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*Annual Financial Report
For the Year Ended
September 30, 1999*

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Release Date APR 0 5 2000

CITY OF RUSTON, LOUISIANA
Annual Financial Report
For The Year Ended September 30, 1999

Table Of Contents

	<u>EXHIBIT</u>	<u>PAGE</u>
FINANCIAL SECTION		
Independent Auditors' Report		1-3
General Purpose Financial Statements:		5
Combined Balance Sheet -- All Fund Types and Account Groups	1	6-7
Combined Statement of Revenues, Expenditures and Changes in Fund Balances -- All Governmental Fund Types	2	8-9
Combined Statement of Revenues, Expenditures and Changes in Fund Balances -- Budget (GAAP Basis) and Actual -- General and Certain Special Revenue Funds	3	10-11
Combined Statement of Revenues, Expenses and Changes in Retained Earnings -- All Proprietary Fund Types	4	12
Combined Statement of Cash Flows -- All Proprietary Fund Types	5	13
Combining Balance Sheet -- Component Units -- All Fund Types	6	14
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -- Component Units -- All Fund Types	7	15
Notes to Financial Statements		17-41
Required Supplemental Information		42
Combining, Individual Fund and Account Group Statements and Schedules:		43
General Fund:		44
Comparative Balance Sheets	A-1	45
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	A-2	46-48

CITY OF RUSTON, LOUISIANA
Annual Financial Report
For The Year Ended September 30, 1999

Table Of Contents (Continued)

	<u>EXHIBIT</u>	<u>PAGE</u>
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget (GAAP Basis) and Actual	A-3	49-51
Special Revenue Funds:		53
Combining Balance Sheet	B-1	54-55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-2	56-57
Sales Tax Funds:		
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget (GAAP Basis) and Actual -- 1968 Fund	B-3	58
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget (GAAP Basis) and Actual -- 1985 Fund	B-4	59
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget (GAAP Basis) and Actual -- 1990 Fund	B-5	60
Ruston Parks and Recreation Board:		
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget (GAAP Basis) and Actual	B-6	61-62
Section 8 Housing:		
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget (GAAP Basis) and Actual - Existing Housing	B-7	63
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget (GAAP Basis) and Actual - Modrehab Housing	B-8	64
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget (GAAP Basis) and Actual - Voucher Program	B-9	65

CITY OF RUSTON, LOUISIANA
Annual Financial Report
For The Year Ended September 30, 1999

Table Of Contents (Continued)

	<u>EXHIBIT</u>	<u>PAGE</u>
Debt Service Fund:		67
Comparative Balance Sheets	C-1	68
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	C-2	69
Capital Projects Funds:		71
Combining Balance Sheet	D-1	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)	D-2	73
Enterprise Funds:		75
Combining Balance Sheet	E-1	76-77
Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficits)	E-2	79
Combining Statement of Cash Flows	E-3	80-81
Internal Service Funds:		83
Combining Balance Sheet	F-1	84
Combining Statement of Revenues, Expenses and Changes in Retained Earnings (Deficits)	F-2	85
Combining Statement of Cash Flows	F-3	86
General Fixed Assets Account Group:		87
Comparative Schedules of General Fixed Assets	G-1	88
Schedule of General Fixed Assets by Function and Activity	G-2	89

CITY OF RUSTON, LOUISIANA
Annual Financial Report
For The Year Ended September 30, 1999

Table Of Contents (Continued)

	<u>EXHIBIT</u>	<u>PAGE</u>
Schedule of Changes in General Fixed Assets by Function and Activity	G-3	90
Schedule of Changes in General Fixed Assets by Source	G-4	91
General Long-Term Debt Account Group:		92
Schedule of Changes in General Long-Term Debt	H-1	93
SUPPLEMENTARY INFORMATION SECTION:		
	SCHEDULES	
<i>General Fund:</i>		
Schedule of Expenditures – Budget (GAAP Basis) and Actual	1	95-103
<i>Enterprise Funds:</i>		
Electric System Fund – Schedule of Operating Expenses by Department	2	104-107
Water System Fund – Schedule of Operating Expenses by Department	3	108-109
Sewerage System Fund – Schedule of Operating Expenses by Department	4	110-112
Combined Schedule of Bonds Payable	5	113-114

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF RUSTON
 Combined Balance Sheet - All Fund Types,
 Account Groups and Discretely Presented Component Units
 September 30, 1999

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES			ACCOUNT GROUPS			TOTALS GOVERNMENT		TOTALS REPORTING ENTITY	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE	FIXED ASSETS	LONG-TERM DEBT	MEMORANDUM ONLY		COMPONENT UNITS	MEMORANDUM ONLY		
									(MEMORANDUM ONLY)	(MEMORANDUM ONLY)		(MEMORANDUM ONLY)	(MEMORANDUM ONLY)	
ASSETS AND OTHER DEBITS														
Cash and Cash Equivalents (Note 3)	1,959,928	2,374,007	101,477	333,723	13,313,364	736,279	-	-	16,818,778	131,916	-	18,950,694	-	
Accounts Receivable, net (Note 5)	258,271	1,176	-	-	1,851,276	44,591	-	-	2,155,314	-	-	2,155,314	-	
Unbilled Revenues	68,808	-	-	-	1,648,291	-	-	-	1,717,099	-	-	1,717,099	-	
Due from Other Funds (Note 5)	1,413,734	682,225	-	-	485,599	97,736	-	-	2,679,294	70	-	2,679,364	-	
Due from Other Gov't Units	-	-	-	-	-	-	-	-	-	6,839	-	6,839	-	
Inventories, at Cost	46,548	-	-	-	654,992	-	-	-	701,540	-	-	701,540	-	
Prepaid Expenses	-	-	-	-	27,580	-	-	-	27,580	-	-	27,580	-	
Restricted Assets:														
Cash and Cash Equivalents (Note 3)	-	-	-	-	1,656,257	-	-	-	1,656,257	-	-	1,656,257	-	
Fixed Assets, net (Note 6)	-	-	-	-	28,867,497	-	18,185,027	-	47,052,524	201,779	-	47,254,303	-	
Other Debits:														
Amount Available in Debt Service Fund	-	-	-	-	-	-	101,477	-	101,477	-	-	101,477	-	
Amount to be Provided for the	-	-	-	-	-	-	-	-	-	-	-	-	-	
Refirement of General Long-Term Debt	-	-	-	-	-	-	2,870,739	-	2,870,739	-	-	2,870,739	-	
Total Assets and Other Debits	3,747,289	3,057,408	101,477	333,723	48,504,856	878,606	18,185,027	2,972,216	77,780,602	342,995	-	78,123,597	-	
LIABILITIES, EQUITY, AND OTHER CREDITS														
Liabilities:														
Accounts and Retainage Payable	550,889	16,570	-	-	2,540,853	14,515	-	-	3,122,827	3,812	-	3,126,639	-	
Accrued & Other Liabilities	80,216	3,128	-	-	76,959	389,404	-	-	549,707	13,722	-	563,429	-	
Deposits	2,421	3,637	-	-	-	-	-	-	6,058	25,535	-	31,593	-	
Due to Other Funds (Note 5)	55,956	681,671	-	11,967	1,496,001	433,699	-	-	2,679,294	70	-	2,679,364	-	
Payable from Restricted Assets:														
Bonds Payable (Note 9)	-	-	-	-	85,000	-	-	-	85,000	-	-	85,000	-	
Accrued Interest & Coupons	-	-	-	-	211,034	-	-	-	211,034	-	-	211,034	-	
Customer Deposits & Interest	-	-	-	-	581,919	-	-	-	581,919	-	-	581,919	-	
Due to Other Governmental Units	3,333	-	-	-	-	-	-	-	3,333	-	-	3,333	-	
Certificates of Indebtedness (Note 9)	-	-	-	-	-	-	1,153,000	-	1,153,000	-	-	1,153,000	-	
Due to Municipal Police Employees	-	-	-	-	-	-	-	-	-	-	-	-	-	
Refirement System (Note 7)	-	-	-	-	-	-	-	302,873	302,873	-	-	302,873	-	
Obligation under Capital Lease (Note 10)	-	-	-	-	121,492	-	-	552,896	674,388	-	-	674,388	-	
Bonds Payable (Note 9)	-	-	-	-	4,180,629	-	-	-	4,180,629	-	-	4,180,629	-	
Compensated Absences (Note 9)	-	-	-	-	336,979	26,319	-	963,447	1,326,745	-	-	1,326,745	-	
Total Liabilities	692,815	705,006	-	11,967	9,630,866	863,937	-	2,972,216	14,876,807	43,139	-	14,919,946	-	

Equity and Other Credits:												
Contributed Capital (Note 12)	-	-	-	9,810,021	-	-	-	-	9,810,021	-	-	9,810,021
Investment in General Fixed Assets	-	-	-	-	-	18,185,027	-	-	18,185,027	201,779	-	18,386,806
Retained Earnings:												
Reserved for Debt Service	-	-	-	832,934	-	-	-	-	832,934	-	-	832,934
Unreserved	-	-	-	28,231,035	14,669	-	-	-	28,245,704	-	-	28,245,704
Fund Balances:												
Reserved for Inventories	46,548	-	-	-	-	-	-	-	46,548	-	-	46,548
Reserved for Debt Service	5,596	-	101,477	-	-	-	-	-	107,073	-	-	107,073
Unreserved:												
Designated for Future Years' Expenditures	-	-	-	150,431	-	-	-	-	150,431	-	-	150,431
Undesignated	3,002,330	2,352,402	-	-	171,325	-	-	-	5,526,057	98,077	-	5,624,134
Total Equity and Other Credits	3,054,474	2,352,402	101,477	38,873,990	14,669	18,185,027	-	-	62,903,795	299,856	-	63,203,651
Total Liabilities, Equity, and Other Credits	3,747,289	3,057,408	101,477	48,504,856	878,606	18,185,027	2,972,216	77,780,602	342,995	78,123,597		

See accompanying notes to financial statements.

CITY OF RUSTON

Exhibit 2

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - All Governmental Funds Types
For the Year Ended September 30, 1999

	GOVERNMENTAL FUND TYPES				TOTALS		TOTAL REPORTING ENTITY (Memorandum Only)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	(Memorandum Only)	COMPONENT UNITS	
Revenues:							
Taxes	568,428	5,932,449	-	-	6,500,877	-	6,500,877
License & Permits	516,050	-	-	-	516,050	-	516,050
Intergovernmental	902,540	811,541	-	8,474	1,722,555	-	1,722,555
Charges for Services	1,070,834	-	-	-	1,070,834	459,920	1,530,754
Fines & Forfeitures	212,096	-	-	-	212,096	-	212,096
Miscellaneous	293,460	247,194	2,715	151,052	694,421	8,594	703,015
Total Revenues	3,563,408	6,991,184	2,715	159,526	10,716,833	468,514	11,185,347
Expenditures:							
Current:							
General Government	1,939,960	803,775	-	-	2,743,735	462,518	3,206,253
Public Safety	3,639,796	-	-	-	3,639,796	-	3,639,796
Public Works	3,435,900	-	-	-	3,435,900	-	3,435,900
Recreation	-	518,965	-	-	518,965	-	518,965
Capital Outlay	-	-	-	66,663	66,663	-	66,663
Debt Service	66,071	-	204,045	-	270,116	-	270,116
Total Expenditures	9,081,727	1,322,740	204,045	66,663	10,675,175	462,518	11,137,693

Excess (Deficiency) of Revenues Over Expenditures	(5,518,319)	5,668,444	(201,330)	92,863	41,658	5,996	47,654
Other Financing Sources (Uses):							
Operating Transfers In (Note 13)	6,060,615	371,141	208,894	150,021	6,790,671	-	6,790,671
Operating Transfers Out (Note 13)	(327,947)	(5,434,533)	-	-	(5,762,480)	-	(5,762,480)
Total Other Financing Sources (Uses)	5,732,668	(5,063,392)	208,894	150,021	1,028,191	-	1,028,191
Excess of Revenues & Other Financing Sources Over Expenditures & Other Financing Uses	214,349	605,052	7,564	242,884	1,069,849	5,996	1,075,845
Fund Balances, October 1	2,830,808	1,756,667	93,913	78,872	4,760,260	92,081	4,852,341
Residual Equity Transfer (Note 13)	9,317	(9,317)	-	-	-	-	-
Fund Balances, September 30	3,054,474	2,352,402	101,477	321,756	5,830,109	98,077	5,928,186

CITY OF RUSTON

Exhibit 3

Combined Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (GAAP Basis) and Actual

General and Certain Special Revenue Funds

For the Year Ended September 30, 1999

	GENERAL FUND		CERTAIN SPECIAL REVENUE FUNDS		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	BUDGET	ACTUAL	
Revenues:					
Taxes	550,000	568,428	5,640,482	5,932,449	291,967
License & Permits	512,050	516,050	-	-	-
Intergovernmental	814,212	902,540	746,596	789,543	42,947
Charges for Services	1,047,000	1,070,834	-	-	-
Fines & Forfeitures	238,000	212,096	-	-	(25,904)
Miscellaneous	112,250	293,460	153,500	247,022	93,522
Total Revenues	3,273,512	3,563,408	6,540,578	6,969,014	428,436
Expenditures:					
Current:					
General Government	2,300,839	1,939,960	802,998	778,199	24,799
Public Safety	3,847,485	3,639,796	-	-	-
Public Works	3,707,132	3,435,900	-	-	-
Recreation	-	-	660,724	518,965	141,759
Debt Service	66,071	66,071	-	-	-
Total Expenditures	9,921,527	9,081,727	1,463,722	1,297,164	166,558
Excess (Deficiency) of Revenues Over Expenditures	(6,648,015)	(5,518,319)	5,076,856	5,671,850	594,994

Other Financing Sources (Uses):						
Operating Transfers In	6,053,838	6,060,615	6,777	321,236	371,141	49,905
Operating Transfers Out	(240,421)	(327,947)	(87,526)	(5,412,209)	(5,434,533)	(22,324)
Total Other Financing Sources (Uses)	5,813,417	5,732,668	(80,749)	(5,090,973)	(5,063,392)	27,581
Excess (Deficiency) of Revenues & Other Sources Over Expenditures & Other Uses						
	(834,598)	214,349	1,048,947	(14,117)	608,458	622,575
Fund Balances, October 1	2,830,808	2,830,808	-	1,743,939	1,743,939	-
Residual Equity Transfers In	-	9,317	9,317	-	-	-
Fund Balances, September 30	1,996,210	3,054,474	1,058,264	1,729,822	2,352,397	622,575

See accompanying notes to the financial statements.

CITY OF RUSTON
 Combined Statement of Revenue, Expenses and
 Changes in Retained Earnings
 All Proprietary Fund Types
 For the Year Ended September 30, 1999

Exhibit 4

	ENTERPRISE	INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY)
Operating Revenues:			
Charges for Services	18,919,102	167,340	19,086,442
Rent Income	37,672	-	37,672
Charges to Other Funds and Employees	-	1,756,848	1,756,848
Miscellaneous Income	489,609	-	489,609
Total Operating Revenues	19,446,383	1,924,188	21,370,571
Operating Expenses:			
Direct Expenses	15,449,288	1,991,647	17,440,935
Indirect Expenses	1,707,994	-	1,707,994
Total Operating Expenses	17,157,282	1,991,647	19,148,929
Operating Income(Loss)	2,289,101	(67,459)	2,221,642
Nonoperating Revenues (Expenses):			
Interest Income	624,342	30,178	654,520
Sale of Hay	2,348	-	2,348
Federal and State Disaster Relief	215,511	-	215,511
Interest Expense & Fiscal Charges	(221,117)	-	(221,117)
Net Nonoperating Revenues (Expenses)	621,084	30,178	651,262
Income Before Operating Transfers	2,910,185	(37,281)	2,872,904
Operating Transfers Out (Note 13)	(2,135,604)	-	(2,135,604)
Operating Transfers In (Note 13)	1,107,413	-	1,107,413
Net Income	1,881,994	(37,281)	1,844,713
Depreciation on Fixed Assets			
Acquired with Capital Grants	440,246	-	440,246
Retained Earnings, October 1	26,741,729	51,950	26,793,679
Retained Earnings, September 30	29,063,969	14,669	29,078,638

See accompanying notes to financial statements.

CITY OF RUSTON
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 For the Year Ended September 30, 1999

Exhibit 5

	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS	TOTALS (MEMORANDUM) ONLY
Cash Flows From Operating Activities:			
Operating Income (Loss)	2,289,101	(67,459)	2,221,642
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by Operating Activities:			
Depreciation and Amortization	1,930,296	-	1,930,296
(Increase) Decrease in Operating Assets:			
Accounts Receivables	(1,163,704)	32,720	(1,130,984)
Due from Other Governmental Units	140,000	-	140,000
Inventories	(27,633)	-	(27,633)
Due From Other Funds	143,149	-	143,149
Other Assets	8,026	-	8,026
Increase (Decrease) in Operating Liabilities:			
Accounts Payable	1,286,382	(7,411)	1,278,971
Accrued Liabilities	(115,017)	-	(115,017)
Customer Deposits	(22,459)	-	(22,459)
Estimated Payable for Outstanding Claims	-	52,533	52,533
Due to Other Funds	418,856	(2,856)	416,000
Compensated Absences	192,411	(3,202)	189,209
Net Cash Provided by Operating Activities	5,079,408	4,325	5,083,733
Cash Flows From Noncapital Financing Activities:			
Operating Transfers Out	(2,135,604)	-	(2,135,604)
Operating Transfers In	1,107,413	-	1,107,413
Federal & State Disaster Relief	215,511	-	215,511
Net Cash Provided by Noncapital Financing Activities	(812,680)	-	(812,680)
Cash Flows From Capital and Related Financing Activities:			
Purchase of Capital Assets	(1,385,072)	-	(1,385,072)
Capital Lease Obligation Payments	(39,442)	-	(39,442)
Principal Paid on Bond Maturities	(597,536)	-	(597,536)
Interest Paid on Bonds	(227,636)	-	(227,636)
Capital Grants	102,939	-	102,939
Net Cash Used For Capital and Related Financing Activities	(2,146,747)	-	(2,146,747)
Cash Flows From Investing Activities:			
Interest Received	624,342	30,179	654,521
Sale of Hay	2,348	-	2,348
Net Cash Flows From Investing Activities	626,690	30,179	656,869
Net Increase in Cash and Cash Equivalents	2,746,671	34,504	2,781,175
Cash and Cash Equivalents, October 1	12,222,950	701,775	12,924,725
Cash and Cash Equivalents, September 30	14,969,621	736,279	15,705,900

See accompanying notes to financial statements.

CITY OF RUSTON, LOUISIANA
 Combining Balance Sheet - Component Units
 All Fund Types
 For the Year Ended September 30, 1999

	GOVERNMENTAL FUND TYPE		FIDUCIARY FUND TYPES		GENERAL FIXED ASSETS		Totals (Memorandum Only)
	City Court of Ruston 9/30/99	Ruston City Marshal's Office 9/30/99	City Court of Ruston 9/30/99	Ruston City Marshal's Office 9/30/99	City Court of Ruston 9/30/99	Ruston City Marshal's Office 9/30/99	
ASSETS							
Cash and Cash Equivalents	24,024	69,890	27,995	10,007	-	-	131,916
Due from Other Funds	-	-	70	-	-	-	70
Prepaid Expenses	2,391	-	-	-	-	-	2,391
Due from Other Governmental Units	6,839	-	-	-	-	-	6,839
Fixed Assets	-	-	-	-	120,386	81,393	201,779
TOTAL ASSETS	33,254	69,890	28,065	10,007	120,386	81,393	342,995
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts Payable	1,282	-	2,530	-	-	-	3,812
Accrued & Other Liabilities	3,715	-	-	10,007	-	-	13,722
Civil Deposits	-	-	25,535	-	-	-	25,535
Due to Other Funds	70	-	-	-	-	-	70
Total Liabilities	5,067	-	28,065	10,007	-	-	43,139
EQUITY AND OTHER CREDITS							
Investment in General Fixed Assets	-	-	-	-	120,386	81,393	201,779
Fund Balance: Unreserved	28,187	69,890	-	-	-	-	98,077
Total Fund Balance	28,187	69,890	-	-	120,386	81,393	299,856
TOTAL LIABILITIES							
and FUND BALANCE	33,254	69,890	28,065	10,007	120,386	81,393	342,995

See accompanying notes to financial statements.

CITY OF RUSTON, LOUISIANA
 Combining Statement of Revenues, Expenditures,
 And Changes in Fund Balance - Component Units
 All Government Fund Types
 For the Year Ended September 30, 1999

	<u>GOVERNMENTAL FUND TYPES</u>			Totals (Memorandum Only)
	City Court of Ruston 9/30/99	Ruston City Marshal's Office 9/30/99		
REVENUES				
Charges for Services	246,126	213,794		459,920
Miscellaneous	1,112	7,482		8,594
TOTAL REVENUES	247,238	221,276		468,514
EXPENDITURES - CURRENT:				
General Government	231,901	230,617		462,518
Excess (Deficiency) of Revenues Over Expenditures	15,337	(9,341)		5,996
FUND BALANCE, OCTOBER 1	12,850	79,231		92,081
FUND BALANCE, SEPTEMBER 30	28,187	69,890		98,077

See accompanying notes to financial statements.

RUSTON

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

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

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

BLENDED COMPONENT UNIT

Park and Recreation Board

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

DISCRETELY PRESENTED COMPONENT UNITS

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

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

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

City Court

The City Court of Ruston was created by special legislative act. Its jurisdiction includes the incorporated area of the City. The City Judge is elected and cannot be removed by City officials. The City Court is fiscally dependent on the City. The City has the ability to modify or approve its budget that comes from the General Fund. There are certain funds collected by the City Court, pursuant to state statute, which are under the control of the Court. The City Court serves the citizenry of the City. The financial statements of the City Court included in the accompanying financial statements are as of and for the fiscal year ended September 30, 1999.

City Marshal

The City Marshal is an elected official. The City Marshal is fiscally dependent on the City. The City has the ability to modify or approve the budget that comes from the General Fund. There are certain funds collected as court costs, pursuant to state statute, which are under the control of the City Marshal. The City Marshal serves the citizenry of the City. The financial statements of the City Marshal included in the accompanying financial statements are as of and for the fiscal year ended September 30, 1999.

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

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

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

OTHER RELATED ORGANIZATIONS

Housing Authority

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

Lincoln Parish Sales and Use Tax Commission

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

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

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

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

Ruston Housing Authority
1615 North Farmerville
Ruston, Louisiana 71270

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

B. BASIS OF PRESENTATION - FUND ACCOUNTING

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

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

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

(1) Governmental Fund Types

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

a. General Fund

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

b. Special Revenue Funds

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

c. Capital Project Funds

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

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

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

d. Debt Service Fund

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

(2) Proprietary Fund Types

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

a. Enterprise Funds

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

b. Internal Service Funds

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

(3) Account Groups

a. General Fixed Assets Account Group

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

b. General Long-Term Debt Account Group

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

C. BASIS OF ACCOUNTING

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

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

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

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

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

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

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

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

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

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

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

D. BUDGETARY DATA

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

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

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

E. CASH AND CASH EQUIVALENTS

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

F. UNBILLED ACCOUNTS RECEIVABLE

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

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

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

G. INVESTMENTS

Investments are stated at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Interest is accrued as earned. Louisiana statutes permit the City to invest in United States treasury obligations, obligations of the Government agencies which are federally insured, certificates of deposit of state banks having their principal office in the State of Louisiana, and in mutual or trust fund institutions which are registered and which have underlying investments limited to securities of the U.S. Government or its agencies. All investments are classified as cash equivalents at September 30, 1999.

H. INTERFUND RECEIVABLE AND PAYABLE

Interfund transactions are transactions between the different funds.

(1) Due To and Due From Other Funds

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

(2) Advance To and Advance From Other Funds

Interfund receivables and payables that are not expected to be repaid during the next accounting cycle.

I. INVENTORIES

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

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

J. PREPAID EXPENSES

Payments made to vendors for services that will benefit periods beyond September 30, 1999, are recorded as prepaid expenses.

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

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

K. RESTRICTED ASSETS

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

L. PROPERTY, PLANT AND EQUIPMENT

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

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

Property, plant and equipment acquired for proprietary funds is capitalized in the respective funds to which it applies.

Property, plant and equipment is stated at cost except assets acquired by gift or bequest which are recorded at their fair market value on the date of transfer.

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

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

M. LONG-TERM DEBT

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

N. FUND EQUITY

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

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

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

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

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

Reserve for Inventories

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

Reserve for Debt Service

These reserves segregate a portion of fund balance/retained earnings for debt service. These reservations are established to satisfy restrictions imposed by various bond agreements. The unreserved portion of fund balance designated for future years' expenditures indicates the balance has been legally authorized to make up the following years' budget.

O. INTERFUND TRANSACTIONS

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

P. PROPERTY TAX REVENUES

Property taxes levied are based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A revaluation of all real property must be made every four years. The last revaluation date was January 1, 1996.

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

Q. VACATION, SICK LEAVE, AND OTHER COMPENSATED ABSENCES

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

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

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

R. MEMORANDUM ONLY - TOTAL COLUMNS

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

S. GRANTS FROM OTHER GOVERNMENTAL AGENCIES

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

T. CLAIMS AND JUDGMENTS

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

U. CAPITAL LEASES

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

V. ENCUMBRANCES

Encumbrance accounting is not employed. Outstanding encumbrances (e.g. purchase orders, contracts) lapse at year end. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 2 - STEWARDSHIP COMPLIANCE & ACCOUNTABILITY

A. FINANCE RELATED LEGAL AND CONTRACTUAL PROVISIONS

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

B. DEFICIT FUND BALANCE OF INDIVIDUAL FUNDS

The Ambulance Enterprise Fund had a deficit retained earnings at year end of \$6,675. This deficit is expected to be funded by reimbursement in subsequent years from the Lincoln Parish Police Jury. The General Self-Insurance Internal Service Fund had a deficit at year end of \$198,529. This deficit is expected to be funded by fees charged in subsequent years. The Purchasing/ Warehouse Internal Service Fund had a deficit retained earnings at year end of \$10,188. This fund deficit is expected to be removed by a subsequent year's transfer.

C. EXPENDITURES IN EXCESS OF APPROPRIATIONS

OVER BUDGET

Special Revenue Fund

Section 8 Voucher Housing	\$62,915
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General Fund

General Government

Executive:

Utilities	\$ 1,824
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Ward Marshal:

Salaries – Regular	\$ 1,615
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Public Safety

Police Department:

Salaries – Overtime	\$19,693
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Capital Assets	2,648
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Fire Department:

Salaries - Overtime	\$ 1,874
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Probation Office:

Salaries – Overtime	\$ 116
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Public Works

Administration:

Supplies	\$ 19
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Solid Waste:

Bad Debt Expenditure	\$ 337
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Animal Control:

Training of Personnel	\$ 60
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CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 3 - CASH AND INVESTMENTS

A. Deposits

All deposits of the City are held by area financial institutions. At September 30, 1999, the carrying amount of the City's deposits was \$17,473,858 and the bank balance was \$19,118,606. This difference is due to outstanding checks and deposits in transit at September 30, 1999. The City's deposits at year end are categorized below to give an indication of the level of risk assumed by the City at year end. Category 1 includes deposits that are insured or collateralized with securities held by the entity or by its agent in the entity's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. Category 3 deposits include deposits collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

	09-30-99 <u>Bank Balances</u>
Category 1	\$403,303
Category 2	\$6,493,282
Category 3	\$12,222,021

Discretely Presented Component Units

Deposits - Carrying Amount	\$ 131,916
Deposits - Bank Balance	
Category 1	\$ 196,153

B. Investments

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

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 3 – CASH AND INVESTMENTS (Con't)

	<u>CATEGORY</u>			<u>Carrying Amount & Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
U.S. government and U.S. government agency securities	<u>\$1,709,826</u>	<u>\$-----</u>	<u>\$-----</u>	\$ 1,709,826
Louisiana Asset Management Pool				<u>1,291,351</u>
Total Investments				3,001,177
Total Deposits				<u>17,473,858</u>
Total Cash, Cash Equivalents & Investments				<u>20,475,035</u>

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

Louisiana Asset Management Pool ("LAMP"), a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

NOTE 4 - PROPERTY TAXES

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

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

Note 4 – PROPERTY TAXES (Con't)

All property taxes are recognized in compliance with NCGA Interpretation-3 (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For the year ended December 31, 1999, taxes of 9.84 mills were levied on property with assessed valuations totaling \$88,950,480 and were dedicated as follows:

General Fund	6.84 Mills
Recreation Tax	3.00 mills

Total taxes levied were \$875,266.

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

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

NOTE 5 - RECEIVABLES

A. DUE FROM/TO OTHER FUNDS

As of September 30, 1999, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund (01)	\$1,413,734	\$55,956
<u>Special Revenue Funds:</u>		
1968 Sales Tax (05)	-	320,063
1985 Sales Tax (06)	188,329	20,190
1990 Sales Tax (07)	133,086	-
Ruston Parks & Recreation Board (15)	58,450	2,234
Section 8 Existing Housing (70)	255,822	30,843
Section 8 Modrehab Housing (71)	46,538	46,178
Section 8 Voucher Housing (72)	-	262,163
 <u>Capital Projects:</u>		
Park & Recreation C of I (33)	-	1,322
Hazard Mitigation Grant (32)	-	10,645

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 5 - RECEIVABLES (con't)

Enterprise Funds:

Electrical System (50)	81,339	1,090,070
Water System (52)	240,875	24,659
Sewerage System (53)	151,294	12,124
Ruston Airport Authority (54)	-	47,904
Ambulance (55)	12,091	321,244

Internal Service Funds:

Workmen's Compensation (60)	97,736	3,409
General Insurance (61)	-	426,865
Purchasing/Warehouse Fund (62)	-	3,425

Totals

\$2,679,294

\$2,679,294

B. ACCOUNTS RECEIVABLE CUSTOMERS -- ENTERPRISE FUNDS

	<u>TOTAL RECEIVABLES</u>	<u>ALLOWANCE FOR DOUBTFUL ACCOUNTS</u>	<u>NET RECEIVABLES</u>
Electric	1,566,621	139,039	1,427,582
Water	216,109	25,122	190,987
Sewer	201,583	31,816	169,767
Ambulance	592,543	529,603	62,940
Totals	<u>2,576,856</u>	<u>725,580</u>	<u>1,851,276</u>

NOTE 6 - CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance 10-01-98</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 09-30-99</u>
Land	\$ 778,859	\$ -	\$ -	778,859
Buildings	4,152,026	-	-	4,152,026
Improvements Other Than Buildings	4,239,505	-	-	4,239,505
Equipment	<u>8,604,649</u>	<u>409,988</u>	<u>-</u>	<u>9,014,637</u>
Totals	<u>\$17,775,039</u>	<u>\$409,988</u>	<u>-</u>	<u>\$18,185,027</u>

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 6 - CHANGES IN FIXED ASSETS (con't)

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

<u>Description</u>	<u>Electrical System</u>	<u>Water System</u>	<u>Sewer System</u>	<u>Airport Authority</u>	<u>Ambulance Service</u>	<u>Total</u>
Land	53,505	75,070	140,256	138,239	-	407,070
Buildings	2,064,336	173,078	112,767	407,215	-	2,757,396
System Improvement	14,121,799	7,919,156	15,861,118	51,155	-	37,953,228
Equipment	17,293,880	544,590	673,598	-	390,846	18,902,914
Runways, Aprons, and Taxiways	-	-	-	4,559,525	-	4,559,525
Total	33,533,520	8,711,894	16,787,739	5,156,134	390,846	64,580,133
Accumulated Depreciation	<u>(23,709,494)</u>	<u>(4,053,971)</u>	<u>(6,719,223)</u>	<u>(933,290)</u>	<u>(296,658)</u>	<u>(35,712,636)</u>
Net Fixed Assets	<u>\$9,824,026</u>	<u>\$4,657,923</u>	<u>\$10,068,516</u>	<u>\$4,222,844</u>	<u>\$94,188</u>	<u>\$28,867,497</u>

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

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

Depreciation expense in the proprietary funds amounted to \$1,926,533 for the fiscal year.

NOTE 7 - PENSION COSTS

Municipal Employees' Retirement System

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

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 7 - PENSION COSTS (con't)

Funding Policy. Covered employees are required to contribute 9.25% of their annual compensation and the City is required to contribute 5.75% of annual compensation. The contribution requirements are established and may be amended by State statute. The City's contributions to the System for the years ending September 30, 1999, 1998 and 1997 were \$266,007, \$259,612, and \$288,118, respectively, equal to the required contributions for each year. In accordance with GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employees, the net pension obligation was determined to be zero. Prior to adoption of GASB 27, the City did not report a pension liability.

Statewide Firefighter's Retirement System (SFRS)

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

Funding Policy. Covered employees are required to contribute 8% of their annual compensation and the City is required to contribute 9% of annual compensation excluding overtime but including State supplemental pay. The contribution requirements are established and may be amended by State statute. The City's contributions to SFRS for the years ending September 30, 1999, 1998 and 1997 were \$99,788, \$101,469, and \$114,222, respectively, equal to the required contributions for each year. In accordance with GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employees, the net pension obligation was determined to be zero. Prior to adoption of GASB 27, the City did not report a pension liability.

Municipal Police Employees Retirement System (MPERS)

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

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

Funding Policy. Plan members are required to contribute 7.5% of their annual compensation and the City is required to contribute 9% of annual compensation excluding overtime but including State supplemental pay. The contribution requirements are established and may be amended by State statute. The City's contributions to MPERS for the years ending September 30, 1999, 1998 and 1997 were \$107,576, \$109,744, and \$112,939 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 \$302,873 at September 30, 1999. On September 1, 1983, the Ruston Police Pension and Relief Fund was merged with the Municipal Police Employees' Retirement System. In connection with this merger, the City made a commitment to pay the Municipal Police Employees' Retirement System quarterly payments of \$22,669 for a period of twenty years beginning September 1, 1983 for unfunded pension costs. Total cost to the City would be \$1,813,520. The unpaid balance at September 30, 1999 is \$302,873 and is recorded in the General Long-Term Debt Account Group.

NOTE 8 - RISK MANAGEMENT

Worker's Compensation

The City established a limited risk management program for worker's compensation in 1988. Premiums are paid into the Workmen's Compensation Self Insurance Fund by other funds and are available to pay claims, claim reserves, and administrative costs of the program. During the year ended September 30, 1999, a total of \$96,565 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$150,000. Reported claims of \$277,230 have been accrued as a liability based upon the service company's loss reserve report. Interfund premiums are based upon the approximate premium. Payments to the worker's compensation fund are accounted for as an expenditure of the paying fund. The Workmen's Compensation Self Insurance Fund has a retained earnings balance of \$223,386 at September 30, 1999. This balance has been accumulated for future potential catastrophic losses. There were no reductions in insurance coverage from coverage in the prior year. No claims exceeded the City's insurance coverage for each of the past three fiscal years.

General Self Insurance

The City established a limited risk management program for employee medical coverage in 1988. Amounts paid into the General Self Insurance Fund stem from employee contributions, payments by retired employees, and payments by other funds, and are available to pay claims, claim reserves and administrative costs of the program. During the year ended September 30, 1999, a total of \$1,076,879 was paid in benefits and administrative costs. The insurance fund has a deficit of \$198,529 at September 30, 1999. An excess coverage co-insurance policy covers individual claims in excess of \$70,000 per calendar year. Incurred but not reported claims of \$112,174 have been accrued as a liability based upon information provided by the claims administrators. Interfund payments are based on total operating expenses minus employee contributions and payments by retired employees. Payments to the agency fund are accounted for as an expenditure of the paying fund. There were no reductions in insurance coverage from coverage in the prior year. No claims exceeded the City's insurance coverage for each of the past three fiscal years.

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

	<u>Balance</u> <u>October 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30</u>
1998	\$261,614	\$1,567,457	\$1,492,199	\$ 336,872
1999	\$336,872	\$1,461,345	\$1,408,813	\$ 389,404

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 9 – LONG-TERM DEBT

The following is a summary of the City's long-term debt transactions for the year ended September 30, 1999.

	General Obligations				
	<u>Certificates of Indebtedness</u>	<u>Police Pension Fund Liability</u>	<u>Compensated Absences</u>	<u>Capital Leases</u>	<u>Total</u>
Balance 10-01-98	\$1,356,000	\$ 371,486	\$ 725,285	\$ 817,364	\$3,270,135
Additions	-	-	496,927	-	238,162
Retirements & Payments	(203,000)	(68,613)	(258,765)	(264,468)	(536,081)
Balance 9-30-99	<u>\$1,153,000</u>	<u>\$302,873</u>	<u>\$963,447</u>	<u>\$552,896</u>	<u>\$2,972,216</u>

Payments for maturing certificates of indebtedness of \$160,000 were made from the Debt Service Fund and payments of \$43,000 were made from the General Fund.

Bonds and certificates of indebtedness payable at September 30, 1999, are comprised of the following individual issues:

<u>General Obligation Certificate of Indebtedness</u>	<u>Outstanding 09-30-99</u>
\$1,100,000 1993 Certificate of Indebtedness dated 4-1-93, due in annual installments of \$115,000 to \$135,000 through 4-1-03, interest at 4.8% to 5.1% (this issue is secured by pledge and dedication of the excess annual revenue of the City of Ruston)	\$ 495,000
\$500,000 - 1996 Certificate of Indebtedness dated 5-23-96, due in annual installments of \$46,000 to \$62,000 through 5-1-06, interest at 5.48% (this issue is secured by pledge and dedication of the excess annual revenue of the City of Ruston)	378,000
\$500,000 – 1993 A Certificate of Indebtedness dated 3-1-94, due in annual installments of \$50,000 to \$60,000 through 3-1-04, interest at 5.15% to 5.6% (this issue is secured by pledge and dedication of the excess annual revenue of the City of Ruston.)	<u>280,000</u>
Total General Obligation Certificates of Indebtedness	<u>\$1,153,000</u>

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 9 – LONG-TERM DEBT (Con't)

Revenue Bonds

\$4,500,000 authorized 1990 Sewer Revenue Bonds, \$3,204,747 issued, interest at 5.15%, payable in annual installments of \$130,000 to \$245,000 through October 1, 2012 2,440,000

\$1,620,000 authorized 1993 Sewer Revenue Bonds \$1,432,536 issued, interest at 2.45%, payable in installments over not more than 20 years after the completion date. 1,120,000

\$850,000 1996 Water Utility Revenue Refunding Bonds dated 12-23-96 due in annual installments of \$75,000 to \$110,000 through October 1, 2006, interest at 4.689% to 5.079%. Refunding resulted in a deferred loss of \$25,650 which is being amortized over the life of the debt. Net deferred loss at 9/30/99 was \$14,371. 705,629

Total Enterprise Funds Bonds \$ 4,265,629

The annual requirements to amortize all bonded debt outstanding as of September 30, 1999, including interest payments of \$1,583,804 are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Certificates</u> <u>of Indebtedness</u>	<u>Enterprise</u> <u>Revenue Bonds</u>
2000	\$ 211,000	\$ 85,000
2001	223,000	290,000
2002	231,000	305,000
2003	249,000	310,000
2004	117,000	340,000
Thereafter	<u>\$ 122,000</u>	<u>\$ 2,935,629</u>
Total Principal	\$1,153,000	\$ 4,265,629
Total Interest	<u>188,703</u>	<u>1,395,101</u>
Total Future Requirements	<u>\$1,341,703</u>	<u>\$ 5,660,730</u>

The annual requirements to amortize the liability for the Police Pension Fund as of September 30, 1999, including interest payments of \$37,162 are as follows:

2000	90,676
2001	90,676
2002	90,676
2003	<u>68,007</u>
Total	<u>\$340,035</u>

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 9 – LONG-TERM DEBT (Con't)

The amount of long-term debt that can be incurred by the City is limited by state statute. State law allows a maximum of 10% of the assessed valuation of bonded debt for any one purpose or 35% of the total assessed value for all purposes. The City assessed property value at December 31, 1999, was \$88,950,480. The maximum debt allowable for any one purpose and total debt allowable by state law as of December 31, 1999, is \$8,895,048 and \$31,132,668 respectively. The City currently has \$1,153,000 of general bonded debt outstanding.

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

During December 1996, the City issued \$850,000 in Utilities Revenue Refunding Bonds to advance refund \$855,000 of outstanding 1986 Utilities Revenue Bonds. The proceeds, net of issuance costs, were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1986 Utilities Revenue Bonds. The 1986 Utilities Revenue Bonds are considered to be defeased and have been removed from the City's financial statements. The principal outstanding at September 30, 1999 on the bonds refunded was \$730,000.

NOTE 10 - CAPITAL LEASES

The City of Ruston has financed the acquisition of computer hardware and software for its utility billing system and financial system information. The City has also financed the acquisition of six garbage trucks, a street sweeper, two excavators and a 544 Loader for the Public Works Department. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease terms). The value of the fixed assets recorded in the Electric Fund is \$242,608 and the equipment was placed in service at September 30, 1993, and September 30, 1997. The value of the fixed assets recorded in the Water Fund is \$51,954 and the equipment was placed in service at September 1997.

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

ENTERPRISE FUND (ELECTRIC & WATER SYSTEM):

<u>Year Ending 09/30</u>	<u>Minimum Lease Payment</u>	<u>Principal Payment</u>
2000	\$ 43,563	\$ 37,946
2001	43,563	40,045
2002	40,755	39,450
2003	<u>4,109</u>	<u>4,051</u>
Total	<u>\$131,990</u>	<u>\$121,492</u>

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 10 - CAPITAL LEASES (Con't)

GENERAL LONG-TERM DEBT ACCOUNT GROUP:

<u>Year Ending 09/30</u>	<u>Minimum Lease Payment</u>	<u>Principal Payment</u>
2000	\$ 221,468	\$ 194,353
2001	197,506	181,719
2002	127,926	121,697
2003	<u>48,996</u>	<u>55,127</u>
Total	<u>\$595,896</u>	<u>\$552,896</u>

NOTE 11 - SEGMENT INFORMATION - ENTERPRISE FUNDS

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

Segment information for Utilities Systems, Airport Authority, and Ambulance Service for the fiscal year ended September 30, 1999, is as follows:

	<u>Electric System</u>	<u>Water System</u>	<u>Sewerage System</u>	<u>Airport Authority</u>	<u>Ambulance System</u>	<u>Total Enterprises</u>
Operating Revenue	14,699,532	1,913,542	2,170,798	18,623	643,888	19,446,383
Depreciation and Amortization	969,059	229,630	477,833	207,812	45,962	1,930,296
Operating Income (Loss)	1,585,076	610,726	673,211	(229,769)	(350,143)	2,289,101
Operating Transfers In(Out)	(2,113,234)	(22,370)	1,100,000	7,413	-	(1,028,191)
Net Income (Loss)	77,551	614,424	1,744,823	(216,553)	(338,251)	1,881,994
Fixed Asset – Additions	659,606	578,855	137,961	8,650	-	1,385,072
Total Assets	21,591,739	7,045,154	15,104,050	4,352,050	411,863	48,504,856
Revenue Bonds Payable	-	720,000	3,560,000	-	-	4,280,000
Total Contributed Capital and Retained Earnings	17,077,180	6,043,472	11,368,891	4,304,067	80,380	38,873,990
Net Working Capital	7,719,181	1,876,065	4,160,275	81,223	(7,401)	13,829,343

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 12 - CONTRIBUTED CAPITAL - ENTERPRISE FUNDS

Changes in contributed capital during were as follows:

	<u>Electric System</u>	<u>Water System</u>	<u>Sewerage System</u>	<u>Airport Authority</u>	<u>Ambulance System</u>	<u>Total</u>
Balance, October 1	\$325,128	\$825,658	\$5,253,305	\$3,656,182	\$87,055	\$10,147,328
Contributions -- Federal/State Grants	-	-	-	102,939	-	102,939
Less: Depreciation	<u>-</u>	<u>11,830</u>	<u>203,668</u>	<u>224,748</u>	<u>-</u>	<u>440,246</u>
Balance, September 30	<u>\$325,128</u>	<u>\$813,828</u>	<u>\$5,049,637</u>	<u>\$3,534,373</u>	<u>\$87,055</u>	<u>\$9,810,021</u>

NOTE 13 - INTERFUND TRANSFERS

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

	<u>Transfer In</u>	<u>Transfer Out</u>
Operating Transfers		
General Fund	\$6,060,615	\$327,947
Special Revenue Funds:		
Sales Tax Funds		
1968 Sales Tax Fund	-	1,519,974
1985 Sales Tax Fund	-	2,360,311
1990 Sales Tax Fund	-	1,517,974
Ruston Parks & Recreation Board	371,141	36,274
Total Special Revenue Funds	<u>371,141</u>	<u>5,434,533</u>
Debt Service Fund	208,894	-
Capital Project Funds:		
Fire Station Construction	87,685	-
Hazard Mitigation Grant	62,336	-
Total Capital Project Funds	<u>150,021</u>	<u>-</u>
Enterprise Funds:		
Electrical System	-	2,113,234
Water System	-	22,370
Sewer System	1,100,000	-
Airport	7,413	-
Total Enterprise Funds	<u>1,107,413</u>	<u>2,135,604</u>
Total Operating Transfers In and Out	<u>\$7,898,084</u>	<u>\$7,898,084</u>

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 13 - INTERFUND TRANSFERS (Con't)

Residual Equity Transfers		
Special Revenue Funds:		
Health and Safety Rehab	-	55
State Revenue Sharing	-	9,262
General Fund	<u>9,317</u>	<u>-</u>
Total Residual Equity Transfers	<u>\$9,317</u>	<u>\$9,317</u>

NOTE 14 - COMPENSATION PAID TO CITY COUNCIL MEMBERS

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

Elmore D. Mayfield	\$4,800
Troy Smalling	1,200
Pat Cardwell	1,200
Lawrence Smith	1,200
Levell Thurman	4,800
Jim Tuten	3,600
Jim Pearce	3,600
David Hedgepeth	<u>3,600</u>
	<u>\$24,000</u>

NOTE 15 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

The City is defendant in several lawsuits in which the outcome is uncertain at the present time. In the opinion of the City Attorney, the City's ultimate exposure will not have a material adverse 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, are not aware of any liability that should be recorded under Financial Accounting Standard No. 5.

Federally Assisted Programs

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

CITY OF RUSTON
Notes to Financial Statements
For the Year Ended September 30, 1999

NOTE 16 - POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in note 8, the City provides post-retirement health care benefits, in accordance with state statutes, to all retiring employees who were participating in the group health insurance plan prior to their retirement date. The City is self-insured for medical benefits including post-retirement health care benefits. Currently, there are 90 retirees receiving such benefits. During 1999, expenditures of \$551,927 were recognized for post-retirement health care. The expense is recognized when costs are incurred. The costs are funded on a pay-as-you-go basis. At year-end, an estimate is made for incurred but not reported claims.

NOTE 17 - DEFERRED COMPENSATION PLAN

The City implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, in 1999. This statement establishes accounting and financial reporting standards for Internal Revenue Code Section 457 deferred compensation plans of state and local governmental employers. Under this statement, plans that meet the criteria in NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles*, should be reported as an expendable trust fund in the financial statements of the government. Because the plan did not meet this criteria, the effect of adoption for the City was the removal of the assets and liability previously reported by the City for the plan as an agency fund. The balances in assets and liabilities were not presented as of September 30, 1999 and the previously reported assets and liabilities as of September 30, 1998 in the amount of \$2,042,336 were removed from the agency funds comparative statements.

CITY OF RUSTON
Required Supplemental Information
Year 2000 Disclosure
For the Year Ended September 30, 1999

The City is currently addressing Year 2000 issues relating to its computer systems and other electronic equipment. The Year 2000 issue refers to the fact that many computer programs use only the last two digits to refer to a year. Therefore, both 1900 and 2000 would be referred to as "00". Computer programs have to be adjusted to recognize the difference between those two years or the programs will fail or create errors. Also, some programs may not be able to recognize that 2000 is a leap year. Further, the Year 2000 issue could affect electronic equipment -- such as environmental systems and vehicles -- containing computer chips that have date recognition features.

The City has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting City operations. The City has initially identified public safety, financial administration and public works (water/sewer/electrical) as mission critical systems.

The City has completed the validation and testing phase of work. The costs associated with these changes are being funded on a pay as you go basis. Certain of these changes require commitments with vendors for assistance in addressing Year 2000 issues. As of September 30, 1999, there are no commitments outstanding.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. There can be no certainty that the City is or will be Year 2000 ready, that the City's remediation efforts will eliminate any Year 2000 issues in whole or in part, or that parties with whom the City does business will be Year 2000 ready.

COMBINING, INDIVIDUAL FUND AND ACCOUNT
GROUP STATEMENTS AND SCHEDULES

GENERAL FUND

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

CITY OF RUSTON, LOUISIANA
 General Fund
 Comparative Balance Sheets
 September 30, 1999 and 1998

Exhibit A-1

	1999	1998
ASSETS		
Cash and Cash Equivalents	1,959,928	798,936
Accounts Receivable	258,271	266,470
Unbilled Revenues	68,808	59,316
Travel Advances	-	645
Due from Other Funds	1,413,734	2,398,318
Inventories, at Cost	46,548	29,550
TOTAL ASSETS	3,747,289	3,553,235
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	550,889	658,950
Deposits	2,421	2,421
Due to Other Funds	55,956	-
Due to Other Governmental Units	3,333	3,333
Accrued Salaries	80,216	57,723
Total Liabilities	692,815	722,427
 Fund Balance		
Reserved for Inventories	46,548	29,550
Reserved for Debt Service	5,596	35,437
Unreserved - Undesignated	3,002,330	2,765,821
Total Fund Balance	3,054,474	2,830,808
TOTAL LIABILITIES and FUND BALANCE	3,747,289	3,553,235

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 General Fund
 Comparative Statements of Revenues,
 Expenditures and Changes in Fund Balances
 For the Years Ended September 30, 1999 and 1998

Exhibit A-2

	1999	1998
REVENUES		
Taxes		
Property Tax - General	568,428	553,931
<u>Total Taxes</u>	<u>568,428</u>	<u>553,931</u>
Licenses and Permits		
Insurance Licenses	229,837	225,398
Alcoholic Beverage Licenses	3,210	2,925
Bicycle License Fees	29	-
Franchise - Arkla Gas	81,818	99,465
Franchise - Cable T.V.	111,249	117,150
Inspection - Building	51,073	43,772
Inspection - Plumbing	10,020	10,262
Inspection - Electrical	18,387	14,360
Inspection - Mechanical	8,657	9,195
Inspection - Occupancy	1,770	2,180
<u>Total Licenses and Permits</u>	<u>516,050</u>	<u>524,707</u>
Intergovernmental		
Solid Waste Mgmt. Program	450,302	399,051
Video Poker Tax	89,279	101,596
RPD LLBG Grant	43,212	-
Louisiana Beer Tax	20,246	32,697
LA Mainstreet Program	22,000	10,000
LA Dept of Highways	35,646	35,646
Louisiana Fire Insurance	46,072	20,723
Louisiana Tobacco Tax	97,841	97,841
HUD Administration Fee	97,942	69,604
Grant - Forestry	-	1,855
<u>Total Intergovernmental</u>	<u>902,540</u>	<u>769,013</u>
Charges for Services		
Refuse Collection Fees	1,067,494	1,055,110
Crematory Fees	3,340	1,846
<u>Total Charges for Services</u>	<u>1,070,834</u>	<u>1,056,956</u>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 General Fund
 Comparative Statements of Revenues,
 Expenditures and Changes in Fund Balances
 For the Years Ended September 30, 1999 and 1998

Exhibit A-2

	1999	1998
<i>Fines and Forfeitures</i>		
City Marshall	125,104	105,208
Probation	43,109	41,090
DWI Testing	8,110	7,014
Court Summons	7,122	34,907
Fire Dept. - CPR Classes	-	4,794
Animal Control	2,685	3,123
Parking Tickets	19,467	23,300
Accident Reports - Police	5,627	5,959
Incident Reports - Fire	131	184
RPD Miscellaneous	741	31,916
Donation Railroad Park	-	1,250
Total Fines and Forfeitures	212,096	258,745
<i>Miscellaneous</i>		
Civic Center Income	32,467	36,893
Interest	64,307	94,893
Rentals - City Property	5,226	1,050
Sale of Culvert	285	180
Sale of Equipment	-	2,000
Commision Bell South	29	91
Concession Receipts	1,325	1,312
Miscellaneous	76,434	112,749
Federal Disaster Relief	113,387	-
Total Miscellaneous	293,460	249,168
TOTAL REVENUES	3,563,408	3,412,520
EXPENDITURES		
<i>Current</i>		
General Government	1,939,960	1,750,722
Public Safety	3,639,796	3,826,950
Public Works	3,435,900	4,041,247
Debt Service:		
Certificate of Indebtedness Principal Payment	43,000	41,000
Certificate of Indebtedness Interest Payment	23,071	25,318
TOTAL EXPENDITURES	9,081,727	9,685,237

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 General Fund
 Comparative Statements of Revenues,
 Expenditures and Changes in Fund Balances
 For the Years Ended September 30, 1999 and 1998

Exhibit A-2

	1999	1998
DEFICIENCY OF REVENUES OVER EXPENDITURES	(5,518,319)	(6,272,717)
OTHER FINANCING SOURCES (USES)		
Operating Transfers In	6,060,615	5,838,199
Operating Transfers Out	(327,947)	(42,500)
Capital Lease	-	442,070
TOTAL OTHER FINANCING SOURCES (USES)	5,732,668	6,237,769
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	214,349	(34,948)
FUND BALANCE, OCTOBER 1	2,830,808	2,865,756
RESIDUAL EQUITY TRANSFER IN	9,317	-
FUND BALANCE, SEPTEMBER 30	3,054,474	2,830,808

See accompanying independent auditors' report.

General Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Taxes		
Property Tax - General	550,000	568,428
<u>Total Taxes</u>	<u>550,000</u>	<u>568,428</u>
Licenses and Permits		
Insurance Licenses	240,000	229,837
Alcoholic Beverage Licenses	3,000	3,210
Bicycle License Fees	50	29
Franchise - Arkla Gas	95,000	81,818
Franchise - Cable T.V.	100,000	111,249
Inspection - Building	40,000	51,073
Inspection - Plumbing	10,000	10,020
Inspection - Electrical	13,000	18,387
Inspection - Mechanical	9,000	8,657
Inspection - Occupancy	2,000	1,770
<u>Total Licenses and Permits</u>	<u>512,050</u>	<u>516,050</u>
Intergovernmental		
Solid Waste Mgmt. Program	400,000	450,302
Video Poker Tax	90,000	89,279
RPD LLBG Grant	43,212	43,212
Louisiana Beer Tax	25,000	20,246
LA Mainstreet Program	-	22,000
LA Dept of Highways	35,000	35,646
Louisiana Fire Insurance	33,000	46,072
Louisiana Tobacco Tax	100,000	97,841
HUD Administration Fee	88,000	97,942
<u>Total Intergovernmental</u>	<u>814,212</u>	<u>902,540</u>
Charges for Services		
Refuse Collection Fees	1,045,000	1,067,494
Crematory Fees	2,000	3,340
<u>Total Charges for Services</u>	<u>1,047,000</u>	<u>1,070,834</u>

See accompanying independent auditors' report.

General Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	<u>Budget</u>	<u>Actual</u>
Fines and Forfeitures		
City Marshall	120,000	125,104
Probation	48,000	43,109
DWI Testing	5,000	8,110
Court Summons	7,000	7,122
Animal Control	3,000	2,685
Parking Tickets	20,000	19,467
Accident Reports - Police	5,000	5,627
Incident Reports - Fire	-	131
Fire CPR Classes	5,000	-
RPD Miscellaneous	25,000	741
<u>Total Fines and Forfeitures</u>	<u>238,000</u>	<u>212,096</u>
Miscellaneous		
Civic Center Income	40,000	32,467
Interest	60,000	64,307
Rentals - City Property	-	5,226
Sale of Culvert	700	285
Commision Bell South	150	29
Concession Receipts	1,400	1,325
Miscellaneous	10,000	76,434
Federal Disaster Relief	-	113,387
<u>Total Miscellaneous</u>	<u>112,250</u>	<u>293,460</u>
TOTAL REVENUES	3,273,512	3,563,408
EXPENDITURES		
Current		
General Government	2,300,839	1,939,960
Public Safety	3,847,485	3,639,796
Public Works	3,707,132	3,435,900
Debt Service:		
Certificate of Indebtedness Principal Payment	43,000	43,000
Certificate of Indebtedness Interest Payment	23,071	23,071
TOTAL EXPENDITURES	9,921,527	9,081,727

See accompanying independent auditors' report.

General Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	<u>Budget</u>	<u>Actual</u>
<u>DEFICIENCY OF REVENUES OVER EXPENDITURES</u>	<u>(6,648,015)</u>	<u>(5,518,319)</u>
OTHER FINANCING SOURCES (USES)		
Operating Transfers In	6,053,838	6,060,615
Operating Transfers Out	(240,421)	(327,947)
<u>TOTAL OTHER FINANCING SOURCES</u>	<u>5,813,417</u>	<u>5,732,668</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(834,598)	214,349
FUND BALANCE, OCTOBER 1	2,830,808	2,830,808
RESIDUAL EQUITY TRANSFER IN	-	9,317
<u>FUND BALANCE, SEPTEMBER 30</u>	<u>1,996,210</u>	<u>3,054,474</u>

See accompanying independent auditors' report.

RUSTON

SPECIAL REVENUE FUNDS

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

SALES TAX FUNDS

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

RUSTON PARKS & RECREATION BOARD

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

STATE REVENUE SHARING FUND

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

D.A.R.T GRANT PROGRAM

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

DECENTRALIZED ARTS GRANT

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

HEALTH AND SAFETY REHAB

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

SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAMS

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

CITY OF RUSTON, LOUISIANA
Special Revenue Funds
Combining Balance Sheet
September 30, 1999
With Comparative Totals For September 30, 1998

Exhibit B-1

	1968 Sales Tax	1985 Sales Tax	1990 Sales Tax	Ruston Parks & Recreation Board
ASSETS				
Cash and Cash Equivalents	1,076,473	249,404	350,148	240,670
Accounts Receivable	-	-	-	1,176
Due from Other Funds	-	188,329	133,086	58,450
TOTAL ASSETS	1,076,473	437,733	483,234	300,296
 LIABILITIES AND RETAINED EARNINGS				
Liabilities				
Accounts Payable	3,830	1,202	830	10,708
Deposits	-	-	-	3,637
Due to Other Funds	320,063	20,190	-	2,234
Due to Other Governmental Units	-	-	-	-
Accrued Salaries	-	-	-	3,128
Total Liabilities	323,893	21,392	830	19,707
Fund Balances - Unreserved	752,580	416,341	482,404	280,589
TOTAL LIABILITIES and FUND BALANCE	1,076,473	437,733	483,234	300,296

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA

Special Revenue Funds

Combining Balance Sheet

September 30, 1999

With Comparative Totals For September 30, 1998

Exhibit B-1

D.A.R.T Grant Program	Section 8 Existing Housing	Section 8 Modrehab Housing	Section 8 Voucher Housing	Totals 1999	1998
5	30,169	4,206	422,932	2,374,007	3,276,764
-	-	-	-	1,176	-
-	255,822	46,538	-	682,225	1,004,556
5	285,991	50,744	422,932	3,057,408	4,281,320
-	-	-	-	16,570	14,093
-	-	-	-	3,637	3,652
-	30,843	46,178	262,163	681,671	2,504,091
-	-	-	-	-	36
-	-	-	-	3,128	2,781
-	30,843	46,178	262,163	705,006	2,524,653
5	255,148	4,566	160,769	2,352,402	1,756,667
5	285,991	50,744	422,932	3,057,408	4,281,320

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
September 30, 1999
With Comparative Totals for September 1998

Exhibit B-2

	1968 Sales Tax	1985 Sales Tax	1990 Sales Tax	Ruston Parks & Recreation Board	State Revenue Sharing
REVENUES					
Taxes	1,623,956	2,435,934	1,623,956	248,603	-
Intergovernmental	-	-	-	-	-
Miscellaneous	60,254	8,750	16,765	146,075	172
TOTAL REVENUES	1,684,210	2,444,684	1,640,721	394,678	172
EXPENDITURES					
General Government	15,603	16,857	11,291	-	-
Recreation	-	-	-	518,965	-
TOTAL EXPENDITURES	15,603	16,857	11,291	518,965	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,668,607	2,427,827	1,629,430	(124,287)	172
OTHER FINANCING SOURCES					
Operating Transfers In	-	-	-	371,141	-
Operating Transfers Out	(1,519,974)	(2,360,311)	(1,517,974)	(36,274)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,519,974)	(2,360,311)	(1,517,974)	334,867	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	148,633	67,516	111,456	210,580	172
FUND BALANCE, OCTOBER 1	603,947	348,825	370,948	70,009	9,090
RESIDUAL EQUITY TRANSFER OUT	-	-	-	-	(9,262)
FUND BALANCE, SEPTEMBER 30	752,580	416,341	482,404	280,589	-

See accompanying independent auditors' report.

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

Exhibit B-2

D.A.R.T Grant Program	Decentralized Arts Grant	Health & Safety Rehab	Section 8 Existing Housing	Section 8 Modrehab Housing	Section 8 Voucher Housing	Totals	
						1999	1998
-	-	-	-	-	-	5,932,449	5,459,070
13,971	8,027	-	521,769	46,698	221,076	811,541	888,328
-	-	-	4,659	202	10,317	247,194	198,274
<u>13,971</u>	<u>8,027</u>	<u>-</u>	<u>526,428</u>	<u>46,900</u>	<u>231,393</u>	<u>6,991,184</u>	<u>6,545,672</u>
15,191	10,385	-	487,739	58,339	188,370	803,775	790,215
-	-	-	-	-	-	518,965	484,505
<u>15,191</u>	<u>10,385</u>	<u>-</u>	<u>487,739</u>	<u>58,339</u>	<u>188,370</u>	<u>1,322,740</u>	<u>1,274,720</u>
(1,220)	(2,358)	-	38,689	(11,439)	43,023	5,668,444	5,270,952
-	-	-	-	-	-	371,141	221,996
-	-	-	-	-	-	(5,434,533)	(5,152,919)
-	-	-	-	-	-	(5,063,392)	(4,930,923)
(1,220)	(2,358)	-	38,689	(11,439)	43,023	605,052	340,029
1,225	2,358	55	216,459	16,005	117,746	1,756,667	1,416,638
-	-	(55)	-	-	-	(9,317)	-
<u>5</u>	<u>-</u>	<u>-</u>	<u>255,148</u>	<u>4,566</u>	<u>160,769</u>	<u>2,352,402</u>	<u>1,756,667</u>

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA

Exhibit B-3

1968 Sales Tax Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Taxes - Sales Tax	1,538,052	1,623,956	85,904
Miscellaneous - Interest Income	20,000	60,254	40,254
TOTAL REVENUES	1,558,052	1,684,210	126,158
EXPENDITURES			
General Government - Collection & Administrative	38,078	15,603	22,475
TOTAL EXPENDITURES	38,078	15,603	22,475
EXCESS OF REVENUES OVER EXPENDITURES	1,519,974	1,668,607	148,633
OTHER FINANCING SOURCES (USES)			
Operating Transfers Out	(1,519,974)	(1,519,974)	-
TOTAL OTHER FINANCING USES	(1,519,974)	(1,519,974)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-	148,633	148,633
FUND BALANCE, OCTOBER 1	603,947	603,947	-
FUND BALANCE, SEPTEMBER 30	603,947	752,580	148,633

See accompanying independent auditors' report.

1985 Sales Tax Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Taxes - Sales Tax	2,330,378	2,435,934	105,556
Miscellaneous - Interest Income	9,700	8,750	(950)
TOTAL REVENUES	2,340,078	2,444,684	104,606
EXPENDITURES			
General Government - Collection & Administrative	26,018	16,857	9,161
TOTAL EXPENDITURES	26,018	16,857	9,161
EXCESS OF REVENUES OVER EXPENDITURES	2,314,060	2,427,827	113,767
OTHER FINANCING SOURCES (USES)			
Operating Transfers Out	(2,319,725)	(2,360,311)	(40,586)
TOTAL OTHER FINANCING USES	(2,319,725)	(2,360,311)	(40,586)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(5,665)	67,516	73,181
FUND BALANCE, OCTOBER 1	348,825	348,825	-
FUND BALANCE, SEPTEMBER 30	343,160	416,341	73,181

See accompanying independent auditors' report.

1990 Sales Tax Fund

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Taxes - Sales Tax	1,538,052	1,623,956	85,904
Miscellaneous - Interest Income	4,000	16,765	12,765
TOTAL REVENUES	1,542,052	1,640,721	98,669
EXPENDITURES			
General Government - Collection & Administrative	24,078	11,291	12,787
TOTAL EXPENDITURES	24,078	11,291	12,787
EXCESS OF REVENUES OVER EXPENDITURES	1,517,974	1,629,430	111,456
OTHER FINANCING SOURCES (USES)			
Operating Transfers Out	(1,517,974)	(1,517,974)	-
TOTAL OTHER FINANCING USES	(1,517,974)	(1,517,974)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-	111,456	111,456
FUND BALANCE, OCTOBER 1	370,948	370,948	-
FUND BALANCE, SEPTEMBER 30	370,948	482,404	111,456

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
Ruston Parks and Recreation Board
Statement of Revenues, Expenditures and
Changes in Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

Exhibit B-6

	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Taxes			
Property Tax - Recreation	234,000	248,603	14,603
<u>Total Taxes</u>	<u>234,000</u>	<u>248,603</u>	<u>14,603</u>
Miscellaneous			
Program Charges	85,000	96,568	11,568
Concessions	15,000	15,882	882
Interest	2,000	4,186	2,186
Rentals	8,500	5,870	(2,630)
Other	6,500	23,569	17,069
<u>Total Miscellaneous</u>	<u>117,000</u>	<u>146,075</u>	<u>29,075</u>
TOTAL REVENUES	351,000	394,678	43,678
EXPENDITURES			
Recreation			
Regular Salaries	270,000	248,140	21,860
Regular Overtime	1,500	561	939
Employee Benefits - Retirement	12,342	11,004	1,338
Employee Benefits - FICA Tax	6,154	5,827	327
Employee Benefits - Insurance	39,585	31,463	8,122
Uniforms	2,500	608	1,892
Workmen's Compensation	2,925	2,925	-
Training of Personnel & Travel	5,500	2,741	2,759
Office Supplies	3,000	2,917	83
Printing of Forms	150	-	150
Supplies	16,550	16,387	163
Safety Supplies	500	55	445
Maintenance of Bldg & Grounds	7,250	5,858	1,392
Repairs & Maintenance - Parks	4,750	3,173	1,577
Repairs & Maintenance - Pool	7,500	4,883	2,617
Maintenance of Equipment	4,500	3,928	572
Maintenance of Office Equipment	500	89	411
Utilities	22,000	23,878	(1,878)
Heating	3,950	3,927	23
Telephone	7,100	6,943	157
Auto Allowances	13,903	12,573	1,330
Auto & Truck Repair	1,500	806	694
Gasoline, Oil & Diesel	2,500	2,075	425

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
Ruston Parks and Recreation Board
Statement of Revenues, Expenditures and
Changes in Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

Exhibit B-6

	Budget	Actual	Favorable (Unfavorable)
Audit Fees	3,600	3,058	542
Advertising	3,000	2,258	742
Consulting/Programs	1,000	850	150
Cash Short/(Over)	-	(24)	24
Concession Supplies	14,509	13,372	1,137
Dues & Subscriptions	930	927	3
Insurance - Fire	4,511	2,749	1,762
Insurance - General Liability	8,695	7,466	1,229
Automobile Liability	1,520	672	848
Recreation Activities Expense	45,275	41,891	3,384
Youth & Adult Sports Expense	29,200	27,493	1,707
Medical Supplies & Services	1,775	1,773	2
Miscellaneous	1,000	139	861
Postage	1,700	1,548	152
Capital Assets	107,850	24,032	83,818
TOTAL RECREATION EXPENDITURES	660,724	518,965	141,759
DEFICIENCY OF REVENUES OVER EXPENDITURES	(309,724)	(124,287)	185,437
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	321,236	371,141	49,905
Operating Transfers Out	(54,536)	(36,274)	18,262
TOTAL OTHER FINANCING SOURCES (USES)	266,700	334,867	68,167
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(43,024)	210,580	253,604
FUND BALANCE, OCTOBER 1	70,009	70,009	-
FUND BALANCE, SEPTEMBER 30	26,985	280,589	253,604

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
Section 8 Existing Housing
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

Exhibit B-7

	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Intergovernmental	556,048	521,769	(34,279)
Miscellaneous	1,300	4,659	3,359
TOTAL REVENUES	557,348	526,428	(30,920)
EXPENDITURES			
General Government	528,400	487,739	40,661
TOTAL EXPENDITURES	528,400	487,739	40,661
EXCESS OF REVENUES OVER EXPENDITURES	28,948	38,689	9,741
FUND BALANCE, OCTOBER 1	216,459	216,459	-
FUND BALANCE, SEPTEMBER 30	245,407	255,148	9,741

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
Section 8 ModRehab Housing
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

Exhibit B-8

	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Intergovernmental	62,820	46,698	(16,122)
Miscellaneous	200	202	2
TOTAL REVENUES	63,020	46,900	(16,120)
EXPENDITURES			
General Government	60,969	58,339	2,630
TOTAL EXPENDITURES	60,969	58,339	2,630
EXCESS OF REVENUES OVER EXPENDITURES	2,051	(11,439)	(13,490)
FUND BALANCE, OCTOBER 1	16,005	16,005	-
FUND BALANCE, SEPTEMBER 30	18,056	4,566	(13,490)

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
Section 8 Voucher Housing
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

Exhibit B-9

	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Intergovernmental	127,728	221,076	93,348
Miscellaneous	1,300	10,317	9,017
TOTAL REVENUES	129,028	231,393	102,365
EXPENDITURES			
General Government	125,455	188,370	(62,915)
TOTAL EXPENDITURES	125,455	188,370	(62,915)
EXCESS OF REVENUES OVER EXPENDITURES	3,573	43,023	39,450
FUND BALANCE, OCTOBER 1	117,746	117,746	-
FUND BALANCE, SEPTEMBER 30	121,319	160,769	39,450

See accompanying independent auditors' report.

RUSTON

DEBT SERVICE FUND

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

CITY OF RUSTON, LOUISIANA
Debt Service Fund
Comparative Balance Sheets
September 30, 1999 and 1998

Exhibit C-1

	1999	1998
ASSETS		
Cash and Cash Equivalents	101,477	93,913
TOTAL ASSETS	101,477	93,913
 LIABILITIES AND FUND BALANCE		
<u>Total Liabilities</u>	-	-
Fund Balance		
Reserved for Debt Service	101,477	93,913
<u>Total Fund Balance</u>	101,477	93,913
TOTAL LIABILITIES and FUND BALANCE	101,477	93,913

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
Debt Service Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended September 30, 1999 and 1998

Exhibit C-2

	1999	1998
REVENUES		
Interest	2,715	1,457
TOTAL REVENUES	2,715	1,457
EXPENDITURES		
Bond Principal	160,000	150,000
Bond Interest	44,045	51,519
TOTAL EXPENDITURES	204,045	201,519
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(201,330)	(200,062)
OTHER FINANCING SOURCES		
Operating Transfers In	208,894	206,248
TOTAL OTHER FINANCING SOURCES	208,894	206,248
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	7,564	6,186
FUND BALANCE, OCTOBER 1	93,913	87,727
FUND BALANCE, SEPTEMBER 30	101,477	93,913

See accompanying independent auditors' report.

RUSTON

CAPITAL PROJECTS FUNDS

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

FIRE STATION CONSTRUCTION

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

CENTRAL SHOP CONSTRUCTION

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

PUBLIC WORKS SHOP CONSTRUCTION

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

HAZARD MITIGATION GRANT

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

PARKS & RECREATION - 1996 CERTIFICATES OF INDEBTEDNESS

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

SEWER DEMONSTRATED NEEDS GRANT

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

CITY OF RUSTON, LOUISIANA
 Capital Projects Funds
 Combining Balance Sheet
 September 30, 1999

With Comparative Totals For September 30, 1998

	Fire Station Construction	Central Shop Construction	Public Works Shop Construction	Hazard Mitigation Grant	Parks & Rec. 1996 Certificate of Indebtedness	Sewer Demonstrated Needs Grant	Totals 1999	Totals 1998
ASSETS								
Cash and Cash Equivalents	72,752	91,237	62,088	15,540	89,665	2,441	333,723	263,983
TOTAL ASSETS	72,752	91,237	62,088	15,540	89,665	2,441	333,723	263,983
LIABILITIES AND FUND BALANCE								
Liabilities								
Retainage Payable	-	-	-	-	-	-	-	65,070
Deferred Revenue	-	-	-	-	-	-	-	8,474
Due to Other Funds	-	-	-	10,645	1,322	-	11,967	111,567
Total Liabilities	-	-	-	10,645	1,322	-	11,967	185,111
Fund Balance (Deficit)								
Designated for Future Years'								
Expenditures	-	-	62,088	-	88,343	-	150,431	160,025
Undesignated	72,752	91,237	-	4,895	-	2,441	171,325	(81,153)
Total Fund Balances	72,752	91,237	62,088	4,895	88,343	2,441	321,756	78,872
TOTAL LIABILITIES and FUND BALANCE	72,752	91,237	62,088	15,540	89,665	2,441	333,723	263,983

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA

Capital Projects Funds

Combining Statement of Revenues, Expenditures and

Changes in Fund Balances (Deficits)

For the Year Ended September 30, 1999

With Comparative Totals for September 30, 1998

	Fire Station Construction	Central Shop Construction	Public Works Shop Construction	Hazard Mitigation Grant	Parks & Rec. 1996 Certificate of Indebtedness	Sewer Demonstrated Needs Grant	Totals 1999	Totals 1998
REVENUES								
Intergovernmental	-	-	-	8,474	-	-	8,474	198,690
Miscellaneous	870	146,808	-	228	3,146	-	151,052	14,058
TOTAL REVENUES	870	146,808	-	8,702	3,146	-	159,526	212,748
EXPENDITURES								
Capital Outlay								
Legal Services	-	45,023	-	-	7,514	-	52,537	3,500
Equipment	-	-	-	-	5,098	-	5,098	139,919
Construction Work-Grants	-	-	-	8,900	128	-	9,028	419,398
Miscellaneous	-	-	-	-	-	-	-	258
TOTAL EXPENDITURES	-	45,023	-	8,900	12,740	-	66,663	563,075
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	870	101,785	-	(198)	(9,594)	-	92,863	(350,327)
OTHER FINANCING SOURCES								
Operating Transfers in	87,685	-	-	62,336	-	-	150,021	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	88,555	101,785	-	62,138	(9,594)	-	242,884	(350,327)
FUND BALANCE (DEFICIT), OCTOBER 1	(15,803)	(10,548)	62,088	(57,243)	97,937	2,441	78,872	429,199
FUND BALANCE, SEPTEMBER 30	72,752	91,237	62,088	4,895	88,343	2,441	321,756	78,872

See accompanying independent auditors' report.

RUSTON

ENTERPRISE FUNDS

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

ELECTRIC SYSTEM FUND

This fund accounts for the operations of the Electric System.

WATER SYSTEM FUND

This fund accounts for the operations of the Waterworks System.

SEWERAGE SYSTEM FUND

This fund accounts for the operations of the Sewerage System.

RUSTON AIRPORT AUTHORITY

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

AMBULANCE FUND

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

CITY OF RUSTON, LOUISIANA
 Enterprise Funds
 Combining Balance Sheet
 September 30, 1999

With Comparative Totals For September 30, 1999

	Electric System	Water System	Sewer System	Ruston Airport Authority	Ambulance	Totals 1999	1998
ASSETS							
Current Assets							
Cash and Cash Equivalents	7,914,846	1,302,932	3,724,223	129,206	242,157	13,313,364	10,858,473
Accounts Receivable, Net	1,075,075	186,765	166,382	-	62,940	1,491,162	882,293
Accounts Receivable, Other	352,507	4,222	3,385	-	-	360,114	276,300
Unbilled Revenue	1,326,232	175,359	146,213	-	487	1,648,291	1,177,270
Due from Other Governmental Units, Net	-	-	-	-	-	-	140,000
Due from Other Funds	81,339	240,875	151,294	-	12,091	485,599	628,748
Prepaid Expenses	27,580	-	-	-	-	27,580	35,606
Inventories, at Cost	516,418	116,180	22,394	-	-	654,992	627,359
TOTAL CURRENT ASSETS	11,293,997	2,026,333	4,213,891	129,206	317,675	17,981,102	14,626,049
Restricted Assets							
Cash and Cash Equivalents	473,716	360,898	821,643	-	-	1,656,257	1,364,477
TOTAL RESTRICTED ASSETS	473,716	360,898	821,643	-	-	1,656,257	1,364,477
Fixed Assets							
Property, Plant & Equipment	33,533,520	8,711,894	16,787,739	5,156,134	390,846	64,580,133	63,073,815
Construction in Progress	-	-	-	-	-	-	121,245
Less Accumulated Depreciation	(33,533,520)	(8,711,894)	(16,787,739)	(5,156,134)	(390,846)	(64,580,133)	(63,195,060)
	(23,709,494)	(4,053,971)	(6,719,223)	(933,290)	(296,658)	(35,712,636)	(33,786,102)
TOTAL FIXED ASSETS	9,824,026	4,657,923	10,068,516	4,222,844	94,188	28,867,497	29,408,958
(Net of Accumulated Depreciation)							
Advances to Sewerage System	-	-	-	-	-	-	150,000
TOTAL ASSETS	21,591,739	7,045,154	15,104,050	4,352,050	411,863	48,504,856	45,549,484

LIABILITIES, CONTRIBUTED CAPITAL, AND RETAINED EARNINGS

Current Liabilities									
Accounts Payable	2,394,610	100,840	41,492	79	3,832	2,540,853	1,254,471		
Obligations Under Capital Lease	19,067	18,879	-	-	-	37,946	39,442		
Due to Other Funds	1,090,070	24,659	12,124	47,904	321,244	1,496,001	1,077,145		
Certificate of Indebtedness	-	-	-	-	-	-	150,000		
Accrued Liabilities	71,069	5,890	-	-	-	76,959	191,976		
Total Current Liabilities	3,574,816	150,268	53,616	47,983	325,076	4,151,759	2,713,034		
Liabilities Payable from Restricted Assets									
Bonds Payable	-	75,000	10,000	-	-	85,000	270,000		
Accrued Interest & Coupons	115,709	17,722	77,603	-	-	211,034	217,553		
Customer Deposits	579,479	-	2,440	-	-	581,919	604,378		
Total Liabilities Payable from Restricted Asset	695,188	92,722	90,043	-	-	877,953	1,091,931		
Long-term Liabilities									
Compensated Absences	205,296	83,776	41,500	-	6,407	336,979	144,568		
Obligation Under Capital Lease	39,259	44,287	-	-	-	83,546	121,492		
Bonds Payable	-	630,629	3,550,000	-	-	4,180,629	4,439,402		
Advances from Electric System	-	-	-	-	-	-	150,000		
Total Long-term Liabilities	244,555	758,692	3,591,500	-	6,407	4,601,154	4,855,462		
TOTAL LIABILITIES	4,514,559	1,001,682	3,735,159	47,983	331,483	9,630,866	8,660,427		
CONTRIBUTED CAPITAL									
Retained Earnings (Deficit)									
Reserved for Debt Service	-	375,269	457,665	-	-	832,934	830,669		
Unreserved	16,752,052	4,854,375	5,861,589	769,694	(6,675)	28,231,035	25,911,060		
Total Retained Earnings (Deficit)	16,752,052	5,229,644	6,319,254	769,694	(6,675)	29,063,969	26,741,729		
TOTAL CONTRIBUTED CAPITAL									
and RETAINED EARNINGS	17,077,180	6,043,472	11,368,891	4,304,067	80,380	38,873,990	36,889,057		
TOTAL LIABILITIES, CONTRIBUTED CAPITAL									
AND RETAINED EARNINGS	21,591,739	7,045,154	15,104,050	4,352,050	411,863	48,504,856	45,549,484		

See accompanying independent auditors' report.

RUSTON

CITY OF RUSTON, LOUISIANA
Enterprise Funds

Combining Statement of Revenues, Expenditures
and Changes in Retained Earnings (Deficits)
September 30, 1999
With Comparative Totals for September 1998

	Electric System	Water System	Sewer System	Ruston Airport Authority	Ambulance	Totals
	1999	1999	1999	1999	1999	1998
OPERATING REVENUES						
Charges for Services	14,282,141	1,898,163	2,082,382	12,528	643,888	18,919,102
Rent Income	34,435	-	-	3,237	-	37,672
Miscellaneous	382,956	15,379	88,416	2,858	-	489,609
TOTAL OPERATING REVENUES	14,699,532	1,913,542	2,170,798	18,623	643,888	18,924,657
OPERATING EXPENSES						
Direct Expenses	11,962,161	1,022,342	1,222,362	248,392	994,031	13,977,335
Indirect Expenses	1,152,295	280,474	275,225	-	-	1,707,994
TOTAL OPERATING EXPENSES	13,114,456	1,302,816	1,497,587	248,392	994,031	15,683,817
OPERATING INCOME (LOSS)	1,585,076	610,726	673,211	(229,769)	(350,143)	3,240,840
NONOPERATING REVENUES (EXPENSES)						
Interest Income	417,418	63,557	125,672	5,803	11,892	624,342
Sale of Hay	-	-	2,348	-	-	2,348
Federal and State Disaster Relief	215,511	-	-	-	-	215,511
Interest Expense	(27,220)	(37,489)	(156,408)	-	-	(467,140)
NET NONOPERATING REVENUES (EXPENSES)	605,709	26,068	(28,388)	5,803	11,892	(2,095)
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	2,190,785	636,794	644,823	(223,966)	(338,251)	3,238,745
OPERATING TRANSFERS OUT	(2,113,234)	(22,370)	-	-	-	(1,071,024)
OPERATING TRANSFERS IN	-	-	1,100,000	7,413	-	-
NET INCOME (LOSS)	77,551	614,424	1,744,823	(216,553)	(338,251)	2,167,721
DEPRECIATION OF FIXED ASSETS ACQUIRED WITH CAPITAL CONTRIBUTIONS						
	-	11,830	203,668	224,748	-	440,246
RETAINED EARNINGS, OCTOBER 1	16,674,501	4,603,390	4,370,763	761,499	331,576	24,133,762
RETAINED EARNINGS (DEFICIT), SEPTEMBER 30	16,752,052	5,229,644	6,319,254	769,694	(6,675)	29,063,969

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
Enterprise Funds

Combining Statement of Cash Flows
September 30, 1999

With Comparative Totals for September 30, 1998

	Electric System	Water System	Sewer System	Ruston Airport Authority	Ambulance	Totals	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES								
Operating Income (Loss)	1,585,076	610,726	673,211	(229,769)	(350,143)	2,289,101	2,289,101	3,240,840
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Depreciation and Amortization	969,059	229,630	477,833	207,812	45,962	1,930,296	1,930,296	2,162,753
(Increase) Decrease in Operating Assets								
Accounts Receivable	(1,071,413)	(110,819)	(40,406)	-	58,934	(1,163,704)	(1,163,704)	104,110
Due from Other Gov't Units	-	-	-	-	140,000	140,000	140,000	(32,500)
Due from Other Funds	(13,143)	47,565	116,315	-	(7,588)	143,149	143,149	(42,200)
Inventories	(7,675)	(20,029)	71	-	-	(27,633)	(27,633)	70,842
Other Assets	8,026	-	-	-	-	8,026	8,026	(8,026)
Increase (Decrease) in Operating Liabilities:								
Accounts Payable and Other Liabilities	1,194,513	62,237	28,777	(2,717)	3,572	1,286,382	1,286,382	625,476
Accrued Liabilities	(96,666)	(3,971)	(14,380)	-	-	(115,017)	(115,017)	2,460
Customer Deposits	(22,819)	-	360	-	-	(22,459)	(22,459)	13,828
Due to Other Funds	268,658	17,400	(2,626)	(61,547)	196,971	418,856	418,856	(392,912)
Compensated Absences	100,470	63,250	22,284	-	6,407	192,411	192,411	(7,789)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2,914,086	895,989	1,261,439	(86,221)	94,115	5,079,408	5,079,408	5,736,862
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES								
Operating Transfers Out	(2,113,234)	(22,370)	-	-	-	(2,135,604)	(2,135,604)	(1,071,024)
Operating Transfers In	-	-	1,100,000	7,413	-	1,107,413	1,107,413	-
Federal & State Disaster Relief	215,511	-	-	-	-	215,511	215,511	-
NET CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	(1,897,723)	(22,370)	1,100,000	7,413	-	(812,680)	(812,680)	(1,071,024)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchase of Capital Assets	(659,606)	(578,855)	(137,961)	(8,650)	-	(1,385,072)	(1,015,476)
Capital Lease Obligation Payments	(21,641)	(17,801)	-	-	-	(39,442)	(79,063)
Proceeds on the Sale of Fixed Assets	-	-	-	-	-	-	11,615
Principal Paid on Bond Maturities	-	(75,000)	(522,536)	-	-	(597,536)	(1,040,000)
Repayment of Advance from Sewer	150,000	-	(150,000)	-	-	-	-
Interest Paid on Bonds	(24,106)	(39,209)	(164,321)	-	-	(227,636)	(515,555)
Capital Grants	-	-	-	102,939	-	102,939	75,150
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(555,353)	(710,865)	(974,818)	94,289	-	(2,146,747)	(2,563,329)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest Received	417,418	63,557	125,672	5,803	11,892	624,342	463,090
Sale of Hay	-	-	2,348	-	-	2,348	1,955
NET CASH FLOW FROM INVESTING ACTIVITIES	417,418	63,557	128,020	5,803	11,892	626,690	465,045
NET INCREASE IN CASH AND CASH EQUIVALENTS							
	878,428	226,311	1,514,641	21,284	106,007	2,746,671	2,567,574
CASH AND CASH EQUIVALENTS, OCTOBER 1, 1998							
	7,510,134	1,437,519	3,031,225	107,922	136,150	12,222,950	9,655,376
CASH AND CASH EQUIVALENTS, SEPTEMBER 30, 1999							
	8,388,562	1,663,830	4,545,866	129,206	242,157	14,969,621	12,222,950

See accompanying independent auditors' report.

RUSTON

INTERNAL SERVICE FUNDS

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

WORKMEN'S COMPENSATION SELF-INSURANCE FUND

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

GENERAL SELF-INSURANCE FUND

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

PURCHASING-WAREHOUSE FUND

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

CITY OF RUSTON, LOUISIANA
Internal Service Funds
Combining Balance Sheet
September 30, 1999
With Comparative Totals For September 30, 1998

Exhibit F-1

	Workmen's Compensation	General Insurance	Purchasing/ Warehouse	Totals 1999	Totals 1998
ASSETS					
Cash and Cash Equivalents	420,804	295,919	19,556	736,279	701,775
Accounts Receivable	-	44,591	-	44,591	77,311
Due from Other Funds	97,736	-	-	97,736	97,736
TOTAL ASSETS	518,540	340,510	19,556	878,606	876,822
LIABILITIES AND RETAINED EARNINGS (DEFICIT)					
Liabilities					
Accounts Payable	14,515	-	-	14,515	21,925
Estimated Payable for Outstanding Claims	277,230	112,174	-	389,404	336,872
Compensated Absences	-	-	26,319	26,319	29,520
Due to Other Funds	3,409	426,865	3,425	433,699	436,555
Total Liabilities	295,154	539,039	29,744	863,937	824,872
Retained Earnings (Deficit)					
Unreserved	223,386	(198,529)	(10,188)	14,669	51,950
TOTAL LIABILITIES AND RETAINED EARNINGS (DEFICIT)	518,540	340,510	19,556	878,606	876,822

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
Internal Service Funds
Combining Statement of Revenues, Expenses and
Changes in Retained Earnings (Deficits)
For the Year Ended September 30, 1999
With Comparative Totals for September 30, 1998

Exhibit F-2

	Workmen's Compensation	General Insurance	Purchasing/ Warehouse	Totals 1999	Totals 1998
OPERATING REVENUES					
Insurance Subrogations	-	6,725	-	6,725	49,144
Premiums Paid by Retired Employees	-	232,648	-	232,648	216,223
Charges to Other Funds	48,778	1,468,697	-	1,517,475	1,632,470
Charges for Services	-	-	167,340	167,340	139,340
TOTAL OPERATING REVENUE	48,778	1,708,070	167,340	1,924,188	2,037,177
OPERATING EXPENSES					
Claims	96,565	1,076,879	-	1,173,444	1,567,457
Insurance Premiums	99,530	551,927	-	651,457	309,693
Cost of Services	-	-	166,746	166,746	161,221
TOTAL OPERATING EXPENSES	196,095	1,628,806	166,746	1,991,647	2,038,371
OPERATING INCOME (LOSS)	(147,317)	79,264	594	(67,459)	(1,194)
NONOPERATING REVENUES					
Interest Income	17,778	11,827	573	30,178	28,784
NET INCOME (LOSS)	(129,539)	91,091	1,167	(37,281)	27,590
RETAINED EARNINGS (DEFICIT), OCTOBER 1					
	352,925	(289,620)	(11,355)	51,950	24,360
RETAINED EARNINGS (DEFICIT), SEPTEMBER 30					
	223,386	(198,529)	(10,188)	14,669	51,950

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
Internal Service Funds
Combining Statement of Cash Flows
September 30, 1999
With Comparative Totals for September 30, 1998

Exhibit F-3

	Workmen's Compensation	General Insurance	Purchasing/ Warehouse	Totals 1999	Totals 1998
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	(147,317)	79,264	594	(67,459)	(1,194)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Increase (Decrease) in Assets:					
Accounts Receivable	-	32,642	78	32,720	(88,247)
Due from Other Funds	-	-	-	-	100,324
Increase (Decrease) in Liabilities:					
Bank Overdraft	-	-	-	-	(102,137)
Accounts Payable	(7,411)	-	-	(7,411)	13,937
Estimated Payable for Outstanding Claims	38,703	13,830	-	52,533	75,258
Due to Other Funds	-	-	(2,856)	(2,856)	35,238
Compensated Absences	-	-	(3,202)	(3,202)	15,069
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(116,025)	125,736	(5,386)	4,325	48,248
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	17,779	11,827	573	30,179	28,784
Maturities of Investments	-	-	-	-	493,649
NET CASH FLOW FROM INVESTING ACTIVITIES	17,779	11,827	573	30,179	522,433
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(98,246)	137,563	(4,813)	34,504	570,681
CASH AND CASH EQUIVALENTS, OCTOBER 1, 1998	519,050	158,356	24,369	701,775	131,094
CASH AND CASH EQUIVALENTS, SEPTEMBER 30, 1999	420,804	295,919	19,556	736,279	701,775

See accompanying independent auditors' report.

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF RUSTON, LOUISIANA
 Comparative Schedule of General Fixed Asset
 September 30, 1999 and 1998

Exhibit G-1

GENERAL FIXED ASSETS	<u>1999</u>	<u>1998</u>
Land	778,859	778,859
Buildings	4,152,026	4,152,026
Improvements Other Than Buildings	4,239,505	4,239,505
Equipment	9,014,637	8,604,649
TOTAL GENERAL FIXED ASSETS	18,185,027	17,775,039
INVESTMENT IN GENERAL FIXED ASSETS		
General Government	4,052,087	3,990,377
Public Safety	2,864,561	2,770,449
Public Works	9,854,513	9,617,274
Recreation	1,413,866	1,396,939
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	18,185,027	17,775,039

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 Schedule of General Fixed Assets By Function and Activity
 September 30, 1999

Exhibit G-2

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Equipment	Total
General Government	344,461	2,352,065	-	1,355,561	4,052,087
Public Safety	312,181	150,961	-	2,401,419	2,864,561
Public Works	4,713	1,486,093	3,270,943	5,092,764	9,854,513
Recreation	117,504	162,907	968,562	164,893	1,413,866
TOTAL GENERAL FIXED ASSETS	778,859	4,152,026	4,239,505	9,014,637	18,185,027

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 Schedule of Changes in General Fixed Assets
 For the Year Ended September 30, 1999

Exhibit G-3

Function and Activity	General Fixed Assets October 1, 1998	Additions	Adjustments and Retirements	General Fixed Assets September 30, 1999
General Government	3,990,377	61,710	-	4,052,087
Public Safety	2,770,449	94,112	-	2,864,561
Public Works	9,617,274	237,239	-	9,854,513
Recreation	1,396,939	16,927	-	1,413,866
TOTAL GENERAL FIXED ASSETS	17,775,039	409,988	-	18,185,027

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 Schedule of Changes in General Fixed Assets By Sources
 For the Year Ended September 30, 1999

Exhibit G-4

	Land	Buildings	Improvements Other Than Buildings	Equipment	Total
GENERAL FIXED ASSETS, October 1, 1998	778,859	4,152,026	4,239,505	8,604,649	17,775,039
Additions:					
General Fund	-	-	-	409,988	409,988
TOTAL ADDITIONS	-	-	-	409,988	409,988
Deductions:					
Retirements	-	-	-	-	-
TOTAL DEDUCTIONS	-	-	-	-	-
GENERAL FIXED ASSETS September 30, 1999	778,859	4,152,026	4,239,505	9,014,637	18,185,027

See accompanying independent auditors' report.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

CITY OF RUSTON, LOUISIANA
 Schedule of Changes in General Long-Term Debt
 For the Year Ended September 30, 1999

Exhibit H-1

	October 1, 1998	Additions	Deductions	September 30, 1999
Amount Available in Debt Service Fund	93,913	7,564	-	101,477
Amount to be Provided for Retirement of General Long-Term Debt	3,176,222	496,927	(802,410)	2,870,739
TOTAL	3,270,135	504,491	(802,410)	2,972,216

Long-Term Obligations Payable

Compensated Absences	725,285	496,927	(258,765)	963,447
Certificates of Indebtedness	1,356,000	-	(203,000)	1,153,000
Municipal Police Employees' Retirement System	371,486	-	(68,613)	302,873
Capital Leases	817,364	-	(264,468)	552,896
Total	3,270,135	496,927	(794,846)	2,972,216

See accompanying independent auditors' report.

RUSTON

General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	Budget	Actual	Favorable (Unfavorable)
GENERAL GOVERNMENT			
EXECUTIVE			
Salaries - Regular	412,915	357,459	55,456
Salaries - Overtime	6,000	938	5,062
Salaries - Contract Labor	1,000	1,000	-
Employee Benefits - Retirement	18,378	18,101	277
Employee Benefits - FICA Tax	5,588	5,473	115
Employee Benefits - Insurance	64,996	64,410	586
Uniforms	250	52	198
Workman's Compensation	1,731	1,731	-
Printing of Forms	3,500	2,665	835
Supplies	15,000	11,730	3,270
Maint of Office Equip	11,810	11,578	232
Rent of Office Equip	15,000	10,193	4,807
Utilities	72,500	74,324	(1,824)
Heating	26,500	14,566	11,934
Telephone	30,000	23,860	6,140
Auto Allowances	11,700	8,371	3,329
Travel	8,000	2,520	5,480
Audit Fees	26,000	23,214	2,786
Legal Advertising	6,800	6,096	704
Legal Services	61,325	45,381	15,944
GIS Expense	21,675	21,666	9
Coroner Fees	15,000	8,665	6,335
Consulting	16,225	15,118	1,107
Data Processing	6,800	6,788	12
Tax Assessor/Collection Fees	33,573	33,573	-
Cash Short (Over)	100	-	100
Lincoln Parish Health Unit	5,000	5,000	-
Lincoln Parish Vets Admin	2,316	2,316	-
Dues & Subscriptions	28,000	22,654	5,346
Election Expenses	2,950	739	2,211
Errors & Omissions Liab	16,250	16,220	30
Medical Supplies & Services	1,500	1,227	273
Drug Ed/Prevention	15,000	10,200	4,800
Council Expenses	3,000	39	2,961
Miscellaneous	6,300	6,181	119
Postage	10,000	6,387	3,613
Railroad Park Expense	15,000	11,205	3,795
Warehouse	10,500	10,500	-
Walkway Expense	15,000	7,611	7,389
Capital Assets	25,000	5,723	19,277
Total Executive	1,048,182	875,474	172,708

See accompanying independent auditors' report.

General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	Budget	Actual	Favorable (Unfavorable)
<u>CITY COURT</u>			
Salaries - Regular	99,258	95,471	3,787
Employee Benefits - Retirement	4,459	4,167	292
Judge's Retirement	1,312	1,310	2
Employee Benefits - FICA Tax	2,001	1,987	14
Employee Benefits - Insurance	17,227	9,258	7,969
Workman's Compensation	750	750	-
Training Personnel	1,200	1,200	-
Witness Fee - Officers	15,000	8,225	6,775
Telephone	3,000	2,990	10
Juvenile Assistance Program	10,500	10,500	-
Medical Supplies	341	332	9
Total City Court	155,048	136,190	18,858
<u>MARSHAL</u>			
Salaries - Regular	91,312	92,927	(1,615)
Salaries - Overtime	3,000	44	2,956
Employee Benefits - Retirement	6,287	6,229	58
Employee Benefits - FICA Tax	929	888	41
Employee Benefits - Insurance	22,084	20,567	1,517
Workman's Compensation	750	750	-
Medical Supplies & Services	115	94	21
Postage	200	178	22
Total Marshal	124,677	121,677	3,000
<u>CIVIC CENTER/CITY HALL</u>			
Salaries - Regular	96,553	87,780	8,773
Salaries - Overtime	3,000	1,117	1,883
Salaries - Contract Labor	1,500	770	730
Employee Benefits - Retirement	4,788	4,180	608
Employee Benefits - FICA Tax	2,574	2,028	546
Employee Benefits - Insurance	13,350	11,262	2,088
Uniforms	200	173	27
Workman's Compensation	600	600	-
Unemployment	2,500	2,498	2
Chemicals	1,000	828	172
Printing of Forms	100	48	52
Supplies	12,500	12,235	265
Maint of Bldg & Grnds	189,290	185,109	4,181
Maint of Equipment	4,650	4,345	305
Telephone	1,475	1,473	2
Auto Allowance	1,200	1,200	-
Gasoline, Oil & Diesel	200	92	108
Insurance - Fire	5,400	4,304	1,096
Insurance - Gen Liability	15,560	11,946	3,614
Medical Supplies	385	384	1
Postage	100	76	24
Capital Assets	14,600	1,285	13,315
Total Civic Center/City Hall	371,525	333,733	37,792

See accompanying independent auditors' report.

General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	Budget	Actual	Favorable (Unfavorable)
<u>SECTION 8</u>			
Salaries - Regular	52,786	52,625	161
Employee Benefits - Retirement	2,961	2,455	506
Employee Benefits - FICA Tax	619	584	35
Employee Benefits - Insurance	9,690	9,690	-
Workman's Compensation	200	200	-
Training	2,780	1,584	1,196
Printing of Forms	400	265	135
Supplies	5,334	1,323	4,011
Utilities	950	927	23
Heating	250	221	29
Telephone	2,870	2,825	45
Auto Allowance	1,900	900	1,000
Travel	20	19	1
Legal Advertising	100	15	85
Consulting	9,850	9,810	40
Dues & Subscriptions	1,060	1,057	3
Postage	1,220	1,110	110
Total Section 8	92,990	85,610	7,380
<u>ENGINEERING</u>			
Salaries - Regular	66,650	64,284	2,366
Salaries - Overtime	4,997	1,987	3,010
Employee Benefits - Retirement	6,659	3,103	3,556
Employee Benefits - FICA Tax	1,501	529	972
Employee Benefits - Insurance	5,530	5,530	-
Workman's Compensation	450	450	-
Training of Personnel	3,000	18	2,982
Supplies	7,000	4,079	2,921
Maint of Equipment	2,000	1,340	660
Maint of Radio	100	-	100
Telephone	3,350	2,566	784
Vehicle Allowance	2,400	2,400	-
Auto & Truck Repair	800	69	731
Gasoline, Oil & Diesel	1,150	320	830
Consulting	39,350	6,185	33,165
Dues & Subscriptions	500	35	465
General liability Insurance	3,703	2,986	717
Auto Liability	760	672	88
Medical Supplies	250	94	156
Postage	200	26	174
Capital Assets	47,500	34,254	13,246
Total Engineering	197,850	130,927	66,923

See accompanying independent auditors' report.

General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	Budget	Actual	Favorable (Unfavorable)
<u>COMMUNITY DEVELOPMENT</u>			
Salaries - Regular	38,728	35,319	3,409
Contract Labor	2,700	2,400	300
Employee Benefits - Retirement	2,196	1,875	321
Employee Benefits - FICA Tax	655	639	16
Employee Benefits - Insurance	6,336	1,640	4,696
Workman's Compensation	100	100	-
Training of Personnel	1,000	594	406
Supplies	2,000	1,950	50
Maint of Office Equipment	200	-	200
Telephone	1,600	1,553	47
Auto Allowance	1,200	1,052	148
Travel	2,500	1,423	1,077
Legal Advertising	3,000	1,713	1,287
Consulting	5,000	-	5,000
Dues & Subscriptions	1,470	867	603
Medical Supplies & Services	80	79	1
Miscellaneous	2,450	-	2,450
Postage	600	514	86
Capital Assets	4,000	3,796	204
Total Community Development	75,815	55,514	20,301
<u>INSPECTIONS</u>			
Salaries - Regular	123,100	119,693	3,407
Salaries - Overtime	200	-	200
Employee Benefits - Retirement	7,654	7,468	186
Employee Benefits - FICA Tax	2,006	1,971	35
Employee Benefits - Insurance	19,350	17,942	1,408
Workman's Compensation	600	600	-
Training of Personnel/Travel	8,710	4,072	4,638
License & Permits	200	-	200
Printing of Forms	1,000	652	348
Supplies	2,850	2,499	351
Asbestos Testing	150	-	150
Maint of Office Equipment	300	-	300
House Demolition	52,800	31,250	21,550
Telephone	3,200	2,643	557
Auto Allowance	10,300	10,292	8
Legal Advertising	200	122	78
Dues & Subscriptions	1,362	1,002	360
Medical Supplies/Services	370	349	21
Postage	400	280	120
Total Inspections	234,752	200,835	33,917
TOTAL GENERAL GOVERNMENT	2,300,839	1,939,960	360,879

See accompanying independent auditors' report.

General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	Budget	Actual	Favorable (Unfavorable)
PUBLIC SAFETY			
<u>POLICE</u>			
Salaries - Regular	1,335,693	1,306,084	29,609
Salaries - Overtime	158,667	178,360	(19,693)
DWI Enforcement	14,000	13,703	297
Retirement - Municipal	9,352	7,478	1,874
Retirement - Police	116,739	107,576	9,163
Retirement - Former	90,676	90,676	-
Employee Benefits - FICA Tax	17,226	17,003	223
Employee Benefits - Insurance	215,652	200,712	14,940
Uniforms	14,500	13,518	982
Workman's Compensation	7,350	7,350	-
Training of Personnel/Travel	20,000	19,335	665
Training Supplies	5,000	4,860	140
Widow's Compensation	2,128	808	1,320
Narcotics Enforcement Team	4,450	1,529	2,921
Emergency Response Team	5,000	4,902	98
Printing of Forms	1,610	1,609	1
Supplies	21,036	20,793	243
Maint of Bldg, Grounds, Equip	12,400	12,167	233
Rent of Office Equipment	4,800	3,829	971
Telephone	20,280	20,277	3
Auto Allowances	4,500	4,500	-
Auto & Truck Repair	40,750	39,689	1,061
Gasoline, Oil & Diesel	33,964	26,921	7,043
Legal Advertising	536	535	1
Legal Services	5,500	5,500	-
Dues & Subscriptions	3,000	2,999	1
Insurance	39,340	39,308	32
Insurance - Auto Liab	7,605	7,397	208
Investigative Awards	500	-	500
Lincoln Parish Detention Ctr	15,000	15,000	-
Medical Supplies & Services	3,000	2,439	561
Postage	1,667	1,662	5
Capital Assets	7,900	10,548	(2,648)
Matching Grant	33,212	22,034	11,178
Total Police	2,273,033	2,211,101	61,932
<u>FIRE</u>			
Salaries - Regular	851,218	797,596	53,622
Salaries - Overtime	20,000	21,874	(1,874)
Retirement - Fire	83,212	67,680	15,532
Employee Benefits - FICA Tax	6,182	5,756	426
Employee Benefits - Insurance	164,328	159,266	5,062
Uniforms	5,500	2,965	2,535
Workman's Compensation	4,850	4,850	-
Training of Personnel/Travel	11,835	11,514	321

See accompanying independent auditors' report.

General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	Budget	Actual	Favorable (Unfavorable)
Supplies	14,500	14,154	346
Maint of Bldg & Grnds	12,000	11,188	812
Rent of Office Equip	20,900	19,589	1,311
City Utilities	18,000	16,118	1,882
Heating	6,000	5,427	573
Telephone	15,650	15,644	6
Auto Allowances	15,465	15,462	3
Auto & Truck Repair	17,850	12,767	5,083
Gasoline, Oil & Diesel	5,001	4,275	726
Legal Services	950	12	938
Dues & Subscriptions	3,000	2,920	80
Insurance - Fire	7,500	3,738	3,762
Insurance - Gen Liab	13,600	10,453	3,147
Insurance - Auto Liab	7,850	6,724	1,126
Medical Supplies & Services	1,200	1,191	9
Postage	100	30	70
Capital Assets	64,185	64,185	-
Total Fire	1,370,876	1,275,378	95,498
STREET LIGHTING			
Maintenance of Lights	4,000	271	3,729
City Utilities	124,750	93,795	30,955
Electricity- Traffic Lights	1,250	1,195	55
Electricity- Claiborne Electric	1,000	948	52
Total Street Lighting	131,000	96,209	34,791
PROBATION			
Salaries - Regular	49,613	38,261	11,352
Salaries - Overtime	2,250	2,366	(116)
Employee Benefits - Retirement	2,312	1,671	641
Employee Benefits - FICA Tax	1,518	1,433	85
Employee Benefits - Insurance	4,146	2,311	1,835
Uniforms	900	595	305
Workman's Compensation	225	225	-
Training of Personnel/Travel	1,000	668	332
Supplies	2,200	2,112	88
Maint of Equipment	345	286	59
Telephone	3,065	3,061	4
Auto & Truck Repair	220	217	3
Gas, Oil, & Diesel	1,350	858	492
Auto Liability	677	672	5
Medical Supplies	255	122	133
Capital Assets	2,500	2,250	250
Total Probation	72,576	57,108	15,468
TOTAL PUBLIC SAFETY	3,847,485	3,639,796	207,689

See accompanying independent auditors' report.

General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	Budget	Actual	Favorable (Unfavorable)
PUBLIC WORKS			
<u>ADMINISTRATION</u>			
Salaries - Regular	144,186	141,726	2,460
Salaries - Overtime	1,000	993	7
Employee Benefits - Retirement	7,647	7,635	12
Employee Benefits - FICA Tax	2,395	2,338	57
Employee Benefits - Insurance	10,919	10,739	180
Uniforms	180	173	7
Workman's Compensation	675	675	-
Training of Personnel	3,000	350	2,650
Printing of Forms	885	884	1
Supplies	8,100	8,119	(19)
Maint of Bldg & Grounds	4,500	3,970	530
Rent of Office Equipment	1,315	791	524
Utilities	24,887	20,709	4,178
Heating	12,000	7,833	4,167
Telephone	12,900	12,712	188
Auto Allowances	8,100	8,100	-
Legal Services	2,831	2,831	-
Legal Copies	500	-	500
Dues & Subscriptions	523	439	84
Fire Insurance	13,260	6,610	6,650
Medical Services & Supplies	200	161	39
Postage	100	66	34
Capital Assets	11,000	10,953	47
Total Administration	271,103	248,807	22,296

STREETS

Salaries - Regular	533,104	503,101	30,003
Salaries - Overtime	24,000	19,543	4,457
Contract Labor	6,000	4,254	1,746
Employee Benefits - Retirement	27,157	26,623	534
Employee Benefits - FICA Tax	9,621	7,815	1,806
Employee Benefits - Insurance	100,173	98,561	1,612
Uniforms	6,840	6,519	321
Workman's Compensation	4,575	4,575	-
Unemployment Compensation	235	235	-
Training of Personnel	3,000	1,777	1,223
Chemicals	18,300	6,976	11,324
Signs	22,000	20,677	1,323
Supplies	24,100	22,906	1,194
Small Tools & Equipment	3,000	2,513	487
Street Paint	3,500	3,350	150
Maint of Bldgs & Grnds	16,055	15,671	384
Maint of Equipment	51,000	48,871	2,129
Maint of Streets	509,677	464,812	44,865
Rent of Equipment	98,900	96,040	2,860

See accompanying independent auditors' report.

General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	Budget	Actual	Favorable (Unfavorable)
Auto & Truck Repair	26,000	23,735	2,265
Gasoline, Oil & Diesel	25,000	24,780	220
Insurance - Gen Liab	29,682	23,892	5,790
Insurance - Auto Liab	13,639	12,104	1,535
Medical Supplies & Services	2,345	2,127	218
Capital Assets	161,900	153,040	8,860
Capital Assets - Culvert	1,235	186	1,049
Capital Assets - Streets	5,265	5,265	-
Total Streets	1,726,303	1,599,948	126,355
SOLID WASTE			
Salaries - Regular	532,866	514,348	18,518
Salaries - Overtime	30,000	26,822	3,178
Employee Benefits - Retirement	30,641	29,282	1,359
Employee Benefits - FICA Tax	4,950	4,669	281
Employee Benefits - Insurance	91,588	81,747	9,841
Uniforms	8,400	8,305	95
Workman's Compensation	4,500	4,500	-
Training of Personnel/Travel	3,000	92	2,908
Licenses & Permits	200	16	184
Supplies	31,500	30,672	828
Small Tools & Equipment	1,500	1,029	471
Maint of Bldg & Grounds	2,200	2,161	39
Maint of Equipment	56,450	54,463	1,987
Rent of Equipment	125,579	125,550	29
Auto & Truck Repair	58,200	56,676	1,524
Gasoline, Oil & Diesel	55,000	35,225	19,775
Bad Debt Expense	0	337	(337)
Insurance - General Liability	14,821	11,946	2,875
Insurance - Auto Liability	21,975	19,892	2,083
Medical Supplies & Services	2,500	2,287	213
Capital Assets	61,500	61,230	270
Total Solid Waste	1,137,370	1,071,249	66,121
REPAIR SHOP			
Salaries - Regular	286,895	261,185	25,710
Salaries - Overtime	15,000	12,218	2,782
Employee Benefits - Retirement	16,498	15,008	1,490
Employee Benefits - FICA Tax	4,161	3,847	314
Employee Benefits - Insurance	43,852	41,226	2,626
Uniforms	3,920	3,902	18
Workman's Compensation	2,100	2,100	-
Training personnel/Travel	7,500	6,464	1,036
Licenses & Permits	650	650	-
Supplies	19,850	19,364	486
Small Tools & Equipment	4,000	3,713	287
Maint of Building & Grnds	1,900	1,874	26

See accompanying independent auditors' report.

General Fund

Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended September 30, 1999

	Budget	Actual	Favorable (Unfavorable)
Maint of Equipment	2,200	2,065	135
Auto Allowance	2,400	2,400	-
Auto & Truck Repair	1,800	1,329	471
Gasoline, Oil & Diesel	1,800	1,580	220
Insurance - Auto Liab	3,031	2,690	341
Medical Supplies & Services	1,200	1,123	77
Capital Assets	9,500	7,576	1,924
Total Repair Shop	428,257	390,314	37,943
ANIMAL CONTROL			
Salaries - Regular	80,814	68,706	12,108
Salaries - Overtime	2,500	1,896	604
Employee Benefits - Retirement	3,570	3,212	358
Employee Benefits - FICA Tax	2,335	1,722	613
Employee Benefits - Insurance	9,720	9,551	169
Uniforms	1,400	1,346	54
Workman's Compensation	600	600	-
Training of Personnel	3,000	3,060	(60)
Licenses & Permits	200	187	13
Supplies	8,700	7,600	1,100
Maint of Building & Grnds	500	477	23
Maint of Equipment	1,500	1,427	73
City Utilities	2,700	2,123	577
Heating	4,180	3,603	577
Telephone	1,810	1,810	-
Auto & Truck Repair	710	624	86
Gasoline, Oil & Diesel	1,700	1,242	458
Legal Services	100	-	100
Veterinary Fees	400	116	284
Insurance - Auto Liab	760	672	88
Medical Supplies & Services	2,300	2,172	128
Postage	100	6	94
Capital Assets	14,500	13,430	1,070
Total Animal Control	144,099	125,582	18,517
TOTAL PUBLIC WORKS	3,707,132	3,435,900	271,232
TOTAL GENERAL FUND EXPENDITURES	9,855,456	9,015,656	839,800

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 Enterprise Fund - Electric System
 Schedule of Operating Expenses By Department
 For the Years Ended September 30, 1999 and 1998

Schedule 2

	1999 Actual	1998 Actual	Change
DIRECT EXPENSES			
STEAM PLANT			
Salaries - Regular	418,609	395,382	23,227
Salaries - Overtime	53,297	55,116	(1,819)
Municipal Emp Retirement	22,701	23,762	(1,061)
Employers Match FICA Tax	3,509	3,196	313
Employee Insurance	68,408	65,525	2,883
Uniforms	1,690	1,189	501
Workmans Compensation	2,700	1,800	900
Training Personnel/Travel	1,865	1,905	(40)
Chemicals	86,763	83,730	3,033
Fuel	3,421,366	5,704,494	(2,283,128)
Energy	4,557,201	1,754,298	2,802,903
Office Supplies	16	434	(418)
Permits	12,200	18,342	(6,142)
Supplies	39,100	43,612	(4,512)
Maint of Bldg & Grnds	5,360	4,112	1,248
Maint of Equip	891,764	523,082	368,682
Hazardous Waste Expense	15,318	9,722	5,596
City Utilities	163,917	136,890	27,027
Telephone	8,367	8,761	(394)
Auto Allowances	5,100	5,350	(250)
Auto & Truck Repair	1,680	918	762
Gasoline, Oil & Diesel	805	700	105
Insurance - Fire(Boiler)	74,418	44,900	29,518
Insurance - General Liab	62,716	73,741	(11,025)
Insurance - Auto Liab	1,345	1,475	(130)
Medical Supplies & Services	580	281	299
Depreciation	373,773	397,073	(23,300)
Total Steam Plant	10,294,568	9,359,790	934,778
DIESEL PLANT			
Fuel & Energy	-	1,261	(1,261)
Supplies	309	216	93
Maint of Bldg & Grnds	-	4,590	(4,590)
City Utilities	237	504	(267)
Total Diesel Plant	546	6,571	(6,025)

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 Enterprise Fund - Electric System
 Schedule of Operating Expenses By Department
 For the Years Ended September 30, 1999 and 1998

Schedule 2

	1999 Actual	1998 Actual	Change
<u>DISTRIBUTION SYSTEM</u>			
Salaries - Regular	371,119	400,157	(29,038)
Salaries - Overtime	57,782	41,303	16,479
Salaries - Contract Labor	4,985	4,500	485
Municipal Emp Retirement	22,789	21,376	1,413
Employers Match FICA Tax	3,876	3,137	739
Employee Insurance	63,301	59,759	3,542
Uniforms	1,522	1,353	169
Workmans Compensation	2,680	1,800	880
Training Personnel/Travel	281	1,760	(1,479)
Office Supplies	-	157	(157)
Supplies	21,661	12,395	9,266
Maint of Bldg & Grnds	490	95	395
Maint of Equip	8,449	19,555	(11,106)
Maint of Dist System	390,581	219,097	171,484
Maint of Radio Equipment	642	-	642
Maint of Right of Way	120,656	113,462	7,194
Hazardous Waste Expense	5,950	2,047	3,903
City Utilities	73	73	-
Heating	121	711	(590)
Telephone	2,935	2,111	824
Auto & Truck Repair	7,235	7,814	(579)
Gasoline, Oil & Diesel	10,822	9,820	1,002
Damages	749	200	549
Insurance - Auto Liab	6,052	6,640	(588)
Medical Supplies & Services	917	1,307	(390)
Depreciation	489,945	603,828	(113,883)
Total Distribution System	1,595,613	1,534,457	61,156
<u>SUBSTATIONS</u>			
Supplies	-	106	(106)
Maint of Bldg & Grounds	1,099	3,097	(1,998)
Maint of Equipment	70,335	62,427	7,908
Total Substations	71,434	65,630	5,804
TOTAL DIRECT EXPENSES	11,962,161	10,966,448	995,713

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 Enterprise Fund - Electric System
 Schedule of Operating Expenses By Department
 For the Years Ended September 30, 1999 and 1998

Schedule 2

	1999 Actual	1998 Actual	Change
INDIRECT EXPENSES			
<u>GENERAL & ADMINISTRATIVE</u>			
Salaries - Regular	279,814	281,236	(1,422)
Salaries - Overtime	6,770	7,272	(502)
Municipal Emp Retirement	15,864	14,140	1,724
Employers Match FICA Tax	3,045	2,785	260
Employee Insurance	33,135	32,676	459
Uniforms	457	156	301
Workman's Compensation	1,350	900	450
Training Personnel/Travel	7,062	2,273	4,789
Office Supplies	1,121	4,500	(3,379)
Supplies	4,937	2,052	2,885
Warehouse	132,500	110,000	22,500
Maint of Office Equip	2,013	1,501	512
Maint of Radio Equip	2,649	2,264	385
Telephone	5,345	3,242	2,103
Auto Allowances	7,777	8,656	(879)
Auto & Truck Repair	2,031	1,006	1,025
Gasoline, Oil & Diesel	2,216	2,048	168
Audit Fees	13,590	14,771	(1,181)
Legal Advertising	792	200	592
Legal Services	-	53	(53)
Paying Agent Fees	-	3,811	(3,811)
Bad Debt Expense	-	67,102	(67,102)
Dues & Subscriptions	9,347	9,047	300
Insurance - Fire	16,449	30,600	(14,151)
Insurance - Auto Liability	1,345	1,475	(130)
Medical Supplies & Services	320	32	288
Miscellaneous	8,496	10,114	(1,618)
Postage	2,605	1,343	1,262
Depreciation	105,341	117,383	(12,042)
Total General & Administrative	666,371	732,638	(66,267)
<u>COLLECTION OFFICE</u>			
Salaries - Regular	189,163	180,727	8,436
Salaries - Overtime	5,468	3,850	1,618
Municipal Emp Retirement	10,440	10,465	(25)
Employers Match FICA Tax	2,669	2,397	272
Employee Insurance	26,676	28,094	(1,418)
Uniforms	53	-	53
Workmans Compensation	1,350	900	450
Training Personnel	945	-	945
Office Supplies	2,352	6,655	(4,303)
Printing of Forms	5,934	5,895	39

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 Enterprise Fund - Electric System
 Schedule of Operating Expenses By Department
 For the Years Ended September 30, 1999 and 1998

Schedule 2

	1999 Actual	1998 Actual	Change
Supplies	11,824	5,236	6,588
Maint of Office Equipment	18,954	15,794	3,160
Maint of Radio Equipment	110	45	65
Telephone	5,314	4,373	941
Auto Allowances	200	2,619	(2,419)
Travel	1,556	31	1,525
Collection Costs	11,968	11,232	736
Data Processing	1,440	256	1,184
Cash (Over) Short	79	336	(257)
Dues & Subscriptions	262	58	204
Insurance - Computer	636	636	-
Insurance - General Liability	1,493	1,718	(225)
Medical Supplies & Services	213	128	85
Miscellaneous	35	300	(265)
Postage	31,570	36,209	(4,639)
Total Collection Office	330,704	317,954	12,750
METER READERS			
Salaries - Regular	104,608	121,309	(16,701)
Salaries - Overtime	4,829	4,551	278
Municipal Emp Retirement	6,393	6,831	(438)
Employers Match FICA Tax	1,383	1,268	115
Employee Insurance	22,590	20,258	2,332
Uniforms	1,073	957	116
Workmans Compensation	1,119	700	419
Training Personnel	-	96	(96)
Supplies	1,573	1,079	494
Maint of Equipment	-	212	(212)
Maint of Radio Equip	-	650	(650)
Auto & Truck Repair	3,939	2,149	1,790
Gasoline, Oil & Diesel	4,531	4,807	(276)
Insurance - Auto Liab	2,017	2,213	(196)
Medical Supplies & Services	574	223	351
Miscellaneous	591	1,420	(829)
Total Meter Readers	155,220	168,723	(13,503)
TOTAL INDIRECT EXPENSES	1,152,295	1,219,315	(67,020)
TOTAL ELECTRIC FUND	13,114,456	12,185,763	928,693

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
Enterprise Fund - Water System
Schedule of Operating Expenses By Department
For the Year Ended September 30, 1999

Schedule 3

	1999 Actual	1998 Actual	Change
DIRECT EXPENSES			
<u>WATER PRODUCTION SYSTEM</u>			
Salaries - Regular	72,705	41,303	31,402
Salaries - Overtime	4,650	3,717	933
Municipal Emp Retirement	3,242	3,119	123
Employers Match FICA Tax	346	253	93
Employee Insurance	8,814	8,418	396
Uniforms	297	297	-
Workmans Compensation	450	300	150
Training/Travel	639	-	639
Chemicals	67,424	95,847	(28,423)
Supplies	2,956	3,378	(422)
Maint of Bldg & Grnds	150	-	150
Maint of Equipment	1,135	637	498
Maint of Water Tanks	1,183	-	1,183
Maint of Water Wells	150,596	75,538	75,058
City Utilities	189,580	218,600	(29,020)
Telephone	5,379	6,284	(905)
Auto & Truck Repair	522	308	214
Gasoline, Oil & Diesel	1,383	1,513	(130)
Medical Supplies & Services	178	32	146
Depreciation	68,628	59,313	9,315
Total Water Production	580,257	518,857	61,400
<u>WATER DISTRIBUTION SYSTEM</u>			
Salaries - Regular	135,216	133,421	1,795
Salaries - Overtime	12,688	6,728	5,960
Municipal Emp Retirement	6,874	6,791	83
Employers Match FICA Tax	1,285	1,084	201
Employee Insurance	22,794	22,467	327
Uniforms	948	892	56
Workmans Compensation	1,050	800	250
Training	1,335	-	1,335
Supplies	7,484	7,312	172
Equipment Rental	430	14,828	(14,398)
Maint of Equipment	12,093	-	12,093
Maint of Distribution System	107,615	83,768	23,847
Maint of Radio Equipment	337	-	337
Maint of Right of Way	75	-	75
City Utilities	103	115	(12)
Auto & Truck Repair	4,329	5,573	(1,244)
Gasoline, Oil & Diesel	7,188	6,152	1,036
Damages	68	385	(317)
Medical Supplies & Services	461	-	461
Depreciation	119,712	193,525	(73,813)
Total Water Distribution	442,085	483,841	(41,756)
TOTAL DIRECT EXPENSES	1,022,342	1,002,698	19,644

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 Enterprise Fund - Water System
 Schedule of Operating Expenses By Department
 For the Year Ended September 30, 1999

Schedule 3

	1999 Actual	1998 Actual	Change
INDIRECT EXPENSES			
GENERAL & ADMINISTRATIVE			
Salaries - Regular	81,982	61,924	20,058
Salaries - Overtime	1,087	-	1,087
Municipal Emp Retirement	3,728	3,653	75
Employee Insurance	5,530	5,696	(166)
Uniforms	-	-	-
Workmans Compensation	300	200	100
Training Personnel/Travel	684	161	523
Office Supplies	-	-	-
Supplies	49	116	(67)
Warehouse	19,000	16,000	3,000
Maint of Bldg & Grnds	375	331	44
Maint of Office Equipment	217	-	217
Maint of Radio Equip	767	54	713
Maint of Right of Way	-	1,187	(1,187)
Telephone	3,514	2,496	1,018
Auto & Truck Repair	56	439	(383)
Gasoline, Oil & Diesel	1,599	1,564	35
Audit Fees	5,521	6,621	(1,100)
Legal Advertising	45	100	(55)
Legal Services	-	-	-
Paying Agent Fees	1,036	600	436
Bad Debt Expense	4,011	8,634	(4,623)
Dues & Subscriptions	1,020	993	27
Fire Insurance	5,483	10,200	(4,717)
Insurance - General Liab	4,480	5,155	(675)
Insurance - Auto Liab	672	738	(66)
Medical Supplies & Services	144	-	144
Miscellaneous	101,646	1	101,645
Depreciation	37,528	39,378	(1,850)
	-	-	-
TOTAL INDIRECT EXPENSES	280,474	166,241	114,233
TOTAL WATER FUND	1,302,816	1,168,939	133,877

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 Enterprise Fund - Sewerage System
 Schedule of Operating Expenses By Department
 For the Years Ended September 30, 1999 and 1998

	1999 Actual	1998 Actual	Change
DIRECT EXPENSES			
<u>SEWERAGE COLLECTION SYSTEM</u>			
Salaries - Regular	159,461	181,035	(21,574)
Salaries - Overtime	26,590	28,232	(1,642)
Municipal Emp Retirement	9,720	10,402	(682)
Employers Match FICA Tax	2,187	2,236	(49)
Employee Insurance	20,954	24,639	(3,685)
Uniforms	2,370	997	1,373
Workmans Compensation	1,350	900	450
Unemployment Compensation	-	2,919	(2,919)
Training/Travel	905	416	489
Chemicals	11,548	2,727	8,821
Supplies	19,911	14,618	5,293
Equipment Rental	4,930	1,500	3,430
Maint of Bldg & Grnds	8,028	837	7,191
Maint of Equipment	29,670	12,619	17,051
Maint of Radio Equipment	135	68	67
Maint of Sewer System	124,063	88,816	35,247
Maint. of Right of Way	567	3,964	(3,397)
City Utilities	83,155	84,579	(1,424)
Heating	246	230	16
Electricity - Claiborne	635	697	(62)
Electricity - LP&L	839	1,480	(641)
Telephone	1,057	1,285	(228)
Auto & Truck Repair	8,425	6,234	2,191
Gasoline, Oil & Diesel	10,263	11,698	(1,435)
Damages	225	794	(569)
Insurance - Fire	1,645	-	1,645
Medical Supplies & Services	748	382	366
Depreciation	257,346	258,431	(1,085)
Total Sewerage Collection	786,973	742,735	44,238
<u>SEWERAGE TREATMENT PLANT</u>			
Salaries - Regular	86,279	71,042	15,237
Salaries - Overtime	7,070	6,685	385
Municipal Emp Retirement	3,860	3,599	261
Employers Match FICA Tax	293	768	(475)
Employee Insurance	9,909	7,928	1,981
Uniforms	-	288	(288)
Workmans Compensation	450	800	(350)
Training/Travel	1,867	309	1,558
Chemicals	19,111	20,739	(1,628)
Permits	9,878	408	9,470
Laboratory Testing	14,195	16,042	(1,847)
Supplies	4,093	4,135	(42)

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 Enterprise Fund - Sewerage System
 Schedule of Operating Expenses By Department
 For the Years Ended September 30, 1999 and 1998

Schedule 4

	1999 Actual	1998 Actual	Change
Maint of Bldg & Grnds	21	689	(668)
Maint of Equip	24,711	29,702	(4,991)
City Utilities	84,704	116,407	(31,703)
Telephone	2,066	1,898	168
Auto & Truck Repair	1,224	930	294
Gasoline, Oil & Diesel	1,101	1,354	(253)
Auto Liability	672	738	(66)
Medical Supplies & Services	183	47	136
Depreciation	93,039	93,626	(587)
Total Sewerage Treatment	364,726	378,135	(13,409)
SLUDGE DISPOSAL			
Salaries - Regular	40,110	33,811	6,299
Salaries - Overtime	200	518	(318)
Municipal Emp Retirement	2,266	1,854	412
Employers Match FICA Tax	542	460	82
Employee Insurance	7,100	8,895	(1,795)
Uniforms	227	202	25
Workmans Compensation	300	200	100
Training/travel	1,015	438	577
Chemicals	2,000	2,789	(789)
Permits	1,650	1,500	150
Laboratory Testing	5,659	5,418	241
Supplies	2,285	1,680	605
Maint of Bldg & Grounds	385	117	268
Maint of Equipment	4,188	2,830	1,358
City Utilities	1,244	1,075	169
Telephone	693	479	214
Auto & Truck Repair	145	256	(111)
Gasoline, Oil & Diesel	497	1,191	(694)
Medical Supplies & Services	157	67	90
Total Sludge Disposal	70,663	63,780	6,883
TOTAL DIRECT EXPENSES	1,222,362	1,184,650	37,712

INDIRECT EXPENSES

GENERAL & ADMINISTRATIVE

Salaries - Regular	52,309	49,684	2,625
Salaries - Overtime	1,352	242	1,110
Municipal Emp Retirement	2,992	2,926	66
Employers Match FICA Tax	758	725	33
Employee Insurance	10,258	10,833	(575)
Workmans Compensation	300	200	100
Training Personnel/Travel	861	375	486

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 Enterprise Fund - Sewerage System
 Schedule of Operating Expenses By Department
 For the Years Ended September 30, 1999 and 1998

Schedule 4

	1999 Actual	1998 Actual	Change
Office Supplies	-	555	(555)
Supplies	1,952	772	1,180
Warehouse Expense	5,340	5,340	-
Maint of Office Equipment	375	599	(224)
Heating	367	536	(169)
Telephone	2,919	1,997	922
Auto & Truck Repair	272	339	(67)
Gasoline, Oil & Diesel	648	650	(2)
Audit Fees	6,073	7,132	(1,059)
Legal Advertising	187	1,228	(1,041)
Legal Fees	2,123	-	2,123
Consulting	1,623	13,349	(11,726)
Paying Agent Fees	19,050	20,263	(1,213)
Bad Debt Expense	391	18,442	(18,051)
Dues & Subscriptions	92	87	5
Insurance - Fire	5,483	10,200	(4,717)
Insurance - General Liab	4,480	5,155	(675)
Insurance - Auto Liab	1,345	1,475	(130)
Medical Supplies & Services	114	-	114
Miscellaneous	351	70	281
Sewer Lift Station Relocation	25,106	-	25,106
Postage	53	90	(37)
Depreciation	127,448	142,294	(14,846)
Total General & Administrative	274,622	295,558	(20,936)
PEST CONTROL			
Chemicals	496	870	(374)
Supplies	32	89	(57)
Maint of Equipment	18	-	18
Gas, Oil, Diesel	57	-	57
			-
Total Pest Control	603	959	(356)
TOTAL INDIRECT EXPENSES	275,225	296,517	(21,292)
TOTAL SEWER FUND	1,497,587	1,481,167	16,420

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 COMBINED SCHEDULE OF BONDS PAYABLE
 SEPTEMBER 30, 1999

Schedule 5

RATES	PAYMENT DATES	ISSUE DATES	FINAL MATURITY DATES	ANNUAL SERIAL PAYMENTS		BONDS AUTHORIZED & ISSUED	RETIRED	OUTSTANDING 9/30/1999
REVENUE BONDS								
Water Utility Revenue Bonds								
4.5850%	4/1; 10/1	12/23/1996	10/1/2006	75,000	1999	850,000	130,000	720,000
4.6890%				80,000	2000			
4.7800%				85,000	2001			
4.8515%				85,000	2002			
4.9035%				90,000	2003			
4.9555%				95,000	2004			
4.9880%				100,000	2005			
5.0270%				110,000	2006			
5.0790%								
Total Waterworks Utility Revenue Bonds						850,000	130,000	720,000
Sewerage Utility Revenue Bonds								
5.00%	4/1; 10/1	4/1/1992	10/1/2012	140,000	2000	3,204,747	764,747	2,440,000
5.00%				145,000	2001			
5.00%				150,000	2002			
5.00%				160,000	2003			
5.00%				165,000	2004			
5.00%				175,000	2005			
5.00%				185,000	2006			
5.00%				195,000	2007			
5.00%				205,000	2008			
5.00%				215,000	2009			
5.00%				225,000	2010			
5.00%				235,000	2011			
5.00%				245,000	2012			
5.00%								
2.45%				10,000	1999	1,432,536	312,536	1,120,000
2.45%				70,000	2000			
2.45%				75,000	2001			
2.45%				75,000	2002			
2.45%				75,000	2003			
2.45%				80,000	2004			
2.45%				80,000	2005			
2.45%				85,000	2006			
2.45%				85,000	2007			
2.45%				90,000	2008			
2.45%				90,000	2009			
2.45%				90,000	2010			
2.45%				95,000	2011			
2.45%				95,000	2012			
2.45%				12,536	2013			
Total Sewerage Utility Revenue Bonds								
TOTAL REVENUE BONDS						5,487,283	1,207,283	4,280,000

See accompanying independent auditors' report.

CITY OF RUSTON, LOUISIANA
 COMBINED SCHEDULE OF BONDS PAYABLE
 SEPTEMBER 30, 1999

Schedule 5

RATES	PAYMENT DATES	ISSUE DATES	FINAL MATURITY DATES	ANNUAL SERIAL PAYMENTS		BONDS AUTHORIZED & ISSUED	RETIRED	OUTSTANDING 9/30/1999
CERTIFICATES OF INDEBTEDNESS								
<i>Sales Tax Certificates of Indebtedness Series 1993</i>								
4.80%	4/1; 10/1	10/1/1993	4/1/2003	115,000	2000	1,100,000	605,000	495,000
4.90%				120,000	2001			
5.00%				125,000	2002			
5.10%				135,000	2003			
<i>Public Works Shop Certificates of Indebtedness Series 1993A</i>								
5.15%	3/1; 9/1	3/1/1994	3/1/2004	50,000	2000	500,000	220,000	280,000
5.25%				55,000	2001			
5.30%				55,000	2002			
5.55%				60,000	2003			
5.60%				60,000	2004			
<i>City of Ruston Certificates of Indebtedness Series 1996</i>								
5.48%	5/1; 11/1	5/23/1996	5/1/2006	46,000	2000	500,000	122,000	378,000
5.48%				48,000	2001			
5.48%				51,000	2002			
5.48%				54,000	2003			
5.48%				57,000	2004			
5.48%				60,000	2005			
5.48%				62,000	2006			
TOTAL CERTIFICATES OF INDEBTEDNESS						2,100,000	947,000	1,153,000

See accompanying independent auditors' report.



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CITY OF RUSTON, LOUISIANA
OMB Circular A-133 Reports
For the Year Ended September 30, 1999
(With Independent Auditors' Reports Thereon)

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

Release Date _____

CITY OF RUSTON, LOUISIANA

OMB Circular A-133 Reports

For the Year Ended September 30, 1999

Table of Contents

	Page(s)
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1-2
Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 and Report on the Schedule of Expenditures of Federal Awards	3-4
Schedule of Expenditures of Federal Awards	5
Notes to the Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	7-9



1900 Deposit Guaranty Tower
333 Texas Street
Shreveport, LA 71101-3692

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

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

We have audited the general purpose financial statements of the City of Ruston, Louisiana ("City") as of and for the year ended September 30, 1999, and have issued our report thereon dated December 17, 1999, which includes an explanatory paragraph due to a change in accounting principle for the adoption of Governmental Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* in 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 99-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting, which we have reported to management of the City in a separate letter dated December 17, 1999.



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

KPMG LLP

December 17, 1999



1900 Deposit Guaranty Tower
333 Texas Street
Shreveport, LA 71101-3692

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

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

Compliance

We have audited the compliance of the City of Ruston, Louisiana ("City") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended September 30, 1999. The City's major federal program is 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 program 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 generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 1999. However, the results of our auditing procedures also disclosed one 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 99-2.

Internal Control Over Compliance

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

Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the City as of and for the year ended September 30, 1999, and have issued our report thereon dated December 17, 1999, which includes an explanatory paragraph due to a change in accounting principle for the adoption of Governmental Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* in 1999. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

KPMG LLP

December 17, 1999

CITY OF RUSTON, LOUISIANA

Schedule of Expenditures of Federal Awards

For the Year ended September 30, 1999

<u>Grant Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
United States Department of Housing and Urban Development:			
Section 8 Cluster:			
Section 8 - Existing Housing	14.857	FW-2078	\$ 487,739
Section 8 - Vouchers	14.855	FW-2252	188,370
			<hr/> 676,109
Section 8 - Moderate Rehabilitation	14.856	FW-2159	58,339
Pass through Louisiana Departments:			
Community Development Block Grant:			
Decentralized Arts Grant	N/A	99-07-31-001	10,385
D.A.R.T. CDBG Program	14.231	10-8370	15,191
			<hr/> 25,576
Total United States Department of Housing and Urban Development			760,024
United States Department of Justice - Local Law Enforcement	16.592	B464	22,034
Federal Emergency Management Agency	N/A	1012-061-0003	267,308
Total federal assistance			<hr/> <hr/> \$ 1,049,366

See accompanying notes to schedule of expenditures of federal awards.

CITY OF RUSTON, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards

Year ended September 30, 1999

(1) General

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

CITY OF RUSTON, LOUISIANA

Schedule of Findings and Questioned Costs

Year ended September 30, 1999

Section 1 – Summary of Auditors' Results

Financial Statements

Type of report issued: unqualified opinion with an explanatory paragraph due to a change in accounting principle for the adoption of GASB Statement No. 32.

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

14.855 and 14.857

United States Department of Housing and Urban
Development Section 8 Cluster

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

Auditee qualified as a low-risk auditee? No

Section 2 – Financial Statement Findings

Item: 99-1

Criteria or specific requirement: R.S. 39:1308 requires that all action necessary to adopt and otherwise finalize and implement the budget for an ensuing fiscal year be taken in open meetings and completed prior to the end of the fiscal year in progress.

Condition: The City did not approve their fiscal year 1999 budget prior to the end of the 1998 fiscal year.

CITY OF RUSTON, LOUISIANA

Schedule of Findings and Questioned Costs

Year ended September 30, 1999

Questioned costs: None.

Context: Not applicable.

Effect: The City operated for a portion of fiscal year 1999 without a legally adopted budget.

Cause: Controversy over budget.

Recommendation: The City should take necessary steps to adopt and implement the budget within the legal deadline.

Management's response:

- A) Name of Contact Responsible – Mayor, Board of Aldermen, Treasurer
- B) Corrective Action Planned – We submitted a budget proposal and had it adopted within the legal deadline for fiscal 2000.
- C) Completion Date – September 30, 2000.

Section 3 – Federal Award Findings and Questioned Costs

Item: 99-2

Grant: Section 8 Rental Voucher Program; Section 8 Rental Certificate Program

CFDA No.: 14.855 and 14.857

Grant Number: FW-2252 and FW-2078

Award Year: 1999

Specific Requirement: Special Test & Provisions - Utility Allowances

Condition: Utility allowance schedule has not been adjusted to reflect current price changes since 1992. Per 24 CFR sections 882.510 and 887.361, utility allowances must be reviewed and adjusted, if necessary, at least once a year.

Context: The effect applies to the entire population in which utility allowances are applicable.

Questioned Costs: Unknown

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

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

CITY OF RUSTON, LOUISIANA

Schedule of Findings and Questioned Costs

Year ended September 30, 1999

Management's Response:

- A) Name of Contact Responsible – Section 8 Office Personnel
- B) Corrective Action Planned – Section 8 office personnel will review annually the utility allowance schedule for any potential adjustments.
- C) Anticipated Completion Date – September 30, 2000





1900 Deposit Guaranty Tower
333 Texas Street
Shreveport, LA 71101-3692

December 17, 1999

The Board of Aldermen
City of Ruston
Ruston, Louisiana

Ladies and Gentlemen:

We have audited the financial statements of the City of Ruston for the year ended September 30, 1999, and have issued our report thereon dated December 17, 1999. In planning and performing our audit of the financial statements of the City of Ruston, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

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

SECTION 8 TENANT ELIGIBILITY REVIEW PROCESS

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

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

Management's Response:

We agree with this comment. We will review the supporting documentation of the information processed.



SECTION 8 HOUSING ASSISTANCE PAYMENTS

During testwork of forty Housing Assistance Payments ("HAP") under the Section 8 Program, KPMG noted that three of the forty rent amounts paid to the landlord were not correct according to records maintained in each tenant's file. The differences were:

	<u>Actual HAP Paid To Landlord by Section 8 for Tenant</u>	<u>Amount of HAP per Tenant's File that should have been Paid</u>	<u>Overpayment</u>
1	\$239	\$225	\$14
2	\$375	\$336	\$39
3	\$324	\$203	\$121

One of these exceptions was later noted by the Section 8 office and resolved. The other two exceptions were not identified by the Section 8 office.

Upon further investigation of the three exceptions noted above, KPMG noted that the exceptions occurred after a recent "re-examination" of the tenant.

According to program guidelines, each tenant must be re-examined by the Section 8 office on an annual basis. During this re-examination, the Section 8 re-verifies the tenant's income. If the income increased/decreased over the past year, the Housing Assistance Payment to be paid by the Section 8 office will be adjusted accordingly. KPMG noted that the system was not producing the Housing Assistance Payment checks with the adjusted payment for the three exceptions noted above.

KPMG recommends that the Section 8 program review all tenant Housing Assistance Payments being made at the next check run. The City should ensure that all payments being made agree to the most recent re-examination documentation for the Housing Assistance Payment per each tenant's file. Once this step is performed, employees of the Section 8 program should establish an on-going control to review a tenant's Housing Assistance Payment after a re-examination is performed. (For example, if a tenant's eligibility information is reviewed in January and the amount of the Housing Assistance Payment is to change effective February 1, Section 8 should review that tenant's Housing Assistance Payment for correctness – along with any others that changed during that month – before checks are released to the respective landlords.)

Management's Response:

We have reviewed all Housing Assistance Payments of the remaining 160 units, seven problems were noted and corrected. We now have a procedure for checking amounts at the check run stage if any adjustments are to be made. Also, any program upgrades in software will result in a random check on amounts.

SECTION 8 REPORTING

During our review of the Section 8 required reports HUD-52681, Voucher for Payment of Annual Contributions and Operating Statement for the Section 8 Existing, Voucher and Modrehab funds, we noted instances where these reports did not agree to the general ledger. With the exception of the September 30, 1999 reconciliation, we also noted that a reconciliation of the Section 8 office's records to the general ledger is not performed during the year. While the differences were not material and most could be explained, we recommend that management initiate a policy requiring the Section 8 records be reconciled to the general ledger on a monthly basis. We also recommend that all differences between the HUD reports and the general ledger be investigated and resolved.

Management's Response:

A procedure has been established to correct this deficiency. The HUD/general ledger differences have been resolved. There is now a monthly reconciliation of the records.

AMBULANCE OPERATIONS

During the current year, the City wrote-off a receivable in the Ambulance Fund from the Lincoln Parish Police Jury for services rendered outside of the Ruston city limits. This receivable balance dates back over three years. The City believes these funds will ultimately be collected, however, there is not a signed contract establishing the amount to be paid to the City for providing ambulance services outside the City limits. We recommend the City complete negotiations and sign a contract with the Lincoln Parish Police Jury to allow collection of these funds.

In addition, City policy states that for accounts to be written off, approval of the Board of Aldermen is required. As noted in our previous letter to management, the City does not consistently follow a policy of evaluating and writing off uncollectible receivable accounts for ambulance fees. Each year the City should go through a formal evaluation of the individual accounts to determine which accounts should be written off. Just as with the electric, water and sewerage receivable accounts, the write off of accounts should require the approval of the Board of Aldermen.

As a result of the write-off of the receivable as well as marginal operations, the fund has a deficit fund balance of \$6,675 at September 30, 1999. Based on our review of the fund it appears that the deficit will continue to grow as a result of the situation with the Lincoln Parish Police Jury as well as other various factors including increased competition, delay in Medicare and Medicaid receipts of up to six weeks, and increased operating expenses. We recommend the City develop a plan to eliminate this deficit.

Management's Response:

The ambulance operations are under review at this time. Once this review is complete, we will determine how we will proceed.

THIRD PARTY AMBULANCE BILLINGS

On January 1, 1999, the Board approved the hiring of a third party to perform the billing function for ambulance services. Upon relinquishing the billing duty to the third party, the City also ceased to perform any type of control over the ambulance receivables and revenues.

Under the new billing process, the City submits ambulance tickets to the third party to be billed after the service has been performed. Once the ticket has been mailed to the third party, no follow-up is performed by the City. Although the City does maintain a copy of each ticket on file, the City performs no control to ensure that the service is billed and collected.

The City should establish a control which monitors the third party's billing of ambulance services. This control should ensure that all services performed by the ambulance department are subsequently billed and billed timely by the third party.

Management's Response:

We will establish a control to monitor the third party's billing of ambulance services.

ELECTRIC UTILITY BILLINGS

As noted in our previous letter to management, it was brought to our attention that two customers were not paying their electric bills in a timely manner and that cut off procedures were not being utilized due to medical problems of the customer. The City should adopt a formal policy on the handling of such matters. This policy should include:

- The use of medical tags on the electric meter to identify medical problems with the occupants;
- Approval by the Board of Aldermen of any users that are given extended terms;
- Notification procedures to the occupant that the electricity will be cut off on a certain date and that they are required to make arrangements.

City personnel may want to consult with other area electric utilities to determine their policies for handling these matters. The policy should be reviewed by the City attorney prior to its adoption.

Management's Response:

We will adopt a formal policy to handle these types of matters.

INTERNAL SERVICE FUND

As of September 30, 1999, there remains a deficit in the General Self Insurance Fund of \$198,529. Steps were taken and the deficit decreased during fiscal 1999 by \$91,091. The City should continue efforts to eliminate this deficit over a reasonable period of time.

Management's Response:

We will continue our efforts to eliminate this deficit.

PARKS AND RECREATION

Based on our review of the results for 1999, we noted that little profit was made through concession operations. For the period ended September 30, 1999, revenue from concession operations was \$15,881 and the cost of concession supplies was \$13,372, resulting in a profit of only \$2,509. This profit margin appears low and should be investigated to determine the reasons and what steps could be taken to increase the margins to a more reasonable amount. This may indicate the need for an inventory control system to be developed for concession operations.

Management's Response:

We will review our concession operation and then implement any needed changes.

FIXED ASSETS

During our audit, we noted the fixed asset accounting and controls need improvement. Specifically, a physical inventory of fixed assets is not performed periodically by the City and proper control of fixed assets is not maintained by tagging equipment. Also during our audit we noted that while the City approved the disposal of certain fixed assets, this disposal was not reflected in the accounting records. We also noted a year end adjustment of approximately \$100,000 was necessary to adjust the fixed assets of the Water department to the actual amount.

The City should implement periodic physical inventories to prevent misappropriation of assets and determine that the balance on the general ledger is properly adjusted to reflect the actual inventory of fixed assets. Retirements of fixed assets should be reflected in the accounting records and supporting detail records of fixed assets as they occur.

Management's Response:

We agree that controls should be strengthened in this area. We will perform a physical inventory of fixed assets and the general ledger will be adjusted to reflect the actual inventory.

YEAR 2000

During the course of the audit, we made inquiries about the status of the Year 2000 issues related to the City's computer systems. Based on these inquiries it is our understanding that the City has taken steps to make its computer systems Year 2000 compliant. At this point, the City needs to continue to focus on contingency planning for Year 2000 issues and ongoing monitoring plans into the year 2000 so that issues can be identified as quickly as possible.

Our discussions, which included limited inquiries in connection with the Year 2000 Issue, were not designed to, and do not provide any assurance that the Year 2000 issues which may exist have been identified, on the adequacy of the City's remediation plans related to the Year 2000 financial or operational issues or whether the City is or will become year 2000 compliant. Year 2000 compliance is the responsibility of the City's officials and management.

Management's Response:

We will continue to monitor Year 2000 issues and we will take the necessary actions to ensure we remain compliant.

BUSINESS CONTINGENCY PLAN

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

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

Management's Response:

We agree that a business contingency plan would be useful. We will determine whether we will allocate the resources necessary to implement a plan.

NEW REPORTING MODEL – GASB 34

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

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

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

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

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

Fund Level Reporting – Fund level financial statements will still be required and will provide information about the City's fund types, including fiduciary funds and blended component units. General capital assets and general long-term liabilities will only be reported at the government-wide level. Fund level reporting will continue to focus on fiscal accountability and reflect the flows and balances of current financial resources. The modified accrual basis of accounting will continue to be

used at the fund level, except for proprietary and fiduciary funds which would continue reporting based on economic resources and the accrual method of accounting. Reconciliation between the fund and the government-wide statements will be required on the face of the fund statements. Finally, proprietary fund cash flows statements must be presented using the direct method.

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

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

Management's Response:

We will ensure that we are prepared to implement the reporting model by the required date.

* * * * *

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