261,200	\$740,279	-	-	-	-	-	-	\$740,279
PPRS Sole Tax	-	-	-	-	-	-	-	10,301	-	10,301
Health System	\$11,094	-	-	-	\$29,248	\$9,338	-	-	-	\$49,632
Pension System	\$4,620	-	-	-	-	-	\$4,620	-	\$4,620	\$11,460
Lease System	\$4,473	-	-	-	-	-	-	-	-	\$4,473
Lease Authority	208	-	-	-	-	-	-	-	-	208
Nonexpendable governmental	2,030	-	-	-	\$1,378	-	-	\$0.00	-	\$11,309
Nonexpendable nonenterprise	-	-	-	-	-	-	-	-	-	-
Internal service funds	240,480	-	-	-	-	-	-	240,480	-	240,480
Total transfers	\$203,604	\$1,261,200	\$840,279	\$4,223	\$29,248	\$13,958	\$4,620	\$111,001	\$111,001	\$1,020,182

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting systems, and (3) payments between funds are made.

**b. TRANSFERS TO AND FROM OTHER FUNDS**

Transfers for the year ended September 30, 2003 were as follows:

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

FUND(S) OUT	TRANSFERS IN				
	General Fund	Airport Authority	Nonmajor Govern- mental funds	Internal Service funds	Total
General Fund	-	-	\$134,726	\$17,490	\$252,426
1995 Sales Tax	\$1,794,000	-	-	-	1,794,000
1995 Sales Tax	2,400,875	-	282,147	-	2,713,122
1990 Sales Tax	1,772,000	-	-	-	1,772,000
Electric System	1,532,400	\$11,040	45,437	54,978	1,684,815
Water System	329,339	-	-	4,230	333,569
Sewer System	193,358	-	-	3,867	197,425
Nonmajor governmental	92,793	-	117,021	1,364	211,178
Nonmajor enterprise	-	-	-	4,007	4,007
Internal service funds	-	-	-	2,672	2,672
Total transfers	\$1,032,640	\$11,040	\$295,361	\$186,731	\$1,326,432

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenue collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary classifications, and (4) pay the General Fund in lieu of property and real taxes and services performed by other departments.

c. DEFICIT FUND BALANCE OF INDIVIDUAL FUNDS:

The Section 8 Moderate Housing Fund had a deficit fund balance of \$30,373 at September 30, 2003. This deficit is expected to be funded by transfers from the Section 8 Voucher Housing Fund in subsequent years. The Ambulance Fund had a deficit in net assets of \$49,984 at September 30, 2003. This deficit is expected to be funded by fees charged in subsequent years.

d. EXCESS OF EXPENDITURES OVER BUDGET:

For those funds for which a budget to actual comparison was made, actual expenditures on a budgetary basis exceeded budgeted expenditures on a code level basis as follows:

Total General Fund:	Actual on a budgetary basis		
	Budgeted	Negative variance	
General government:			
Executive - Operating services	\$501,868	\$514,528	(14,660)
Mgmt Material - Purchases	153,267	154,387	(1,120)
Civic Center - Personnel services	160,168	163,485	(3,317)

**CITY OF BURGESS, LOUISIANA**  
**Notes to Financial Statements**  
 For the Year Ended September 30, 2003

Budget	Budgeted	Actual on a budgetary basis	Negative variance
<b>General Fund:</b>			
General government:			
Section 8 - Travel and other	7,000	7,645	(445)
Community development -			
Improvements	187,000	189,429	(2,421)
Public Safety:			
Fire Department - Capitol	91,875	92,810	(935)
Public works:			
Repair shop - Materials & supplies	35,540	35,717	(177)
Animal control - Fenced services	181,167	181,404	(237)
Parks & Recreations:			
Solicitors - Diversions	2,808	3,099	(1,091)
Materials & supplies	27,826	28,190	(364)
Section 8 - Vouchers:			
Operating services	1,054,472	1,094,480	(39,928)

The unfavorable variance in executive is due primarily to an increase in consulting expenditures for architect on downtown revitalization project and consultants for alternate water supply source. The unfavorable variance in the civic center is primarily due to an increase in contract labor. The unfavorable variance in community development is due to higher than anticipated expenditures related to the Rural Health Grant. The unfavorable variance in section 8 - Vouchers is due to higher than anticipated porability payments.

#### 10. FEDERAL AND STATE FINANCIAL ASSISTANCE

Federal and State governmental units represent an important source of supplementary funding to finance housing, employment, constituent programs, and other activities beneficial to the community. These funds, primarily in the form of grants, are recorded in the General and Special Revenue 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 funds may be used and are audited annually under the single audit as mandated by the Single Audit Act of 1990 (and U.S. Office of Management and Budget Circular A-133, Audit of States, Local Governments, and Nonprofit Organizations).

Supplementary salary payments are made by the state to certain groups of employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution from the state. For 2003, the state paid supplemental salaries to the following groups of employees. Fire Department employees, \$142,891; Police Department employees, \$142,198; and City Marshal employees (a component unit), \$18,000.

#### 11. POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides dental and medical care coverage for one retirees 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 61 retirees who are eligible to receive benefits. During 2003,

**CITY OF BOSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

expenses of \$267,000 were recognized for postretirement 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 yet paid claims.

**12. COMMITMENTS AND CONTINGENCIES**

**Construction projects**

There are certain construction projects in progress at September 30, 2003. In 2002, the City issued \$2,000,000 in sales tax increment bonds for the purpose of providing engineering and construction expenditures related to the I-20 Service Road Project. The project is estimated to cost approximately \$12 million. The City is planning to sell additional bonds to cover the costs. The City also entered into a contract with the State of Louisiana Office of Community Development to provide oil services necessary for sewer improvements to an economically disadvantaged area. The City has paid \$750,000 to date on this project. In 2003, the City expended approximately \$135,000 to renovate and improve existing parks. The City is in the process of building a new station for the electric system. Approximately \$11,000 was expended in 2003 and 2002 for engineering and related services. In 2003, the City paid \$12,000 related to the G.I.L. Data Collection project. The City has also paid \$187,000 to construct a concrete ground storage tank for the water system and \$14,000 to repaint an existing elevated storage tank. In 2003 and 2002, the City paid \$29,605 for engineering services related to a series sewer collection plan. The City also paid \$21,000 for improvements and renovations to the Kentucky Road lift station.

**Risk Management**

The City is exposed to various risks of loss related to torts (injury), damage to and destruction of assets; events and calamities; injuries to employees; and natural disasters. The City maintains commercial insurance for risks related to (1) Public Official Errors and Omissions Liability, (2) General Liability, (3) Business Auto Liability, (4) Law Enforcement Professional Liability, and (5) Fire and Extended coverage. Settled claims resulting from these risks did not exceed commercial insurance coverage in the current year. The General Liability and Business Auto Liability are subject to a \$200,000 per occurrence limit. The Public Official Errors and Omissions Liability and Law Enforcement Professional Liability are subject to a \$200,000 per occurrence limit with a \$1,000 deductible. The City maintained property insurance during the year on approximately \$90 million in City property, subject to a \$75,000 per occurrence retention for property claims.

**Workers' Compensation**

The City established a limited risk management program for worker's compensation in 1986. Premiums are paid into the Workers' Compensation Self-Insurance Fund by other funds and are available to pay claim, claim reserves, and administrative costs of the program. An excess coverage insurance policy covers individual claims in excess of \$125,000. Reported and an estimate of incurred but not reported claims of \$103,144 have been accrued as a liability based upon the service company's loss reserve report. Interfund premiums are based upon the appropriate premium. Payments to the workers' compensation fund are accounted for as an expenditure/expense of the paying fund. The Workers' Compensation self-insurance fund has net assets of \$25,459 at September 30, 2003. There was no increase in insurance coverage from the prior year. No claims exceeded the City's insurance coverage for each of the past three fiscal years.

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2003**

**General Information**

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, 2003, a total of \$1,961,248 was paid in benefit's and administrative costs. The insurance fund has net assets of \$(16,819) at September 30, 2003. An excess coverage co-insurance policy covers individual claims in excess of \$70,000 per calendar year. Incurred but not reported claims of \$1,38,687 have been accrued as a liability based upon information provided by the claims administrator. Infund payments are based on total spending, employee retain, employee contributions and payments by retired employees. Payments to the General Self-Insurance Fund are accounted for as an expenditure/expense of the paying fund. There were no reductions in insurance coverage from 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 claims for the self-insurance funds is as follows:

	Accrued (June October 1)	Claims Incurred	Claims paid	Accrued claims September 30
Workers Compensation:				
2002	\$87,782	\$141,639	\$142,741	\$87,462
2003	27,860	146,263	103,579	183,144
General Insurance:				
2002	112,715	1,564,672	1,562,540	115,887
2003	116,847	1,661,451	1,642,241	136,087

**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 effect 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, is not aware of any liability that should be recorded under Statement of Financial Accounting Standard No. 5.

**Grant Disallowances**

The City participates in federally assisted grant programs. These programs are subject to program compliance audits under the Single Audit Act. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. City management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**Reassessments from the State of Louisiana**

The General Fund receives various rebates from the State of Louisiana. The continuation of these revenues at these amounts is contingent on a variety of factors at the state level.

**CITY OF RUSTON, LOUISIANA**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2002**

**13. CHANGES IN ACCOUNTING PRINCIPLES**

As of October 1, 2002, the City implemented GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments; GASB Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments; GASB Statement No. 38, Certain Financial Statement Note Disclosures; and Governmental Accounting Standards Board Interpretation No. 4, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

GASB Statement No. 34 establishes the basic financial statements for reporting on the City's financial activities. The financial statements now include management's discussion and analysis, government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which had been the mode of presentation in previously issued financial statements. However, funds are presented in total in one column in the fund financial statements. In addition, the financial statements also include new footnote disclosures and the direct method of cash flow statements.

The opening governmental fund balances at September 30, 2002 reconcile to net assets of governmental activities at October 1, 2002 as follows:

Total Fund Balances - Governmental Funds as of September 30, 2002:	\$10,448,113
Add: Cost of capital assets as of September 30, 2002	33,834,655
Less accumulated depreciation as of September 30, 2002	(11,443,543)
Bond issue costs, net of accumulated amortization as of September 30, 2002	52,485
Internal service funds as of September 30, 2002	235,321
Less: Long-term debt:	
Bond principal outstanding as of September 30, 2002	1,838,000
Compensated absences payable as of September 30, 2002	1,069,264
Obligation under capital lease	46,976
Pension obligation	46,881
Accrued interest payable as of September 30, 2002	8,477
Adjusted net assets as of October 1, 2002	2,731,613
	<u>\$20,179,726</u>

Adoption of GASB statements nos. 37 and 38 were required simultaneously with GASB Statement No. 34 and resulted in additional disclosures. At October 1, 2002, there was no effect on fund balance as a result of implementation of GASB Interpretation No. 4.

## **Required Supplementary Information**

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**CITY OF HEDDLE, COLORADO**  
 General Fund  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual on an Budgetary Basis**  
**For the Year Ended September 30, 2000**  
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Balance with Prior Budget</u>
	<u>Budget</u>	<u>Basis</u>	<u>Budgetary</u>	<u>Position</u> <u>(Unaudited)</u>
<b>REVENUES:</b>				
Taxes	\$ 420,000	\$ 420,000	\$ 420,000	\$ (6,450)
Licenses and Permits	175,000	175,000	175,000	125,550
Intergovernmental	55,000	55,000	55,000	111,260
Charges for services	1,000,000	1,000,000	1,000,000	10,650
Rents and rentals	300,000	300,000	300,000	(6,110)
Investment earnings	80,000	80,000	80,000	(8,810)
Allowances	41,000	41,000	41,000	12,410
Total revenues	<u>2,332,000</u>	<u>2,332,000</u>	<u>2,332,000</u>	<u>(35,370)</u>
<b>EXPENDITURES:</b>				
General government:				
Decomposition:				
Regular salaries	449,700	449,700	449,700	7,040
Other employee benefits	128,100	128,100	128,100	(1,920)
Total salaries, wages, and employee benefits	<u>577,800</u>	<u>577,800</u>	<u>577,800</u>	<u>5,120</u>
Operating services	440,000	440,000	440,000	(14,750)
Materials and supplies	30,170	30,170	30,170	10
Repairs and maintenance	11,000	11,000	11,000	-110
Investments and equipment	20,000	20,000	20,000	400
Total executive	<u>1,048,170</u>	<u>1,048,170</u>	<u>1,048,170</u>	<u>(1,040)</u>
City Court	170,000	170,000	170,000	(26,000)
Municipal	150,000	150,000	150,000	(1,040)
Civic/Community Hall:				
Regular salaries	190,000	190,000	190,000	3,370
Operating salaries	5,000	5,000	5,000	440
Other employee benefits	26,000	26,000	26,000	(6,160)
Total salaries, wages, and employee benefits	<u>231,000</u>	<u>231,000</u>	<u>231,000</u>	<u>3,370</u>
Operating services	150,000	150,000	150,000	(1,040)
Materials and supplies	10,000	10,000	10,000	1,000
Repairs and maintenance	5,000	5,000	5,000	1,400
Investments and equipment	8,000	8,000	8,000	100
Total Civic/Community Hall	<u>283,000</u>	<u>283,000</u>	<u>283,000</u>	<u>(1,040)</u>
Libraries:				
Regular salaries	80,000	80,000	79,200	840
Other employee benefits	21,124	21,124	21,124	5,924
Total salaries, wages, and employee benefits	<u>101,124</u>	<u>101,124</u>	<u>101,124</u>	<u>5,924</u>
Operating salaries	25,000	24,800	24,800	7,200
Repairs and supplies	5,000	5,000	5,000	1,000
Equipment and supplies	10,000	10,000	10,000	1,040
Investments and equipment	5,000	5,000	5,000	500
Total Library	<u>150,124</u>	<u>147,800</u>	<u>147,800</u>	<u>5,560</u>
Engineering:				
Regular salaries	65,000	65,000	65,000	4,170
Other employee benefits	11,660	11,660	11,660	3,540
Total salaries, wages, and employee benefits	<u>76,660</u>	<u>76,660</u>	<u>76,660</u>	<u>7,710</u>

CITY OF BIRMINGHAM, ALABAMA  
 General Fund

(Continued)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 Budget and Actual in Budgetary Basis  
 For the Year Ended September 30, 2003  
 (in thousands)

	Budgeted Amounts	Actual Amounts	Balances with Prior Budget
	\$000	\$000	Budgetary Basis
Operating services	83,800	83,800	14,245
Materials and supplies	5,000	5,495	2,995
Taxes and other	8,000	8,000	8,000
Properties, less equipment	10,000	10,000	8,112
Total engineering	101,715	101,094	15,245
Community development:			
Regular salaries	70,000	70,000	10,000
Overtime salaries	1,200	1,200	100
Other employee benefits	10,000	10,000	10,000
Total salaries, wages, and employee benefits	81,200	81,200	20,100
Operating services	10,000	10,000	1,000
Materials and supplies	6,000	6,000	4,000
Taxes and other	6,000	6,000	5,750
Properties, less equipment	-	10,000	(2,425)
Total community development	113,200	113,200	10,325
Impersonal:			
Regular salaries	14,075	14,075	17,455
Overtime salaries	800	800	800
Other employee benefits	6,000	6,000	10,000
Total salaries, wages, and employee benefits	20,875	20,875	38,255
Operating services	54,000	54,000	54,000
Materials and supplies	4,000	4,000	3,000
Taxes and other	26,000	26,000	10,000
Properties, less equipment	1,000	1,000	1,000
Total impersonal	86,875	86,875	79,255
Total general/government	288,590	288,590	187,275
Public safety:			
Police:			
Regular salaries	1,537,945	1,537,945	1,537,945
Overtime salaries	180,000	180,000	180,000
Other employee benefits	240,177	240,177	240,177
Total salaries, wages, and employee benefits	1,958,122	1,958,122	1,958,122
Operating services	177,000	177,000	177,000
Materials and supplies	87,000	87,000	60,000
Taxes and other	25,000	25,000	20,000
Properties, less equipment	75,000	75,000	20,000
Total police	2,395,022	2,395,022	1,775,122
Fire:			
Regular salaries	1,077,400	1,077,400	1,077,400
Overtime salaries	25,000	25,000	25,000
Other employee benefits	107,551	107,551	107,551
Total salaries, wages, and employee benefits	1,210,000	1,210,000	1,210,000
Operating services	140,401	140,401	140,401
Materials and supplies	40,000	40,000	30,000
Taxes and other	42,000	42,000	30,000
Properties, less equipment	11,000	11,000	10,000
Total fire	1,502,801	1,502,801	1,502,801

## CITY OF BURGESS, LOUISIANA

(Continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual for a Budgetary Basis  
 for the Year Ended September 30, 2003  
 [in thousands]

	Budgeted Amount		Actual Amount Budgetary Basis	Variance with Prior Budget: Actual (Expenditure)
	Budget Original	Budget Final		
<b>Street lighting:</b>				
Operating services	\$76,000	114,300	109,921	33,291
Total street lighting	<u>106,000</u>	<u>124,300</u>	<u>109,921</u>	<u>18,391</u>
<b>PRODUCTION:</b>	102,465	114,671	101,121	24,200
Total public safety	<u>4,884,287</u>	<u>5,112,711</u>	<u>4,804,240</u>	<u>(96,967)</u>
<b>PUBLIC WORKS:</b>				
<b>Administration:</b>				
Regular salaries	189,340	191,340	186,911	2,429
Overtime salaries	2,000	1,800	1,280	720
Other employee benefits	37,000	38,300	37,321	1,321
Total salaries, wages, and employee benefits	<u>238,340</u>	<u>231,840</u>	<u>201,532</u>	<u>30,308</u>
Operating services	76,300	103,047	81,359	17,749
Materials and supplies	6,750	7,000	6,940	100
Travel and other	9,000	10,000	8,810	1,190
Improvements and equipment	10,000	18,000	7,441	3,359
Total administration	<u>350,790</u>	<u>311,927</u>	<u>271,740</u>	<u>30,187</u>
<b>Health:</b>				
Regular salaries	101,140	101,140	47,104	53,036
Overtime salaries	20,000	20,000	14,800	5,200
Other employee benefits	160,000	162,100	161,075	1,025
Total salaries, wages, and employee benefits	<u>381,140</u>	<u>383,240</u>	<u>310,979</u>	<u>71,061</u>
Operating services	82,200	82,200	82,200	0
Materials and supplies	111,500	112,500	87,740	24,764
Travel and other	2,000	2,000	930	1,060
Improvements and equipment	30,000	30,000	20,359	9,641
Total health	<u>1,242,740</u>	<u>1,205,400</u>	<u>1,040,359</u>	<u>164,951</u>
<b>Transportation:</b>				
Regular salaries	502,960	503,960	497,779	12,181
Overtime salaries	30,000	30,000	10,400	19,600
Other employee benefits	111,170	116,170	107,799	8,371
Total salaries, wages, and employee benefits	<u>644,130</u>	<u>630,200</u>	<u>495,978</u>	<u>11,252</u>
Operating services	112,450	116,450	107,355	9,095
Materials and supplies	130,400	130,400	102,799	27,601
Travel and other	1,000	2,000	1,740	240
Improvements and equipment	12,000	12,000	10,279	1,721
Total transportation	<u>1,006,180</u>	<u>1,040,300</u>	<u>880,926</u>	<u>161,354</u>
<b>Police and fire:</b>				
Regular salaries	270,423	276,123	261,487	9,360
Overtime salaries	10,000	10,000	8,200	1,798
Other employee benefits	43,344	45,247	36,025	1,221
Total salaries, wages, and employee benefits	<u>323,767</u>	<u>321,370</u>	<u>285,712</u>	<u>11,655</u>
Operating services	13,340	13,340	7,256	6,084
Materials and supplies	15,540	15,540	12,717	2,823
Travel and other	4,700	4,200	3,640	568
Improvements and equipment	2,000	4,117	3,088	1,088
Total police and fire	<u>444,707</u>	<u>450,357</u>	<u>400,547</u>	<u>50,258</u>

**CITY OF BURCH, OKLAHOMA**  
**(General Fund)**

(continued)

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
 For 2004 and Actual for 1st Six Months  
 For the Year Ended September 30, 2004  
 [Unaudited]**

	<b>Budgeted Amounts</b>		<b>Budgeted Amount Basis</b>	<b>Variance with Prior Budget (Increase) (Decrease)</b>
	<b>Original</b>	<b>Final</b>		
<b>Animal Control:</b>				
Fugitive animals	43,938	43,938	43,938.0	0.0
Overtime salaries	3,500	3,000	3,000.0	(500)
Other employee benefits	28,171	26,704	26,704.0	(1,467)
Total salaries, wages, and employee benefits	75,610	73,642	73,642.0	(1,968)
Operating services	35,144	35,144	35,144.0	0.0
Materials and supplies	10,440	10,600	10,600.0	150
Travel and travel	4,000	4,000	4,000.0	0.0
Improvements and equipment	1,000	1,200	1,200.0	(200)
Total general control	113,754	112,944	112,944.0	(810)
Total public works	339,833	329,589	329,589.0	(10,244)
<b>Capital services:</b>				
Certificates of Independence Principal	34,000	34,000	34,000.0	0.0
Certificates of Independence Interest	12,750	12,750	12,750.0	0.0
Total capital services	46,750	46,750	46,750.0	0.0
Total expenditures	173,587	170,089	170,089.0	(3,500)
<b>NET POSITION (DEFICIENCY) AT BEGINNING</b>				
From previous years' operations	(368,116)	(368,000)	(368,000.0)	(116,091)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	10,014.91	10,014.91	10,000.00	14.91
Transfers Out	(101,454)	(101,454)	(101,454.0)	(0.0)
Total other financing sources and uses	70,000.00	70,000.00	70,000.00	0.0
net change in fund source	(91,446)	(90,946)	(90,946.0)	(499)
Fund balances - beginning	4,429,230	4,429,230	4,429,230.0	0.0
Fund balances - ending	\$ 4,338,447	\$ 3,889,284	\$ 3,889,284.0	\$ (449,163)

See accompanying independent auditor's report.

**CITY OF BURLON LIBRARIES**  
**1988 Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual on Budgetary Basis**  
**For the Year Ended September 30, 1988**  
**[unaudited]**

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,792,000	\$ 2,082,340	\$ 290,340
Investment earnings	35,000	15,265	(19,715)
Total revenues	<u>1,827,000</u>	<u>2,097,605</u>	<u>270,605</u>
<b>EXPENDITURES</b>			
General government:			
Collection and administrative	20,000	29,000	9,000
Total expenditures	<u>20,000</u>	<u>29,000</u>	<u>9,000</u>
Excess of revenues over expenditures	1,794,000	2,068,605	274,605
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer out:	(1,794,000)	(1,794,000)	-
Total other financing sources and uses	<u>(1,794,000)</u>	<u>(1,794,000)</u>	<u>-</u>
Net change in fund balance	-	274,605	274,605
Fund balances - beginning	1,094,375	1,094,375	-
Fund balances - ending	<u>\$ 1,094,375</u>	<u>\$ 1,368,980</u>	<u>\$ 274,605</u>

See accompanying independent auditor's report.

**CITY OF RICHMOND, VIRGINIA**  
**1988 Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual on Budgetary Basis**  
**For the Year Ended September 30, 2003**  
**(unaudited)**

	Original and Final Budgeted Amount	Actual Amounts Budgetary basis	Variances with Final Budget Positive (Exceeded)
<b>REVENUES</b>			
Taxes	\$ 1,687,080	\$ 1,103,524	(583,556)
Investment earnings	20,000	12,474	(7,526)
Total revenues	<u>1,707,080</u>	<u>1,116,000</u>	<u>(571,080)</u>
<b>EXPENDITURES</b>			
General government:			
Collection and administrative	28,000	21,204	6,694
Total expenditures	<u>28,000</u>	<u>21,204</u>	<u>6,694</u>
Excess of revenues over expenditures	<u>1,679,080</u>	<u>1,114,792</u>	<u>465,472</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(2,479,000)	(2,213,120)	(26,120)
Total other financing sources and uses	<u>(2,479,000)</u>	<u>(2,213,120)</u>	<u>(26,120)</u>
Net change in fund balance	-	401,880	401,880
Fund balances - beginning	883,524	883,524	-
Fund balances - ending	<u>\$ 883,524</u>	<u>\$ 1,285,000</u>	<u>\$ 401,880</u>

See accompanying independent auditor's report.

**CITY OF RUSHDON, LOUISIANA**  
**1980 Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual on Budgetary Basis**  
**For the Year Ended September 30, 2000**  
**(unaudited)**

	Original and Final Budgeted Amounts	Actual Amount Budgetary Basis	Difference with Final Budget Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,792,080	\$ 3,010,360	\$ 298,280
Investment earnings	20,000	8,400	(11,592)
Total revenues	<u>1,812,080</u>	<u>3,018,760</u>	<u>298,772</u>
<b>EXPENDITURES</b>			
General government:			
Collection and administrative	20,080	13,591	6,489
Total expenditures	<u>20,080</u>	<u>13,591</u>	<u>6,489</u>
Excess of revenues over expenditures	1,792,080	2,995,177	298,177
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(1,792,080)	(1,792,080)	-
Total other financing sources and uses	<u>(1,792,080)</u>	<u>(1,792,080)</u>	<u>-</u>
Net change in fund balance	-	298,177	298,177
Fund balance - beginning	626,534	626,534	-
Fund balance - ending	<u>\$ 626,534</u>	<u>\$ 1,113,481</u>	<u>\$ 298,177</u>

See accompanying independent audit report.

**CITY OF RUSTON, LOUISIANA**  
**Notes to Budgetary Comparison Schedules**  
**For the Year Ended September 30, 2003**  
**(Unaudited)**

**Budget and Budgetary Accounting:**

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- [1] The Treasurer's Office compiles for the Mayor estimates of revenues and requests for appropriations of the annual budget.
- [2] During August, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- [3] A public hearing is then conducted, after proper official journal notification, to obtain taxpayer comments.
- [4] Prior to September 30, the budget is legally enacted through passage of an ordinance.
- [5] The budget ordinance is structured such that revenues are budgeted by source, and appropriations are budgeted by department and by principal object of expenditure. Budgetary control is exercised at the departmental code level, with the exception of salaries, regular and overtime, which are at the line item level, or by projects, and the City Court and Probation (both combined), and City Marshal departments, which are budgeted at the departmental level. The Council may revise or amend the budget at its discretion during legally convened sessions. For the year ended September 30, 2003, amendments were made to the budget, including Police department overtime necessary due to personnel injuries, vacation, vacancies, and workload; Rural Health Grant revenue and expenditures to account for amounts not deductible at time of the initial budget submission; Parks and Recreation capital assets to provide funds to complete capital projects; maintenance of streets to appropriate open purchase orders as of the end of the prior year; and Fire department refinement to appropriate funds to cover the increase in the contribution rate to the Firefighter Retirement System.
- [6] Comparison of budgeted and actual amounts as shown in the accompanying financial statements includes the General Fund and those special revenue funds which are included in the annual operating budget: 1988 Sales Tax, 1985 Sales Tax, 1990 Sales Tax, Parks and Recreation, Section 8 Subsidies, and Section 8 Unsubsidized. Annual operating budgets are not presented for the D.A.U.T. Grant Program, Central Shop Construction, Hazard Mitigation Grant, Sewer Demonstrated Needs Grant, and 1-20 funds, but rather these funds are budgeted on a project basis. The capital budget ordinance which encompasses the capital projects funds present cumulative as opposed to annual budget amounts and thus budget and actual comparisons are not reported in the accompanying financial statements for these funds. Budgetary control for the debt service fund is achieved through general bond indenture provisions.
- [7] All budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) except that Market, Police, and Fire supplemental salary payments and the related revenue received from the State are not budgeted in the General Fund. Appropriations which are not expended upon adoption.

**CITY OF RUSTON, LOUISIANA**  
**Notes to Budgetary Comparison Schedules**  
**For the Year Ended September 30, 2003**  
**(Unaudited)**

- [4] The City is legally required to prepare annual operating budgets for the Electric System, Water Systems, Sewer System, Ruston Airport Authority, Amusement Fund, Workmen's Compensation, General Insurance, and Purchasing/Warehouse Funds. The City is not, however, required to present an actual-to-budget comparison for the enterprise and internal service funds.

**Reconciliation of the Budgetary Basis and the GAAP Basis**

Adjustments necessary to convert the expenditures at the end of the year on the budgetary basis to the GAAP basis are as follows:

	<u>Budgetary basis</u>	<u>General fund</u>
Budgetary basis expenditures	\$110,000	
Supplementary salary payments	300,000	
GAAP basis expenses	<u>\$1,311,329</u>	

**Excess of Expenditures over Budget**

For those funds for which a budget to actual comparison was made, actual expenditures on a budgetary basis exceeded budgeted expenditures on a code level basis as follows:

Fund	Budgeted	Actual on a Budgetary basis	Unfavorable variance	Negative variance
General Fund:				
General government:				
Executive - Operating services	1581.894	1614.059	(114,765)	
Marshall - Long term	153,367	154,307	(1,040)	
Civic Center - Personal services	160,168	162,488	(2,321)	
Section 8 - Travel and other	7,800	7,645	(155)	
Community development -				
Improvements	187,000	188,407	(1,407)	
Public Safety:				
Fire Department - Capital	91,975	92,813	(838)	
Public works:				
Repair shop - Materials & supplies	25,840	26,717	(1,777)	
Animal control - Personal services	181,167	181,424	(257)	

The unfavorable variance in executive is due primarily to an increase in consulting expenditures for architect on downtown revitalization project and renovations for alternate water supply source. The unfavorable variance in the civic center is primarily due to an increase in contract labor. The unfavorable variance in community development is due to higher than anticipated expenditures related to the Rural Health Grant. The unfavorable variance in section 8 - Vouchers is due to higher than anticipated monthly payments.

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## **Combining Fund Statements**

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## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

Special revenue funds are used for specific revenues that are legally restricted to expenditures for particular purposes.

**Benton Park and Recreation Board** – This fund accounts for the receipts and subsequent expenditures of the City of Benton Park and Recreation Program.

**DI-ELT Grant Program** – This fund accounts for the receipt and subsequent expenditures of a State of Louisiana Emergency Shelter Grant Program.

**Section II Housing Assistance Payments Programs** – These funds account for receipt of Federal funds and the payment of Housing Assistance Payments to qualifying rental property owners.

### **Capital Projects Funds**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**Central Shop Construction** – This fund accounts for receipts and disbursements of the proceeds from the issuance of Certificates of Indebtedness Series 1993, designated for the construction of a central supply shop.

**Hazard Mitigation Grant** – This fund accounts for receipts and disbursements of a grant received from the State of Louisiana for removing repetitive loss structures from the flood plain.

**Parks and Recreation – 1994 Certificates of Indebtedness** – This fund accounts for receipts and disbursements of the proceeds from the issuance of Certificates of Indebtedness, Series 1994, designated for Parks and Recreation capital purchases and improvements.

**Sewer Demonstrated Needs Grant** – This fund accounts for receipts and disbursements of a grant received from the Louisiana Community Development Block Grant for sewer force main replacement.

**Sewer Spillover LCCBG Grant** – This fund accounts for receipts and disbursements of a grant received from the Louisiana Community Development Block Grant for sewer improvements.

**I-20 Fund** – This fund accounts for Infrastructure improvements along the I-20 Service Road that are funded from the issuance of sales tax increment bonds.

### **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 BURGESS, LOUISIANA**  
**COMPREHENSIVE FINANCIAL REPORT**  
**NORMA V. YOUNG GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2005**

**Special Revenue Funds**

	Budget Allocation Board	B.M.B. Object Program	Section 8 Operating Budget		Total	B.M.B. Object Board
			Section 8 Operating Budget	Section 8 Variances Budget		
<b>ASSETS</b>						
Current Assets:						
Accounts receivable:						
Customer accounts, net	\$ 100,284		\$ 1,738	\$ 98,546	\$ 102,798	\$ 102,798
Due from shareholders	1,234		147	1,186	1,237	1,237
Total assets	<u>\$ 101,518</u>		<u>\$ 1,885</u>	<u>\$ 99,632</u>	<u>\$ 104,635</u>	<u>\$ 104,635</u>
Deferred Assets:						
Fees in advance:						
Accounts payable	\$ 4,238	\$ 3,294			\$ 8,532	
Bonds	170				170	
Due to other funds	4,278		\$ 1,927	\$ 3,351	\$ 6,636	
Accrued interest	3,073				3,073	
Investments	<u>\$ 17,509</u>	<u>\$ 3,294</u>	<u>\$ 1,927</u>	<u>\$ 3,351</u>	<u>\$ 22,830</u>	
Total liabilities and fund balances	\$ 101,518	\$ 3,294	\$ 1,885	\$ 3,351	\$ 104,635	\$ -

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

Central European Journal

Central Bank Contribution		Supervision Budget Grant		Lower Government Budget Grant		Upper Budget		Total Government Contribution	
Y	M	Y	M	Y	M	Y	M	Y	M
1	100.00	1	100.00	1	100.00	1	100.00	1	100.00
2	100.00	2	100.00	2	100.00	2	100.00	2	100.00
3	100.00	3	100.00	3	100.00	3	100.00	3	100.00
4	100.00	4	100.00	4	100.00	4	100.00	4	100.00
5	100.00	5	100.00	5	100.00	5	100.00	5	100.00
6	100.00	6	100.00	6	100.00	6	100.00	6	100.00
7	100.00	7	100.00	7	100.00	7	100.00	7	100.00
8	100.00	8	100.00	8	100.00	8	100.00	8	100.00
9	100.00	9	100.00	9	100.00	9	100.00	9	100.00
10	100.00	10	100.00	10	100.00	10	100.00	10	100.00
11	100.00	11	100.00	11	100.00	11	100.00	11	100.00
12	100.00	12	100.00	12	100.00	12	100.00	12	100.00
13	100.00	14	100.00	14	100.00	14	100.00	14	100.00
15	100.00	16	100.00	16	100.00	16	100.00	16	100.00
17	100.00	18	100.00	18	100.00	18	100.00	18	100.00
19	100.00	20	100.00	20	100.00	20	100.00	20	100.00
21	100.00	22	100.00	22	100.00	22	100.00	22	100.00
23	100.00	24	100.00	24	100.00	24	100.00	24	100.00
25	100.00	26	100.00	26	100.00	26	100.00	26	100.00
27	100.00	28	100.00	28	100.00	28	100.00	28	100.00
29	100.00	30	100.00	30	100.00	30	100.00	30	100.00
31	100.00	32	100.00	32	100.00	32	100.00	32	100.00
33	100.00	34	100.00	34	100.00	34	100.00	34	100.00
35	100.00	36	100.00	36	100.00	36	100.00	36	100.00
37	100.00	38	100.00	38	100.00	38	100.00	38	100.00
39	100.00	40	100.00	40	100.00	40	100.00	40	100.00
41	100.00	42	100.00	42	100.00	42	100.00	42	100.00
43	100.00	44	100.00	44	100.00	44	100.00	44	100.00
45	100.00	46	100.00	46	100.00	46	100.00	46	100.00
47	100.00	48	100.00	48	100.00	48	100.00	48	100.00
49	100.00	50	100.00	50	100.00	50	100.00	50	100.00
51	100.00	52	100.00	52	100.00	52	100.00	52	100.00
53	100.00	54	100.00	54	100.00	54	100.00	54	100.00
55	100.00	56	100.00	56	100.00	56	100.00	56	100.00
57	100.00	58	100.00	58	100.00	58	100.00	58	100.00
59	100.00	60	100.00	60	100.00	60	100.00	60	100.00
61	100.00	62	100.00	62	100.00	62	100.00	62	100.00
63	100.00	64	100.00	64	100.00	64	100.00	64	100.00
65	100.00	66	100.00	66	100.00	66	100.00	66	100.00
67	100.00	68	100.00	68	100.00	68	100.00	68	100.00
69	100.00	70	100.00	70	100.00	70	100.00	70	100.00
71	100.00	72	100.00	72	100.00	72	100.00	72	100.00
73	100.00	74	100.00	74	100.00	74	100.00	74	100.00
75	100.00	76	100.00	76	100.00	76	100.00	76	100.00
77	100.00	78	100.00	78	100.00	78	100.00	78	100.00
79	100.00	80	100.00	80	100.00	80	100.00	80	100.00
81	100.00	82	100.00	82	100.00	82	100.00	82	100.00
83	100.00	84	100.00	84	100.00	84	100.00	84	100.00
85	100.00	86	100.00	86	100.00	86	100.00	86	100.00
87	100.00	88	100.00	88	100.00	88	100.00	88	100.00
89	100.00	90	100.00	90	100.00	90	100.00	90	100.00
91	100.00	92	100.00	92	100.00	92	100.00	92	100.00
93	100.00	94	100.00	94	100.00	94	100.00	94	100.00
95	100.00	96	100.00	96	100.00	96	100.00	96	100.00
97	100.00	98	100.00	98	100.00	98	100.00	98	100.00
99	100.00	100	100.00	100	100.00	100	100.00	100	100.00

**OFF-BALANCE SHEET  
COMMON STATEMENT OF REVENUE, EXPENDITURE, AND CASH POSITION AND  
MOVEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

Statement of Revenue, Expenditure, and Cash Position and Movement						
	Revenue Amount Billion Ringgit	Expenditure Amount Billion Ringgit	Movement Amount Billion Ringgit	Revenue Amount Billion Ringgit	Expenditure Amount Billion Ringgit	Net Amount Billion Ringgit
<b>REVENUE</b>						
Net	1 000.00	-	-	1 000.00	1 000.00	0.00
Interest received	1 000.00	-	-	1 000.00	1 000.00	0.00
Grants received	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenue	1 000.00	0.00	0.00	1 000.00	1 000.00	0.00
<b>EXPENDITURE</b>						
Current	-	-	-	-	-	-
Operational expenditure	100.00	100.00	0.00	100.00	100.00	0.00
Investment	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	-
Net interest	-	-	-	-	-	-
Total expenditure	100.00	100.00	0.00	100.00	100.00	0.00
Less depreciation and amortisation	-	-	-	-	-	-
Less fixed capital formation	-	-	-	-	-	-
Less interest	-	-	-	-	-	-
Net current expenditure	100.00	100.00	0.00	100.00	100.00	0.00
Non-current expenditure	-	-	-	-	-	-
Investment	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	-
Less depreciation and amortisation	-	-	-	-	-	-
Less interest	-	-	-	-	-	-
Net non-current expenditure	-	-	-	-	-	-
Total expenditure	100.00	100.00	0.00	100.00	100.00	0.00
<b>MOVEMENT</b>						
Net movement	1 000.00	0.00	0.00	1 000.00	0.00	0.00

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

## Capital Budget Results

Capital Budget Item	Initial Investment (\$)	Annual Maintenance (\$)	Annual Revenue (\$)	Annual Operating Cost (\$)	Annual Depreciation (\$)	Annual Net Cash Flow (\$)	Internal Rate of Return (%)	Payback Period (years)	Total Present Value (\$)
1. Land Purchase	10,000	1,000	12,000	8,000	1,000	3,000	12%	3.33	10,000
2. Building Purchase	20,000	2,000	25,000	18,000	2,000	5,000	15%	2.73	20,000
3. Equipment Purchase	15,000	1,500	20,000	15,000	1,500	3,500	10%	4.29	15,000
4. Total Capital Investment	45,000	4,500	57,000	48,000	4,500	10,500	-	-	45,000
5. Net Present Value	10,000	1,000	12,000	8,000	1,000	3,000	12%	3.33	10,000
6. Internal Rate of Return	10,000	1,000	12,000	8,000	1,000	3,000	12%	3.33	10,000
7. Payback Period	10,000	1,000	12,000	8,000	1,000	3,000	12%	3.33	10,000
8. Total Present Value	20,000	2,000	25,000	18,000	2,000	5,000	15%	2.73	20,000
9. Net Present Value	20,000	2,000	25,000	18,000	2,000	5,000	15%	2.73	20,000
10. Internal Rate of Return	20,000	2,000	25,000	18,000	2,000	5,000	15%	2.73	20,000
11. Payback Period	20,000	2,000	25,000	18,000	2,000	5,000	15%	2.73	20,000
12. Total Present Value	15,000	1,500	20,000	15,000	1,500	3,500	10%	4.29	15,000
13. Net Present Value	15,000	1,500	20,000	15,000	1,500	3,500	10%	4.29	15,000
14. Internal Rate of Return	15,000	1,500	20,000	15,000	1,500	3,500	10%	4.29	15,000
15. Payback Period	15,000	1,500	20,000	15,000	1,500	3,500	10%	4.29	15,000
16. Total Present Value	45,000	4,500	57,000	48,000	4,500	10,500	-	-	45,000
17. Net Present Value	45,000	4,500	57,000	48,000	4,500	10,500	-	-	45,000
18. Internal Rate of Return	45,000	4,500	57,000	48,000	4,500	10,500	-	-	45,000
19. Payback Period	45,000	4,500	57,000	48,000	4,500	10,500	-	-	45,000
20. Total Present Value	105,000	13,500	168,000	144,000	13,500	21,000	-	-	105,000
21. Net Present Value	105,000	13,500	168,000	144,000	13,500	21,000	-	-	105,000
22. Internal Rate of Return	105,000	13,500	168,000	144,000	13,500	21,000	-	-	105,000
23. Payback Period	105,000	13,500	168,000	144,000	13,500	21,000	-	-	105,000
24. Total Present Value	150,000	18,000	210,000	180,000	18,000	30,000	-	-	150,000
25. Net Present Value	150,000	18,000	210,000	180,000	18,000	30,000	-	-	150,000
26. Internal Rate of Return	150,000	18,000	210,000	180,000	18,000	30,000	-	-	150,000
27. Payback Period	150,000	18,000	210,000	180,000	18,000	30,000	-	-	150,000
28. Total Present Value	200,000	24,000	260,000	220,000	24,000	36,000	-	-	200,000
29. Net Present Value	200,000	24,000	260,000	220,000	24,000	36,000	-	-	200,000
30. Internal Rate of Return	200,000	24,000	260,000	220,000	24,000	36,000	-	-	200,000
31. Payback Period	200,000	24,000	260,000	220,000	24,000	36,000	-	-	200,000
32. Total Present Value	250,000	30,000	300,000	260,000	30,000	40,000	-	-	250,000
33. Net Present Value	250,000	30,000	300,000	260,000	30,000	40,000	-	-	250,000
34. Internal Rate of Return	250,000	30,000	300,000	260,000	30,000	40,000	-	-	250,000
35. Payback Period	250,000	30,000	300,000	260,000	30,000	40,000	-	-	250,000
36. Total Present Value	300,000	36,000	350,000	310,000	36,000	44,000	-	-	300,000
37. Net Present Value	300,000	36,000	350,000	310,000	36,000	44,000	-	-	300,000
38. Internal Rate of Return	300,000	36,000	350,000	310,000	36,000	44,000	-	-	300,000
39. Payback Period	300,000	36,000	350,000	310,000	36,000	44,000	-	-	300,000
40. Total Present Value	350,000	42,000	400,000	350,000	42,000	48,000	-	-	350,000
41. Net Present Value	350,000	42,000	400,000	350,000	42,000	48,000	-	-	350,000
42. Internal Rate of Return	350,000	42,000	400,000	350,000	42,000	48,000	-	-	350,000
43. Payback Period	350,000	42,000	400,000	350,000	42,000	48,000	-	-	350,000
44. Total Present Value	400,000	48,000	450,000	400,000	48,000	52,000	-	-	400,000
45. Net Present Value	400,000	48,000	450,000	400,000	48,000	52,000	-	-	400,000
46. Internal Rate of Return	400,000	48,000	450,000	400,000	48,000	52,000	-	-	400,000
47. Payback Period	400,000	48,000	450,000	400,000	48,000	52,000	-	-	400,000
48. Total Present Value	450,000	54,000	500,000	450,000	54,000	56,000	-	-	450,000
49. Net Present Value	450,000	54,000	500,000	450,000	54,000	56,000	-	-	450,000
50. Internal Rate of Return	450,000	54,000	500,000	450,000	54,000	56,000	-	-	450,000
51. Payback Period	450,000	54,000	500,000	450,000	54,000	56,000	-	-	450,000
52. Total Present Value	500,000	60,000	550,000	500,000	60,000	60,000	-	-	500,000
53. Net Present Value	500,000	60,000	550,000	500,000	60,000	60,000	-	-	500,000
54. Internal Rate of Return	500,000	60,000	550,000	500,000	60,000	60,000	-	-	500,000
55. Payback Period	500,000	60,000	550,000	500,000	60,000	60,000	-	-	500,000
56. Total Present Value	550,000	66,000	600,000	550,000	66,000	64,000	-	-	550,000
57. Net Present Value	550,000	66,000	600,000	550,000	66,000	64,000	-	-	550,000
58. Internal Rate of Return	550,000	66,000	600,000	550,000	66,000	64,000	-	-	550,000
59. Payback Period	550,000	66,000	600,000	550,000	66,000	64,000	-	-	550,000
60. Total Present Value	600,000	72,000	650,000	600,000	72,000	68,000	-	-	600,000
61. Net Present Value	600,000	72,000	650,000	600,000	72,000	68,000	-	-	600,000
62. Internal Rate of Return	600,000	72,000	650,000	600,000	72,000	68,000	-	-	600,000
63. Payback Period	600,000	72,000	650,000	600,000	72,000	68,000	-	-	600,000
64. Total Present Value	650,000	78,000	700,000	650,000	78,000	72,000	-	-	650,000
65. Net Present Value	650,000	78,000	700,000	650,000	78,000	72,000	-	-	650,000
66. Internal Rate of Return	650,000	78,000	700,000	650,000	78,000	72,000	-	-	650,000
67. Payback Period	650,000	78,000	700,000	650,000	78,000	72,000	-	-	650,000
68. Total Present Value	700,000	84,000	750,000	700,000	84,000	76,000	-	-	700,000
69. Net Present Value	700,000	84,000	750,000	700,000	84,000	76,000	-	-	700,000
70. Internal Rate of Return	700,000	84,000	750,000	700,000	84,000	76,000	-	-	700,000
71. Payback Period	700,000	84,000	750,000	700,000	84,000	76,000	-	-	700,000
72. Total Present Value	750,000	90,000	800,000	750,000	90,000	80,000	-	-	750,000
73. Net Present Value	750,000	90,000	800,000	750,000	90,000	80,000	-	-	750,000
74. Internal Rate of Return	750,000	90,000	800,000	750,000	90,000	80,000	-	-	750,000
75. Payback Period	750,000	90,000	800,000	750,000	90,000	80,000	-	-	750,000
76. Total Present Value	800,000	96,000	850,000	800,000	96,000	84,000	-	-	800,000
77. Net Present Value	800,000	96,000	850,000	800,000	96,000	84,000	-	-	800,000
78. Internal Rate of Return	800,000	96,000	850,000	800,000	96,000	84,000	-	-	800,000
79. Payback Period	800,000	96,000	850,000	800,000	96,000	84,000	-	-	800,000
80. Total Present Value	850,000	102,000	900,000	850,000	102,000	88,000	-	-	850,000
81. Net Present Value	850,000	102,000	900,000	850,000	102,000	88,000	-	-	850,000
82. Internal Rate of Return	850,000	102,000	900,000	850,000	102,000	88,000	-	-	850,000
83. Payback Period	850,000	102,000	900,000	850,000	102,000	88,000	-	-	850,000
84. Total Present Value	900,000	108,000	950,000	900,000	108,000	92,000	-	-	900,000
85. Net Present Value	900,000	108,000	950,000	900,000	108,000	92,000	-	-	900,000
86. Internal Rate of Return	900,000	108,000	950,000	900,000	108,000	92,000	-	-	900,000
87. Payback Period	900,000	108,000	950,000	900,000	108,000	92,000	-	-	900,000
88. Total Present Value	950,000	114,000	1,000,000	950,000	114,000	96,000	-	-	950,000
89. Net Present Value	950,000	114,000	1,000,000	950,000	114,000	96,000	-	-	950,000
90. Internal Rate of Return	950,000	114,000	1,000,000	950,000	114,000	96,000	-	-	950,000
91. Payback Period	950,000	114,000	1,000,000	950,000	114,000	96,000	-	-	950,000
92. Total Present Value	1,000,000	120,000	1,050,000	1,000,000	120,000	100,000	-	-	1,000,000
93. Net Present Value	1,000,000	120,000	1,050,000	1,000,000	120,000	100,000	-	-	1,000,000
94. Internal Rate of Return	1,000,000	120,000	1,050,000	1,000,000	120,000	100,000	-	-	1,000,000
95. Payback Period	1,000,000	120,000	1,050,000	1,000,000	120,000	100,000	-	-	1,000,000
96. Total Present Value	1,050,000	126,000	1,100,000	1,050,000	126,000	104,000	-	-	1,050,000
97. Net Present Value	1,050,000	126,000	1,100,000	1,050,000	126,000	104,000	-	-	1,050,000
98. Internal Rate of Return	1,050,000	126,000	1,100,000	1,050,000	126,000	104,000	-	-	1,050,000
99. Payback Period	1,050,000	126,000	1,100,000	1,050,000	126,000	104,000	-	-	1,050,000
100. Total Present Value	1,100,000	132,000	1,150,000	1,100,000	132,000	108,000	-	-	1,100,000
101. Net Present Value	1,100,000	132,000	1,150,000	1,100,000	132,000	108,000	-	-	1,100,000
102. Internal Rate of Return	1,100,000	132,000	1,150,000	1,100,000	132,000	108,000	-	-	1,100,000
103. Payback Period	1,100,000	132,000	1,150,000	1,100,000	132,000	108,000	-	-	1,100,000
104. Total Present Value	1,150,000	138,000	1,200,000	1,150,000	138,000	112,000	-	-	1,150,000
105. Net Present Value	1,150,000	138,000	1,200,000	1,150,000	138,000	112,000	-	-	1,150,000
106. Internal Rate of Return	1,150,000	138,000	1,200,000	1,150,000	138,000	112,000	-	-	1,150,000
107. Payback Period	1,150,000	138,000	1,200,000	1,150,000	138,000	112,000	-	-	1,150,000
108. Total Present Value	1,200,000	144,000	1,250,000	1,200,000	144,000	116,000	-	-	1,200,000
109. Net Present Value	1,200,000	144,000	1,250,000	1,200,000	144,000	116,000	-	-	1,200,000
110. Internal Rate of Return	1,200,000	144,000	1,250,000	1,200,000	144,000	116,000	-		

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#### **Internal Service Funds**

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, and to other government, on a cost reimbursement basis.

**Workmen's Compensation Self-Insurance Fund** – This fund accumulates resources to finance employee workers' compensation injuries and claims.

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

**Purchasing-Warehouse Fund** – This fund coordinates purchasing and warehousing operations for all applicable funds.

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**CITY OF ELLIOTT, LOUISIANA**  
**COMBINED STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**(December 31, 2001)**

	<u>Employees Compensation</u>	<u>General Insurance</u>	<u>Purchasing/ Warehouse</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 140,748	\$ 307,231	\$ 52,863	\$ 500,842
Investments	201,000	250,000	-	451,000
Total assets	<u><u>\$341,748</u></u>	<u><u>\$557,231</u></u>	<u><u>\$52,863</u></u>	<u><u>\$500,842</u></u>
<b>LIAISONS</b>				
<b>Current Liabilities:</b>				
Accounts payable	4,045	54,137	-	48,182
Accrued liabilities	-	-	4,000	4,000
Due to other funds	-	-	200	200
Claims and judgments	103,144	126,857	-	230,001
Total current liabilities	<u><u>107,189</u></u>	<u><u>181,004</u></u>	<u><u>4,200</u></u>	<u><u>230,001</u></u>
<b>Noncurrent Liabilities:</b>				
Complementary accounts	-	-	20,077	20,077
Total noncurrent liabilities	-	-	20,077	20,077
Total liabilities	<u><u>107,189</u></u>	<u><u>181,004</u></u>	<u><u>20,077</u></u>	<u><u>230,001</u></u>
<b>NET ASSETS</b>				
Unrestricted	231,400	364,837	22,842	618,079
Total net assets	<u><u>\$231,400</u></u>	<u><u>\$364,837</u></u>	<u><u>\$22,842</u></u>	<u><u>\$618,079</u></u>

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

**CITY OF BYRDSTON, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHARGES IN FUND NO. 100  
 INTERNAL SERVICE FUNDS**  
**FOR THE PERIOD OCTOBER 30, 2003.**

	<u>Boilermaker's Compensation</u>	<u>General Insurance</u>	<u>Packaging/ Warehouse</u>	<u>Total Internal Service Funds</u>
<b>OPERATING REVENUES</b>				
Premium paid by salaried employees	-	\$ 204,157	-	\$ 204,157
Charges to Other Funds	\$ 32,223	21,887,994	-	22,210,217
Charges for services	-	-	\$ 172,000	172,000
Other income	-	380	-	380
<b>Total operating revenues</b>	<b>\$ 32,223</b>	<b>21,910,331</b>	<b>\$ 172,000</b>	<b>22,282,554</b>
<b>OPERATING EXPENSES</b>				
Cost of services:				
Salaries, wages and employee benefits	-	-	\$ 160,979	\$ 160,979
Operating services	-	-	30,724	30,724
Interest and supplies	-	-	2,641	2,641
Total cost of services	-	-	\$ 194,344	\$ 194,344
Total cost of services	-	-	\$ 194,344	\$ 194,344
Charges	149,262	1,881,461	-	1,880,724
Insurance premiums	14,323	291,787	-	306,109
<b>Total operating expenses</b>	<b>263,585</b>	<b>1,873,248</b>	<b>\$ 194,344</b>	<b>2,070,137</b>
Operating income (loss)	(190,362)	405,150	(1,412)	399,211
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	4,782	4,237	1,035	10,054
Total nonoperating revenues (expenses)	4,782	4,237	1,035	10,054
Income (loss) before transfers	(95,455)	499,767	(207)	403,707
Transfers in	193,274	-	-	193,274
Transfers out	-	-	(2,472)	(2,472)
Change in net assets	(113,799)	497,295	(207)	484,295
Total net assets - beginning	(52,427)	100,745	22,971	129,201
Total net assets - ending	<b>3</b>	<b>153,279</b>	<b>22,971</b>	<b>176,250</b>

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

**CITY OF KELLOGG, IDAHO  
COMBINED STATEMENT OF CASHFLOWS  
INTERIM (JULY-NOV) PERIOD  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Statement of Operations</u>	<u>Statement of Financial Position</u>	<u>Statement of Cash Flow Activities</u>	<u>Total Change in Working Capital</u>
<b>Cash flows from operating activities:</b>				
Receipts FROM operations:	\$ 1,860,1	\$ 2,088,11	\$ 17,000	\$ 2,076,200
Payments TO suppliers:	(771,549)	(473,578)	(56,113)	(870,230)
Payments TO employees:	-	-	(50,000)	(50,000)
Claims:	100,079	11,441,361	-	(1,341,280)
Net cash provided by (used in) operating activities	<u>\$ 1,038,630</u>	<u>\$ 19,660</u>	<u>(26,123)</u>	<u>\$ 18,336</u>
<b>Cash flows from non-cash investing activities:</b>				
Transfers IN:	1,87,204	-	-	1,87,204
Transfers OUT:	-	-	(5,400)	(5,400)
Net cash provided by (used in) non-cash activities	<u>1,87,204</u>	<u>-</u>	<u>(5,400)</u>	<u>1,87,204</u>
<b>Cash flows from investing activities:</b>				
Purchases OF investments:	(20,000)	(20,000)	-	(20,000)
Investment in equipment:	4,750	4,197	1,575	10,322
Net cash provided by (used in) investing activities	<u>(15,250)</u>	<u>(19,803)</u>	<u>1,575</u>	<u>(14,628)</u>
Net increase (decrease) in cash and cash equivalents	(141,344)	24,621	(13,361)	\$ 44,944
Cash and cash equivalents - beginning of year	204,000	20,360	44,944	269,264
Cash and cash equivalents - end of year	<u>\$ 62,656</u>	<u>\$ 1,000</u>	<u>\$ 10,583</u>	<u>\$ 73,239</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	<u>\$ (171,360)</u>	<u>\$ (481,10)</u>	<u>\$ (14,13)</u>	<u>\$ (296,33)</u>
adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(increased) decrease in assets:				
Due to other funds	10,734	100	665	10,739
increases (decreases) in liabilities:				
Accrued liabilities	(51,427)	(2,093)	(60)	(54,180)
Accrued EOB/EBT	-	-	56	56
Due to other funds	-	(21,736)	(1,986)	(23,722)
Compensated absences	-	-	565	565
Discretionary judgments	45,954	11,236	-	44,718
Total adjustments	<u>41,296</u>	<u>(25,724)</u>	<u>(2,531)</u>	<u>(21,469)</u>
net cash provided by (used in) operating activities	<u>\$ (130,067)</u>	<u>\$ (49,951)</u>	<u>\$ (16,664)</u>	<u>\$ 123,331</u>

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

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## **Individual Fund Schedules**

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**CITY OF RISON, LOUISIANA**  
**RISON PARK AND RECREATION BOARD**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL FOR BUDGETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	Budgeted Amounts		Actual Expenditures Budgetary Fund	Balance + Net Fund Budget Position (Expenditure)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 277,000	\$ 277,000	\$ 289,810	\$ 12,810
Charges for services	83,000	83,000	82,278	(722)
Investment earnings	3,000	3,000	3,079	79
Miscellaneous	18,000	18,000	11,253	(6,747)
Total revenues	<u><u>\$381,000</u></u>	<u><u>\$381,000</u></u>	<u><u>\$385,141</u></u>	<u><u>\$12,810</u></u>
<b>EXPENDITURES</b>				
Current:				
Personnel:				
Salaries, wages and employee benefits	314,000	348,484	347,981	493
Operating services	364,500	376,388	376,314	11,184
Materials and supplies	11,500	29,794	29,780	(14)
Travel and other	10,000	10,000	7,841	(2,159)
Improvements and equipment	62,000	115,000	116,386	3,386
Total expenditures	<u><u>\$547,000</u></u>	<u><u>\$500,766</u></u>	<u><u>\$494,071</u></u>	<u><u>\$12,894</u></u>
Expenditure of revenues over expenditures	<u><u>\$381,000</u></u>	<u><u>\$381,000</u></u>	<u><u>\$494,071</u></u>	<u><u>(\$111,071)</u></u>
<b>OTHER FINANCED SOURCES (USES)</b>				
Donations in	260,076	175,794	172,711	94,450
Donations out	(16,500)	(16,500)	(16,500)	12
Total other financing sources (uses)	<u><u>\$243,576</u></u>	<u><u>\$159,294</u></u>	<u><u>\$156,211</u></u>	<u><u>\$94,447</u></u>
Net change in fund balance	(3,876)	(1,687,111)	(1,621)	148,363
Fund balances - beginning	<u><u>\$286,028</u></u>	<u><u>\$286,028</u></u>	<u><u>\$286,028</u></u>	<u><u>—</u></u>
Fund balances - ending	<u><u>\$132,152</u></u>	<u><u>\$ 1,313</u></u>	<u><u>\$ 287,475</u></u>	<u><u>\$ 148,363</u></u>

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

**CITY OF BURTON, LOUISIANA**  
**SECTION 8 - MODERNIZING HOW WE GO**  
**SCHEDULE II: REVENUE, EXPENDITURE, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance With Final Budgeted Amount (Positive (Negative)
<b>REVENSES:</b> Intergovernmental	\$ 24,018	\$ 14,995	\$ (9,023)
<b>EXHIBIT VIII:</b>			
Current:			
General Government:			
Operating services:	24,018	14,995	(\$9,023)
Excess (deficiency) of revenues over (under) expenditures	-	(1)	(1)
Fund balances - beginning	(28,571)	(28,571)	-
Fund balances - ending	<u>\$ (28,571)</u>	<u>\$ (28,571)</u>	<u>\$ (1)</u>

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

**CITY OF PISTON, LOUISIANA**  
**SECTION 8 VOUCHER FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2000**

	<u>Budgeted and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (negative)</u>
<b>REVENUE</b>			
Intergovernmental	\$ 988,811	\$ 1,041,990	\$ 52,179
Investment earnings	6,700	3,987	(4,713)
Miscellaneous	45,934	18,660	(27,274)
Total revenues	<u>1,041,445</u>	<u>1,064,637</u>	<u>24,192</u>
<b>EXPENDITURES</b>			
Current:			
General Government			
Operating services	1,034,472	1,034,460	(1,472)
Excess of revenues over expenditures	<u>2,000</u>	<u>150,000</u>	<u>148,000</u>
Other financing - net			
Noncurrent			
Net change in fund balance	7,000	107,712	100,712
Fund balances - beginning	567,790	567,790	-
Fund balances - ending	<u>\$ 274,000</u>	<u>\$ 475,502</u>	<u>\$ 100,512</u>

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

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LAW ENFORCEMENT  
DIVISION OF POLICE

**CITY OF RUSTON, LOUISIANA**

**OMB Circular A-133 Report**

**Year ended September 30, 2003**

**(With Independent Auditors' Reports Thereon)**

**CITY OF BURTON, LOUISIANA**

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KPMG LLP  
Suite 1800  
333 Texas Street  
Houston, TX 77002-3002

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

The Honorable Members of the Board of Aldermen and

Honorable Dan Hollingsworth, Mayor  
City of Baton Rouge, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Baton Rouge, Louisiana (the City) as of and for the year ended September 30, 2000, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 16, 2001, which includes an explanatory paragraph discussing the adoption of a new financial reporting model in 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 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 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

**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 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 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 February 16, 2001.

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

January 16, 2004



KPMG LLP  
One 1000  
300 Texas Street  
Houston, TX 77002-3000

**Independent Auditors' Report on Compliance With Requirements Applicable to Major Programs and an 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 (the 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, 2003. 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 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, *Audit of State, Local Governments, and Non-Profit Organizations*. These 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 these 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, 2003. However, the results of our auditing procedures also disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Item 6(b).



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#### **Internal Control over Compliance**

The management of the City is responsible for establishing, and maintaining, effective internal control over compliance with the 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 the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions include matters relating to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs in Item 03-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

#### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate directly presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2003, and have issued our report thereon dated February 18, 2004, which includes an explanatory paragraph discussing the adoption of a new financial reporting model in 2003. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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*

January 18, 2004

## CITY OF EUSTIS, LOUISIANA

## Schedule of Expenditures of Federal Awards

Year ended September 30, 2000

Grant title	Federal OPRA number	Federal expenditure
<b>United States Department of Housing and Urban Development:</b>		
Section 8 - Housing Choice Vouchers	14-871	\$ 1,454,73
Section 8 - Existing	14-813	38,584
Section 8 - Moderate Rehabilitation	14-838	21,000
<b>Pass through Louisiana Office of Community Development:</b>		
11 A.R.T. CDBG Program	14-231	11,121
Louisiana Community Development Block Grant	14-238	346,228
<b>Total United States Department of Housing and Urban Development:</b>		<u>1,609,351</u>
<b>United States Department of Justice:</b>		
Local Law Enforcement Block Grant	14-382	31,010
<b>Federal Aviation Administration:</b>		
Airport Improvement Program	20-186	962,811
<b>United States Department of Health and Human Services:</b>		
Pass through the Louisiana Office of Rural Health Policy:		
Rural Health Outreach	93-512	189,429
Total federal awards		<u>189,429</u>
		<u>189,429</u>
		<u>3,732,845</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF RUSTON, LOUISIANA

Note to Schedule of Expenditures of Federal Awards

Year ended September 30, 2010

(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 with the exception of the Airport Improvement Program, which is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-102, *Audit of State, 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 basic financial statements.

(2) Subrecipients

Of the federal expenditures presented in the schedule, the City of Ruston, Louisiana, provided federal awards to subrecipients as follows:

Program title	Federal CFDA number	Amount provided to subrecipients
D.A.R.T. CFDA Program	14-201	\$ 31,157
Rural Health Outreach	93.912	189,429

**CITY OF BURTON, LOUISIANA**  
**Schedule of Findings and Questioned Costs**  
**Year ended September 18, 2003**

**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 in 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)? Yes

Type of auditor's report issued on compliance for major programs: unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with section 3103(a) of Circular A-133? No

Identification of major programs:

<b>CFDA Number</b>	<b>Name of Federal Program or Charter</b>
14.271	United States Department of Housing and Urban Development Section 8 Housing Choice Vouchers
14.228	United States Department of Housing and Urban Development Louisiana Community Development Block Grant
20.106	Federal Aviation Administration Airport Improvement Program

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

Auditors qualified as a low-risk auditor? Yes

**Section 2 - Financial Statement Findings**

None

CITY OF BURSTON, LOUISIANA  
Schedule of Findings and Questioned Costs  
Year ended September 30, 2010

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

Item: 10-1

Group: Section 8 Housing Choice Vouchers

CFDA No.: 14.871

Award Year: 2002

Benefit Requirements: Reporting

Condition: The City did not maintain proper supporting documentation showing proof that a HUD Form 50638 was submitted for one particular tenant. In addition, the City did not maintain proper supporting documentation in a tenant file to support HUD Form 50638 that was submitted for another tenant.

Causes: From a sample of 30 tenants, we noted two exceptions.

Questioned Cost: None

Effect: The City is not in compliance with the Reporting compliance requirement of the Section 8 program.

Recommendation: The City should maintain all records supporting compliance with applicable requirements.



**CITY OF RUSTON, L. LOUISIANA**  
**Schedule of Management's Response to Findings and Questioned Costs**  
**Year ended September 30, 2000**

**EXH. D-1**

- A) Name of Contact Responsible - Section 8 office personnel.
- B) Corrective Action Planned - Section 8 office personnel will implement a checklist to ensure that all applicable items are submitted for each tenant and this checklist will be reviewed on a regular basis.
- C) Anticipated Completion Date - April 30, 2004

CITY OF RUSTON, L. LOUISIANA  
Schedule of Prior Audit Findings  
Year ended September 30, 2002

Item: 02-1

Finding: Payroll records from contractors were not obtained weekly in compliance with the Davis-Bacon Act.

Status: Contractors are required to submit all payrolls to the City's third-party consultant on a weekly basis.

Item: 02-2

Finding: The City did not advertise in *The Advocate* for the required three weeks.

Status: The City did not take any bids during the year concerning this project.

Item: 02-3

Finding: The City did not maintain a written statement or code of conduct that specifically prohibits elected officials, staff, or agents from personally benefiting from LIDAK procurement.

Status: The City has implemented a written policy as required by Circular A-102.

Item: 02-4

Finding: The information used for non-competitiveness comparisons according to Section 8 guidelines was out of date.

Status: The City has updated the information used to perform the non-competitiveness test and established procedures to maintain its relevance and accuracy.



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Houston, TX 77002-3000

04/05/20 770515A

January 16, 2004

The Board of Aldermen  
City of Ruston  
Ruston, Louisiana

Ladies and Gentlemen:

We have audited the financial statements of the City of Ruston (the City) for the year ended September 30, 2003, and have issued our report thereon dated January 16, 2004, which includes an explanatory paragraph discussing the adoption of a new financial reporting model in 2003. In planning and performing our audit of the financial statements of the City, 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:

#### CAPITAL ASSETS

During our audit, we noted that the City's fixed asset accounting procedures have not been updated recently. These procedures do not address new reporting requirements for capital assets. These requirements include capitalizing and depreciating all capital assets regardless of fund type as well as capitalizing infrastructure assets. During our audit, we examined additions to capital assets and noted numerous smaller items that were capitalized, making it unclear whether the current policy was being followed consistently. Management has drafted a new policy taking into consideration the new reporting requirements. We recommend that the City adopt this new policy.

In addition, we noted that the accumulated depreciation subledgers are not reconciled to the general ledger. We recommend that the City implement procedures to reconcile the accumulated depreciation subledgers to the general ledger on a monthly basis.

#### Management's Response:

We agree and will adopt an updated fixed asset policy during the current year.

\*\*\*\*\*



PROFESSIONAL STAFF RECOMMENDATION: APPROVED  
DATE: 04/05/2005 BY: 770515A

The Board of Aldermen  
City of Baton Rouge  
January 18, 2004  
Page 2

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