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**HOUSING AUTHORITY
OF THE TOWN OF RUSTON
Ruston, Louisiana**

**MANAGEMENT DISCUSSION & ANALYSIS
AND AUDITED FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2008

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

Release Date 4/8/09

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the Town of Ruston
Ruston, Louisiana 71723

HUD – New Orleans Office
501 Magazine 9th Floor
New Orleans, Louisiana 70130

We have audited the accompanying financial statements of the Housing Authority of the Town of Ruston as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

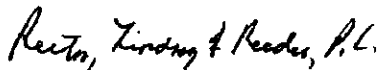
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Town of Ruston, as of June 30, 2008, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2009 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Housing Authority of the Town of Ruston. The accompanying Schedule of Expenditures of Federal Awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as well as the Financial Data Schedule required by the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


Rector, Lindsay & Reeder, P.C.
Certified Public Accountants

Snellville, Georgia
March 10, 2009

**HOUSING AUTHORITY
OF THE TOWN OF RUSTON
Ruston, Louisiana**

**REPORT ON EXAMINATION
OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

YEAR ENDED JUNE 30, 2008

**HOUSING AUTHORITY
OF THE TOWN OF RUSTON
Ruston, Louisiana**

MANAGEMENT DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2008

HOUSING AUTHORITY OF THE TOWN OF RUSTON MANAGEMENT'S DISCUSSION & ANALYSIS FISCAL YEAR ENDED JUNE 30, 2008

This section of the Authority's annual financial report presents Management's analysis of the Authority's financial performance during the Fiscal Year Ended June 30, 2008.

FINANCIAL HIGHLIGHTS AND CONCLUSIONS:

The Housing Authority of the Town of Ruston had a good year as illustrated by the outcome of its fiscal year operations. Total Net Assets increased by \$243,914 (6.21%). The financial indicators continue to maintain an above average score as established by the Real Estate Assessment Center (REAC).

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the Authority report information using accounting methods similar to those used by private sector companies (Enterprise Fund).

The Statement of Net Assets (Balance Sheet) includes all of the Authority's assets and liabilities and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial health of the Authority is improving or deteriorating.

The current year's revenues, expenses, and changes in net assets are accounted for in the Statement of Revenues, Expenses and Net Assets. This statement measures the success of the Authority's operations over the past fiscal year.

The Statement of Cash Flows is to provide information about the Authority's cash receipts and disbursements during the reporting period. The statement reports net changes in cash resulting from operations.

FINANCIAL ANALYSIS OF THE AUTHORITY

One question frequently asked about an Authority's finances is "Did the Authority's *operations and financial position improve or deteriorate over the previous fiscal year?*" The Statement of Net Assets and the Statement of Revenues, Expenses and Net Assets report information about the Authority's activities and are summarized in the following sections.

To begin our analysis, a summary of the Authority's Statement of Net Assets is presented in Table I, which follows.

**Housing Authority of the Town of Ruston
Combined Statement of Net Assets**

TABLE I

	<u>2008</u>	<u>2007</u>	<u>Total Change</u>	<u>% Change</u>
Current Assets	894,690	732,003	162,687	22.22%
Capital Assets	3,527,691	3,313,931	213,760	6.45%
Total Assets	<u>4,422,381</u>	<u>4,045,934</u>	<u>376,447</u>	<u>9.30%</u>
Current Liabilities	106,054	80,382	25,672	31.94%
Noncurrent Liabilities	145,734	38,873	106,861	274.90%
Total Liabilities	<u>251,788</u>	<u>119,255</u>	<u>132,533</u>	<u>111.13%</u>
Invested in Capital Assets, Net of Related Debt	3,415,790	3,313,931	101,859	3.07%
Unrestricted Net Assets	754,803	612,748	142,055	23.18%
Total Net Assets	<u>4,170,593</u>	<u>3,926,679</u>	<u>243,914</u>	<u>6.21%</u>
Total Liabilities & Net Assets	<u>4,422,381</u>	<u>4,045,934</u>	<u>376,447</u>	<u>9.30%</u>

As illustrated in the Combined Statement of Net Assets, the overall Net Assets of the Authority increased by \$243,914. The "Invested in Capital Assets" increased by \$101,859. The net change in Invested in Capital Assets, net of related debt, was due to \$324,187 capital asset costs additions from the Capital Fund and the acquisition of buildings and land out of the business activities account of \$105,000. These additions were offset by depreciation expense of \$205,376. The Unrestricted Net Assets increased by \$142,055. This represents a net increase in net working capital and available resources for future programs and expenditures, which was primarily due to positive operating results.

Current assets increased by \$162,687 which was due to an increase in cash and investments of \$76,844 as noted in the Statement of Cash Flows contained in the financial statements. In addition to this accounts receivable increased by \$55,233, which was mainly the result of an increase in the funds due from HUD of \$46,602. The HUD funds receivable were mainly due to for the capital fund program expenditures. Inventories increased by \$31,905 as a result of increased materials for unit turnaround.

Current liabilities increased by \$25,672 which was due to an increase in accounts payable of \$12,691 and an increase to unearned revenue. Noncurrent liabilities increased by \$106,861 as a result of the new debt acquired to finance the purchase of a house and land. The change in debt is further documented in this analysis.

While the Statement of Net Assets shows the change in financial position, the Statement of Revenues, Expenses, and Net Assets breaks down our revenues and expenses further. Table II, which follows, provides a combined statement of these changes in Net Assets. Table III provides a Statement of Revenues, Expenses and Net Assets by Revenue Source.

Housing Authority of the Town of Ruston
Combined Statement of Revenues, Expenses and Change in Net Assets
TABLE II

	2008	2007	Total Change	% Change
Tenant Revenue	815,292	737,155	78,137	10.60%
Grant Funding	989,403	855,964	133,439	15.59%
Interest Income	26,528	16,467	10,061	61.10%
Other Income	70,818	71,547	(729)	-1.02%
Total Revenue	1,902,041	1,681,133	220,908	13.14%
Administration	338,724	350,267	(11,543)	-3.30%
Tenant Services	86,649	93,360	(6,711)	-7.19%
Utilities	312,161	272,204	39,957	14.68%
Maintenance	561,040	505,559	55,481	10.97%
Protective services	150	-	150	N/A
General expense	143,976	126,226	17,750	14.06%
Loss on disposition	10,051	-	-	
Depreciation	205,376	226,909	(21,533)	-9.49%
Total Expenses	1,658,127	1,574,525	73,551	4.67%
Change in Net Assets	243,914	106,608	137,306	0.00%
Beginning Net Assets	3,926,679	3,820,071	106,608	2.79%
Ending Net Assets	4,170,593	3,926,679	106,608	2.71%

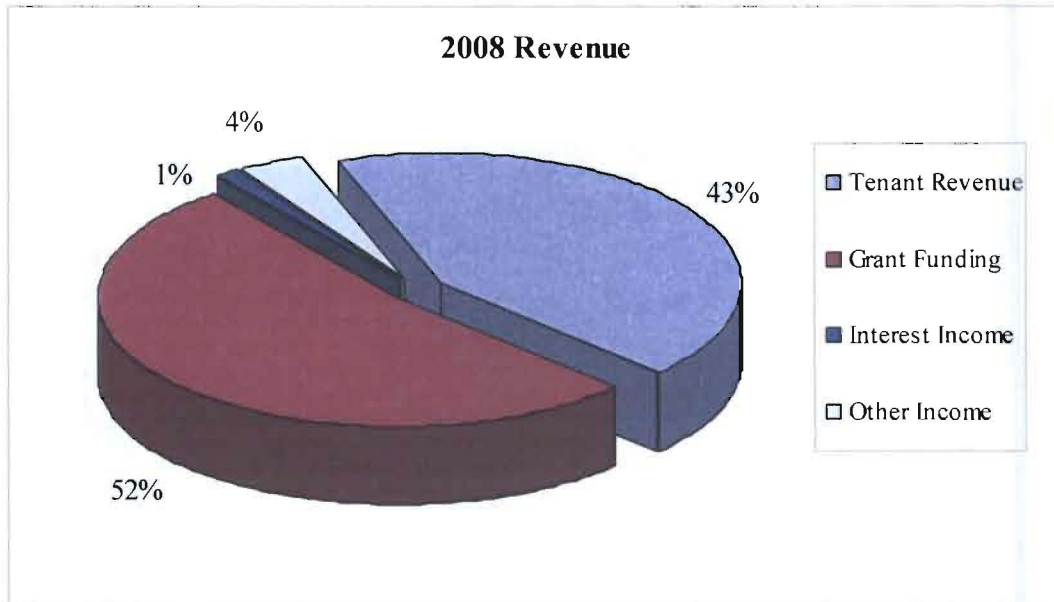
Housing Authority of the Town of Ruston
Combined Statement of Revenues, Expenses and Change in Net Assets - By Program
For the Year Ended June 30, 2008

TABLE III

	Business Type				Total
	Low-Rent	Central Office	Activity	Eliminations	
Tenant Revenue	796,081	-	19,211	-	815,292
Grant Funding	989,403	-	-	-	989,403
Interest Income	21,215	5,313	-	-	26,528
Other Income	960	327,084	816	(258,042)	70,818
Total Revenue	1,807,659	332,397	20,027	(258,042)	1,902,041
Administration	313,073	282,761	932	(258,042)	338,724
Tenant Services	86,649	-	-	-	86,649
Utilities	302,814	9,347	-	-	312,161
Maintenance	494,614	58,945	7,481	-	561,040
Protective services	150	-	-	-	150
General expense	121,539	12,146	10,291	-	143,976
Loss on disposition	10,051	-	-	-	10,051
Depreciation	200,116	1,473	3,787	-	205,376
Total Expenses	1,529,006	364,672	22,491	(258,042)	1,658,127
Change in Net Assets	278,653	(32,275)	(2,464)	-	243,914
Beginning Net Assets	3,899,273	-	27,406	-	3,926,679
Equity transfers	(105,858)	105,858	-	-	-
Prior period adjustments	-	-	-	-	-
Ending Net Assets	4,072,068	73,583	24,942	-	4,170,593

REVENUES

In reviewing the Statement of Revenues, Expenses, and Net Assets, you will find that 52% of the Authority's revenues are derived from grants from the Department of Housing and Urban Development. The Authority receives revenue from tenants for dwelling rental charges, excess utilities, and miscellaneous charges of 43% of total revenue. Other Revenue including Interest from Investments comprises the remaining 5%. Compared to the Fiscal Year Ended June 30, 2007, revenues had an overall decrease of \$220,908 (13.14%).



Tenant Revenue - Tenant Revenue received in the Public Housing Program had an increase from \$737,155 to \$815,292 of around 10.60%. Dwelling rental increased from 2007 to 2008 due primarily to an increase in the number of working families and an increase in dwelling unit occupancy.

Program Grants/Subsidies - We had a 15.59% decrease in Grant Revenue compared to the previous year. The primary reason for the change was a temporary increase in the Capital Fund grants which can be expended and earned over several years. The Capital Fund Programs remain consistent from program year to program year. The PHA also experienced an increase in operating subsidy in public housing of \$80,263 over the previous year.

Interest Income - Interest Income increased by \$10,061 as a result in an increase in the yield on investments as well as the amount of funds available to be invested increased.

EXPENSES

The Housing Authority of the Town of Ruston experienced an increase in expenses for the current year from \$1,574,525 to \$1,658,127 or \$73,551 (4.67%). The highlights of the expenses for the current year are as follows:

Administrative – Administrative costs include all non-maintenance and non-resident service personnel costs (including benefits and accrued leave), legal costs, auditing costs, travel and training costs, and other administrative costs such as supplies, telephone expense, etc. Compared to 2007, administrative costs decreased by \$11,543 (-3.30%), which was mainly due to a decrease in sundry administrative costs.

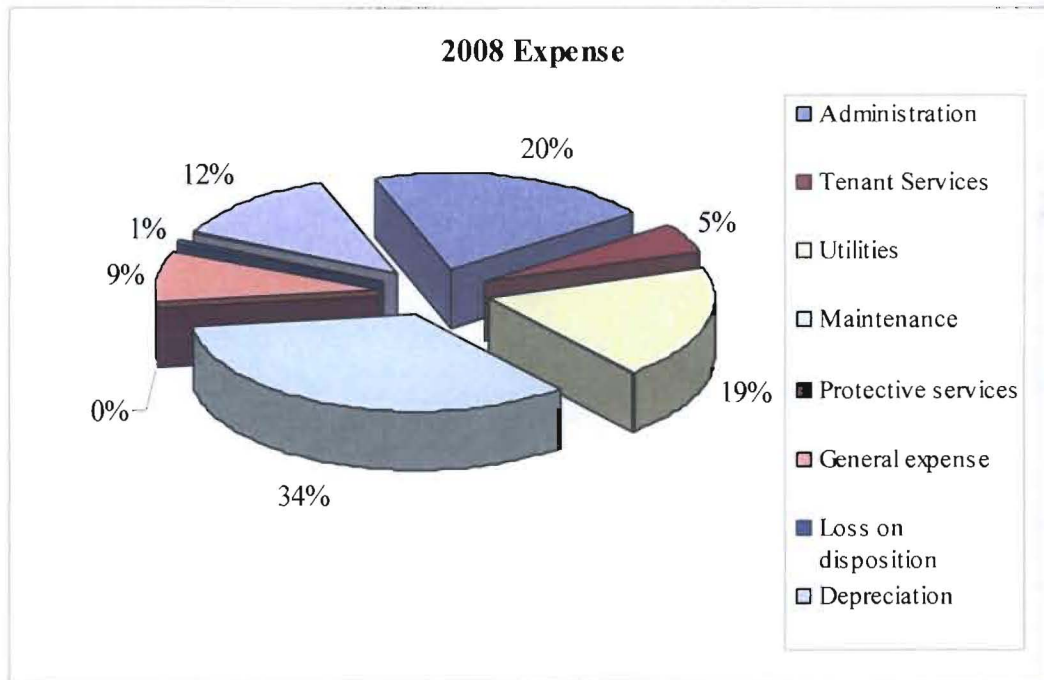
Tenant Services – Tenant Services costs include all costs incurred by the Authority to provide social services to the residents. Tenant Services costs decreased from \$93,360 to \$86,649 (-7.19%) or (\$6,711). This decrease is due to changing services provided through Capital Grant funding.

Utilities - The total utilities expense for the Authority increased by \$39,957 (14.68%). The increase is due mainly to increasing utility costs and consumption.

Maintenance – Maintenance costs are all costs incurred by the Authority to maintain its Public Housing units in a safe and sanitary manner. Costs include personnel costs, materials used to maintain the units, contracts for waste management and telephone/radio service, etc. The Maintenance Expense for the Authority increased from \$505,559 to \$561,040 (10.97%) or (\$55,481), due to additional employees placed into service during the year as well as an increase in material costs of \$14,107 due to increased unit turnaround time.

General Expenses – General Expenses include insurance costs (property, auto, liability, workers' compensation, public officials' liability, lead based paint insurance, etc.), collection losses and interest expense. General expenses for the Authority increased from \$126,226 to \$143,976 (14.06%) or an increase of \$17,750. Most of the increase is due to a debt obligation acquired during the year and the corresponding interest expense. Other increases were across all categories.

Depreciation – Because the costs of all capitalized additions are spread over the estimated useful life of an asset, the estimated current year costs of capitalized items is recorded as depreciation. Depreciation expense for the current year decreased by \$21,533 (-9.49%) as a result of capital assets below the capitalization threshold being written off and fewer assets being placed into service.



CAPITAL ASSETS

At the end of fiscal year 2007 the Authority had invested in Capital Assets of \$3,313,931, net of depreciation. As of June 30, 2008, the Authority had increased its net capital assets by \$213,760 to \$3,527,691 (6.45%). The following illustrates the Capital Asset values for 2007 and 2008.

**Housing Authority of the Town of Ruston
Statement of Capital Assets
TABLE IV**

	2008	2007	Total Change	% Change
Land	67,157	38,779	28,378	73.18%
Buildings & improvements	9,787,867	9,709,100	78,767	0.81%
Equipment	258,122	326,536	(68,414)	-20.95%
Construction in Progress	1,329,236	1,005,047	324,189	32.26%
	<u>11,442,382</u>	<u>11,079,462</u>	<u>362,920</u>	<u>3.28%</u>
Accumulated Depreciation	<u>(7,914,691)</u>	<u>(7,765,531)</u>	<u>(149,160)</u>	<u>1.92%</u>
Total Capital Assets	<u>3,527,691</u>	<u>3,313,931</u>	<u>213,760</u>	<u>6.45%</u>

The net change in Invested in Capital Assets, net of related debt, was due to \$324,187 capital asset costs additions from the Capital Fund and the acquisition of buildings and land out of the business activities account of \$105,000. These additions were offset by depreciation expense of \$205,376.

DEBT OBLIGATIONS

There were no debt obligations outstanding at the end of June 30, 2007; however during 2008 there was additional debt acquired of \$113,152 for the acquisition of additional units within the business activities. Debt service payments of \$1,251 were made during the year resulting in a balance in Mortgage Notes Payable of \$111,901 at the end of the year.

CONCLUSIONS:

Overall, the Housing Authority of the Town of Ruston had a very good year financially. The Authority's management is committed to staying abreast of regulations and appropriations as well as maintaining an ongoing analysis of all budgets and expenses to ensure that the Authority continues to operate at the highest standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development.

This financial report is designed to provide our residents, the citizens of Ruston, Louisiana, all federal and state regulatory bodies, and any creditors with a general overview of the Authority's finances. If you have any questions regarding these financial statements or supplemental information, you may contact the Executive Director or Assistant Executive Director at (318) 255-3644, or address your correspondence to: Housing Authority of the Town of Ruston, P.O. Box 510, Ruston, LA 71270.

**HOUSING AUTHORITY
OF THE TOWN OF RUSTON
Ruston, Louisiana**

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Housing Authority of the Town of Ruston
Ruston, Louisiana

STATEMENT OF NET ASSETS
JUNE 30, 2008

ASSETS

Current Assets

Cash & investments	\$	651,000
Accounts receivable		105,744
Prepaid expenses		61,115
Inventories		<u>76,831</u>

Total Current Assets 894,690

Capital Assets:

Land		67,157
Buildings & Improvements		9,787,867
Furniture & equipment		258,122
Construction in progress		<u>1,329,236</u>
		11,442,382
Less: Accumulated depreciation		<u>(7,914,691)</u>
Total Capital Assets		<u>3,527,691</u>

Total Noncurrent Assets 3,527,691

TOTAL ASSETS \$ 4,422,381

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

LIABILITIES & NET ASSETS

2008

Current Liabilities

Accounts payable	\$ 37,189
Accrued expenses	16,942
Unearned revenue	10,995
Current portion of long-term debt	2,465
Tenant security deposits/escrow deposits	<u>38,463</u>

Total Current Liabilities 106,054

Noncurrent Liabilities

Long-term debt	109,436
Accrued expenses - noncurrent	<u>36,298</u>

Total Noncurrent Liabilities 145,734

TOTAL LIABILITIES 251,788

NET ASSETS

Invested in capital assets, net of related debt	3,415,790
Unrestricted net assets	<u>754,803</u>

TOTAL NET ASSETS 4,170,593

TOTAL LIABILITIES & NET ASSETS \$ 4,422,381

**Housing Authority of the Town of Ruston
Ruston, Louisiana**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

Operating Revenues

Dwelling rent	\$	815,292
Governmental grants & subsidy		625,269
Other income		70,818
Total Operating Revenues		1,511,379

Operating Expenses

Administration		338,724
Tenant services		86,649
Utilities		312,161
Maintenance & operations		561,040
Protective services		150
General expense		136,304
Depreciation expense		205,376
Total Operating Expense		1,640,404

Net Operating Income/(Loss)		(129,025)
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Nonoperating Revenues/(Expenses)

Investment income		26,528
Interest expense		(7,672)
Gain/(Loss) on disposition of assets		(10,051)
Net Nonoperating Revenues/(Expenses)		8,805

Net Income/(Loss) before capital contributions		(120,220)
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Capital grants		364,134
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Increase/(Decrease) in Net Assets		243,914
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Total Net Assets - beginning		3,926,679
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Total Net Assets - ending	\$	4,170,593
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The accompanying notes are an integral part of the financial statements.

Housing Authority of the Town of Ruston
Ruston, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$	886,110
Governmental grants & subsidy - operations		625,269
Payments to suppliers		(862,355)
Payments to employees		(637,884)
		<hr/>
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES		11,140

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received		<hr/> 26,528
NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES		<hr/> 26,528

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Grant revenue - capital grants		364,134
Acquisition of capital assets - capital grants		(324,187)
Proceeds from issuance of notes payable		113,152
Repayment of notes payable		(1,251)
Payment of interest		(7,672)
Acquisition of capital assets - business activities		<hr/> (105,000)
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		<hr/> 39,176
NET INCREASE/(DECREASE) IN CASH		76,844
CASH AT BEGINNING OF PERIOD		<hr/> 574,156
CASH AT END OF PERIOD	\$	<hr/> <hr/> 651,000

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

Housing Authority of the Town of Ruston
Ruston, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income/(Loss) from operations	\$	(129,025)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation		205,376
Decrease (Increase) in accounts receivable		(55,233)
Decrease (Increase) in prepaid expenses		1,295
Decrease (Increase) in inventory		(31,905)
Increase (Decrease) in accounts payable		12,691
Increase (Decrease) in accrued expenses		(760)
Increase (Decrease) in unearned revenue		6,393
Increase (Decrease) in security/trust deposits		<u>2,308</u>
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	\$	<u><u>11,140</u></u>

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

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY:

Organization - The Housing Authority of the Town of Ruston ("The Authority") is a Quasi governmental entity which was organized under the laws of the State of Louisiana, as a tax-exempt, quasi-government entity under the United States Housing Act of 1937. This Housing Authority was organized for the purpose of providing decent, safe and sanitary housing for low-income families. The PHA entered into Annual Contributions Contract No. FW-1074 with the Department of Housing and Urban Development for the purpose of financing unit construction and the retirement of debt.

Reporting Entity - In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include the following:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority

Based upon the above criteria all the operations of the PHA are included in these financial statements and there are no operations or component units, which have been excluded in this report.

Basis of Accounting:

The accounting policies of the Housing Authority of Town of Ruston conform to generally accepted accounting principles as applicable to governments. The financial statements are presented in accordance with Generally Accepted Accounting Principle (GAAP). In applying the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds," the Authority applies all GASB pronouncements and all Financial Accounting Standards Board pronouncements, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 which do not conflict with or contradict GASB pronouncements.

The financial statements of the Authority are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The fund is a separate accounting entity with a self-balancing set of accounts, which include its assets, liabilities, fund equity, revenues and expenses/expenditures. Funds consist of three major categories: government, proprietary and fiduciary. Funds within each major category are grouped by fund type in the combined financial statements. The Authority uses the following fund:

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

Proprietary Fund Types – This fund is used to account for the Authority’s ongoing activities that are similar to those often found in the private sector. The generally accepted accounting principles here are generally those applicable to similar businesses in the private sector; the accounting measurement focus is on determination of net income, financial position, and cash flows. The accounting objectives are a determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a Proprietary Fund’s activities are included on its Statement of Net Assets. Proprietary Fund Net Assets is segregated into Invested in Capital Assets-Net of Related Debt, Restricted Net Assets & Unrestricted Net Assets. The following are the Authority’s Proprietary Fund Types:

Enterprise Fund – This fund is used to account for operations that are financed and operated in a manner similar to private businesses where the intent of the governing body is that the costs (expenditures, including depreciation) 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, expenditures incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Authority operates the following programs in the Enterprise Fund:

1. **Low Income Public Housing** – The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income families and the elderly.
2. **Capital Fund Program** – The objective of this program is to improve the physical condition of the Low Income Public Housing units and upgrade the management of the program.
3. **Business Activities** – The objective of this program is to acquire affordable housing property within the Ruston area. This program represents the activity of the Ruston Community Corporation.

Encumbrances -The Authority does not use encumbrance accounting.

Budgets - The Authority is required by its HUD Annual Contributions Contracts to adopt an annual budget for the Low Rent Housing Program included in the General Fund. Annual budgets are not required for capital projects funds as their budgets are approved for the length of the project. Both annual and project length budgets require grantor approval. Appropriations are authorized at the function level. Management may transfer budget authorizations between functions except that increases for administration and capital expenditures categories must be approved by HUD. All appropriations which are not used lapse at year end. Budgeted amounts are as originally adopted or as amended by the Board and approved by HUD.

Other particulars related to balance sheet items include:

1. Cash and Investments:

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Authority. Investments are stated at cost which approximates market.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

2. Buildings and Equipment:

Buildings and equipment are carried at historical costs. Donated assets are recorded at fair market value at the date of the donation. Depreciation of buildings and equipment is computed using the straight-line method at rates based on useful lives of 3 to 5 years for equipment, 15 years for leasehold improvements and 30 years for buildings.

3. Subsidies:

Operating grants and subsidy are recorded as operating revenue on the Statement of Income and Expense, while grants for capital improvements have been added to Retained Earnings and not shown as operating income.

4. Income Taxes:

The Housing Authority of the Town of Ruston is a Quasi governmental entity. The Authority is not subject to Federal or State income taxes.

5. Use of Estimates:

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

6. Compensation for Future Absences:

It is the policy of the Authority to accumulate earned but unused annual leave benefits which will be paid to employees upon separation from Authority service. A maximum of 30 days or 240 hours of unused leave time may be carried forward annually by each employee. Employees who separate from employment for any reason other than retirement shall forfeit all accrued sick leave.

7. Accounts Receivable:

Collection losses are charged off against an allowance for doubtful accounts. The allowance account is adjusted annually to properly reflect the balance of net accounts receivable due.

8. Operating Revenue:

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

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(Continued)

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

8. Operating Revenue: (Cont'd)

Subsides received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net assets below the nonoperating revenue and expense.

NOTE B - CASH AND CASH EQUIVALENTS:

All the deposits of the Housing Authority of the Town of Ruston are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agents in these units' names. The Housing Authority of the Town of Ruston has no policy regarding custodial credit risk for deposits.

At June 30, 2008, the Authority's cash deposits had a carrying amount of \$650,896 and bank balances of \$700,425. Of the bank balances held in various financial institutions, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the dedicated method. At June 30, 2008, the Authority's petty cash/change funds totaled \$104.

Interest rate risk- As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's typically limits its investment portfolio to maturities of 12 months or less.

Credit risk - The Authority has no policy regarding credit risk.

Custodial credit risk - For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All cash balances are four banks and are fully collateralized at 100% and pledged securities are noted below. The Authority has no policy on custodial credit risk.

Concentration of credit risk - The Authority places no limit on the amount that it may invest in certificates of deposits. The Authority has no policy regarding credit risk.

Checking accounts	\$ 89,823
Certificate of deposit	561,073
Petty cash	<u>104</u>
Totals	<u>\$ 651,000</u>

Note: These amounts are included in cash and investments listed above.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(Continued)

NOTE B - CASH AND CASH EQUIVALENTS: (Cont'd)

Collateralization:

As of June 30, 2008 the following securities were pledged as collateral to secure the deposits of the Housing Authority of the Town of Ruston:

<u>Security</u>	<u>Cusip</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Market Value</u>
JP Morgan Chase				
FHLB	3133XNA41	11/19/2008	4.20%	\$ 286,781.25
IBERIA BANK				
FNMA	31402DEH9	07/01/2019	5.00%	50,253.38
FNMA	31406WS70	04/01/2020	5.00%	<u>74,649.10</u>
Totals				<u>\$ 411,683.73</u>

NOTE C - ACCOUNTS RECEIVABLE:

Accounts Receivable and Accrued Liabilities at June 30, 2008, consisted of the following:

Tenants Accounts Receivable (Net of Allowance for Doubtful Accounts - \$342)	\$ 9,708
Accounts Receivable – HUD	73,746
Accounts Receivable – Farmerville Housing Authority	8,040
Accounts Receivable – Miscellaneous	6,348
Accrued Interest Receivable	<u>7,902</u>
	<u>\$ 105,744</u>

The consolidated statement of Net Assets presented in the financial statements does not include the interfund receivables and payables of \$4,137 which have been eliminated in the consolidation.

NOTE D - DEFERRED CHARGES:

Deferred charges at June 30, 2008, consisted of the following:

Prepaid insurance & expenses	\$ 61,115
Inventory materials	<u>76,831</u>
	<u>\$ 137,946</u>

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(Continued)

NOTE E - CAPITAL ASSETS:

The following is a summary of changes in the net capital assets during the fiscal year ended June 30, 2008:

	Beginning Balances	Increases	Decreases	Ending Balances
Enterprise Activities				
Capital assets not being depreciated:				
Land	\$ 38,779	\$ 28,378	\$ -	\$ 67,157
Construction in progress	1,005,047	324,189	-	1,329,236
Total capital assets not being depreciated	<u>1,043,826</u>	<u>352,567</u>	<u>-</u>	<u>1,396,393</u>
Buildings & improvements	9,709,100	78,767	-	9,787,867
Furniture & equipment	326,536	-	68,414	258,122
Total capital assets being depreciated	<u>10,035,636</u>	<u>78,767</u>	<u>68,414</u>	<u>10,045,989</u>
<i>Less accumulated depreciation for:</i>				
Buildings & improvements	7,488,748	184,534	-	7,673,282
Furniture & equipment	276,783	20,843	56,217	241,409
Total accumulated depreciation	<u>7,765,531</u>	<u>205,377</u>	<u>56,217</u>	<u>7,914,691</u>
Total capital assets being depreciated	<u>2,270,105</u>			<u>2,131,298</u>
Enterprise activity capital assets, net	<u>\$ 3,313,931</u>			<u>\$ 3,527,691</u>

NOTE F - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

Accounts payable and Accrued Liabilities at June 30, 2008, consisted of the following:

Vendors & contractors	\$ 37,189
Accrued compensated absences-current	12,100
Accrued interest payable	746
Tenant security deposits	38,463
Payroll taxes	4,096
Current portion of long-term debt	2,465
Unearned revenue	<u>10,995</u>
	<u>\$ 106,054</u>

The consolidated statement of Net Assets presented in the financial statements does not include the interfund receivables and payables of \$4,137 which have been eliminated in the consolidation.

NOTE G - OTHER NONCURRENT LIABILITIES:

Other noncurrent liabilities at June 30, 2008, consisted of the following:

Accrued compensated absences – long term	<u>\$ 36,298</u>
--	------------------

The total liability for compensated absences at the end of the year was \$48,398.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(Continued)

NOTE H - LONG-TERM DEBT - MORTGAGE NOTES PAYABLE:

The Ruston Community Corporation (Business Activities) entered into a debt obligation with the Bank of Ruston on October 3, 2007 for the acquisition of certain real property. The obligation is secured by a first mortgage deed and bears interest at a rate of 8% per annum. If the property is not sold the maturity date of this obligation is April 3, 2027. A schedule of five year maturities and required payments is as follows:

Date	Payments	Principal	Interest
2009	11,496	2,465	9,031
2010	11,496	2,858	8,638
2011	11,496	3,096	8,400
2012	11,496	3,353	8,143
2013	11,496	3,631	7,865
2014	11,496	3,932	7,564
2015-2019	57,480	25,133	32,347
2020-2024	57,480	37,444	20,036
2025-2027	33,696	29,990	3,706
	217,632	111,901	105,731

NOTE I - CONTINGENCIES:

The entity is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the entity to federal grantors and/or program beneficiaries.

NOTE J - PENSION PLAN:

The Authority participates in the Housing-Renewal and Local Agency Retirement Plan. The plan administrator is William M. Mercer, Inc. The purpose of the Plan is to provide retirement benefits for eligible employees when they reach their normal retirement date. This plan is considered to be a defined contribution plan and as such the contribution percentages are fixed and based upon the employee's earnings. Employees are eligible to participate from the date of employment. The Housing Authority total covered payroll for the year ended June 30, 2008 was \$411,531.20.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008
(Continued)

NOTE J - PENSION PLAN: (Cont'd)

The Employees are required to contribute 6.00% of their annual covered salary and the Housing Authority is required to contribute at a rate of 8.50% of the annual covered payroll. The contribution rates were established by the employee's joiner agreement. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. Authority contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the Authority's current period contributed requirement. The Housing Authority's contribution for the year ended June 30, 2008 was \$34,979.90 and the total pension contribution for the year was \$61,036.88.

NOTE K - RISK MANAGEMENT:

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management program has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, causality, employee dishonesty and public official's liability forms are used to cover the respective perils. Commercial carriers insure all common perils such as business auto, computer and other miscellaneous policies.

The Authority participates in public entity risk pool (Louisiana Municipal League Risk Management Pool) for General Liability, and Directors and Officers Liability. Settled claims resulting from these risks have not exceeded risk pool coverage in any of the past three fiscal years. Rights and responsibilities of the Authority and the pool are contained within the pool agreement and the scope of coverage documents.

NOTE L - RELATED PARTY TRANSACTIONS:

The Board of Commissioners of the Housing Authority also serves as Directors on the Ruston Community Corporation, Inc. Board. This organization is a non profit corporation designed to build and develop affordable housing in the Ruston area. This entity is included in the consolidated financial statements as a blended component unit. There are no other related party transactions during the year.

NOTE M - ECONOMIC DEPENDENCY:

The PHA Owned Housing is economically dependent on annual contributions grants from the Federal government. This program operates at a loss prior to receiving the contributions and grants.

NOTE N - SUPPLEMENTARY INFORMATION:

The supplementary information has been included in order to show the financial statements of the Housing Authority on the GAAP basis of accounting but in the format of the HUD Handbook 7476.3, *Audit Guide*. This is due to the fact that some supplementary information is reviewed by the field office and provides greater detail concerning the operations of the Housing Authority

**HOUSING AUTHORITY
OF THE TOWN OF RUSTON
Ruston, Louisiana**

SINGLE AUDIT SECTION

YEAR ENDED JUNE 30, 2008



ACCOUNTANT'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Housing Authority of the Town of Ruston
Ruston, Louisiana 71723

HUD – New Orleans Office
501 Magazine 9th Floor
New Orleans, Louisiana 70130

We have audited the financial statements of the Housing Authority of the Town of Ruston, as of and for the year ended June 30, 2008, and have issued our report thereon dated March 10, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Housing Authority's financial statements that is more than inconsequential will not be prevented or detected by the Housing Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Housing Authority's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Ruston's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Housing Authority of the Town of Ruston, the State of Louisiana, HUD and other federal audit agencies, and is not intended to be and should not be used by anyone other than these specified parties. However, Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rector, Lindsay & Reeder, P.C.

Rector, Lindsay & Reeder, P.C.
Certified Public Accountants

Snellville, Georgia
March 10, 2009



**ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Housing Authority of the Town of Ruston
Ruston, Louisiana 71723

HUD – New Orleans Office
501 Magazine 9th Floor
New Orleans, Louisiana 70130

Compliance

We have audited the compliance of the Housing Authority of the Town of Ruston with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Housing Authority of the Town of Ruston's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the Town of Ruston's management. Our responsibility is to express an opinion on the Housing Authority of the Town of Ruston's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of 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 Housing Authority of the Town of Ruston'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 Housing Authority of the Town of Ruston's compliance with those requirements.

In our opinion, the Housing Authority of the Town of Ruston complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the Housing Authority of the Town of Ruston 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 Housing Authority of the Town of Ruston'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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

A control deficiency in a Housing Authority's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a *control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Housing Authority's internal control.*

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Housing Authority's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management of the Housing Authority of the Town of Ruston, the State of Louisiana, HUD and other 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. However, Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rector, Lindsay & Reeder, P.C.
Rector, Lindsay & Reeder, P.C.
Certified Public Accountants

Snellville, Georgia
March 10, 2009

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended June 30, 2007, contained no formal audit findings.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor’s Results

Financial Statements

Type of Auditor’s report issued: Unqualified

Internal Control over financial reporting:

- Material weakness (es) identified? yes no
- Significant Deficiency (ies) identified
that are not considered to be
material weaknesses? yes no

Noncompliance material to financial
Statements noted? yes no

Federal Awards

Internal Control over major programs:

- Material weakness (es) identified? yes no
- Significant Deficiency (ies) identified
that are not considered to be
materials weaknesses? yes no

Type of Auditor’s report issued on
compliance for major programs: Unqualified

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

Identification of major programs:
➤ Low-Rent Public Housing Program CFDA #14.850
➤ Capital Fund Program CFDA #14.872

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

Auditee qualifies as a low-risk auditee? Yes

Section II – Financial Statement Findings

Findings related to financial statements in accordance with GAGAS:
NONE REPORTED

Section III – Federal Award Findings and Questioned Costs

Findings and questioned costs for Federal Awards as defined in Section .510:
NONE REPORTED

**HOUSING AUTHORITY
OF THE TOWN OF RUSTON
Ruston, Louisiana**

SUPPLEMENTAL INFORMATION

YEAR ENDED JUNE 30, 2008

**Housing Authority of the Town of
Ruston, Louisiana**

**FINANCIAL DATA SUBMISSION SUMMARY
NET ASSET ACCOUNTS
June 30, 2008**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg 14,850</u>	<u>Central Office Cost Center</u>	<u>Elimination</u>	<u>TOTAL</u>
ASSETS:					
CURRENT ASSETS:					
Cash:					
Cash - unrestricted	\$ 4,799	\$ 532,600	\$ 76,238	\$ 0	\$ 613,637
Cash - restricted	0	0	0	0	0
Cash - tenant security deposits	0	37,363	0	0	37,363
Cash - restricted for payment of current liabilities	0	0	0	0	0
Total Cash	<u>4,799</u>	<u>569,963</u>	<u>76,238</u>	<u>0</u>	<u>651,000</u>
Accounts and notes receivables:					
Accounts receivable - HUD	0	73,746	0	0	73,746
Accounts receivable - other government	0	0	8,040	0	8,040
Accounts receivable - miscellaneous	0	0	6,348	0	6,348
Accounts receivable - tenants rents	0	10,050	0	0	10,050
Allowance for doubtful accounts-tenants	0	(342)	0	0	(342)
Allowance for doubtful accounts-other	0	0	0	0	0
Notes Receivable - current	0	0	0	0	0
Accrued interest receivable	0	7,270	632	0	7,902
Total receivables - net	<u>0</u>	<u>90,724</u>	<u>15,020</u>	<u>0</u>	<u>105,744</u>
Current investments					
Investments - unrestricted	0	0	0	0	0
Investments - restricted	0	0	0	0	0
Prepaid expenses and other assets	0	55,637	5,478	0	61,115
Inventories	0	76,831	0	0	76,831
Allowance for obsolete inventories	0	0	0	0	0
Assets held for sale	0	0	0	0	0
Interprogram due from	0	0	4,137	(4,137)	0
TOTAL CURRENT ASSETS	<u>4,799</u>	<u>793,155</u>	<u>100,873</u>	<u>(4,137)</u>	<u>894,690</u>
NONCURRENT ASSETS:					
Capital Assets:					
Land	31,378	35,779	0	0	67,157
Buildings	113,622	3,601,846	0	0	3,715,468
Furniture & equipment - dwellings	0	0	0	0	0
Furniture & equipment - admin	0	218,420	39,702	0	258,122
Improvements	0	6,072,399	0	0	6,072,399
Work in process	0	1,329,236	0	0	1,329,236
Accumulated depreciation	(6,973)	(7,870,287)	(37,431)	0	(7,914,691)
Total capital assets - net	<u>138,027</u>	<u>3,387,393</u>	<u>2,271</u>	<u>0</u>	<u>3,527,691</u>
Notes receivable - noncurrent	0	0	0	0	0
Investment in joint ventures	0	0	0	0	0
TOTAL NONCURRENT ASSETS	<u>138,027</u>	<u>3,387,393</u>	<u>2,271</u>	<u>0</u>	<u>3,527,691</u>
TOTAL ASSETS	<u>\$ 142,826</u>	<u>\$ 4,180,548</u>	<u>\$ 103,144</u>	<u>\$ (4,137)</u>	<u>\$ 4,422,381</u>

**Housing Authority of the Town of
Ruston, Louisiana**

**FINANCIAL DATA SUBMISSION SUMMARY
NET ASSET ACCOUNTS
June 30, 2008**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg 14.850</u>	<u>Central Office Cost Center</u>	<u>Elimination</u>	<u>TOTAL</u>
LIABILITIES AND NET ASSETS:					
LIABILITIES:					
CURRENT LIABILITIES					
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	0	34,931	2,258	0	37,189
Accrued salaries/payroll withholding	0	4,096	0	0	4,096
Accrued compensated absences	0	5,274	6,826	0	12,100
Accrued interest payable	746	0	0	0	746
Accounts payable - HUD PHA programs	0	0	0	0	0
Accounts payable - other gov.	0	0	0	0	0
Tenant security deposits	1,100	37,363	0	0	38,463
Unearned revenue	0	10,995	0	0	10,995
Current portion of L-T debt - capital projects	2,465	0	0	0	2,465
Other current liabilities	0	0	0	0	0
Interprogram (due to)	4,137	0	0	(4,137)	0
Loan Liability - Current	0	0	0	0	0
TOTAL CURRENT LIABILITIES	<u>8,448</u>	<u>92,659</u>	<u>9,084</u>	<u>(4,137)</u>	<u>106,054</u>
NONCURRENT LIABILITIES					
Long-term debt, net of current - capital projects	109,436	0	0	0	109,436
Accrued comp. Absences - long term	0	15,821	20,477	0	36,298
Loan Liability - Noncurrent	0	0	0	0	0
TOTAL NONCURRENT LIABILITIES	<u>109,436</u>	<u>15,821</u>	<u>20,477</u>	<u>0</u>	<u>145,734</u>
TOTAL LIABILITIES	<u>117,884</u>	<u>108,480</u>	<u>29,561</u>	<u>(4,137)</u>	<u>251,788</u>
NET ASSETS:					
Capital assets net of related debt	26,126	3,387,393	2,271	0	3,415,790
Restricted - Net Assets	0	0	0	0	0
Unrestricted - Net Assets	(1,184)	684,675	71,312	0	754,803
TOTAL NET ASSETS	<u>24,942</u>	<u>4,072,068</u>	<u>73,583</u>	<u>0</u>	<u>4,170,593</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 142,826</u>	<u>\$ 4,180,548</u>	<u>\$ 103,144</u>	<u>\$ (4,137)</u>	<u>\$ 4,422,381</u>

**Housing Authority of the Town of
Ruston, Louisiana**

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg 14.850</u>	<u>Central Office Cost Center</u>	<u>Capital Fund Program 14.872</u>	<u>Elimination</u>	<u>TOTAL</u>
REVENUES:						
Net tenant rental revenue	\$ 17,540	\$ 618,047	\$ 0	\$ 0	\$ 0	\$ 635,587
Tenant revenue - other	1,671	178,034	0	0	0	179,705
Total tenant revenue	19,211	796,081	0	0	0	815,292
HUD PHA grants - operating	0	625,269	0	0	0	625,269
HUD PHA grants - capital	0	364,134	0	0	0	364,134
Management fee	0	0	196,069	0	(196,069)	0
Asset management fee	0	0	36,000	0	(36,000)	0
Bookkeeping fee	0	0	25,973	0	(25,973)	0
Front line service fee	0	0	0	0	0	0
Other government grants	0	0	0	0	0	0
Investment income - unrestricted	0	21,215	5,313	0	0	26,528
Mortgage interest income	0	0	0	0	0	0
Fraud income	0	0	0	0	0	0
Other revenue	816	960	69,042	0	0	70,818
Investment income - restricted	0	0	0	0	0	0
Gain/(loss) on disposition	0	(10,051)	0	0	0	(10,051)
TOTAL REVENUES	\$ 20,027	\$ 1,797,608	\$ 332,397	\$ 0	\$ (258,042)	\$ 1,891,990
EXPENSES:						
Administrative						
Administrative salaries	\$ 0	\$ 28,615	\$ 148,157	\$ 0	\$ 0	\$ 176,772
Compensated absences	0	0	0	0	0	0
Auditing fees	0	1,000	6,450	0	0	7,450
Management fees	0	196,069	0	0	(196,069)	0
Bookkeeping fees	0	25,973	0	0	(25,973)	0
Advertising & marketing	25	0	0	0	0	25
Employee benefits - administrative	0	11,543	55,899	0	0	67,442
Office expense	907	13,722	60,203	0	0	74,832
Legal expense	0	0	1,950	0	0	1,950
Travel expense	0	(319)	8,515	0	0	8,196
Other operating - administrative	0	470	1,587	0	0	2,057
Total Administrative Expense	932	277,073	282,761	0	(222,042)	338,724
Asset management fee	0	36,000	0	0	(36,000)	0
Tenant services						
Tenant services - salaries	0	22,050	0	0	0	22,050
Employee benefits - tenant services	0	8,894	0	0	0	8,894
Other tenant services	0	55,705	0	0	0	55,705
Total Tenant Services	0	86,649	0	0	0	86,649

**Housing Authority of the Town of
Ruston, Louisiana**

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg 14.850</u>	<u>Central Office Cost Center</u>	<u>Capital Fund Program 14.872</u>	<u>Elimination</u>	<u>TOTAL</u>
Utilities						
Water	0	25,258	446	0	0	25,704
Electricity	0	209,922	3,766	0	0	213,688
Gas	0	2,341	3,325	0	0	5,666
Sewer	0	0	1,810	0	0	1,810
Other utilities	0	65,293	0	0	0	65,293
Employee benefits - utilities	0	0	0	0	0	0
Total Utilities Expense	0	302,814	9,347	0	0	312,161
Ordinary Maintenance & Operation						
Labor	0	216,464	42,798	0	0	259,262
Materials	0	66,554	0	0	0	66,554
Employee benefit contributions	0	87,317	16,147	0	0	103,464
Garbage & trash removal contracts	0	20,946	0	0	0	20,946
Heating & cooling contracts	0	0	0	0	0	0
Snow Removal contracts	0	0	0	0	0	0
Elevator maintenance contracts	0	0	0	0	0	0
Landscape & grounds contracts	0	10,141	0	0	0	10,141
Unit turnaround contracts	0	4,377	0	0	0	4,377
Electrical contracts	0	3,598	0	0	0	3,598
Plumbing contracts	0	1,904	0	0	0	1,904
Extermination contracts	0	20,293	0	0	0	20,293
Janitorial contracts	0	0	0	0	0	0
Contract costs - other	7,481	89,850	0	0	0	97,331
Total Ordinary Maintenance & Operation	7,481	521,444	58,945	0	0	587,870
Protective services						
Protective services - salaries	0	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0	0
Other protective services	0	150	0	0	0	150
Total Protective Services	0	150	0	0	0	150
General Expenses						
Property insurance	0	14,500	0	0	0	14,500
Liability insurance	880	64,370	3,256	0	0	68,506
Workmen's compensation	0	11,242	8,890	0	0	20,132
Insurance - other	0	0	0	0	0	0
Other general expense	0	0	0	0	0	0
Payments in lieu of taxes	1,739	0	0	0	0	1,739
Bad debt - tenant rents	0	27,224	0	0	0	27,224
Bad debt - mortgages	0	0	0	0	0	0
Severance expense	0	4,203	0	0	0	4,203
Total General Expenses	2,619	121,539	12,146	0	0	136,304
Financial Expenses						
Interest expense - Mortgage Payable	0	0	0	0	0	0
Interest expense - Notes Payable	7,672	0	0	0	0	7,672
Amortization - issuance costs	0	0	0	0	0	0
Total Financial Expenses	7,672	0	0	0	0	7,672
TOTAL OPERATING EXPENSE	18,704	1,345,669	363,199	0	(258,042)	1,469,530

**Housing Authority of the Town of
Ruston, Louisiana**

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg 14.850</u>	<u>Central Office Cost Center</u>	<u>Capital Fund Program 14.872</u>	<u>Elimination</u>	<u>TOTAL</u>
EXCESS OPERATING REVENUE	<u>1,323</u>	<u>451,939</u>	<u>(30,802)</u>	<u>0</u>	<u>0</u>	<u>422,460</u>
Other Expenses						
Extraordinary maintenance	0	0	0	0	0	0
Casualty losses	0	(26,830)	0	0	0	(26,830)
Housing assistance payments	0	0	0	0	0	0
Depreciation expense	<u>3,787</u>	<u>200,116</u>	<u>1,473</u>	<u>0</u>	<u>0</u>	<u>205,376</u>
Total Other Expenses	<u>3,787</u>	<u>173,286</u>	<u>1,473</u>	<u>0</u>	<u>0</u>	<u>178,546</u>
TOTAL EXPENSES	\$ <u>22,491</u>	\$ <u>1,518,955</u>	\$ <u>364,672</u>	\$ <u>0</u>	\$ <u>(258,042)</u>	\$ <u>1,648,076</u>
EXCESS OF REVENUE OVER EXPENSE	\$ <u>(2,464)</u>	\$ <u>278,653</u>	\$ <u>(32,275)</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>243,914</u>
Transfer of funds	0	0	0	0		0
Special Item - OPEB	0	0	0	0	0	0
Transfer of equity	0	899,189	105,858	(1,005,047)	0	0
Beginning Net Assets	<u>27,406</u>	<u>2,894,226</u>	<u>0</u>	<u>1,005,047</u>	<u>0</u>	<u>3,926,679</u>
Ending Net Assets	\$ <u>24,942</u>	\$ <u>4,072,068</u>	\$ <u>73,583</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>4,170,593</u>
Units Available	12	3,600	-	-	-	3,612
Units Leased	12	3,481	-	-	-	3,493

**Housing Authority of the Town of Ruston
Ruston, Louisiana**

**FINANCIAL DATA SUBMISSION SUMMARY
NET ASSET ACCOUNTS - AMPs
June 30, 2008**

<u>Account Description</u>	<u>LA054 - 1</u>	<u>Other Project</u>	<u>TOTAL</u>
ASSETS:			
CURRENT ASSETS:			
Cash:			
Cash - unrestricted	\$ 532,600	\$ 0	\$ 532,600
Cash - restricted	0	0	0
Cash - tenant security deposits	37,363	0	37,363
Total Cash	<u>569,963</u>	<u>0</u>	<u>569,963</u>
Accounts and notes receivables:			
Accounts receivable - HUD	73,746	0	73,746
Accounts receivable - other government	0	0	0
Accounts receivable - miscellaneous	0	0	0
Accounts receivable - tenants rents	10,050	0	10,050
Allowance for doubtful accounts-tenants	(342)	0	(342)
Allowance for doubtful accounts-other	0	0	0
Accrued interest receivable	7,270	0	7,270
Total receivables - net	<u>90,724</u>	<u>0</u>	<u>90,724</u>
Current investments			
Investments - unrestricted	0	0	0
Prepaid expenses and other assets	55,637	0	55,637
Inventories	76,831	0	76,831
Allowance for obsolete inventories	0	0	0
Interprogram due from	0	0	0
TOTAL CURRENT ASSETS	<u>793,155</u>	<u>0</u>	<u>793,155</u>
NONCURRENT ASSETS:			
Capital Assets:			
Land	35,779	0	35,779
Buildings	3,601,846	0	3,601,846
Furniture & equipment - dwellings	0	0	0
Furniture & equipment - admin	218,420	0	218,420
Improvements	6,072,399	0	6,072,399
Work in process	1,329,236	0	1,329,236
Accumulated depreciation	(7,870,287)	0	(7,870,287)
Total capital assets - net	<u>3,387,393</u>	<u>0</u>	<u>3,387,393</u>
Notes receivable - noncurrent	0	0	0
Investment in joint ventures	0	0	0
TOTAL NONCURRENT ASSETS	<u>3,387,393</u>	<u>0</u>	<u>3,387,393</u>
TOTAL ASSETS	<u>\$ 4,180,548</u>	<u>\$ 0</u>	<u>\$ 4,180,548</u>

**Housing Authority of the Town of Ruston
Ruston, Louisiana**

**FINANCIAL DATA SUBMISSION SUMMARY
NET ASSET ACCOUNTS - AMPs
June 30, 2008**

<u>Account Description</u>	<u>LA054 - 1</u>	<u>Other Project</u>	<u>TOTAL</u>
LIABILITIES AND NET ASSETS:			
LIABILITIES:			
CURRENT LIABILITIES			
Cash overdraft	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	34,931	0	34,931
Accrued salaries/payroll withholding	4,096	0	4,096
Accrued compensated absences	5,274	0	5,274
Accrued interest payable	0	0	0
Accounts payable - HUD PHA programs	0	0	0
Accounts payable - other gov.	0	0	0
Tenant security deposits	37,363	0	37,363
Unearned revenue	10,995	0	10,995
Current portion of L-T debt - capital projects	0	0	0
Other current liabilities	0	0	0
Interprogram (due to)	0	0	0
TOTAL CURRENT LIABILITIES	<u>92,659</u>	<u>0</u>	<u>92,659</u>
NONCURRENT LIABILITIES			
Long-term debt, net of current - capital projects	0	0	0
Accrued comp. Absences - long term	15,821	0	15,821
Noncurrent liabilities - other	0	0	0
TOTAL NONCURRENT LIABILITIES	<u>15,821</u>	<u>0</u>	<u>15,821</u>
TOTAL LIABILITIES	<u>108,480</u>	<u>0</u>	<u>108,480</u>
NET ASSETS:			
Capital assets net of related debt	3,387,393	0	3,387,393
Restricted - Net Assets	0	0	0
Unrestricted - Net Assets	684,675	0	684,675
TOTAL NET ASSETS	<u>4,072,068</u>	<u>0</u>	<u>4,072,068</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,180,548</u>	<u>\$ 0</u>	<u>\$ 4,180,548</u>

**Housing Authority of the Town of Ruston
Ruston, Louisiana**

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND
NET ASSET ACCOUNTS - COMBINED SCHEDULE - AMP's
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Account Description</u>	<u>LA054 - 1</u>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
REVENUES:			
Net tenant rental revenue	\$ 618,047	\$ 0	\$ 618,047
Tenant revenue - other	178,034	0	178,034
Total tenant revenue	796,081	0	796,081
HUD PHA grants - operating	511,427	113,842	625,269
HUD PHA grants - capital	0	364,134	364,134
Management fee	0	0	0
Asset management fee	0	0	0
Bookkeeping fee	0	0	0
Front line service fee	0	0	0
Other government grants	0	0	0
Investment income - unrestricted	21,215	0	21,215
Mortgage interest income	0	0	0
Fraud income	0	0	0
Other revenue	960	0	960
Investment income - restricted	0	0	0
Gain/(loss) on disposition	(10,051)	0	(10,051)
TOTAL REVENUES	\$ 1,319,632	\$ 477,976	\$ 1,797,608
EXPENSES:			
Administrative			
Administrative salaries	\$ 28,615	\$ 0	\$ 28,615
Compensated absences	0	0	0
Auditing fees	0	1,000	1,000
Management fees	132,355	63,714	196,069
Bookkeeping fees	25,973	0	25,973
Advertising & marketing	0	0	0
Employee benefits - administrative	11,543	0	11,543
Office expense	13,722	0	13,722
Legal expense	0	0	0
Travel expense	(319)	0	(319)
Other operating - administrative	470	0	470
Total Administrative Expense	212,359	64,714	277,073
Asset management fee	36,000	0	36,000
Tenant services			
Tenant services - salaries	22,050	0	22,050
Employee benefits - tenant services	8,894	0	8,894
Other tenant services	6,577	49,128	55,705
Total Tenant Services	37,521	49,128	86,649
Utilities			
Water	25,258	0	25,258
Electricity	209,922	0	209,922
Gas	2,341	0	2,341
Sewer	0	0	0
Other utilities	65,293	0	65,293
Employee benefits - utilities	0	0	0
Total Utilities Expense	302,814	0	302,814

**Housing Authority of the Town of Ruston
Ruston, Louisiana**

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND
NET ASSET ACCOUNTS - COMBINED SCHEDULE - AMP's
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Account Description</u>	<u>LA054 - I</u>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Ordinary Maintenance & Operation			
Labor	216,464	0	216,464
Materials	66,554	0	66,554
Employee benefit contributions	87,317	0	87,317
Garbage & trash removal contracts	20,946	0	20,946
Heating & cooling contracts	0	0	0
Snow removal contracts	0	0	0
Elevator maintenance contracts	0	0	0
Landscape & grounds contracts	10,141	0	10,141
Unit turnaround contracts	4,377	0	4,377
Electrical contracts	3,598	0	3,598
Plumbing contracts	1,904	0	1,904
Extermination contracts	20,293	0	20,293
Janitorial contracts	0	0	0
Contract costs - other	89,850	0	89,850
Total Ordinary Maintenance & Operation	521,444	0	521,444
Protective services			
Protective services - salaries	0	0	0
Employee benefits - protective services	0	0	0
Other protective services	150	0	150
Total Protective Services	150	0	150
General Expenses			
Property insurance	14,500	0	14,500
Liability insurance	64,370	0	64,370
Workmen's compensation	11,242	0	11,242
Insurance - other	0	0	0
Other general expense	0	0	0
Payments in lieu of taxes	0	0	0
Bad debt - tenant rents	27,224	0	27,224
Bad debt - mortgages	0	0	0
Severance expense	4,203	0	4,203
Total General Expenses	121,539	0	121,539
Financial Expenses			
Interest expense - Mortgage Payable	0	0	0
Interest expense - Notes Payable	0	0	0
Amortization - issuance costs	0	0	0
Total Financial Expenses	0	0	0
TOTAL OPERATING EXPENSE	1,231,827	113,842	1,345,669

**Housing Authority of the Town of Ruston
Ruston, Louisiana**

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND
NET ASSET ACCOUNTS - COMBINED SCHEDULE - AMP's
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Account Description</u>	<u>LA054 - 1</u>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
EXCESS OPERATING REVENUE	<u>87,805</u>	<u>364,134</u>	<u>451,939</u>
Other Expenses			
Extraordinary maintenance	0	0	0
Casualty losses	(26,830)	0	(26,830)
Housing assistance payments	0	0	0
Depreciation expense	<u>200,116</u>	<u>0</u>	<u>200,116</u>
Total Other Expenses	<u>173,286</u>	<u>0</u>	<u>173,286</u>
TOTAL EXPENSES	\$ <u>1,405,113</u>	\$ <u>113,842</u>	\$ <u>1,518,955</u>
EXCESS OF REVENUE OVER EXPENSES	\$ <u>(85,481)</u>	\$ <u>364,134</u>	\$ <u>278,653</u>
Transfer of funds	0	0	0
Transfer of equity	(105,858)	1,005,047	899,189
Prior period adjustments	0	0	0
Beginning Net Assets	<u>2,894,226</u>	<u>0</u>	<u>2,894,226</u>
Ending Net Assets	\$ <u>2,702,887</u>	\$ <u>1,369,181</u>	\$ <u>4,072,068</u>
Units Available	3600	0	3,600
Units Leased	3481	0	3,481

Housing Authority of the Town of Ruston
Ruston, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Type</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>
<u>FEDERAL GRANTOR</u>			
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:</u>			
Public Housing:			
Low Rent Public Housing - subsidy	A - Major	14.850	\$ 511,427
Capital Fund Program	A - Major	14.872	<u>477,976</u>
TOTAL FEDERAL FINANCIAL AWARDS			\$ <u>989,403</u>

The accompanying notes are an integral part of this schedule

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the Town of Ruston and is presented on the full 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*.

NOTE B - SUBRECIPIENTS:

The Housing Authority of the Town of Ruston provided no federal awards to subrecipients during the fiscal year ending June 30, 2008.

NOTE C - DISCLOSURE OF OTHER FORMS OF ASSISTANCE:

- The Housing Authority of the Town of Ruston received no federal awards of non-monetary assistance that are required to be disclosed for the year ended June 30, 2008.
- The Housing Authority of the Town of Ruston had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the fiscal year ended June 30, 2008.
- The Housing Authority of the Town of Ruston maintains the following limits of insurance as of June 30, 2008:

Property	\$ 12,968,951
Liability	\$ 1,000,000
Commercial Auto	\$ 100,000
Commercial Auto Liability	\$ 300,000
Worker Compensation	Regulatory
Public Officials Liability	\$ 1,000,000
Fidelity Bond	\$ 45,000

Settled claims have not exceeded the above commercial insurance coverage limits over the past three years.