



Comprehensive Annual Financial Report

of the
City of Ruston, Louisiana

For the Year Ended September 30, 2020

Mayor
Ronny Walker

Prepared by the Finance Department
Julie Speir
Chief Financial Officer

CITY OF RUSTON, LOUISIANA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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INTRODUCTORY SECTION



March 30, 2021

Mayor Ronny Walker
Members of the City Council
City of Ruston, Louisiana

Mayor and Members of the City Council:

I am pleased to submit the Comprehensive Annual Financial Report for the year ended September 30, 2020. The financial statements were prepared in conformity with generally accepted accounting principles (GAAP) and audited 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, by a firm of licensed certified public accountants. I believe this report presents comprehensive information about the City of Ruston's (the City) financial and operating activities during fiscal year 2020 that is useful to taxpayers, citizens, and other interested persons.

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

In accordance with the Lawrason Act, the City Council is required to provide for an annual independent audit of the accounts and financial transactions of the City by a firm of independent certified public accountants duly licensed to practice in the State of Louisiana. The accounting firm of Heard, McElroy and Vestal, LLC was selected by the City to conduct its annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the City of Ruston

The City was incorporated in 1898. It is located in North Central Louisiana at the cross roads of U.S. Highway 167, Interstate 20 and U.S. Highway 80, approximately thirty-five miles south of Arkansas. Ruston is the seat of Lincoln Parish. The current area of the City is approximately 18 square miles.

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

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

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

Budgetary Control

The annual budget serves as the foundation for the City's financial planning and control. The Treasurer's Office compiles for the Mayor estimates of revenues and requests for appropriations of the annual budget. Before August 31, the Mayor's budget is submitted to the Council for possible revision and adoption. The Council conducts a public hearing on the budget, which must be adopted by September 30 to become effective October 1. State law provides that in no event shall the total appropriations exceed total anticipated revenues taking into account the estimated surplus or deficit at the end of the current fiscal year. Budgets may be amended during the year with Council approval.

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

Local economy

The City of Ruston and Lincoln Parish have experienced steady population growth from 1970 to 2020 with approximately 22,000 City residents and 46,700 parish residents. The past several years have been a period of extraordinary population growth, as evidenced by the sharp increase in new home construction.

The Tax Increment District continues to provide an economic growth base for the City and parish. Even in the midst of the COVID-19 pandemic, sales tax revenue of the City has continued to increase. Fiscal year 2021 promises to bring even more growth as several new parcels have been added to the Cooktown Shopping Center, and the operations of the Sports Complex will be at full capacity.

Louisiana Tech University is still a mainstay in the local economy both as the major employer of the area and as a strong partner in the development efforts of the community. With our relationship with Louisiana Tech, Ruston is positioned to be a key player in the technology sector development along the I-20 corridor in the near future. The City of Ruston provides many amenities while keeping a small town feel, attractive to many executives and families relocating to the area for technology employment.

Long-term financial planning

Recently, sales taxes revenues have maintained the same level as the previous year. In the General Fund, sales taxes represent 60% of the revenues and transfers in. Because of the increasing trends in retirement costs and health insurance, difficulty to balance the budget will exist now and in the future.

Cash management policies and practices

Cash temporarily idle during the year was invested in certificates of deposit, or obligations of the U.S. Treasury. The maturities of the investments range from 90 days to two years.

The City's investment policy is to exercise judgment and care in the management of City investments. Investments are selected as investments, not for speculation, considering the probable safety of the capital, as well as the probable income to be derived. Accordingly, deposits are either insured by federal depository insurance or collateralized. All of the investments held by the City are classified in the category of lowest risk. State statutes require that all public funds should be insured or collateralized. The City's policy is not to have uninsured/uncollateralized funds which it controls.

Risk management

The City partially retains the risk for property, liability, workers compensation, and general health insurance. As part of this comprehensive plan, resources are being accumulated in the respective funds to meet potential losses.

In addition, various risk control techniques including an employee safety program, drug free workplace program with mandatory drug screening for new employees as well as random drug screening for current employees, and pre-employment physicals have been implemented to minimize accident-related losses. The City has third-party coverages subject to self-insured retentions which are more fully described in the notes to the financial statements.

Pension and other postemployment benefits

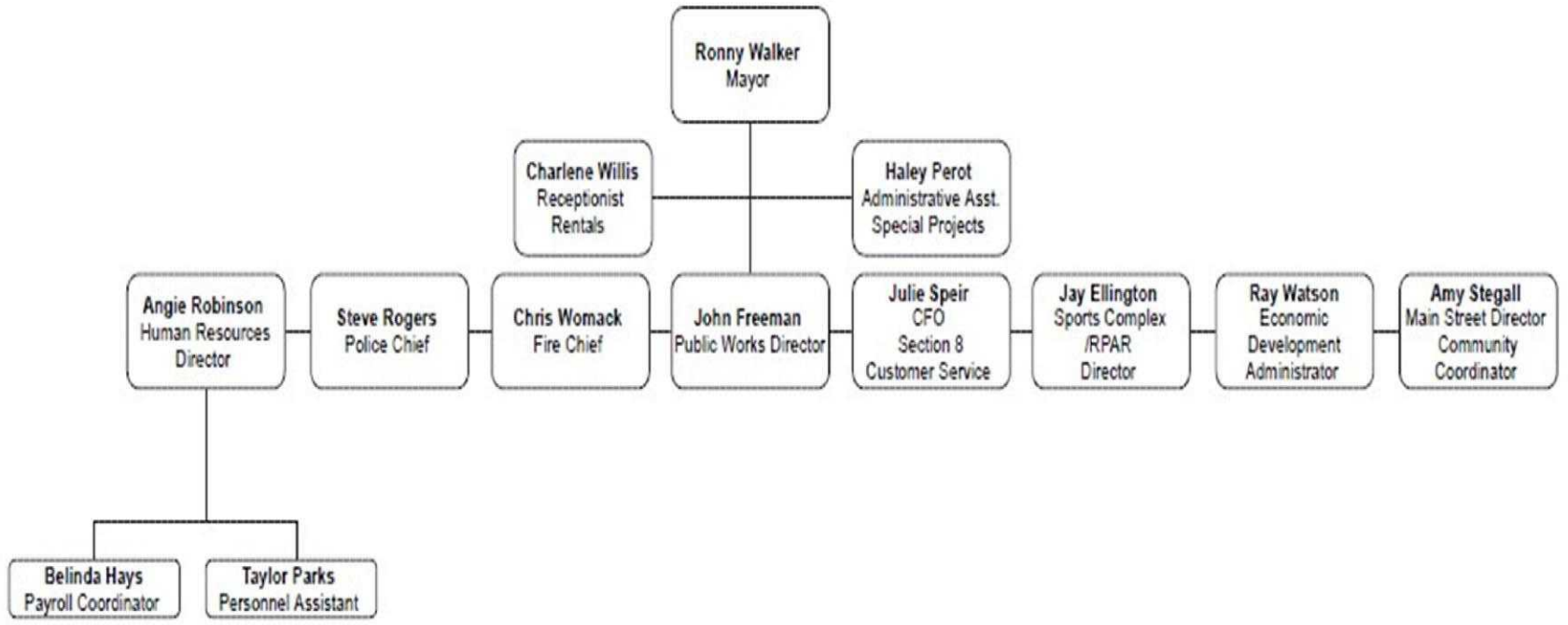
Substantially all employees of the City of Ruston are members of one of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana (MERS), Statewide Firefighter's Retirement System (SFRS), or Municipal Police Employees Retirement System of Louisiana (MPERS). These systems are multiple employer (cost-sharing), public employee retirement systems (PERS), controlled and administered by separate State appointed board of trustees. Additional information on the City's pension arrangements and postemployment benefits can be found in the notes to the financial statements.

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

Sincerely,


Julie Speir
Treasurer

**CITY OF RUSTON
ORGANIZATION CHART**



CITY OF RUSTON, LOUISIANA

ELECTED OFFICIALS

Mayor

Ronny Walker

City Council

Carolyn Cage	Ward 1
Angela Mayfield	Ward 2
Jedd Lewis	Ward 3
Jim Pearce	Ward 4
Bruce Siegmund	Ward 5

FINANCIAL SECTION

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

March 30, 2021

Honorable Mayor Ronny Walker
and Members of the City Council
City of Ruston
Ruston, Louisiana

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ruston, Louisiana (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Ruston City Judge's Office (Judge) and the Ruston City Marshal's Office (Marshal), which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it related to the amounts included for the Judge and the Marshal, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal



control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ruston, Louisiana as of September 30, 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress, schedule of employer's share of net pension liability, schedule of employer's pension contributions, and budgetary comparison information listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Shreveport, Louisiana

HEARD, MCELROY & VESTAL, L.L.C.

CITY OF RUSTON, LOUISIANA
Management's Discussion and Analysis
September 30, 2020

We offer readers of the City of Ruston's financial statements this narrative overview and analysis of the financial activities of the City of Ruston for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

Key financial highlights for the year ended September 30, 2020, include the following:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2020, by \$164.6 million (net position).
- The City's total net position increased \$19.2 million for the year ended September 30, 2020. Net position of governmental activities increased \$21.9 million and net position of business-type activities decreased \$2.7 million.
- Total net position of governmental activities is \$104.4 million and includes unrestricted net position of (\$31.2) million which is a result primarily from GASB 68 *Accounting and Financial Reporting for Pensions* that requires recognizing the actuarial determined pension liability of \$29.2 million. Another liability as required to be reported by GASB 75 *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions* (OPEB) totals \$13.0 million.
- As of September 30, 2020, the City's governmental funds reported combined ending fund balances of \$30.9 million, an increase of \$7.9 million from the prior year. Of this amount \$6.6 million was unassigned and available for spending; \$1.0 million was assigned for subsequent years' expenditures; \$23.2 million was restricted. This restricted amount includes \$10.2 million restricted to fund ongoing construction projects, \$6.5 million restricted by sales tax ordinances, \$4.7 million for debt covenants, \$1.0 million restricted for Section 8 housing, \$753,577 restricted by ordinance for use by RPAR; \$59,752 assigned for inventories and prepaid items.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$6.6 million, or 31.3% of total General Fund expenditures and transfers out.

Overview of the Financial Statements

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the City of Ruston's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the City's assets and deferred outflows of resources less liabilities and deferred inflows of resources which results in net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The statement of net position and the statement of activities distinguish functions of the City that are principally supported by taxes, intergovernmental revenues, and charges for services (governmental activities) and other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City's governmental activities include general government, public safety, public works, and cultural and recreation. The business-type activities of the City include electric, water, and sewer systems, sports complex, telecommunications, and airport and ambulance operations.

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

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

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City of Ruston's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund Statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 15 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balance for the General Fund, 1968 Sales Tax Special Revenue Fund, 1985 Sales Tax Special Revenue Fund, 1990 Sales Tax Special Revenue Fund, 2016 Sales Tax Special Revenue Fund, Ruston EDD#1 Sales Tax Special Revenue Fund, Cooktown EDD Sales Tax Special Revenue Fund, I-20 Tax Increment District Fund, Moving Ruston Forward (MRF) Capital Project Fund, and Sports Complex Phase II, all of which are considered to be major funds. Data for the other 5 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these

non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the electric, water, and sewer systems, which are considered to be major funds of the City of Ruston. Data from the other proprietary funds are also presented although they are not considered major funds.

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

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

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's compliance with budgets for its major funds.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor proprietary funds, and internal service funds are presented immediately following the required supplementary information.

Financial Analysis of Government-wide Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Ruston, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$164.6 million the close of the most recent fiscal year.

The largest portion of the City of Ruston's net position, totaling approximately \$168 million, reflects its net investment in capital assets (e.g., land, buildings, streets, drainage, machinery, and equipment); less any related debt that is still outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the

resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Ruston's Net Position
September 30, 2020 and 2019**

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current & other assets	\$31,329,549	\$39,189,765	\$9,841,694	\$9,296,034	\$41,171,242	\$48,485,800
Capital assets	180,457,310	192,958,379	66,633,846	68,410,182	247,091,155	261,368,561
Total assets	211,786,858	232,148,144	76,475,539	77,706,216	288,262,397	309,854,361
Deferred outflows	5,878,098	5,775,265	-	-	5,878,098	5,775,265
Total assets & deferred outflows of resources	217,664,956	237,923,409	76,475,539	77,706,216	294,140,495	315,629,626
Current & other liabilities	6,823,161	6,877,101	4,566,877	4,434,703	11,390,038	11,311,805
Long-term liabilities	126,468,313	124,919,328	9,019,406	13,082,162	135,487,719	138,001,490
Total liabilities	133,291,473	131,796,429	13,586,283	17,516,865	146,877,757	149,313,295
Deferred inflows	1,492,647	1,719,309	-	-	1,492,647	1,719,309
Total liabilities & deferred inflows of resources	134,784,120	133,515,738	13,586,283	17,516,865	148,370,404	151,032,604
Net position:						
Net investment in capital assets	104,843,058	112,443,379	56,888,418	56,177,301	161,731,476	168,620,680
Restricted	20,408,773	23,225,097	-	-	20,408,773	23,225,097
Unrestricted	(42,370,995)	(31,260,804)	6,000,841	4,012,050	(36,370,154)	(27,248,754)
Total net position	<u>\$82,880,836</u>	<u>\$104,407,671</u>	<u>\$62,889,259</u>	<u>\$60,189,350</u>	<u>\$145,770,095</u>	<u>\$164,597,022</u>

14.1% of net position represents resources that are subject to external restriction on how they may be used. Accounts reserved by external restrictions account for the total of restricted net position. At the end of the current fiscal year, with the exception of the deficit in the unrestricted net position of the governmental-type activities, the City of Ruston is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The City of Ruston's net position increased by \$19.2 million during the current fiscal year. Key elements of this increase are as follows:

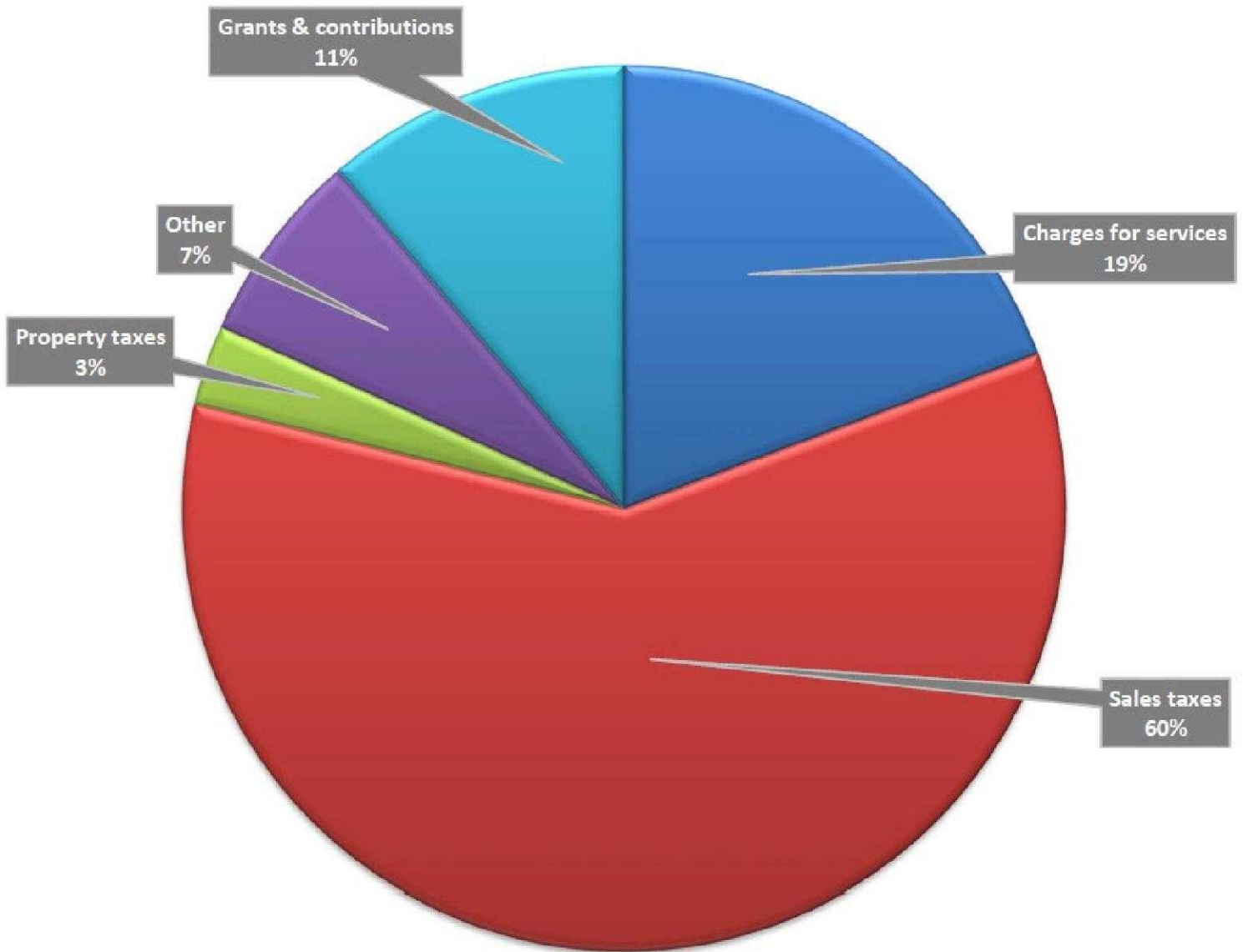
**City of Ruston's Changes in Net Position
For the Years Ended September 30, 2020 and 2019**

	Governmental activities		Business-type activities		Total	
	2019	2020	2019	2020	2019	2020
<u>Program revenues:</u>						
Charges for services	\$4,895,490	\$7,244,133	\$33,042,131	\$29,749,678	\$37,937,621	\$36,993,811
Operating grants & contributions	1,174,061	1,434,492	-	-	1,174,061	1,434,492
Capital grants & contributions	9,618,891	2,769,490	1,426,770	375,772	11,045,661	3,145,262
<u>General revenues:</u>						
Property tax	1,079,057	1,097,265	-	-	1,079,057	1,097,265
Sales tax	20,723,449	22,300,740	-	-	20,723,449	22,300,740
Other tax	825,629	862,617	-	-	825,629	862,617
Other	1,889,781	1,787,543	226,411	(9,742)	2,116,192	1,777,801
Total revenues	<u>40,206,358</u>	<u>37,496,281</u>	<u>34,695,312</u>	<u>\$30,115,708</u>	<u>74,901,669</u>	<u>67,611,988</u>
<u>Expenses:</u>						
General government	17,692,956	(1,779,845)	-	-	17,692,956	(1,779,845)
Public safety	9,697,225	10,220,723	-	-	9,697,225	10,220,723
Public works	8,540,002	6,811,522	-	-	8,540,002	6,811,522
Cultural & recreation	1,075,670	1,019,810	-	-	1,075,670	1,019,810
Ruston City Judge & Ruston City Marshal	640,147	673,969	-	-	640,147	673,969
Interest on debt	2,678,705	2,885,721	-	-	2,678,705	2,885,721
Electric	-	-	24,629,700	20,887,723	24,629,700	20,887,723
Water	-	-	2,073,748	1,970,870	2,073,748	1,970,870
Sewer	-	-	3,873,450	3,501,498	3,873,450	3,501,498
Sports Complex	-	-	866,165	523,639	866,165	523,639
Telecommunication	-	-	730,161	740,655	730,161	740,655
Airport	-	-	239,009	282,096	239,009	282,096
Ambulance service	-	-	662,187	716,679	662,187	716,679
Total expenses	<u>40,324,705</u>	<u>19,831,900</u>	<u>33,074,420</u>	<u>28,623,160</u>	<u>73,399,125</u>	<u>48,455,060</u>
Excess (deficiency) before transfers	(118,347)	17,664,381	1,620,892	1,492,548	1,502,544	19,156,927
Transfers	3,647,472	4,192,455	(3,647,472)	(4,192,455)	-	-
Change in net position	3,529,125	21,856,835	(2,026,580)	(2,699,907)	1,502,544	19,156,927
Net position beginning of year	79,351,713	82,550,836	64,915,838	62,889,258	144,267,551	145,440,094
Net position end of year	<u>\$82,880,836</u>	<u>\$104,407,671</u>	<u>\$62,889,258</u>	<u>\$60,189,350</u>	<u>\$145,770,095</u>	<u>164,597,021</u>

Governmental Activities

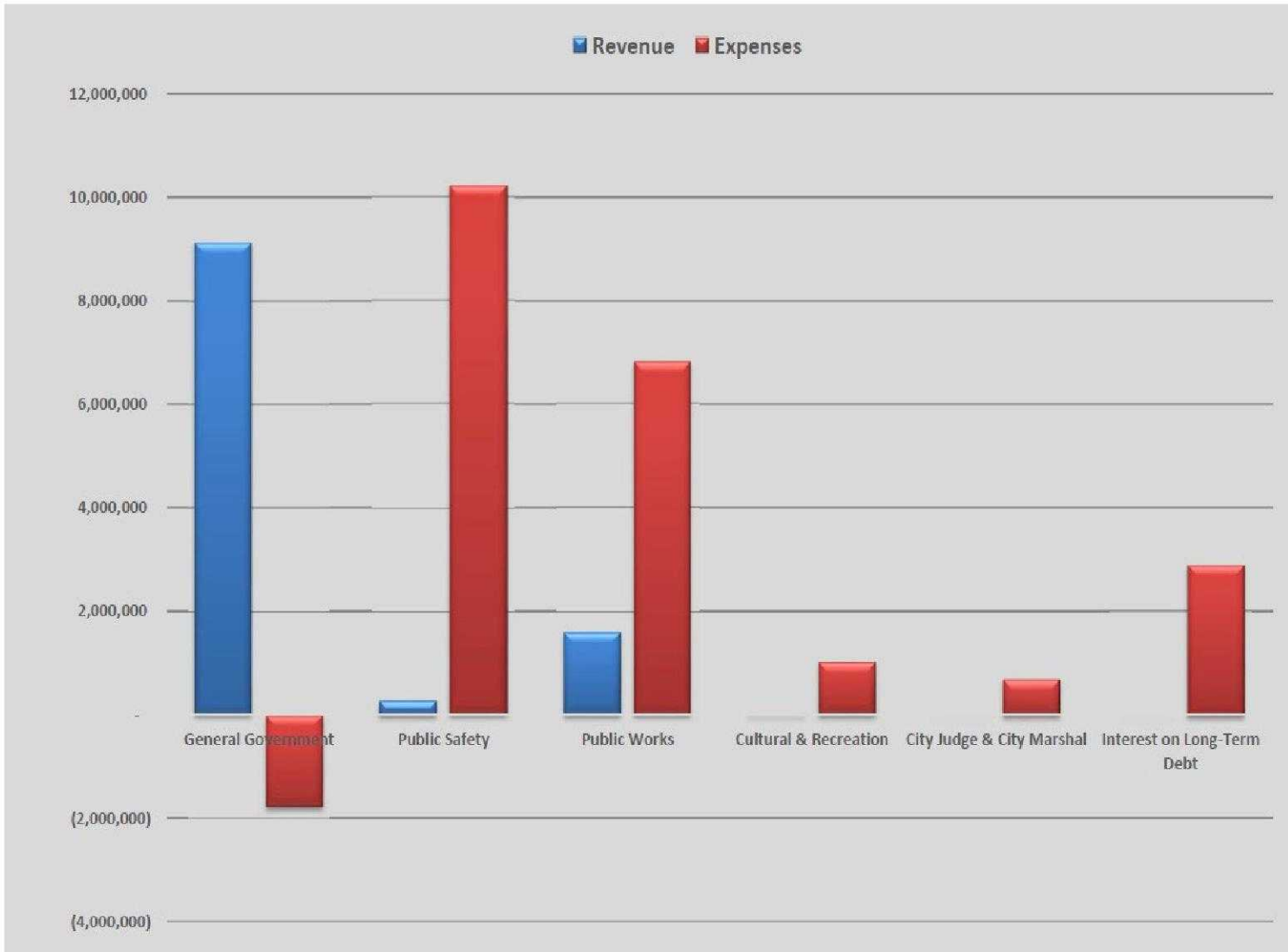
Revenues for the City's governmental activities for the year ended September 30, 2020, were \$37 million compared to \$40 million in 2019. Program revenues for governmental activities decreased by \$4.2 million in 2020. This decrease is primarily attributable to a decrease in capital grants.

Revenue by Source – Governmental Activities



The cost of all governmental activities this year was \$19.8 million, a decrease of approximately \$20.5 million from 2019. This decrease is predominantly due to decreases in spending related to the COVID-19 pandemic as well as the overall net decrease in the City's post-employment benefit obligation at September 30, 2020. The City's largest programs are general government, public safety, and public works. The graph below shows the expenses and program revenues generated by governmental activities:

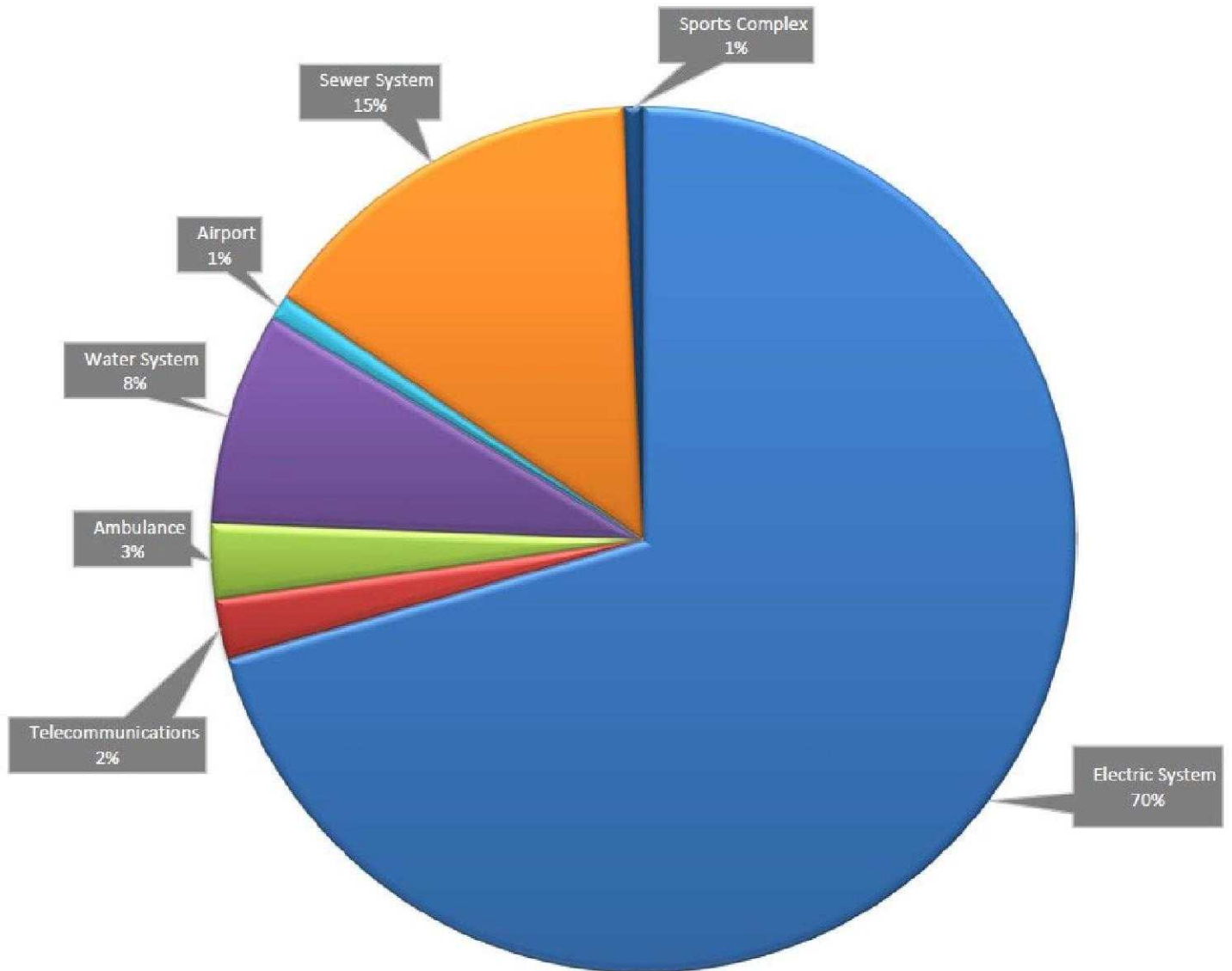
Program Expenses and Revenues – Governmental Activities



Business-Type Activities

Total revenues for the City's business-type activities were \$30.1 million in 2020, a decrease of \$4.6 million. This decrease was primarily due to a \$3.3 million decrease in charges for services.

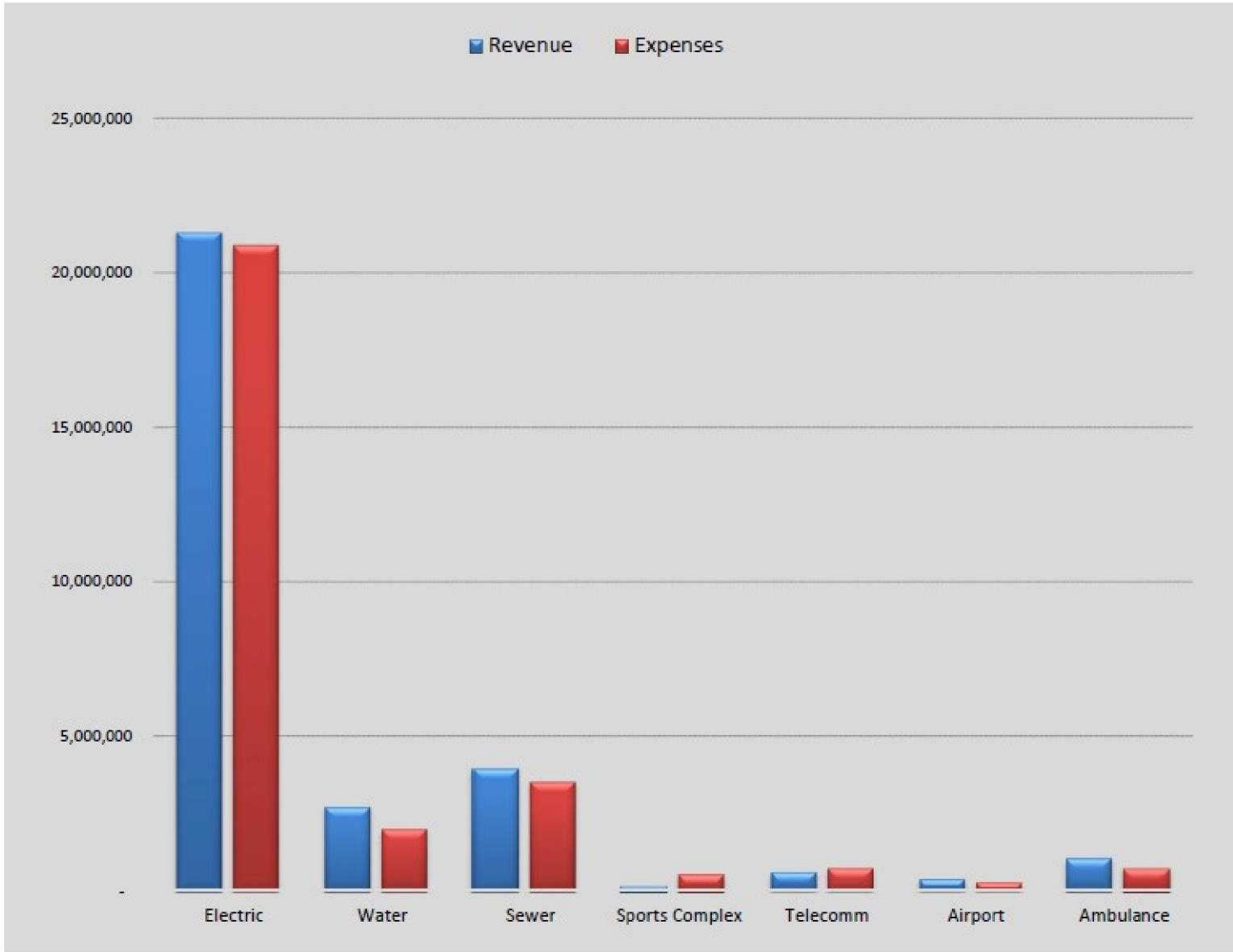
Revenue by Source – Business-Type Activities



Expenses and Program Revenues – Business-Type Activities

The costs of these activities were \$28.6 million, a decrease of \$4.5 million from 2019. This decrease is primarily related to decreases in spending related to the COVID-19 pandemic.

Program Expenses and Revenues – Business-Type Activities



Financial Analysis of the City of Ruston's Funds

Governmental Funds

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

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the

City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a city's net resources available for spending at the end of the fiscal year.

- The General Fund is the chief operating fund of the City of Ruston. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6.6 million, the total of which was available for spending at the City Council's discretion. The fund balance of the General Fund increased by \$4.7 million.
- The 1968 Sales Tax Fund had a total fund balance of \$358,675 all of which was restricted for its specified purposes. Fund balance increased \$49,680 as a result of a timing difference in the distribution of prior year sales tax collections.
- The 1985 Sales Tax Fund had a total fund balance of (\$67,561) all of which was restricted for its specified purposes. Fund balance increased \$106,597 as a result of a timing difference in the distribution of prior year sales tax collections.
- The 1990 Sales Tax Fund had a total fund balance of \$854,561 all of which was restricted for its specified purpose. Fund balance increased \$51,155 as a result of a timing difference in the distribution of prior year sales tax collections.
- The 2016 Sales Tax Fund had a total fund balance of \$2,742,639 all of which was restricted for its specified purpose. Fund balance increased \$1.8 million as a result of increased cash positions for future debt service funding.
- The Ruston EDD#1 Sales Tax Fund had a total fund balance of \$2.6 million all of which was restricted for its specific purpose. Fund balance increased \$1.3 million as a result of a timing difference in the distribution of prior year sales tax collections.
- Cooktown EDD Sales Tax Fund had a total fund balance of \$19,548 all of which was restricted for its specific purpose. Fund balance increased \$4,062 as a result of a timing difference in the distribution of prior year sales tax collections.
- The I-20 Fund had a restricted fund balance of \$1.3 million. Total fund balance decreased \$6.7 million as a result of spending towards I-20 Service Road construction projects.
- The Moving Ruston Forward Fund had a restricted fund balance of (\$7.4) million. Total fund balance decreased \$2.9 million as a result of spending towards the Sports Complex.
- The Sports Complex Phase II had a total fund balance of \$16.3 million all of which is restricted for its specific purpose. Fund balance increased \$8.4 million as a result of bond proceeds.

Proprietary funds

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

- The unrestricted net position of the Electric System at September 30, 2020, was (\$304,582). Total net position for the Electric System decreased \$2.9 million primarily as a result of repairs and maintenance from tornado and hurricane storm damage.
- The unrestricted net position for the Water System at September 30, 2020, was \$5.0 million. Total net position for the Water System decreased \$22,828.
- The unrestricted net position for the Sewer System at September 30, 2020, was \$3.0 million. Total net position for the Sewer System increased \$92,003.
- The unrestricted net position for the Sports Complex at September 30, 2020, was (\$925,045). Total net position for the Sports Complex decreased \$271,049.

General Fund Budgetary Highlights

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

The original budget for the General Fund of the City of Ruston was adopted on September 9, 2019. During the year, the City Council revised the City's budget one time. The major differences between the original budget and the final budget were primarily adjustments related to the effects of the COVID-19 pandemic. Budget amendments were made to take into consideration the effects of the Governor's stay-at-home order as well as decreased spending City-wide. The City furloughed all part-time employees and reduced full-time hourly employees to 35 hours per week for a portion of the fiscal year. Non-exempt employees also received a reduction in pay during that time as well.

Capital Assets and Debt Administration

Capital Assets

The City of Ruston's investment in capital assets as of September 30, 2020, amounts to \$261 million, net of depreciation. This investment in capital assets includes land, buildings and improvements, streets, drainage, furniture and equipment, and construction in progress. The following table shows the value at the end of the fiscal year.

City of Ruston's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Land & land improvements	\$17,822,366	\$17,822,367	\$1,836,270	1,863,270	\$19,658,636	\$19,685,637
Buildings & structures	8,307,712	8,027,202	5,358,292	5,205,541	13,666,004	13,232,743
Improvements other than buildings	24,000,826	28,305,985	34,183,559	39,222,664	58,184,385	67,528,649
Equipment	4,298,446	4,294,636	22,278,128	15,076,342	26,576,574	19,370,978
Infrastructure	13,453,621	12,975,569	-	-	13,453,621	12,975,569
Construction in progress	112,574,339	121,532,619	2,977,595	7,042,363	115,551,934	128,574,982
Total capital assets	<u>\$180,457,310</u>	<u>\$192,958,379</u>	<u>\$66,633,846</u>	<u>68,410,182</u>	<u>\$247,091,155</u>	<u>\$261,368,561</u>

Long-Term Debt

At the end of the current fiscal year, the City of Ruston had total debt outstanding of \$93 million. The following table summarizes bonds outstanding at September 30, 2019 and 2020:

City of Ruston's Outstanding Debt

	Governmental Activities		Business-Type Activities	
	2019	2020	2019	2020
Revenue bonds	\$73,780,000	\$80,515,000	-	-
Refunding sewer bonds	-	-	\$8,130,000	\$7,195,000
Revolving loans	-	-	1,615,4280	5,312,880

For additional information regarding capital assets and long-term debt, see Notes 5 and 7, respectively, in the notes to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for fiscal year 2021 was presented to the City Council:

The plan is designed to continue supporting the following broadly stated objectives: (1) to improve current level of services to our citizens;(2) to continue improving City facilities and infrastructure; (3) to provide continuous support of residential expansion and economic development; and (4) to maintain and improve the quality of life for our citizens.

For the fiscal year 2021, the City has budgeted a 2.5 – 2.75% decrease in sales tax dollars compared to 2020. This decrease is due to information obtained from the LA Legislative Auditor's Effect of COVID-19 on Local Government Revenues report issued May 7, 2020.

Total expenditures were budgeted to be down \$3.2 million from prior year primarily due to a lower energy fuel cost negotiated in July 2020. Health insurance costs remain fairly similar to 2020. Property tax continues to increase despite the City not rolling forward its millage rates in 2020 due to new construction added to the tax roll each year during this period of extraordinary growth. The next property reassessment year will be 2024.

The outbreak of the novel coronavirus respiratory disease (COVID-19) was declared a global pandemic on March 11, 2020 by the World Health Organization. COVID-19 has impacted the City in numerous ways. In March, 2020 in an effort to bolster efforts to promote sanitation and social distancing measures to slow the pace of community spread, and provide temporary relief for those facing economic hardships related to the COVID-19 pandemic, the Mayor made necessary modifications to operations of the City. This included closing certain City public buildings, closing all public parks and recreation areas and prohibiting gatherings. Face coverings were required in all public facilities when within six feet of another person. In light of the dynamic COVID-19 challenges, the City temporarily halted certain services, but has continued to provide core services including public safety (police and fire), water and sewer services, and trash collection throughout the pandemic. There have been many impacts attributed to the COVID-19 pandemic including historic increases in unemployment claims in the region, travel restrictions, and a decline in consumer spending resulting from business closures and changes in the way goods and services are sold to consumers. The City will continue to monitor and address revenue shortfalls for fiscal year 2021.

Requests for Information

This financial report is designed to provide a general overview of the City of Ruston's finances for all those with an interest in the City of Ruston's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Julie Speir, City of Ruston Treasurer's Office, 401 North Trenton Street, Ruston, LA 71270 or by calling (318) 251-8651.

BASIC FINANCIAL STATEMENTS

CITY OF RUSTON, LOUISIANA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	\$ 12,985,051	\$ 2,701,144	\$ 15,686,195	\$ 2,044,874
Investments	20,973,086	823,817	21,796,902	-
Receivables, net	5,059,195	1,433,325	6,492,520	165
Unbilled revenues	58,735	1,195,602	1,254,337	-
Due from other governments	-	7,500	7,500	16,280
Internal balances, net	-	1,549,608	1,549,608	-
Inventories	58,752	1,480,506	1,539,259	-
Prepaid items	54,947	-	54,947	1,687
Bond issue costs, net	-	104,532	104,532	-
Capital assets:				
Land and construction in progress	139,354,986	8,905,633	148,260,619	-
Other capital assets, net of depreciation	53,603,393	59,504,549	113,107,942	475,632
Total assets	<u>232,148,144</u>	<u>77,706,216</u>	<u>309,854,361</u>	<u>2,538,638</u>
Deferred outflow of resources	5,775,265	-	5,775,265	54,787
LIABILITIES				
Accounts payable	2,169,474	3,084,468	5,253,942	5,060
Accrued liabilities	1,781,603	124,850	1,906,452	683
Internal balances, net	1,549,608	-	1,549,608	-
Claims	753,158	-	753,158	-
Deposits	-	1,179,932	1,179,932	-
Accrued interest payable	623,258	45,454	668,713	-
Non-current liabilities:				
Due within one year	3,904,471	1,736,571	5,641,042	-
Due in more than one year	78,768,414	11,345,591	90,114,005	-
Net pension liability	29,243,307	-	29,243,307	309,902
Post employment benefit obligation	13,003,136	-	13,003,136	-
Total liabilities	<u>131,796,429</u>	<u>17,516,865</u>	<u>149,313,295</u>	<u>315,645</u>
Deferred inflow of resources	1,719,309	-	1,719,309	12,389
NET POSITION				
Invested in capital assets, net of related debt	112,443,379	56,177,301	168,620,680	475,632
Restricted for:				
Sales Tax Funds	6,524,602	-	6,524,602	-
I-20 TID Fund	6,044,007	-	6,044,007	-
Moving Ruston Forward Fund	(7,378,748)	-	(7,378,748)	-
Sports Complex Phase II	16,345,714	-	16,345,714	-
Ruston Parks and Recreation Fund	753,577	-	753,577	-
Section 8 Housing Voucher Fund	935,945	-	935,945	-
Unrestricted	(31,260,804)	4,012,050	(27,248,754)	1,789,759
Total net position	<u>\$ 104,407,671</u>	<u>\$ 60,189,350</u>	<u>\$ 164,597,022</u>	<u>\$ 2,265,391</u>

CITY OF RUSTON, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating	Capital	Primary Government			Component Units
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental activities:								
General government	\$ (1,779,845)	\$ 5,332,242	\$ 1,024,005	\$ 2,769,490	\$ 10,905,582	\$ -	\$ 10,905,582	\$ -
Public safety	10,220,723	274,140	1,549	-	(9,945,034)	-	(9,945,034)	-
Public works	6,811,522	1,610,555	408,938	-	(4,792,029)	-	(4,792,029)	-
Cultural and recreation	1,019,810	27,195	-	-	(992,615)	-	(992,615)	-
City Judge and Marshal	673,969	-	-	-	(673,969)	-	(673,969)	-
Interest on long-term debt	2,885,721	-	-	-	(2,885,721)	-	(2,885,721)	-
Total governmental activities	<u>19,831,900</u>	<u>7,244,133</u>	<u>1,434,492</u>	<u>2,769,490</u>	<u>(8,383,786)</u>	<u>-</u>	<u>(8,383,786)</u>	<u>-</u>
Business-type activities:								
Electric System	20,887,723	21,322,337	-	-	-	434,614	434,614	-
Water System	1,970,870	2,695,410	-	-	-	724,540	724,540	-
Sewer System	3,501,498	3,927,364	-	-	-	425,866	425,866	-
Sports Complex	523,639	143,180	-	-	-	(380,459)	(380,459)	-
Telecommunications System	740,655	612,750	-	-	-	(127,905)	(127,905)	-
Airport Authority	282,096	17,262	-	375,772	-	110,937	110,937	-
Ambulance Service	716,679	1,031,375	-	-	-	314,696	314,696	-
Total business-type activities	<u>28,623,160</u>	<u>29,749,678</u>	<u>-</u>	<u>375,772</u>	<u>-</u>	<u>1,502,290</u>	<u>1,502,290</u>	<u>-</u>
Total primary government	<u>48,455,060</u>	<u>36,993,811</u>	<u>1,434,492</u>	<u>3,145,261</u>	<u>(8,383,786)</u>	<u>1,502,290</u>	<u>(6,881,496)</u>	<u>-</u>
Component units:								
Ruston City Judge	761,944	246,574	546,586	-	-	-	-	31,216
Ruston City Marshal	583,006	98,264	446,610	-	-	-	-	(38,132)
Total component units	<u>\$ 1,344,950</u>	<u>\$ 344,838</u>	<u>\$ 993,196</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,916)</u>
General revenues:								
Taxes:								
Property taxes					1,097,265	-	1,097,265	-
Sales taxes - general purpose					14,240,861	-	14,240,861	-
Sales taxes - recreation facilities and programs					338,623	-	338,623	-
Sales taxes - street and drainage facilities					600,000	-	600,000	-
Sales taxes - fire protection					1,767,488	-	1,767,488	-
Sales taxes - police protection					1,767,488	-	1,767,488	-
Sales taxes - drug prevention programs					50,000	-	50,000	-
Sales taxes - debt service					3,536,280	-	3,536,280	-
Insurance taxes					426,105	-	426,105	-
Alcoholic beverage taxes					27,337	-	27,337	-
Franchise taxes					409,175	-	409,175	-
Intergovernmental					1,240,260	-	1,240,260	-
Investment earnings					547,121	21,573	568,694	3,184
Miscellaneous					162	(31,315)	(31,153)	185
Transfers					4,192,455	(4,192,455)	-	-
Total general revenues and transfers					<u>30,240,621</u>	<u>(4,202,198)</u>	<u>\$26,038,423</u>	<u>3,369</u>
Change in net position					21,856,835	(2,699,908)	19,156,927	(3,547)
Net position - beginning					82,550,836	62,889,258	145,440,094	2,268,938
Net position - ending					<u>\$ 104,407,671</u>	<u>\$ 60,189,350</u>	<u>\$ 164,597,021</u>	<u>\$ 2,265,391</u>

CITY OF RUSTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General	1968 Sales Tax	1985 Sales Tax	1990 Sales Tax	2016 Sales Tax
ASSETS					
Cash and cash equivalents	\$ 3,927,144	\$ 23,941	\$ -	\$ -	\$ 2,549,939
Investments	679,296	-	-	-	-
Receivables, net	2,214,738	332,726	499,089	332,726	499,087
Unbilled revenues	58,735	-	-	-	-
Due from landlords (HAP)	-	-	-	-	-
Due from other funds	8,990,935	566,703	-	521,835	1,469,863
Inventories, at cost	58,752	-	-	-	-
Prepaid items	1,000	-	-	-	-
Total assets	<u>\$ 15,930,600</u>	<u>\$ 923,371</u>	<u>\$ 499,089</u>	<u>\$ 854,561</u>	<u>\$ 4,518,889</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 524,442	\$ 2,267	\$ -	\$ -	\$ -
Accrued liabilities	820,709	-	-	-	556,982
Due to other funds	6,857,836	562,429	566,650	-	1,219,268
Deposits and deferred charges	72,380	-	-	-	-
Deferred revenue (COVID)	-	-	-	-	-
Total liabilities	<u>8,275,366</u>	<u>564,696</u>	<u>566,650</u>	<u>-</u>	<u>1,776,250</u>
Fund Balances:					
Nonspendable:					
Inventories	58,752	-	-	-	-
Prepaid items	1,000	-	-	-	-
Spendable:					
Restricted	-	358,675	(67,561)	354,561	2,742,639
Assigned	977,352	-	-	-	-
Unassigned	6,618,129	-	-	-	-
Total fund balances	<u>7,655,234</u>	<u>358,675</u>	<u>(67,561)</u>	<u>854,561</u>	<u>2,742,639</u>
Total liabilities and fund balances	<u>\$ 15,930,600</u>	<u>\$ 923,371</u>	<u>\$ 499,089</u>	<u>\$ 854,561</u>	<u>\$ 4,518,889</u>

<u>Ruston EDD#1 Sales Tax</u>	<u>Cooktown EDD Sales Tax</u>	<u>I-20 TID</u>	<u>Moving Ruston Forward</u>	<u>Sports Complex Phase II</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,569,881	\$ 34,607	\$ 256,034	\$ 203,726	\$ 603,800	\$ 2,694,098	\$ 11,863,169
-	-	3,077,146	-	12,684,951	3,821,174	20,262,567
155,984	7,373	-	-	-	996,442	5,038,164
-	-	-	-	-	-	58,735
-	-	-	-	-	17,755	17,755
1,060,384	-	1,034,684	66,570	4,085,092	1,148,037	18,944,104
-	-	-	-	-	-	58,752
-	-	-	-	-	-	1,000
<u>\$ 2,786,248</u>	<u>\$ 41,980</u>	<u>\$ 4,367,865</u>	<u>\$ 270,296</u>	<u>\$ 17,373,843</u>	<u>\$ 8,677,505</u>	<u>\$ 56,244,247</u>
\$ -	\$ -	\$ 524,644	\$ 48,043	\$ 848,278	\$ 107,777	\$ 2,055,451
-	-	322,845	-	-	19,345	1,719,880
169,508	22,432	2,220,520	7,601,001	179,851	2,058,607	21,458,103
-	-	-	-	-	-	72,380
-	-	-	-	-	58,102	58,102
<u>169,508</u>	<u>22,432</u>	<u>3,068,009</u>	<u>7,649,044</u>	<u>1,028,129</u>	<u>2,243,831</u>	<u>25,363,916</u>
-	-	-	-	-	-	58,752
-	-	-	-	-	-	1,000
2,616,740	19,548	1,299,856	(7,378,748)	16,345,714	6,433,674	23,225,097
-	-	-	-	-	-	977,352
-	-	-	-	-	-	6,618,129
<u>2,616,740</u>	<u>19,548</u>	<u>1,299,856</u>	<u>(7,378,748)</u>	<u>16,345,714</u>	<u>6,433,674</u>	<u>30,880,331</u>
<u>\$ 2,786,248</u>	<u>\$ 41,980</u>	<u>\$ 4,367,865</u>	<u>\$ 270,296</u>	<u>\$ 17,373,843</u>	<u>\$ 8,677,505</u>	<u>\$ 56,244,247</u>

See accompanying notes to basic financial statements.

CITY OF RUSTON, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Fund balances - total governmental funds		\$ 30,880,331
<p>Amounts reported for governmental activities in the statement of net assets are different because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	\$ 232,393,474	
Accumulated depreciation	<u>(39,435,096)</u>	192,958,378
Net pension liability in MPRS, MERS and SFRS		(29,243,307)
<p>Unfunded post employment benefit obligations are not financial resources and therefore are not reported in the funds</p>		
		(13,003,136)
<p>Deferred outflows and inflows of resources are not available to pay current period expenditures and therefore are not reported in governmental funds.</p>		
Deferred outflows related to pensions	5,775,265	
Deferred inflows related to pensions	<u>(1,719,309)</u>	4,055,956
<p>Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Accrued interest payable	(623,258)	
Bonds, notes and loans payable	(80,515,000)	
Compensated absences	<u>(2,157,883)</u>	(83,296,141)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities. Capital assets and compensated absences are excluded from this number as they have already been taken into consideration in line items above.</p>		
		<u>2,055,591</u>
Net position of governmental activities		<u>\$ 104,407,671</u>

CITY OF RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	<u>General</u>	<u>1968 Sales Tax</u>	<u>1985 Sales Tax</u>	<u>1990 Sales Tax</u>	<u>2016 Sales Tax</u>	<u>Ruston EDD#1 Sales Tax</u>
REVENUES						
Taxes:						
Property	\$ 1,097,265	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	-	3,276,888	4,944,817	3,276,888	4,915,332	1,669,718
Licenses and permits	1,224,730	-	-	-	-	-
Intergovernmental	5,247,575	-	-	-	-	-
Charges for services	1,627,534	-	-	-	-	-
Fines and forfeitures	272,132	-	-	-	-	-
Investment earnings	22,124	127	-	-	1,679	793
Miscellaneous	949,089	-	-	-	-	-
Grants	409,239	-	-	-	-	-
Total revenues	<u>10,849,689</u>	<u>3,277,015</u>	<u>4,944,817</u>	<u>3,276,888</u>	<u>4,917,011</u>	<u>1,670,511</u>
EXPENDITURES						
Current:						
General government	4,983,588	2,358	755	756	856	255
Public safety	9,596,073	-	-	-	-	-
Public works	5,717,700	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
City Court and Marshal	660,955	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	1,420,000	-
Interest and other charges	-	-	-	-	1,699,350	358,750
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>20,958,316</u>	<u>2,358</u>	<u>755</u>	<u>756</u>	<u>3,120,206</u>	<u>359,005</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,108,627)</u>	<u>3,274,657</u>	<u>4,944,062</u>	<u>3,276,132</u>	<u>1,796,805</u>	<u>1,311,506</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Transfers in	14,855,255	-	-	-	-	-
Transfers out	-	(3,224,976)	(4,837,465)	(3,224,976)	-	-
Total other financing sources (uses)	<u>14,855,255</u>	<u>(3,224,976)</u>	<u>(4,837,465)</u>	<u>(3,224,976)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,746,628	49,680	106,597	51,155	1,796,805	1,311,506
Fund balances - beginning	2,908,606	308,995	(174,158)	803,406	945,834	1,305,234
Fund balances - ending	<u>\$ 7,655,234</u>	<u>\$ 358,675</u>	<u>\$ (67,561)</u>	<u>\$ 854,561</u>	<u>\$ 2,742,639</u>	<u>\$ 2,616,740</u>

<u>Cooktown EDD Sales Tax</u>	<u>I-20 TID</u>	<u>Moving Ruston Forward</u>	<u>Sports Complex Phase II</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,097,265
69,554	-	-	-	4,147,543	22,300,741
-	-	-	-	-	1,224,730
-	2,769,490	-	-	969,575	8,986,639
-	-	-	-	23,001	1,650,535
-	-	-	-	-	272,132
20	88,498	110	99,831	24,315	237,498
-	-	-	-	4,386	953,475
-	-	54,400	-	-	463,639
<u>69,575</u>	<u>2,857,988</u>	<u>54,510</u>	<u>99,831</u>	<u>5,168,818</u>	<u>37,186,654</u>
65,512	1,486	-	6,313	1,083,185	6,145,065
-	-	-	-	-	9,596,073
-	-	-	-	-	5,717,700
-	-	-	-	908,289	908,289
-	-	-	-	-	660,955
-	-	-	-	1,845,000	3,265,000
-	-	396	-	846,038	2,904,534
-	9,526,023	2,962,877	1,728,348	11,293	14,228,541
<u>65,512</u>	<u>9,527,509</u>	<u>2,963,272</u>	<u>1,734,661</u>	<u>4,693,806</u>	<u>43,426,158</u>
<u>4,062</u>	<u>(6,669,520)</u>	<u>(2,908,762)</u>	<u>(1,634,829)</u>	<u>475,013</u>	<u>(6,239,504)</u>
-	-	-	10,000,000	-	10,000,000
-	-	-	-	564,617	15,419,872
-	-	-	-	-	(11,287,417)
-	-	-	10,000,000	564,617	14,132,455
4,062	(6,669,520)	(2,908,762)	8,365,171	1,039,630	7,892,951
15,486	7,969,376	(4,469,986)	7,980,543	5,394,043	22,987,379
<u>\$ 19,548</u>	<u>\$ 1,299,856</u>	<u>\$ (7,378,748)</u>	<u>\$ 16,345,714</u>	<u>\$ 6,433,674</u>	<u>\$ 30,880,331</u>

See accompanying notes to basic financial statements.

CITY OF RUSTON, LOUISIANA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED SEPTEMBER 30, 2020

Net change in fund balances - total governmental funds \$ 7,892,951

Amounts reported for governmental activities in the statement of activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 14,538,425	
Depreciation expense	<u>(2,020,472)</u>	12,517,953

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, write offs, and donations) is to decrease net position. -

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows:

Bonds issued	(10,000,000)	
Principal payments	<u>3,265,000</u>	(6,735,000)

The changes in other long-term assets and liabilities are reported in the statement of activities, but do not affect current financial resources of governmental funds. The changes are as follows:

Net pension liability	(1,008,801)	
Net post employment benefit liability	<u>9,286,924</u>	8,278,123

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported reported as expenditures in governmental funds.

Increase in compensated absences	(333,088)	
Decrease in accrued interest	<u>18,813</u>	(314,275)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities. 217,083

Change in net position of governmental activities \$ 21,856,835

CITY OF RUSTON, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-Type Activities Enterprise Funds							Governmental Activities	
	Major Funds				Nonmajor Funds			Internal Service Funds	
	Electric System	Water System	Sewer System	Sports Complex	Telecomm	Airport	Ambulance		Total
ASSETS									
Current assets:									
Cash and cash equivalents	\$ 913,865	\$ 21,816	\$ 168,856	\$ 8,446	\$ 51,928	\$ 185,051	\$ 630,277	\$ 1,980,239	\$ 1,121,882
Investments	303,190	265,019	-	-	-	-	-	568,208	710,519
Receivables, net	894,295	134,366	180,446	-	90,781	38,468	94,970	1,433,325	3,275
Unbilled revenue	895,542	124,644	175,416	-	-	-	-	1,195,602	-
Due from other funds	9,705,525	6,339,151	4,963,017	38,694	103,199	244,469	549,074	21,943,130	1,393,660
Due from other governments	-	-	-	-	-	-	7,500	7,500	-
Inventories	1,171,755	162,501	29,702	-	116,548	-	-	1,480,506	-
Prepaid items	-	-	-	-	-	-	-	-	53,947
Total current assets	<u>13,884,171</u>	<u>7,047,497</u>	<u>5,517,437</u>	<u>47,140</u>	<u>362,456</u>	<u>467,988</u>	<u>1,281,821</u>	<u>28,608,510</u>	<u>3,283,282</u>
Noncurrent assets:									
Restricted:									
Cash and cash equivalents	65,410	128,170	527,326	-	-	-	-	720,906	-
Investments	34,118	108,216	113,275	-	-	-	-	255,608	-
Capital assets:									
Land	627,501	75,070	218,801	-	-	941,898	-	1,863,270	-
Construction in progress	-	-	4,435,095	-	211,770	2,395,498	-	7,042,363	-
Buildings	7,320,340	139,934	151,353	11,150	-	1,094,626	-	8,717,403	13,080
Improvements other than buildings	-	-	-	-	-	9,354,435	-	9,354,435	-
Equipment	21,206,197	839,988	31,061,288	31,697	3,281,410	231,239	1,657,454	58,309,274	76,306
Distribution and collection systems	47,563,460	17,537,619	19,583,593	-	-	-	-	84,684,672	-
Less accumulated depreciation	(51,473,594)	(12,173,314)	(29,217,630)	(4,192)	(704,900)	(6,768,933)	(1,218,672)	(101,561,235)	(81,052)
Total capital assets (net of accumulated depreciation)	25,243,903	6,419,297	26,232,500	38,655	2,788,280	7,248,763	438,782	68,410,182	8,335
Deferred bond costs (net of amortization)	-	20,384	84,147	-	-	-	-	104,532	-
Total noncurrent assets	<u>25,343,430</u>	<u>6,676,067</u>	<u>26,957,248</u>	<u>38,655</u>	<u>2,788,280</u>	<u>7,248,763</u>	<u>438,782</u>	<u>69,491,227</u>	<u>8,335</u>
Total assets	<u>\$ 39,227,600</u>	<u>\$ 13,723,564</u>	<u>\$ 32,474,686</u>	<u>\$ 85,795</u>	<u>\$ 3,150,736</u>	<u>\$ 7,716,751</u>	<u>\$ 1,720,603</u>	<u>\$ 98,099,737</u>	<u>\$ 3,291,618</u>

CITY OF RUSTON, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-Type Activities Enterprise Funds							Governmental Activities	
	Major Funds				Nonmajor Funds			Internal Service Funds	
	Electric System	Water System	Sewer System	Sports Complex	Telecomm	Airport	Ambulance		Total
LIABILITIES									
Current liabilities									
Accounts payable	\$ 1,935,166	\$ 76,705	\$ 220,260	\$ 75,045	\$ 89,546	\$ 660,866	\$ 26,879	\$ 3,084,468	\$ 41,643
Accrued liabilities	75,151	13,622	19,974	4,978	-	-	11,125	124,850	3,621
Due to other funds	10,729,584	2,217,839	2,521,434	890,055	3,209,533	818,893	6,183	20,393,521	429,270
Claims and judgments	-	-	-	-	-	-	-	-	753,158
Compensated absences	82,562	5,162	36,472	527	75	-	18,773	143,571	-
Total current liabilities	<u>12,822,463</u>	<u>2,313,328</u>	<u>2,798,140</u>	<u>970,604</u>	<u>3,299,154</u>	<u>1,479,760</u>	<u>62,960</u>	<u>23,746,409</u>	<u>1,227,691</u>
Current liabilities payable from restricted assets:									
Customer deposits	1,172,677	-	2,305	-	-	4,950	-	1,179,932	-
Bonds payable	-	-	1,200,000	-	-	-	-	1,200,000	-
DEQ Clean Drinking Water Revolving loan	-	-	275,000	-	-	-	-	275,000	-
DHH Revolving loan	-	118,000	-	-	-	-	-	118,000	-
Accrued interest	45,454	-	-	-	-	-	-	45,454	-
Total current liabilities payable from restricted assets	<u>1,218,131</u>	<u>118,000</u>	<u>1,477,305</u>	<u>-</u>	<u>-</u>	<u>4,950</u>	<u>-</u>	<u>2,818,386</u>	<u>-</u>
Noncurrent liabilities:									
Compensated absences	247,685	15,485	109,415	1,581	225	-	56,321	430,711	15,765
Bonds payable	-	-	5,995,000	-	-	-	-	5,995,000	-
DHH Revolving Loan fund	-	1,200,000	-	-	-	-	-	1,200,000	-
DEQ Clean Drinking Water Revolving Loan	-	-	3,719,880	-	-	-	-	3,719,880	-
Total noncurrent liabilities	<u>247,685</u>	<u>1,215,484</u>	<u>9,824,295</u>	<u>1,581</u>	<u>225</u>	<u>-</u>	<u>56,321</u>	<u>11,345,591</u>	<u>15,765</u>
Total liabilities	<u>14,288,279</u>	<u>3,646,812</u>	<u>14,099,740</u>	<u>972,185</u>	<u>3,299,379</u>	<u>1,484,710</u>	<u>119,281</u>	<u>37,910,386</u>	<u>1,243,456</u>
NET POSITION									
Net investment in capital assets	25,243,903	5,101,297	15,317,620	38,655	2,788,280	7,248,763	438,782	56,177,301	8,335
Unrestricted (deficit)	(304,582)	4,975,454	3,057,326	(925,045)	(2,936,922)	(1,016,721)	1,162,540	4,012,050	2,039,827
Total net position (deficit)	<u>\$ 24,939,321</u>	<u>\$ 10,076,752</u>	<u>\$ 18,374,946</u>	<u>\$ (886,390)</u>	<u>\$ (148,642)</u>	<u>\$ 6,232,041</u>	<u>\$ 1,601,322</u>	<u>\$ 60,189,350</u>	<u>\$ 2,048,163</u>

CITY OF RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities							Governmental	
	Enterprise Funds							Activities	
	Major Funds				Nonmajor Funds			Internal Service Funds	
Electric System	Water System	Sewer System	Sports Complex	Telecomm	Airport	Ambulance	Total		
OPERATING REVENUES									
Charges for services	\$ 21,322,337	\$ 2,695,410	\$ 3,927,364	\$ 143,180	\$ 612,750	\$ 17,262	\$ 1,031,375	\$ 29,749,678	\$ 4,337,370
Charges to other funds	-	-	-	-	-	-	-	-	215,362
Rent income	-	-	-	-	-	67,160	-	67,160	-
Miscellaneous	(16,823)	(86,846)	4,146	492	-	67	489	(98,475)	-
Total operating revenues	<u>21,305,514</u>	<u>2,608,564</u>	<u>3,931,510</u>	<u>143,672</u>	<u>612,750</u>	<u>84,489</u>	<u>1,031,864</u>	<u>29,718,363</u>	<u>4,552,732</u>
OPERATING EXPENSES									
Personnel services	3,279,859	585,121	887,957	231,137	114,606	-	428,727	5,527,407	164,249
Operating services	3,514,258	857,913	751,570	271,985	454,986	84,945	63,867	5,999,524	25,721
Materials and supplies	12,608,170	65,478	62,573	16,117	1,272	3,455	105,669	12,862,733	6,616
Travel and other	50,360	849	15,506	208	325	-	64,416	131,663	3,234
Depreciation	1,435,078	413,861	1,524,900	4,192	169,467	193,697	54,000	3,795,193	5,907
Claims	-	-	-	-	-	-	-	-	2,711,142
Insurance premiums	-	-	-	-	-	-	-	-	1,788,401
Total operating expenses	<u>20,887,723</u>	<u>1,923,222</u>	<u>3,242,506</u>	<u>523,639</u>	<u>740,655</u>	<u>282,096</u>	<u>716,679</u>	<u>28,316,521</u>	<u>4,705,271</u>
Operating income (loss)	<u>417,791</u>	<u>685,342</u>	<u>689,004</u>	<u>(379,967)</u>	<u>(127,905)</u>	<u>(197,608)</u>	<u>315,185</u>	<u>1,401,842</u>	<u>(152,538)</u>
NONOPERATING REVENUES/(EXPENSES)									
Investment earnings	7,566	9,241	3,271	12	74	830	578	21,573	309,623
Capital grants	-	-	-	-	-	375,772	-	375,772	-
Interest expense	-	(45,384)	(244,967)	-	-	-	-	(290,350)	-
Amortization	-	(2,265)	(14,025)	-	-	-	-	(16,289)	-
Total nonoperating revenues (expenses)	<u>7,566</u>	<u>(38,407)</u>	<u>(255,720)</u>	<u>12</u>	<u>74</u>	<u>376,602</u>	<u>578</u>	<u>90,705</u>	<u>309,623</u>
Income (loss) before contributions and transfers	<u>425,357</u>	<u>646,935</u>	<u>433,284</u>	<u>(379,955)</u>	<u>(127,831)</u>	<u>178,994</u>	<u>315,763</u>	<u>1,492,546</u>	<u>157,083</u>
Transfers in	-	-	-	108,907	-	4,444	-	113,350	60,000
Transfers out	(3,294,761)	(669,762)	(341,281)	-	-	-	-	(4,305,805)	-
Change in net position	<u>(2,869,404)</u>	<u>(22,828)</u>	<u>92,003</u>	<u>(271,049)</u>	<u>(127,831)</u>	<u>183,438</u>	<u>315,763</u>	<u>(2,699,908)</u>	<u>217,083</u>
Total net position (deficit) - beginning	<u>27,808,725</u>	<u>10,099,580</u>	<u>18,282,943</u>	<u>(615,341)</u>	<u>(20,811)</u>	<u>6,048,603</u>	<u>1,285,559</u>	<u>62,889,258</u>	<u>1,831,080</u>
Total net position (deficit) - ending	<u>\$ 24,939,321</u>	<u>\$ 10,076,752</u>	<u>\$ 18,374,946</u>	<u>\$ (886,390)</u>	<u>\$ (148,642)</u>	<u>\$ 6,232,041</u>	<u>\$ 1,601,322</u>	<u>\$ 60,189,350</u>	<u>\$ 2,048,163</u>

CITY OF RUSTON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities Enterprise Funds							Governmental Activities	
	Major Funds				Nonmajor Funds			Internal Service Funds	
	Electric System	Water System	Sewer System	Sports Complex	Telecomm	Airport	Ambulance		Total
CASH FLOWS FROM OPERATING ACTIVITIES:									
Receipts from operations	\$ 22,295,104	\$ 2,263,152	\$ 3,874,240	\$ 373,406	\$ 632,183	\$ 243,983	\$ 470,534	\$ 30,152,602	\$ 4,454,994
Payments to suppliers	(15,830,799)	(947,904)	(710,229)	(213,265)	(383,967)	559,075	(208,239)	(17,735,328)	(2,047,075)
Payments to employees	(3,209,277)	(570,488)	(841,756)	(224,051)	(120,318)	-	(413,112)	(5,379,002)	(159,961)
Claim payments	-	-	-	-	-	-	-	-	(2,485,042)
Other receipts	-	-	4,146	492	-	67	489	5,194	-
Net cash provided (used) by operating activities	<u>3,255,028</u>	<u>744,760</u>	<u>2,326,401</u>	<u>(63,418)</u>	<u>127,898</u>	<u>803,125</u>	<u>(150,328)</u>	<u>7,043,466</u>	<u>(237,084)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers in	-	-	-	108,907	-	4,444	-	113,350	60,000
Transfers out	(3,294,761)	(669,762)	(341,281)	-	-	-	-	(4,305,805)	-
Net cash provided (used) by noncapital financing activities	<u>(3,294,761)</u>	<u>(669,762)</u>	<u>(341,281)</u>	<u>108,907</u>	<u>-</u>	<u>4,444</u>	<u>-</u>	<u>(4,192,455)</u>	<u>60,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Acquisition and construction of capital assets	(109,196)	-	(4,102,131)	(42,847)	(154,364)	(1,167,627)	-	(5,576,165)	-
Capital grants	-	-	-	-	-	375,772	-	375,772	-
Bond issuance costs	-	-	(63,965)	-	-	-	-	(63,965)	-
Debt proceeds	-	83,612	3,927,840	-	-	-	-	4,011,452	-
Bond issuance	-	-	7,470,000	-	-	-	-	7,470,000	-
Principal paid on debt	-	(115,000)	(8,604,000)	-	-	-	-	(8,719,000)	-
Interest paid on debt	-	(45,384)	(244,967)	-	-	-	-	(290,351)	-
Net cash used in capital and related financing activities	<u>(109,196)</u>	<u>(76,772)</u>	<u>(1,617,223)</u>	<u>(42,847)</u>	<u>(154,364)</u>	<u>(791,855)</u>	<u>-</u>	<u>(2,792,257)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:									
Purchase of investments	(4,559)	(9,002)	(2,732)	-	-	-	-	(16,293)	(6,021)
Interest and dividends received	7,566	9,241	3,271	12	74	830	578	21,573	309,623
Net cash provided (used) by investing activities	<u>3,007</u>	<u>239</u>	<u>539</u>	<u>12</u>	<u>74</u>	<u>830</u>	<u>578</u>	<u>5,280</u>	<u>303,601</u>
Net increase (decrease) in cash and cash equivalents	(145,922)	(1,535)	368,436	2,654	(26,392)	16,544	(149,750)	64,034	126,517
Cash and cash equivalents, beginning of year	1,125,197	151,521	327,746	5,792	78,320	168,507	780,027	2,637,110	995,364
Cash and cash equivalents, end of year	<u>\$ 979,275</u>	<u>\$ 149,986</u>	<u>\$ 696,182</u>	<u>\$ 8,446</u>	<u>\$ 51,928</u>	<u>\$ 185,051</u>	<u>\$ 630,277</u>	<u>\$ 2,701,145</u>	<u>\$ 1,121,882</u>
Noncash item:									
Amortization	-	2,265	14,025	-	-	-	-	16,289	-

See accompanying notes to basic financial statements.

	Business-Type Activities Enterprise Funds							Governmental Activities	
	Major Funds				Nonmajor Funds			Internal Service Funds	
	Electric System	Water System	Sewer System	Sports Complex	Telecomm	Airport	Ambulance		Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities									
Operating income (loss)	\$ 417,791	\$ 685,342	\$ 689,004	\$ (379,967)	\$ (127,905)	\$ (197,608)	\$ 315,185	\$ 1,401,842	\$ (152,538)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:									
Depreciation	1,435,078	413,861	1,524,900	4,192	169,467	193,697	54,000	3,795,193	5,907
(Increase) decrease in assets:									
Receivables	1,329,684	106,770	69,954	(32,892)	89,454	(18,609)	(72,102)	1,472,259	2,145
Due from other funds / governments	(2,596,410)	(1,442,765)	(1,339,613)	-	(103,199)	(165,552)	(48,579)	(5,696,118)	(566,923)
Inventories	170,128	(782)	(281)	-	16,724	-	-	185,789	-
Prepaid items	6,684	397	2,265	-	-	-	2,003	11,349	-
Increase (decrease) in liabilities:									
Accounts payable	171,859	(22,882)	119,701	75,045	55,891	647,475	25,713	1,072,804	28,449
Accrued liabilities	75,151	13,622	19,974	4,978	-	-	11,125	124,850	3,621
Due to other funds	2,291,754	990,583	1,218,185	263,118	33,178	343,722	(440,160)	4,700,380	215,488
Customers' deposits	(42,122)	-	(1,650)	-	-	-	-	(43,772)	-
Claims and judgments	-	-	-	-	-	-	-	-	226,101
Compensated absences	(4,569)	614	23,962	2,108	(5,712)	-	2,487	18,890	667
Total adjustments	2,837,237	59,418	1,637,397	316,549	255,803	1,000,733	(465,513)	5,641,624	(84,545)
Net cash provided (used) by operating activities	\$ 3,255,028	\$ 744,760	\$ 2,326,401	\$ (63,418)	\$ 127,898	\$ 803,125	\$ (150,328)	\$ 7,043,466	\$ (237,084)

See accompanying notes to basic financial statements.

CITY OF RUSTON, LOUISIANA
STATEMENT OF NET POSITION
COMPONENT UNITS
SEPTEMBER 30, 2020

	<u>Ruston City Judge</u>	<u>Ruston City Marshal</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,792,184	\$ 252,690	\$ 2,044,874
Receivables	-	165	165
Prepaid items	1,238	449	1,687
Due from governmental units	16,280	-	16,280
Capital assets, net of depreciation	416,985	58,647	475,632
Total assets	<u>2,226,687</u>	<u>311,951</u>	<u>2,538,638</u>
 Deferred outflow of resources	 54,787	 -	 54,787
LIABILITIES			
Accounts payable	4,891	169	5,060
Accrued liabilities	683	-	683
Non-current liabilities:			
Net pension liability	309,902	-	309,902
Total liabilities	<u>315,476</u>	<u>169</u>	<u>315,645</u>
 Deferred inflow of resources	 12,389	 -	 12,389
NET POSITION			
Net investment in capital assets	416,985	58,647	475,632
Unrestricted	1,536,624	253,135	1,789,759
Total net position	<u>\$ 1,953,609</u>	<u>\$ 311,782</u>	<u>\$ 2,265,391</u>

See accompanying notes to basic financial statements.

CITY OF RUSTON, LOUISIANA
STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEAR ENDED SEPTEMBER 30, 2020

	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>On-Behalf Revenues</u>	<u>Ruston City Judge</u>	<u>Ruston City Marshal</u>	<u>Total</u>
City Judge:						
Judicial	\$ 761,944	\$ 246,574	\$ 546,586	\$ 31,216	\$ -	\$ 31,216
City Marshal:						
Judicial	<u>583,006</u>	<u>98,264</u>	<u>446,610</u>	<u>-</u>	<u>(38,132)</u>	<u>(38,132)</u>
	<u>\$ 1,344,950</u>	<u>\$ 344,838</u>	<u>\$ 993,196</u>	<u>31,216</u>	<u>(38,132)</u>	<u>(6,916)</u>
General Revenues:						
Interest earnings				2,997	187	3,184
Miscellaneous				-	185	185
Total general revenues				<u>2,997</u>	<u>372</u>	<u>3,369</u>
Change in net position				34,213	(37,760)	(3,547)
Net position - beginning				<u>1,919,396</u>	<u>349,542</u>	<u>2,268,938</u>
Net position - ending				<u>\$ 1,953,609</u>	<u>\$ 311,782</u>	<u>\$ 2,265,391</u>

See accompanying notes to basic financial statements.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

1. Summary of Significant Accounting Policies

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

The basic criterion for determining whether another governmental organization should be included in a primary governmental unit's reporting entity for financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization, or if there is a financial 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.

Discretely Presented Component Units

The component unit's column in the government-wide financial statements includes the financial data of the City's discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the City.

Ruston City Judge

The Ruston City Judge 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 Ruston City Judge is fiscally dependent on the City. The City has the ability to modify or approve its budget which comes from the General Fund. There are certain funds collected by the Ruston City Judge, pursuant to state statute, which are under the control of the Court. The Ruston City Judge serves the citizenry of the City. The financial statements of the Ruston City Judge included in the accompanying financial statements are as of and for the fiscal year ended September 30, 2020.

Ruston City Marshal

The Ruston City Marshal is an elected official. The Ruston City Marshal is fiscally dependent on the City. The City has the ability to modify or approve the budget which comes from the General Fund. Certain funds are collected such as court costs, pursuant to state statute, which are under the control of the Ruston City Marshal. The Ruston City Marshal serves the citizenry of the Parish. The financial statements of the Ruston City Marshal included in the accompanying financial statements are as of and for the fiscal year ended September 30, 2020.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

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

Other Related Organizations

Ruston Housing Authority

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

Lincoln Parish Sales and Use Tax Commission

The Lincoln Parish Sales and Use Tax Commission is an independent agency that collects sales taxes. It is legally separate from the City. The Lincoln Parish Sales and Use Tax 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.

Union Lincoln Regional Water Supply Initiative

The Union Lincoln Regional Water Supply Initiative is an independent agency that develops and utilizes any and all alternate water sources within Lincoln and Union parishes to reduce the consumption of water from the Sparta Aquifer. The Union Lincoln Regional Water Supply Initiative is a joint venture. The City does retain an ongoing financial responsibility for its operations. It is not included in the City's financial statements.

Complete financial statements of the individual other 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

Union Lincoln Regional Water Supply Initiative
407 S. Main Street
Farmerville, Louisiana 71241

Accounting Policies

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

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

a. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for franchise tax revenues which are considered available if collected within 90 days and grant revenue if collected within one year.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Property taxes are recognized as revenues in the year in which final approval is received from the Louisiana Tax Commission, at which time a valid claim exists, to the extent considered available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

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

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

Governmental Funds

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

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

1968 Sales Tax Fund – This special revenue fund accounts for the receipt and use of proceeds of the City's sales and use tax. A one-half cent sales tax is dedicated to general operating expenses, general capital assets, and waterworks extensions and improvements.

1985 Sales Tax Fund – This special revenue fund accounts for the receipt and use of proceeds of the City's sales and use tax. A three-fourths cent sales tax is dedicated to the recreation department, streets and drainage, fire protection and police protection.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

2016 Sales Tax Fund – This special revenue fund accounts for the receipt and use of proceeds of the City's sales and use tax. A three-fourths cent sales tax is dedicated for the debt service payments related to the 2016 Sales and Use Tax Revenue Bonds.

Ruston EDD #1 Sales Tax Fund – This special revenue fund accounts for the receipt of the City's restaurant and hotel sales tax in the economic development district created to fund Sports Complex Phase II capital projects.

Cooktown EDD Sales Tax – This special revenue fund accounts for the receipt of the City's sales tax collected in the economic development district created to fund the development of the Cooktown shopping center.

I-20 Tax Increment District Sales Tax Fund – This capital projects fund accounts for infrastructure improvements along the I-20 Service Road that are funded from the issuance of sales tax increment bonds.

Moving Ruston Forward Capital Projects Fund – This capital projects fund accounts for numerous capital projects that are funded from the issuance of the 2016 Sales and Use Tax Revenue Bonds.

Sports Complex Phase II Capital Projects Fund – This capital projects fund accounts for projects that will complete the Sports Complex facility.

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

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

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

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

Proprietary Funds

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

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

The City reports the following major enterprise funds:

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

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

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

Sports Complex Fund – Operated as a self-sustaining recreation facility of the City and is responsible for providing the residents of the City of Ruston, Louisiana with recreational programming.

The City applies all applicable GASB pronouncements in accounting and reporting for its government-wide and business-type activities and its enterprise funds as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins.

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

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

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

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

c. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the GWFS and the proprietary funds. Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at estimated fair value at the date of donation. The City maintains a threshold level for capitalization of capital assets except land and construction in progress. All land and construction in progress are capitalized regardless of the amount. All other capital assets are capitalized utilizing a threshold of \$5,000. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Capital assets are not reported in the governmental fund financial statements.

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

	<u>Years</u>
Buildings	10 - 50
Improvements other than buildings	10 - 50
Infrastructure	20 - 75
Distribution and collection systems	10 - 50
Equipment	3 - 20

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

d. Long-Term Liabilities

In the GWFS, and proprietary funds in the FFS, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary funds statement of net position. Bond premiums and discounts are deferred and amortized or accreted over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount.

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

e. Investments

For all funds, investments are stated at fair value based on quoted market prices. The investments at September 30, 2020 were primarily Certificates of Deposit, U.S. government and U.S. government agency securities (see note 2 for the City's investment policy).

f. Prepaid Items

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

g. Inventories

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

h. Refundable Deposits

The Electric System Fund requires deposits for certain customers. These monies are restricted and are reported as assets and liabilities.

i. Vacation and Sick Leave

City employees are granted paid time off (PTO) time in varying amounts based on years of service. Only 40 hours of unused time is allowed to roll forward into a new accrual period. Prior to fiscal year 2018, vacation and sick leave were accrued separately, in varying amounts based on years of service. Many employees have vacation and sick balances that will be paid out upon termination of employment according to the former policy. Employees are paid for unused sick leave up to a maximum of six months upon retirement. Unpaid PTO time and vacation time for all employees, and sick leave for

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

those employees eligible for retirement benefits has been accrued. All other sick leave is recorded as an expenditure when paid. The estimated liability for unused vacation for governmental funds is recorded in the GWFS. Vacation leave of governmental funds is recorded as an expenditure when paid. Accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as it is earned by the employees.

j. Pension Plans

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

k. Restricted Assets

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

l. Classifications of Fund Balance

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the aldermen - the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Unassigned Fund Balance – This fund balance is the residual classification for the General Fund. It is used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

m. Interfund Receivables and Payables

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

n. Ad Valorem Taxes

Ad Valorem taxes attach as an enforceable lien on property when the assessment is approved by the Louisiana Tax Commission. Taxes levied are based on the assessed value of property as listed on the previous December 31. Taxes are normally levied in November of each year and are due on or before December 31. A revaluation of all real property must be made every four years. The last revaluation date was January 1, 2020.

o. Grants from Other Governmental Agencies

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

p. Cash and Cash Equivalents

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

q. Self-Insurance Claims

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

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

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

r. Estimates

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

2. Cash and Investments

Cash and cash equivalents at September 30, 2020 for the City are summarized as follows:

<u>Carrying Amount</u>	<u>Bank Balance</u>
\$15,686,195	\$15,841,381

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

Of the \$15,841,381 bank balance held in the name of the City at September 30, 2020, \$1,599,528 was insured by FDIC insurance and \$14,241,853 was covered by letters of credit purchased by the banks in the name of the City.

The City's investments are categorized below to give an indication of the level of custodial credit risk assumed by the City at September 30, 2020. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the City's name.

	<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	\$18,416,566	\$ -	\$ -	\$18,416,566
Louisiana Asset Management Pool				3,380,336
Total investments				21,796,902
Total cash and cash equivalents				15,686,195
Total cash, cash equivalents & investments, including restricted cash and investments				<u>\$37,483,097</u>

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Investments in the Louisiana Asset Management Pool are not categorized as 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. 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. LAMP's portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. The dollar-weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP issues a publicly available financial report which may be obtained by writing the Board of Directors, 228 St. Charles Avenue, New Orleans, Louisiana 70130, or by calling (504) 525-5161.

Discretely Presented Component Units – Deposits

All deposits of the component units are held by area financial institutions. At the respective year ends, all deposits are insured or collateralized with securities held in the component unit's name by its agent (the trust department of a bank other than the pledging bank.) The cash and equivalent securities have a fair value of \$2,044,874 at September 30, 2020.

3. Ad Valorem Taxes

The City levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the City on property values assessed by the Lincoln Parish Assessor and approved by the State of Louisiana Tax Commission. Total assessed value was \$212,277,526 in 2020. The distribution of the City's levy (tax rate per \$1,000 assessed value) was as follows for 2020:

General Alimony	5.19
Recreation Purposes	2.89
Total	8.08

4. Receivables

Receivables as of September 30, 2020, for the City's individual major, nonmajor and internal service funds, including the applicable allowances for uncollectible accounts, are outlined below:

	Customers	Taxes	Other	Allowance for Uncollectible Accounts	Net Receivable
Governmental activities:					
General	\$208,941	\$ -	\$2,334,055	(\$328,258)	\$2,214,738
1968 Sales Tax	-	332,726	-	-	332,726
1985 Sales Tax	-	499,089	-	-	499,089
1990 Sales Tax	-	332,726	-	-	332,726
2016 Sales Tax	-	499,087	-	-	499,087
Ruston EDD #1	-	155,984	-	-	155,984

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	<u>Customers</u>	<u>Taxes</u>	<u>Other</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
Cooktown EDD	-	7,373	-	-	7,373
Nonmajor funds	-	989,253	7,188	-	996,442
Internal Service funds	-	-	3,275	-	3,275
Total governmental activities	<u>\$208,941</u>	<u>\$2,816,238</u>	<u>\$2,344,518</u>	<u>(\$328,258)</u>	<u>\$5,041,439</u>
Business-type activities:					
Electric System	\$2,981,032	\$ -	\$ -	(\$2,086,737)	\$ 894,295
Water System	466,897	-	-	(332,531)	134,366
Sewer System	797,213	-	-	(616,767)	180,446
Nonmajor funds	261,038	-	-	(36,819)	224,219
Total business-type activities	<u>\$4,506,180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$3,072,854)</u>	<u>\$1,433,325</u>

5. Capital Assets

A summary of changes in capital assets is as follows:

	<u>Balance September 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2020</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 17,822,367	\$ -	\$ -	\$ 17,822,367
Construction in progress	112,554,164	14,390,692	(5,412,237)	121,532,619
Total capital assets not being depreciated	<u>130,376,531</u>	<u>14,390,692</u>	<u>(5,412,237)</u>	<u>139,354,986</u>
Capital assets being depreciated:				
Buildings	13,136,571	11,293	-	13,147,865
Improvements other than buildings	31,103,670	5,117,488	-	36,221,157
Equipment	20,323,925	431,188	(361,609)	20,393,504
Infrastructure	23,275,962	-	-	23,275,962
Total capital assets being depreciated	<u>87,840,128</u>	<u>5,559,969</u>	<u>(361,609)</u>	<u>93,038,488</u>
Less accumulated depreciation:				
Buildings	(4,835,137)	(285,526)	-	(5,120,663)
Improvements other than buildings	(7,128,575)	(786,597)	-	(7,915,172)
Equipment	(16,011,693)	(448,783)	361,609	(16,098,868)
Infrastructure	(9,794,920)	(505,473)	-	(10,300,393)
Total accumulated depreciation	<u>(37,770,326)</u>	<u>(2,026,379)</u>	<u>361,609</u>	<u>(39,435,096)</u>
Total capital assets being depreciated, net	50,069,802	3,533,590	-	53,603,393
Governmental activities capital assets, net	<u>\$ 180,446,333</u>	<u>\$ 17,924,283</u>	<u>\$ (5,412,237)</u>	<u>\$192,958,379</u>

Internal service funds predominately serve the governmental funds. Accordingly, their capital assets are included as part of the above totals for governmental activities.

Governmental activities construction in progress includes of \$29,000,000 for I-20 infrastructure projects; \$55,000,000 for the Sports Complex and Phase II projects; \$27,000,000 for street and bridge projects; \$8,000,000 for water system improvements and \$2,500,000 for the Rock Island Greenway project.

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	Balance September 30, 2019	Additions	Retirements	Balance September 30, 2020
Business activities - Electric System				
Capital assets not being depreciated:				
Land	\$ 627,501	\$ -	\$ -	\$ 627,501
Construction in progress	1,173,352	-	(1,173,352)	-
Total capital assets not being depreciated	<u>1,800,853</u>	<u>-</u>	<u>(1,173,352)</u>	<u>627,501</u>
Capital assets being depreciated:				
Buildings	7,317,632	2,708	-	7,320,340
Equipment	21,206,197	-	-	21,206,197
System Improvements	46,283,619	1,279,841	-	47,563,460
Total capital assets being depreciated	<u>74,807,449</u>	<u>1,282,549</u>	<u>-</u>	<u>76,089,998</u>
Less accumulated depreciation:				
Buildings	(2,790,843)	(138,064)	-	(2,928,907)
Equipment	(21,340,200)	(399,955)	-	(21,740,155)
System Improvements	(25,907,474)	(897,059)	-	(26,804,533)
Total accumulated depreciation	<u>(50,038,517)</u>	<u>(1,435,078)</u>	<u>-</u>	<u>(51,473,594)</u>
Total capital assets being depreciated, net	<u>24,768,932</u>	<u>(152,528)</u>	<u>-</u>	<u>24,616,403</u>
Electric System capital assets, net	<u>\$ 26,569,785</u>	<u>\$ (152,528)</u>	<u>\$ (1,173,352)</u>	<u>\$ 25,243,903</u>

	Balance September 30, 2019	Additions	Retirements	Balance September 30, 2020
Business activities - Water System				
Capital assets not being depreciated:				
Land	\$ 75,070	\$ -	\$ -	\$ 75,070
Construction in progress	4,637	-	(4,637)	-
Total capital assets not being depreciated	<u>79,707</u>	<u>-</u>	<u>(4,637)</u>	<u>75,070</u>
Capital assets being depreciated:				
Buildings	139,934	-	-	139,934
System Improvements	17,537,619	-	-	17,537,619
Equipment	839,988	-	-	839,988
Total capital assets being depreciated	<u>18,517,541</u>	<u>-</u>	<u>-</u>	<u>18,517,541</u>
Less accumulated depreciation:				
Buildings	(144,550)	(3,127)	-	(147,677)
System Improvements	(10,687,821)	(391,960)	-	(11,079,781)
Equipment	(927,082)	(18,773)	-	(945,855)
Total accumulated depreciation	<u>(11,759,453)</u>	<u>(413,861)</u>	<u>-</u>	<u>(12,173,314)</u>
Total capital assets being depreciated, net	<u>6,758,088</u>	<u>(413,861)</u>	<u>-</u>	<u>6,344,227</u>
Water System capital assets, net	<u>\$ 6,837,795</u>	<u>\$ (413,861)</u>	<u>\$ (4,637)</u>	<u>\$ 6,419,297</u>

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	Balance September 30, 2019	Additions	Retirements	Balance September 30, 2020
Business activities - Sewer System				
Capital assets not being depreciated:				
Land	\$ 218,801	\$ -	\$ -	\$ 218,801
Construction in progress	332,964	4,102,131	-	4,435,095
Total capital assets not being depreciated	<u>551,765</u>	<u>4,102,131</u>	<u>-</u>	<u>4,653,896</u>
Capital assets being depreciated:				
Buildings	151,353	-	-	151,353
Equipment	31,061,288	-	-	31,061,288
System Improvements	19,583,593	-	-	19,583,593
Total capital assets being depreciated	<u>50,796,234</u>	<u>-</u>	<u>-</u>	<u>50,796,234</u>
Less accumulated depreciation:				
Buildings	(98,540)	(4,544)	-	(103,084)
System Improvements	(16,028,265)	(587,898)	-	(16,616,163)
Equipment	(11,565,925)	(932,458)	-	(12,498,383)
Total accumulated depreciation	<u>(27,692,730)</u>	<u>(1,524,900)</u>	<u>-</u>	<u>(29,217,630)</u>
Total capital assets being depreciated, net	<u>23,103,504</u>	<u>(1,524,900)</u>	<u>-</u>	<u>21,578,604</u>
Sewer System capital assets, net	<u>\$ 23,655,269</u>	<u>\$ 2,577,231</u>	<u>\$ -</u>	<u>\$ 26,232,500</u>

Sewer System construction in progress consisted entirely of a North sewer main improvement project.

	Balance September 30, 2019	Additions	Retirements	Balance September 30, 2020
Business activities - Sports Complex				
Capital assets being depreciated:				
Building	\$ -	\$ 11,150	\$ -	\$ 11,150
Equipment	-	31,697	-	31,697
Total capital assets being depreciated	<u>-</u>	<u>42,847</u>	<u>-</u>	<u>42,847</u>
Less accumulated depreciation:				
Buildings	-	(1,022)	-	(1,022)
Equipment	-	(3,170)	-	(3,170)
Total accumulated depreciation	<u>-</u>	<u>(4,192)</u>	<u>-</u>	<u>(4,192)</u>
Total capital assets being depreciated, net	<u>-</u>	<u>38,655</u>	<u>-</u>	<u>38,655</u>
Sports Complex capital assets, net	<u>\$ -</u>	<u>\$ 38,655</u>	<u>\$ -</u>	<u>\$ 38,655</u>

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	Balance September 30, 2019	Additions	Retirements	Balance September 30, 2020
Business activities - Telecommunications				
Capital assets not being depreciated:				
Construction in progress	\$ 211,770	\$ -	\$ -	\$ 211,770
Capital assets being depreciated:				
Equipment	3,127,046	154,364	-	3,281,410
Less accumulated depreciation:				
Equipment	(535,434)	(169,467)	-	(704,900)
Total capital assets being depreciated, net	2,591,612	(15,102)	-	2,576,511
Telecommunications capital assets, net	<u>\$ 2,803,382</u>	<u>\$ (15,102)</u>	<u>\$ -</u>	<u>\$ 2,788,280</u>

Telecommunications construction in progress consisted of work related to the installation and upgrade of fiber throughout the City.

	Balance September 30, 2019	Additions	Retirements	Balance September 30, 2020
Business activities - Airport				
Capital assets not being depreciated:				
Land	\$ 914,898	\$ 27,000	\$ -	\$ 941,898
Construction in progress	1,254,871	1,167,627	(27,000)	2,395,498
Total capital assets not being depreciated	2,169,769	1,194,627	(27,000)	3,337,396
Capital assets being depreciated:				
Buildings	1,094,626	-	-	1,094,626
Runways, aprons, and taxiways	9,354,435	-	-	9,354,435
Equipment	231,239	-	-	231,239
Total capital assets being depreciated	10,680,300	-	-	10,680,300
Less accumulated depreciation:				
Buildings	(311,320)	(19,852)	-	(331,172)
Runways, aprons, and taxiways	(311,771)	(4,194)	-	(315,965)
Equipment	(5,952,146)	(169,651)	-	(6,121,797)
Total accumulated depreciation	(6,575,237)	(193,697)	-	(6,768,933)
Total capital assets being depreciated, net	4,105,063	(193,697)	-	3,911,368
Airport capital assets, net	<u>\$ 6,274,832</u>	<u>\$ 1,000,930</u>	<u>\$ (27,000)</u>	<u>\$ 7,248,763</u>

Airport construction in progress consisted of \$1,500,000 for the runway and taxi extension project and \$900,000 for the Highway 146 relocation project.

	Balance September 30, 2019	Additions	Retirements	Balance September 30, 2020
Business activities - Ambulance				
Capital assets being depreciated:				
Equipment	\$ 1,657,454	\$ -	\$ -	\$ 1,657,454
Less accumulated depreciation:	(1,164,672)	(54,000)	-	(1,218,672)
Ambulance capital assets, net	<u>\$ 492,782</u>	<u>\$ (54,000)</u>	<u>\$ -</u>	<u>\$ 438,782</u>

CITY OF RUSTON, LOUISIANA
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Total Business-type activities capital assets	Balance September 30, 2019	Additions	Retirements	Balance September 30, 2020
Capital assets not being depreciated:				
Land	\$ 1,836,270	\$ 27,000	\$ -	\$ 1,863,270
Construction in progress	2,977,594	5,269,758	(1,204,989)	7,042,363
Total capital assets not being depreciated	<u>4,813,864</u>	<u>5,296,758</u>	<u>(1,204,989)</u>	<u>8,905,633</u>
Capital assets being depreciated:				
Buildings	8,703,545	13,858	-	8,717,403
Runways, aprons, and taxiways	9,354,435	-	-	9,354,435
Equipment	58,123,213	186,061	-	58,309,274
System Improvements	83,404,831	1,279,841	-	84,684,672
Total capital assets being depreciated	<u>159,586,025</u>	<u>1,479,761</u>	<u>-</u>	<u>161,065,784</u>
Less accumulated depreciation:				
Buildings	(3,345,253)	(166,609)	-	(3,511,862)
Runways, aprons, and taxiways	(311,771)	(4,194)	-	(315,965)
Equipment	(41,485,459)	(1,747,473)	-	(43,232,932)
System Improvements	(52,623,560)	(1,876,918)	-	(54,500,478)
Total accumulated depreciation	<u>(97,766,043)</u>	<u>(3,795,193)</u>	<u>-</u>	<u>(101,561,235)</u>
Total capital assets being depreciated, net	61,819,982	(2,315,433)	-	59,504,549
Business-type activities capital assets, net	<u>\$ 66,633,846</u>	<u>\$ 2,981,325</u>	<u>\$ (1,204,989)</u>	<u>\$ 68,410,182</u>

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

Governmental activities:	
General government	\$ 282,267
Public safety	425,497
Public works	1,198,392
Recreation	120,223
Total depreciation expense - governmental activities	<u>\$2,026,379</u>
Business-type activities:	
Electric System	\$1,435,078
Water System	413,861
Sewer System	1,524,900
Sports Complex	4,192
Telecommunications	169,467
Airport	193,697
Ambulance	54,000
Total depreciation expense - business-type activities	<u>\$3,795,193</u>

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6. Sales Tax

The various Sales Tax Funds account for the collection and distribution of City sales and use tax to other funds of the City. Sales tax rates for each fund are as follows:

<u>Fund</u>	<u>Rate</u>
1968 Sales Tax	One-half cent
1985 Sales Tax	Three-quarter cent
1990 Sales Tax	One-half cent
2016 Sales Tax	Three-quarter cent
Ruston EDD#1	One and three-quarter cent
Cooktown EDD	One-half cent

For financial reporting purposes, sales taxes are recorded as revenue in the individual funds which collect the sales tax and are recorded as transfers to and from the operations or projects for which the taxes were levied and as approved for expenditure by ordinance of the Council.

The 1968 Sales Tax is used initially to pay operating expenses incurred in the administration and collection of sales taxes. Certain contributions may be made from these funds. After these payments, the remaining amount is payable to the General Fund.

The 1985 Sales Tax is used initially to pay operating expenses incurred in the administration and collection of sales taxes. Payments are made on a monthly basis to the Ruston Parks and Recreation Fund of up to seven percent of the annual net proceeds for construction, acquiring, improving and/or operating recreation facilities and programs. After these payments, the remaining amount is payable to the General Fund for public works, fire protection, and police protection.

The 1990 Sales Tax is used initially to pay operating expenses incurred in the administration and collection of sales taxes. After these payments, the remaining amount is payable to the General Fund for fire protection and police protection.

The 2016 Sales Tax is used initially to pay operating expenses incurred in the administration and collection of sales taxes. After these payments, the remaining amount is dedicated and used to construct, improve, maintain, and/or repair public streets, related drainage, and facilities for the provision of water and sewer services; for economic development; and to acquire, construct, maintain, operate and/or equip a multi-sports recreation complex, an animal shelter and related property, facilities and utilities.

The Ruston EDD#1 Sales Tax collected in the Ruston Economic Development District #1 is used to retire the debt issuance that will fund the Sports Complex Phase II Capital Projects.

The Cooktown EDD Sales Tax collected in the Cooktown Economic Development District is used to fund the costs of development of the Cooktown Shopping Center.

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7. Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2020, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Revenue bonds payable	\$ 73,780,000	\$10,000,000	(\$3,265,000)	\$ 80,515,000	\$3,365,000
Compensated absences	1,849,350	308,535	-	2,157,885	539,471
Net pension liability	28,564,001	679,306	-	29,243,307	-
Post-employment benefit obligation	22,290,060	811,122	(10,098,046)	13,003,136	-
Total governmental activities	<u>\$126,483,411</u>	<u>\$11,798,963</u>	<u>(\$13,363,046)</u>	<u>\$124,919,328</u>	<u>\$3,904,471</u>
Business-type activities:					
Electric System					
Compensated absences	<u>\$ 335,016</u>	<u>\$ -</u>	<u>(\$ 4,768)</u>	<u>\$ 330,247</u>	<u>\$ 82,562</u>
Water System					
DHH revolving loan	\$1,349,388	\$ 83,612	(\$ 115,000)	\$1,318,000	\$118,000
Compensated absences	20,034	614	-	20,647	5,162
Total Water System	<u>\$1,369,422</u>	<u>\$ 84,226</u>	<u>(\$ 115,000)</u>	<u>\$1,338,647</u>	<u>\$123,162</u>
Sewer System					
Refunding sewer bonds	\$8,130,000	\$ -	(\$8,130,000)	\$ -	\$ -
Refunding sewer bonds	-	7,470,000	(275,000)	7,195,000	1,200,000
DEQ revolving loan	266,040	3,927,840	(199,000)	3,994,880	275,000
Compensated absences	121,925	23,961	-	145,887	36,472
Total Sewer System	<u>\$8,517,965</u>	<u>\$11,421,801</u>	<u>(\$8,604,000)</u>	<u>\$11,335,767</u>	<u>\$1,511,472</u>
Sports Complex					
Compensated absences	<u>\$ -</u>	<u>\$ 2,108</u>	<u>\$ -</u>	<u>\$ 2,108</u>	<u>\$ 527</u>
Telecommunications					
Compensated absences	<u>\$ 6,012</u>	<u>\$ -</u>	<u>(\$ 5,713)</u>	<u>\$ 300</u>	<u>\$ 75</u>
Ambulance					
Compensated absences	<u>\$ 72,607</u>	<u>\$ 2,486</u>	<u>\$ -</u>	<u>\$ 75,094</u>	<u>\$ 18,773</u>
Business-type activities:					
Compensated absences	\$ 555,594	\$ 29,168	(\$ 10,481)	\$ 574,282	\$ 143,571
DHH revolving loan	1,349,388	83,612	(115,000)	1,318,000	118,000
Refunding sewer bonds	8,130,000	7,470,000	(8,405,000)	7,195,000	1,200,000
DEQ revolving loan	266,040	3,927,840	(199,000)	3,994,880	275,000
Total business-type activities	<u>\$10,301,022</u>	<u>\$11,510,620</u>	<u>(\$8,729,481)</u>	<u>\$13,082,162</u>	<u>\$1,736,570</u>

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

Bonds payable at September 30, 2020, were comprised of the following issuances:

Governmental activities:

<u>Tax Increment Revenue Bonds</u> - \$34,000,000 – 2017 Sales Tax Increment Revenue Bonds dated April 20, 2017, interest at 3.0% payable in annual installments of \$1,900,000 to \$2,140,000 through September 1, 2033.	\$26,510,000
<u>Sales & Use Tax Revenue Bonds</u> - \$38,995,000 – 2016 Sales & Use Tax Revenue Bonds dated September 13, 2016, interest at 2.00% - 5.00% payable in annual installments of \$1,465,000 to \$2,985,000 through June 1, 2036.	\$34,005,000
<u>Sales & Use Tax Revenue Bonds</u> - \$20,000,000 – 2019 Sales & Use Tax Revenue Bonds dated April 1 2019, interest 3.075% payable in annual installments of \$2,250,000 to \$2,770,000 through December 1, 2028.	\$20,000,000

Business-type activities:

<u>DHH Revolving Loan</u> - \$2,334,000 2009 Water Revenue Bonds dated October 29, 2009, interest at 3.45%, due in annual installments of \$118,000 to \$146,000 through October 1, 2030.	\$1,318,000
<u>Refunding Bonds</u> - \$7,470,000 2020 Utility Refunding Bonds dated August 19, 2020, interest at 1.39%, due in annual installments of \$1,200,000 to \$1,210,000 through October 1, 2026.	\$7,195,000
<u>DEQ Clean Drinking Water Revolving Loan</u> - \$6,000,000 2018 Utility Revenue Bonds dated October 18, 2018, interest at 0.95%, due in annual installments of \$275,000 to \$325,000 through October 1, 2039.	\$3,994,880

The annual requirements to amortize all debt outstanding as of September 30, 2020, including interest requirements were as follows:

Year(s) ending September 30	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2021	\$ 3,365,000	\$ 3,081,250	\$ 1,593,000	\$152,793	\$ 8,192,043
2022	5,720,000	2,945,706	1,611,000	131,849	10,408,555
2023	5,915,000	2,741,296	1,589,000	110,637	10,355,933
2024	6,120,000	2,529,338	1,617,000	89,700	10,356,038
2025-2029	33,065,000	9,192,173	4,415,112	178,217	46,850,501
2030-2034	20,500,000	3,987,750	1,682,768	18,064	26,188,582
2035-2039	5,830,000	440,750	-	-	6,270,750
	<u>\$80,515,000</u>	<u>\$24,918,263</u>	<u>\$12,507,880</u>	<u>\$681,260</u>	<u>\$118,622,402</u>

CITY OF RUSTON, LOUISIANA
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There are a number of limitations and restrictions contained in the various bond indentures. Management believes that the City is in compliance with all significant limitations and restrictions.

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 general purposes. The City assessed property value at December 31, 2020, was \$212,277,526. The maximum debt allowable for any one purpose and total general obligation debt allowable by state law as of December 31, 2020, is \$21,227,753 and \$74,297,134, respectively. The City currently has no general bonded debt outstanding.

8. Multiple-Employer Cost-Sharing Benefit Plans – Public Employee Retirement Systems

Municipal Employees' Retirement System (MERS)

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 Boulevard., Baton Rouge, Louisiana 70809, or by calling (800) 820-1137.

Funding Policy – State statute requires covered employees to contribute 10.00% of their annual compensation. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current actuarially determined rate is 29.5% of annual compensation. The City's contributions to the System for the years ended September 30, 2020, 2019, and 2018 were \$1,929,397, \$1,851,265, and \$1,633,860, respectively, equal to the required contribution for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the City reported a liability of \$16,238,547 for its proportionate share of the net pension liability for the MERS plan. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the MERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's proportion was 3.7559%, which was a decrease of 0.088% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the City recognized net pension expense of \$2,572,391 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$371,457.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF RUSTON, LOUISIANA
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,530	\$ 92,053
Changes in assumptions	273,186	-
Net difference between projected and actual earnings on pension plan investments	1,620,435	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	306,761	220,701
Employer contributions subsequent to the measurement date	522,457	-
Total	\$2,730,369	\$312,754

The City reported a total of \$522,457 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020, which will be recognized as a reduction in the net pension liability in the year ended September 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	MERS
2021	\$ 880,175
2022	409,261
2023	368,198
2024	237,524
Total	\$1,895,158

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2020 is as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	3 years
Investment Rate of Return	6.95%, net of investment expense, including inflation
Inflation Rate	2.5%
Projected Salary Increases	1 to 4 years of service - 6.4% (2.5% inflation, 3.9% merit) More than 4 years of service - 4.5% (2.5% inflation, 2.0% merit)

CITY OF RUSTON, LOUISIANA
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Mortality	Pub G-2010(B) - Employee Table for active members Pub NS-2010(B) - Disabled Retiree Table for disabled annuitants Pub G-2010(B) - Healthy Retiree Table for healthy annuitants <i>Each set equal to 120% for males and females, each adjusted using their respective male and female MP 2018 scales</i>
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

MERS	1.0% Decrease	Current Discount Rate	1.0% Increase
Rates	5.95%	6.95%	7.95%
COR Share - NPL	\$21,124,569	\$16,238,547	\$12,107,207

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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, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809 or by calling (225) 925-4060.

Funding Policy - State statute requires covered employees to contribute 10% of their annual compensation. For the year ended September 30, 2020, The City is required to contribute 32.25% of annual compensation excluding overtime but including State supplemental pay. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to SFRS for the year ended September 30, 2020, 2019, and 2018 was \$653,547, \$626,153, and \$537,893, respectively, equal to the required contribution for the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the City reported a liability of \$6,982,531 for its proportionate share of the net pension liability for the FRS plan. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the FRS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's proportion was 1.0074%, which was an increase of 0.0198% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the City recognized pension expense of \$1,199,979 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$4,218.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$446,741
Changes of assumptions	674,991	-
Net differences between projected and actual earnings on pension plan investments	768,959	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	233,251	94,901
Employer contributions subsequent to the measurement date	197,867	-
Total	\$1,875,068	\$541,642

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The City reported a total of \$197,867 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020, which will be recognized as a reduction in net pension liability in the year ended September 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year</u>	<u>SFRS</u>
2021	\$ 144,073
2022	348,697
2023	320,477
2024	210,612
2025	78,226
2026	<u>33,474</u>
Total	<u>\$1,135,559</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2020, is as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	7 years
Investment Rate of Return	7.15%, net of investment expense, including inflation
Projected Salary Increases	4.50% – 14.75% per year based on years of service
Mortality	RP-2000 Employee Table for active members RP-2000 Disabled Lives Mortality Table for disabled annuitants RP-2000 Healthy Annuitant Table for healthy annuitants
Cost of Living Adjustments	Only those previously granted

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

SFRS	1.0% Decrease	Current Discount Rate	1.0% Increase
Rates	6.0%	7.0%	8.0%
COR Share - NPL	\$10,086,197	\$6,982,531	\$4,391,886

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, 7722 Office Park Boulevard., Suite 200, Baton Rouge, Louisiana 70809 or by calling (800) 443-4248.

Funding Policy – State statute requires plan members to contribute 10% of their annual compensation. For the year ended September 30, 2020, the City was required to contribute 33.75% of annual compensation excluding overtime but including State supplemental pay. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to MPERS for the years ended September 30, 2020, 2019, and 2018 were \$649,767, \$695,315, and \$686,262, respectively, equal to the required contribution for each year.

CITY OF RUSTON, LOUISIANA
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the City reported a liability of \$6,022,229 for its proportionate share of the net pension liability for the MPERS plan. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the MPERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's proportion was 0.6516%, which was a decrease of 0.0439% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the City recognized pension expense of \$968,977 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$31,576.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$237,211
Changes of assumptions	143,102	148,620
Net differences between projected and actual earnings on pension plan investments	722,487	-
Change in proportion and differences between employer contributions and proportionate share of contributions	146,304	479,082
Employer contributions subsequent to the measurement date	<u>157,935</u>	<u>-</u>
Total	<u>\$1,169,828</u>	<u>\$864,913</u>

The City reported a total of \$169,828 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020, which will be recognized as a reduction in the net pension liability in the year ended September 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year</u>	<u>MPERS</u>
2021	(\$24,025)
2022	(10,787)
2023	44,586
2024	<u>137,206</u>
Total	<u>\$146,980</u>

CITY OF RUSTON, LOUISIANA
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Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2020, is as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.950%, net of investment expense
Inflation Rate	2.50%
Projected Salary Increases	4.70% - 12.30% based on years of service
Mortality	Pub-2010 Public Retirement Plan Mortality Table for active members Pub-2010 Public Retirement Plan Mortality Table for disabled annuitants Pub-2010 Public Retirement Plan Mortality Table for healthy annuitants

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Discount Rate

The discount rate used to measure the total pension liability was 6.950%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

MPERS	1% Decrease	Current Discount Rate	1.0% Increase
Rates	5.95%	6.95%	7.95%
COR Share – NPL	\$8,460,589	\$6,022,229	\$3,983,860

9. Other Required Individual Fund Disclosures

a. Interfund Receivables and Payables

Interfund balances at September 30, 2020, were as follows:

DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS												Total
	General	Sales Tax	I-20 TID	Moving Ruston Forward	Sports Complex Phase II	Nonmajor Gov	Electric System	Water System	Sewer System	Sports Complex	Nonmajor Enterprise	Internal Service	
General	\$ -	\$ -	\$ 204,758	\$12,170	\$ -	\$ 563,696	\$4,946,649	\$ 34,879	\$ 32,739	\$ 6,970	\$136,116	\$ 919,860	\$ 6,857,836
Sales Tax	334,956	2,171,354	-	-	-	33,977	-	-	-	-	-	-	2,540,287
I-20 TID	1,003,766	-	-	-	-	-	308,504	-	784,368	-	123,883	-	2,220,520
Moving Ruston Forward	785,626	1,447,432	817,380	-	4,085,092	-	443,130	1,836	506	-	20,000	-	7,601,001
Sports Complex Phase II	179,851	-	-	-	-	-	-	-	-	-	-	-	179,851
Nonmajor Gov	1,755,183	-	460	54,400	-	-	160,837	-	-	18,000	25,813	43,915	2,058,607
Electric System	-	-	-	-	-	171,418	-	6,302,437	4,127,061	-	-	128,668	10,729,584
Water System	2,009,434	-	67	-	-	3,946	-	-	18,343	13,724	128,391	43,934	2,217,839
Sewer System	1,901,957	-	-	-	-	375,000	-	-	-	-	175,000	69,477	2,521,434
Sports Complex	741,652	-	-	-	-	-	139,817	-	-	-	-	8,586	890,055
Nonmajor Enterprise	265,731	-	12,020	-	-	-	3,303,225	-	-	-	287,539	166,095	4,034,609
Internal Service	12,780	-	-	-	-	-	403,363	-	-	-	-	13,127	429,270
	\$8,990,935	\$3,618,785	\$1,034,684	\$66,570	\$4,085,092	\$1,148,037	\$9,705,525	\$6,339,151	\$4,963,017	\$38,694	\$896,742	\$1,393,660	\$42,280,894

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

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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b. Interfund Transfers

Transfers for the year ended September 30, 2020, were as follows:

TRANSFERS IN	TRANSFERS OUT						Total
	Electric	Water	Sewer	1968 Sales Tax	1985 Sales Tax	1990 Sales Tax	
General Fund	\$ 2,913,279	\$ 651,900	\$ 341,281	\$ 3,224,976	\$ 4,498,842	\$ 3,224,976	\$ 14,855,255
Sports Complex	95,183	13,724					108,907
Nonmajor Governmental	222,048	3,946			338,623		564,617
Nonmajor Enterprise	4,252	192					4,444
Internal Service	60,000						60,000
Total transfers	<u>\$3,294,761</u>	<u>\$ 669,762</u>	<u>\$ 341,281</u>	<u>\$3,224,976</u>	<u>\$4,837,465</u>	<u>\$3,224,976</u>	<u>\$15,593,223</u>

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

c. Excess of Expenditures over Budget – Major Funds

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

Fund	Budget	Actual	Negative Variance
General Fund:			
Executive	\$2,654,943	\$2,858,123	(\$203,180)
Economic Development	246,191	246,556	(365)
Fire	4,611,736	4,690,288	(78,552)

Despite these variances, the City complied with the Local Government Budget act in that no fund in total experienced a 5% negative variance in revenue or expense, respectively, for the year ended September 30, 2020. See additional analysis of budget variances within the MD&A section of this report.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

d. On Behalf Payments

The City makes certain payments on behalf of the Ruston City Judge and the Ruston City Marshal as part of normal operations and considered in the annual budget process. The on behalf of payments are shown in detail below:

Payee	Amount
Salaries and Employee Benefits	
Ruston City Judge	\$496,505
Ruston City Marshal	293,146
Total On Behalf Payments	\$789,651

10. Federal and State Financial Assistance

Federal and State governmental units represent an important source of supplementary funding to finance housing, employment, construction programs, and other activities beneficial to the community. These funds, primarily in the form of grants, are recorded in the General, Special Revenue, and Enterprise Funds. A grant receivable is recorded when the City has a right to reimbursement under the related grant. The grants normally specify the purpose for which the funds may be used and are audited annually under the single audit as mandated by the Single Audit Act of 1996 and *Title 2 U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

11. Postemployment Health Care and Life Insurance Benefits

General Information about the OPEB Plan

Plan description – The City of Ruston (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of Ruston's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical benefits are provided through a self-insured medical plan and are made available to employees upon actual retirement. The employees are covered by one of three retirement systems: first, the Municipal Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service; second, the Municipal Police Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service; and, third, the Firefighters' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service.

CITY OF RUSTON, LOUISIANA
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Life insurance coverage in varying amounts is provided to retirees based on a blended rate (for all retired combined). Retiree insurance coverage amounts are \$20,000, reduced to \$10,000 at age 70 and to \$1,000 at age 75.

Employees covered by benefit terms – At September 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	65
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>245</u>
Total	<u><u>310</u></u>

Total OPEB Liability

The City's total OPEB liability of \$13,003,136 was measured as of September 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.5%
Salary Increases	4.0%, including inflation
Prior Discount Rate	2.66%
Discount Rate	2.21%, net of OPEB plan investment expense, including inflation
Healthcare Cost Trend Rates	5.5% annually for 10 years, 4.5% thereafter
Mortality	SOA RP-2000 Table

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of September 30, 2020, the end of the applicable measurement period. The actuarial assumptions used in the September 30, 2020 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2009 to September 30, 2020.

Changes in the Total OPEB Liability

Balance at September 30, 2019	<u>\$22,290,060</u>
Changes for the year:	
Service cost	220,421
Interest	590,701
Difference between expected and actual experience	(4,408,039)
Change in assumptions	(5,523,531)
Benefit payments and net transfers	<u>(166,476)</u>
Net changes	<u>(9,286,924)</u>
Balance at September 30, 2020	<u><u>\$13,003,136</u></u>

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Rates	1.21%	2.21%	3.21%
Total OPEB liability	\$15,299,747	\$13,003,136	\$11,086,315

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease	Current Healthcare Cost Trend	1.0% Increase
Rates	4.5%	5.5%	6.5%
Total OPEB liability	\$11,041,230	\$13,003,136	\$15,341,942

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended September 30, 2020, the City recognized OPEB expense of \$501,340. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 271,846	(\$3,892,576)
Changes in assumptions	4,296,928	(5,867,320)
Total	\$4,568,774	(\$9,759,896)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending September 30:	
2021	(\$1,312,462)
2022	(1,312,462)
2023	(1,312,462)
2024	(1,312,462)
2025	(1,312,462)
Thereafter	1,371,196

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

City of Ruston
Schedule of Changes in Net OPEB Liability and Related Ratios for the
For the Year Ended September 30, 2020

	2018	2019	2020
Total OPEB Liability			
Service cost	\$ 253,617	\$ 221,500	\$ 220,421
Interest	615,554	665,023	590,701
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(292,278)	332,256	(4,408,039)
Changes of assumptions	(1,685,835)	5,251,800	(5,523,531)
Benefit payments	(170,940)	(180,342)	(166,476)
Net change in total OPEB liability	<u>(1,279,882)</u>	<u>6,290,237</u>	<u>(9,286,924)</u>
Total OPEB liability - beginning	<u>17,279,705</u>	<u>15,999,823</u>	<u>22,290,060</u>
Total OPEB liability - ending (a)	<u><u>\$ 15,999,823</u></u>	<u><u>\$ 22,290,060</u></u>	<u><u>\$ 13,003,136</u></u>
Covered-employee payroll	\$ 10,721,510	\$ 11,150,370	\$ 10,817,631
Net OPEB liability as a percentage of covered-employee payroll	149.23%	199.90%	120.20%
Notes to Schedule:			
<i>Benefit Changes:</i>	None	None	None
<i>Changes of Assumptions:</i>			
<i>Discount Rate:</i>	4.18%	2.66%	2.21%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2000
<i>Trend:</i>	5.5%	5.5%	Variable

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

12. Commitments and Contingencies

a. Construction Projects

There are certain construction projects in progress at September 30, 2020. The City issued \$34,000,000 of Sales Tax Increment Revenue Bonds in 2017 for the purpose of providing engineering and construction expenditures related to I-20 Service Road projects. The City also issued \$38,995,000 of Sales and Use Tax Revenue Bonds in 2016 for the purpose of providing infrastructure improvements City wide. In 2019, the City issued \$20,000,000 in Sales Tax Revenue Bonds to fund the construction of Sports Complex Phase II capital projects. From these debt issuances and from fund balances, the City has spent \$28,666,689 for I-20 Infrastructure projects; \$54,762,144 for Sports Complex projects; \$26,927,143 for streets and bridge projects; \$7,813,071 for water system improvements and \$2,549,625 for Rock Island Greenway projects.

b. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance for risks related to (1) Public Official Errors and

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Omissions Liability, (2) General Liability, (3) Business Auto Liability, (4) Law Enforcement Professional Liability, and (5) Fire and Extended coverage. Settled claims resulting from these risks did not exceed commercial insurance coverage in the current year. The General Liability and Business Auto Liability are subject to a \$1,000,000 per occurrence limit. The Public Official Errors and Omissions Liability and Law Enforcement Professional Liability are subject to a \$1,000,000 per occurrence limit with a \$100,000 deductible. The City maintained property insurance during the year on approximately \$54 million in City property, subject to a \$100,000 per occurrence retention for property claims. The property insurance is with Atlantic Specialty Insurance Company.

c. 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. An excess coverage insurance policy covers individual claims in excess of \$175,000. Reported and an estimate of incurred, but not reported claims of \$146,283 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/expense of the paying fund. The Workmen's Compensation Self-Insurance Fund has a net position of \$695,503 at September 30, 2020. There was no increase in insurance coverage from the prior year. No claims exceeded the City's insurance coverage for each of the past five fiscal years.

d. 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, 2020, a total of \$3,472,931 was paid in benefits and administrative costs. The insurance fund has a net position of \$1,222,301 at September 30, 2020. An excess coverage co-insurance policy covers individual claims in excess of \$75,000 per calendar year. Incurred but not reported claims of \$506,875 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 Health Insurance Fund are accounted for as an expenditure/expense of the paying fund. There were no reductions in insurance coverage from the prior year. No claims exceeded the City's insurance coverage for each of the past four fiscal years.

A reconciliation of changes in the aggregate liabilities for claims for the self-insurance funds is as follows:

	Accrued Claims October 1, 2019	Claims Incurred	Claims Paid	Accrued Claims September 30, 2020
Worker's Compensation				
2020	\$160,136	\$92,777	(\$106,630)	\$146,283
2019	259,707	(55,524)	(44,047)	160,136
Health Insurance				
2020	266,921	\$2,819,635	(\$2,579,681)	506,875
2019	227,027	2,166,834	(\$2,393,861)	266,921

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

e. 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 that adequate provision has been made for any amounts not covered by insurance should the Court find in favor of the plaintiffs.

f. Grant Disallowances

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

g. Revenues from the State of Louisiana

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

h. COVID-19

The COVID-19 pandemic had financial impacts on fiscal year 2020 and the economic impacts will potentially continue for several more fiscal years. The State, Parish, and City have put in place measures and protocols to help reduce the spread of the virus and provide financial relief to individuals and businesses. Many of these policies have impacted the City's revenue sources such as sales tax and revenue. For additional information on the COVID-19 impacts, refer to the MD&A. The recovery of the local economy and the return of City revenues to pre-COVID levels will depend on many factors that are still unknown.

During the fiscal year, the City received \$2,433,771 of CRF funding made available through the CARES Act, of which \$2,375,669 of eligible expenditures were incurred in fiscal year 2020. The balance of \$58,102 will be applied to fiscal year 2021 eligible expenditures.

13. Leases

The City has commitments under several operating lease agreements for equipment.

On March 25, 2017, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$3,578 payable monthly on the 25th day of each month for 36 consecutive months. The lease term commenced on March 25, 2017 and ended on April 25, 2020. Annual lease payments totaled \$42,940 for the current fiscal year.

On June 21, 2017, the City of Ruston agreed to lease equipment from Southland Paclease for the sum of \$4,143 payable monthly on the 21st day of each month for 60 consecutive months. The lease term commenced on June 21, 2017, and will end on July 21, 2022. Annual lease payments totaled \$49,711 for the current fiscal year.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

On January 9, 2018, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$6,648 payable monthly on the 26th day of each month for 36 consecutive months with a 37th final payment of \$215,464. The lease term commenced on January 26, 2018, and will end on February 26, 2021. Annual lease payments totaled \$79,773 for the current fiscal year.

On January 12, 2018, the City of Ruston agreed to lease equipment from Southland Paclease for the sum of \$4,241 payable monthly on the 12th day of each month for 60 consecutive months. The lease term commenced on January 12, 2018, and will end on February 12, 2023. Annual lease payments totaled \$50,891 for the current fiscal year.

On February 13, 2019, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$11,215 payable monthly on the 27th day of each month for 36 consecutive months with a 37th final payment of \$340,560. The lease term commenced on February 27, 2019, and will end on March 27, 2022. Annual lease payments total \$134,580 for the current fiscal year.

On April 5, 2019, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$4,967 payable monthly on the 5th day of each month for 48 consecutive months with a 49th final payment of \$70,000. The lease term commenced on April 5, 2019, and will end on May 5, 2023. Annual lease payments total \$59,607 for the current fiscal year.

On April 26, 2019, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$8,792 payable monthly on the 21st day of each month for 36 consecutive months with a 37th final payment of \$267,020. The lease term commenced on March 21, 2019, and will end on April 21, 2022. Annual lease payments total \$105,500 for the current fiscal year.

On July 5, 2019, the City of Ruston agreed to lease equipment from Jim Taylor Ford for the sum of \$250 payable monthly on the 5th day of each month for 12 consecutive months. The lease term commenced on July 5, 2019, and ended on August 5, 2020. Annual lease payments totaled \$3,000 for the current fiscal year. This lease was renewed under the same terms on August 5, 2020 and will now expire August 5, 2021.

On February 19, 2020, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$2,374 payable monthly on the 26th day of each month for 48 consecutive months with a 37th final payment of \$35,250. The lease term commenced on March 26, 2020, and will end on April 26, 2024. Annual lease payments totaled \$28,486 for the current fiscal year.

The City also has two open end leases with Enterprise FM Trust for passenger vehicles for various departments for the sum of \$21,979 payable monthly on the 20th day of each month for 60 consecutive months. The lease term commenced on January 6, 2016 and will end on March 6, 2021. Annual lease payments totaled \$318,516.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Future minimum lease payments to be paid are:

<u>Year ending September 30,</u>	
2021	\$ 835,240
2022	961,193
2023	155,188
2024	47,119
2025	-
Total	<u>\$1,998,740</u>

14. Compensation Paid to Members of the Board of Aldermen

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following schedule reflects compensation paid to members of the Board of Aldermen, City of Ruston for the fiscal year ended September 30, 2020:

Carolyn E. Cage	\$11,771
Jedd B. Lewis	11,771
Angela R. Mayfield	11,771
Jim C. Pearce	11,771
Bruce E. Siegmund	11,771

15. Subsequent Events

The City has evaluated events subsequent to September 30, 2020 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through March 30, 2021. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RUSTON, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020
(unaudited)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 1,100,267	\$ 1,100,267	\$ 1,097,265	\$ (3,002)
Licenses and permits	1,164,000	1,164,000	1,224,730	60,730
Intergovernmental	1,838,027	1,838,027	5,247,575	3,409,548
Charges for services	2,675,000	2,675,000	1,627,534	(1,047,466)
Fines and forfeitures	376,100	376,100	272,132	(103,968)
Investment earnings	25,000	25,000	22,124	(2,876)
Miscellaneous	600,050	600,050	949,089	349,039
Grants	350,000	350,000	409,239	59,239
Total revenues	<u>8,128,444</u>	<u>8,128,444</u>	<u>10,849,689</u>	<u>2,721,244</u>
EXPENDITURES				
General government:				
Executive:				
Regular salaries	769,384	769,384	790,440	(21,056)
Overtime salaries	1,000	4,000	2,800	1,200
Other employee benefits	373,672	373,672	398,958	(25,286)
Total salaries, wages, and employee benefits	<u>1,144,056</u>	<u>1,147,056</u>	<u>1,192,198</u>	<u>(45,142)</u>
Operating services	1,300,791	1,305,866	1,487,327	(181,462)
Materials and supplies	186,794	186,794	163,416	23,378
Travel and other	15,000	15,227	15,182	45
Total executive	<u>2,646,641</u>	<u>2,654,943</u>	<u>2,858,123</u>	<u>(203,180)</u>
Information technology:				
Regular salaries	156,795	156,795	120,998	35,797
Overtime salaries	2,500	4,000	3,811	189
Other employee benefits	61,773	61,773	51,052	10,721
Total salaries, wages, and employee benefits	<u>221,068</u>	<u>222,568</u>	<u>175,860</u>	<u>46,708</u>
Operating services	404,551	404,551	297,217	107,334
Materials and supplies	16,500	16,500	34,965	(18,465)
Travel and other	10,000	10,000	10,187	(187)
Improvements and equipment	61,000	66,600	55,949	10,651
Total information technology	<u>713,119</u>	<u>720,219</u>	<u>574,179</u>	<u>146,040</u>
Economic development:				
Regular salaries	82,827	100,827	104,585	(3,758)
Other employee benefits	31,813	31,813	35,949	(4,136)
Total salaries, wages, and employee benefits	<u>114,640</u>	<u>132,640</u>	<u>140,533</u>	<u>(7,893)</u>
Operating services	107,151	107,151	102,476	4,675
Materials and supplies	1,400	1,400	1,337	63
Travel and other	5,000	5,000	2,209	2,791
Total economic development	<u>228,191</u>	<u>246,191</u>	<u>246,556</u>	<u>(365)</u>
Military Museum				
Regular salaries	41,286	41,286	28,665	12,621
Other employee benefits	26,155	26,155	18,691	7,464
Total salaries, wages, and employee benefits	<u>67,441</u>	<u>67,441</u>	<u>47,356</u>	<u>20,085</u>
Operating services	8,300	8,300	8,197	103
Total Military Museum	<u>75,741</u>	<u>75,741</u>	<u>55,553</u>	<u>20,188</u>
Ruston City Court	370,479	370,479	367,809	2,670
Ruston City Marshal	292,288	293,288	293,146	142

See accompanying notes to budgetary comparison schedules and independent auditors' report.

CITY OF RUSTON, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020
(unaudited)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
City hall/civic center:				
Regular salaries	\$ 114,015	\$ 114,015	\$ 83,690	\$ 30,325
Overtime salaries	25,000	25,000	11,376	13,624
Contract labor	35,000	42,000	50,485	(8,485)
Other employee benefits	50,335	50,335	39,862	10,473
Total salaries, wages, and employee benefits	<u>224,350</u>	<u>231,350</u>	<u>185,412</u>	<u>45,938</u>
Operating services	317,102	323,332	255,281	68,051
Materials and supplies	26,300	26,300	16,393	9,907
Travel and other	-	-	168	(168)
Improvements and equipment	17,000	17,000	-	17,000
Total city hall/civic center	<u>584,752</u>	<u>597,982</u>	<u>457,255</u>	<u>140,728</u>
Planning & zoning:				
Regular salaries	422,156	422,156	452,045	(29,889)
Overtime salaries	1,000	5,000	3,038	1,962
Other employee benefits	207,648	207,648	232,737	(25,089)
Total salaries, wages, and employee benefits	<u>630,804</u>	<u>634,804</u>	<u>687,820</u>	<u>(53,016)</u>
Operating services	254,058	254,058	67,169	186,889
Materials and supplies	61,300	61,300	33,316	27,984
Travel and other	12,000	12,000	3,620	8,380
Total planning & zoning	<u>958,162</u>	<u>962,162</u>	<u>791,925</u>	<u>170,237</u>
Total general government	<u>5,869,373</u>	<u>5,921,005</u>	<u>5,644,545</u>	<u>256,272</u>
Public safety:				
Police:				
Regular salaries	2,192,889	2,192,889	2,356,413	(163,524)
Overtime salaries	220,000	220,000	217,303	2,697
Other employee benefits	1,407,354	1,407,354	1,356,599	50,755
Total salaries, wages, and employee benefits	<u>3,820,243</u>	<u>3,820,243</u>	<u>3,930,315</u>	<u>(110,072)</u>
Operating services	476,571	489,527	434,900	54,627
Materials and supplies	234,000	255,333	210,054	45,279
Travel and other	82,000	101,566	84,235	17,331
Improvements and equipment	135,000	343,175	117,585	225,591
Total police	<u>4,747,815</u>	<u>5,009,845</u>	<u>4,777,089</u>	<u>232,756</u>
Fire:				
Regular salaries	2,078,356	2,078,356	2,210,756	(132,400)
Overtime salaries	200,000	280,000	284,361	(4,361)
Contract labor	80,000	80,000	11,390	68,610
Other employee benefits	2,005,215	1,405,215	1,499,578	(94,363)
Total salaries, wages, and employee benefits	<u>4,363,571</u>	<u>3,843,571</u>	<u>4,006,085</u>	<u>(162,515)</u>
Operating services	338,150	354,615	337,162	17,453
Materials and supplies	134,500	201,094	144,408	56,686
Travel and other	50,000	50,800	47,974	2,826
Improvements and equipment	112,000	161,656	154,658	6,998
Total fire	<u>4,998,221</u>	<u>4,611,736</u>	<u>4,690,288</u>	<u>(78,552)</u>
Probation	134,512	135,512	128,696	6,816
Total public safety	<u>9,880,548</u>	<u>9,757,093</u>	<u>9,596,073</u>	<u>161,020</u>

See accompanying notes to budgetary comparison schedules and independent auditors' report.

CITY OF RUSTON, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020
(unaudited)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Public works:				
Administration:				
Regular salaries	\$ 302,031	\$ 302,031	\$ 381,009	\$ (78,978)
Overtime salaries	-	1,700	1,712	(12)
Contract labor	2,000	2,000	-	2,000
Other employee benefits	123,643	123,643	133,890	(10,247)
Total salaries, wages, and employee benefits	<u>427,674</u>	<u>429,374</u>	<u>516,612</u>	<u>(87,238)</u>
Operating services	124,130	124,320	93,077	31,243
Materials and supplies	21,500	21,500	16,177	5,323
Travel and other	2,500	2,500	2,288	212
Total administration	<u>575,804</u>	<u>577,694</u>	<u>628,154</u>	<u>(50,460)</u>
Streets:				
Regular salaries	742,475	742,475	658,072	84,403
Overtime salaries	40,000	40,000	27,249	12,751
Contract labor	100,000	100,000	42,235	57,765
Other employee benefits	460,709	460,709	413,216	47,493
Total salaries, wages, and employee benefits	<u>1,343,184</u>	<u>1,343,184</u>	<u>1,140,772</u>	<u>202,412</u>
Operating services	1,088,835	1,104,900	878,481	226,419
Materials and supplies	187,205	193,021	112,806	80,215
Travel and other	2,500	2,500	170	2,330
Improvements and equipment	500,000	959,219	252,890	706,330
Total streets	<u>3,121,724</u>	<u>3,602,825</u>	<u>2,385,119</u>	<u>1,217,706</u>
Solid waste:				
Regular salaries	612,888	612,888	627,395	(14,507)
Overtime salaries	120,000	120,000	61,046	58,954
Contract labor	60,000	60,000	59,854	146
Other employee benefits	379,026	379,026	413,018	(33,992)
Total salaries, wages, and employee benefits	<u>1,171,914</u>	<u>1,171,914</u>	<u>1,161,312</u>	<u>10,602</u>
Operating services	745,716	747,890	584,704	163,186
Materials and supplies	225,000	225,000	161,330	63,670
Total solid waste	<u>2,142,630</u>	<u>2,144,804</u>	<u>1,907,345</u>	<u>237,458</u>
Repair shop:				
Regular salaries	346,818	346,818	320,924	25,894
Overtime salaries	3,000	3,000	1,377	1,623
Other employee benefits	201,258	201,258	190,420	10,838
Total salaries, wages, and employee benefits	<u>551,076</u>	<u>551,076</u>	<u>512,721</u>	<u>38,355</u>
Operating services	56,630	59,300	52,375	6,925
Materials and supplies	29,100	29,100	18,908	10,192
Travel and other	4,000	4,000	1,500	2,500
Total repair shop	<u>640,806</u>	<u>643,476</u>	<u>585,504</u>	<u>57,972</u>
Animal control:				
Regular salaries	116,158	116,158	104,294	11,864
Overtime salaries	6,000	6,000	4,752	1,248
Other employee benefits	57,452	57,452	60,001	(2,549)
Total salaries, wages, and employee benefits	<u>179,610</u>	<u>179,610</u>	<u>169,047</u>	<u>10,563</u>
Operating services	41,371	41,830	29,562	12,268
Materials and supplies	27,300	27,300	12,605	14,695
Travel and other	4,000	4,000	363	3,637
Total animal control	<u>252,281</u>	<u>252,740</u>	<u>211,577</u>	<u>41,162</u>
Total public works	<u>6,733,245</u>	<u>7,221,538</u>	<u>5,717,700</u>	<u>1,503,839</u>
Total expenditures	<u>22,483,166</u>	<u>22,899,637</u>	<u>20,958,318</u>	<u>1,921,130</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,354,722)</u>	<u>(14,771,193)</u>	<u>(10,108,629)</u>	<u>4,642,374</u>

See accompanying notes to budgetary comparison schedules and independent auditors' report.

CITY OF RUSTON, LOUISIANA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2020
 (unaudited)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 15,166,898	\$ 15,166,898	\$ 14,855,255	\$ (311,643)
Transfers out	(95,000)	(95,000)	-	95,000
Total other financing sources (uses)	<u>15,071,898</u>	<u>15,071,898</u>	<u>14,855,255</u>	<u>(216,643)</u>
Net change in fund balance	717,176	300,705	4,746,628	4,425,731
Fund balances - beginning	<u>2,908,606</u>	<u>2,908,606</u>	<u>2,908,606</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 3,625,782</u></u>	<u><u>\$ 3,209,311</u></u>	<u><u>\$ 7,655,234</u></u>	<u><u>\$ 4,425,731</u></u>

See accompanying notes to budgetary comparison schedules and independent auditors' report.

CITY OF RUSTON, LOUISIANA
 1968 SALES TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2020
 (unaudited)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 3,500,000	\$ 3,175,000	\$ 3,276,888	\$ 101,888
Investment earnings	1,000	1,000	127	(873)
Total revenues	<u>3,501,000</u>	<u>3,176,000</u>	<u>3,277,015</u>	<u>101,015</u>
EXPENDITURES				
Collection and administrative	27,500	27,500	2,358	25,142
Total expenditures	<u>27,500</u>	<u>27,500</u>	<u>2,358</u>	<u>25,142</u>
Excess of revenues over expenditures	3,473,500	3,148,500	3,274,657	126,157
OTHER FINANCING (USES)				
Transfers out	(3,473,500)	(3,148,500)	(3,224,976)	(76,476)
Total other financing (uses)	<u>(3,473,500)</u>	<u>(3,148,500)</u>	<u>(3,224,976)</u>	<u>(76,476)</u>
Net change in fund balance	-	-	49,680	49,680
Fund balances - beginning	308,995	308,995	308,995	-
Fund balances - ending	<u>\$ 308,995</u>	<u>\$ 308,995</u>	<u>\$ 358,675</u>	<u>\$ 49,680</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

CITY OF RUSTON, LOUISIANA
 1985 SALES TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2020
 (unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 5,170,000	\$ 4,895,000	\$ 4,944,817	\$ 49,817
Investment earnings	3,000	3,000	-	(3,000)
Total revenues	<u>5,173,000</u>	<u>4,898,000</u>	<u>4,944,817</u>	<u>46,817</u>
EXPENDITURES				
Collection and administrative	19,557	19,557	755	18,802
Total expenditures	<u>19,557</u>	<u>19,557</u>	<u>755</u>	<u>18,802</u>
Excess of revenues over expenditures	5,153,443	4,878,443	4,944,062	65,619
OTHER FINANCING (USES)				
Transfers out	(4,821,900)	(4,546,900)	(4,837,465)	(290,565)
Total other financing (uses)	<u>(4,821,900)</u>	<u>(4,546,900)</u>	<u>(4,837,465)</u>	<u>(290,565)</u>
Net change in fund balance	331,543	331,543	106,597	(224,946)
Fund balances - beginning	<u>(174,158)</u>	<u>(174,158)</u>	<u>(174,158)</u>	<u>-</u>
Fund balances - ending	<u>\$ 157,385</u>	<u>\$ 157,385</u>	<u>\$ (67,561)</u>	<u>\$ (224,946)</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

CITY OF RUSTON, LOUISIANA
1990 SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020
(unaudited)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 3,500,000	\$ 3,250,000	\$ 3,276,888	\$ 26,888
Investment earnings	1,000	1,000	-	(1,000)
Total revenues	<u>3,501,000</u>	<u>3,251,000</u>	<u>3,276,888</u>	<u>25,888</u>
EXPENDITURES				
Collection and administrative	7,500	7,500	756	6,744
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>756</u>	<u>6,744</u>
Excess of revenues over expenditures	3,493,500	3,243,500	3,276,132	32,632
OTHER FINANCING (USES)				
Transfers out	(3,493,500)	(3,243,500)	(3,224,976)	18,524
Total other financing (uses)	<u>(3,493,500)</u>	<u>(3,243,500)</u>	<u>(3,224,976)</u>	<u>18,524</u>
Net change in fund balance	-	-	51,155	51,155
Fund balances - beginning	803,406	803,406	803,406	-
Fund balances - ending	<u>\$ 803,406</u>	<u>\$ 803,406</u>	<u>\$ 854,561</u>	<u>\$ 51,155</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

CITY OF RUSTON, LOUISIANA
 2016 SALES TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2020
 (unaudited)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 5,174,170	\$ 4,824,170	\$ 4,915,332	\$ 91,162
Investment earnings	5,000	5,000	1,679	(3,321)
Total revenues	<u>5,179,170</u>	<u>4,829,170</u>	<u>4,917,011</u>	<u>87,841</u>
EXPENDITURES				
Collection and administrative	8,550	8,550	856	7,694
Debt service	3,133,550	3,133,550	3,119,350	14,200
Total expenditures	<u>3,142,100</u>	<u>3,142,100</u>	<u>3,120,206</u>	<u>21,894</u>
Excess of revenues over expenditures	2,037,070	1,687,070	1,796,805	109,735
OTHER FINANCING (USES)				
Transfers out	(2,000,000)	(1,650,000)	-	1,650,000
Total other financing (uses)	<u>(2,000,000)</u>	<u>(1,650,000)</u>	<u>-</u>	<u>1,650,000</u>
Net change in fund balance	37,070	37,070	1,796,805	1,759,735
Fund balances - beginning	945,834	945,834	945,834	-
Fund balances - ending	<u>\$ 982,904</u>	<u>\$ 982,904</u>	<u>\$ 2,742,639</u>	<u>\$ 1,759,735</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

CITY OF RUSTON, LOUISIANA
EDD#1 SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020
(unaudited)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 2,000,000	\$ 1,650,000	\$ 1,669,718	\$ 19,718
Investment earnings	3,000	3,000	793	(2,206)
Total revenues	<u>2,003,000</u>	<u>1,653,000</u>	<u>1,670,511</u>	<u>17,512</u>
EXPENDITURES				
Collection and administrative	10,000	10,000	255	9,745
Debt service	410,854	410,854	358,750	52,104
Total expenditures	<u>420,854</u>	<u>420,854</u>	<u>359,005</u>	<u>61,849</u>
Excess of revenues over expenditures	1,582,146	1,232,146	1,311,506	79,360
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,582,146	1,232,146	1,311,506	79,360
Fund balances - beginning	<u>1,305,234</u>	<u>1,305,234</u>	<u>1,305,234</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,887,380</u>	<u>\$ 2,537,380</u>	<u>\$ 2,616,740</u>	<u>\$ 79,360</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

CITY OF RUSTON, LOUISIANA
COOKTOWN EDD SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020
(unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 75,000	\$ 70,500	\$ 69,554	\$ (946)
Investment earnings	-	-	20	20
Total revenues	<u>75,000</u>	<u>70,500</u>	<u>69,575</u>	<u>(926)</u>
EXPENDITURES				
Collection and administrative	375	375	-	375
Developer fee	74,625	82,625	65,512	17,113
Total expenditures	<u>75,000</u>	<u>83,000</u>	<u>65,512</u>	<u>17,488</u>
Excess of revenues over expenditures	-	(12,500)	4,062	16,562
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(12,500)	4,062	16,562
Fund balances - beginning	<u>15,486</u>	<u>15,486</u>	<u>15,486</u>	<u>-</u>
Fund balances - ending	<u>\$ 15,486</u>	<u>\$ 2,986</u>	<u>\$ 19,548</u>	<u>\$ 16,562</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

CITY OF RUSTON, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2020
(unaudited)

Budget and Budgetary Accounting

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

- (1) The Treasurer's Office compiles for the Mayor estimates of revenues and requests for appropriations of the annual budget.
- (2) During the month of August, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- (3) A public hearing is then conducted, after proper official journal notification, to obtain taxpayer comments.
- (4) Prior to September 30, the budget is legally enacted through passage of an ordinance.
- (5) The budget ordinance is structured such that revenues are budgeted by source, and appropriations are budgeted by department and by principal object of expenditure. Budgetary control is exercised at the departmental code level, with the exception of salaries, regular and overtime, which are at the line item level or by project. City Court and Probation (total combined) and City Marshal departments are budgeted at the department level. The Council may revise or amend the budget at its discretion during legally convened sessions. For the year ended September 30, 2020, seventeen amendments were made to the budget affecting nearly all budgeted funds within the City. The effects of as well as the City's reaction to the COVID-19 pandemic were the primary cause of each amendment made.
- (6) Comparisons of budgeted and actual amounts as shown in the accompanying financial statements include the General Fund and those special revenue funds which are included in the annual operating budget. (1968 Sales Tax, 1985 Sales Tax, 1990 Sales Tax, 2016 Sales Tax, Ruston EDD#1 Sales Tax, Cooktown EDD Sales Tax, Parks and Recreation, and Section 8 Vouchers). Annual operating budgets are not prepared for the D.A.R.T. Grant Program, I-20 TID Debt Service Fund or Sewer LCDBG Fund, but rather these funds are budgeted on a project basis. The capital budget ordinances which encompass the capital projects funds present cumulative as opposed to annual budget amounts and thus budget and actual comparisons are not reported in the accompanying financial statements for these funds. Budgetary control for the debt service funds is achieved through general bond indenture provisions.
- (7) All budgets are adopted on a basis substantially consistent with U.S. generally accepted accounting principles (GAAP). Appropriations which are not expended lapse at year end.
- (8) The City is legally required to prepare annual operating budgets for the Electric System, Water System, Sewer System, Sports Complex, Telecommunications System, Ruston Airport Authority, Ambulance Fund, Workmen's Compensation, Health Insurance, Purchasing/Warehouse and General & Auto Liability Funds. The City is not, however, required to present an actual-to-budget comparison for the enterprise and internal service funds.

CITY OF RUSTON, LOUISIANA
OTHER POST EMPLOYMENT BENEFITS
YEAR ENDED SEPTEMBER 30, 2020

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ending	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
9/30/2020	10/1/2019	\$ -	\$ 13,003,136	\$ 13,003,136	0.00%	\$ 10,817,631	120.20%
9/30/2019	10/1/2018	-	22,290,060	22,290,060	0.00%	11,150,370	199.90%
9/30/2018	10/1/2017	-	15,999,823	15,999,823	0.00%	10,721,510	149.23%
9/30/2017	10/1/2016	-	15,577,012	15,577,012	0.00%	11,760,657	132.45%
9/30/2016	10/1/2015	-	15,072,236	15,072,236	0.00%	11,108,063	135.69%
9/30/2015	10/1/2014	-	14,492,534	14,492,534	0.00%	10,307,549	140.60%
9/30/2014	10/1/2013	-	13,919,000	13,919,000	0.00%	10,529,588	132.19%
9/30/2013	10/1/2012	-	13,383,654	13,383,654	0.00%	10,712,853	124.93%
9/30/2012	10/1/2011	-	12,446,761	12,446,761	0.00%	10,304,287	120.79%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
9/30/2020	\$ (9,120,448)	\$ 166,476	-1.83%	\$ 13,003,136
9/30/2019	6,470,579	180,342	2.79%	22,290,060
9/30/2018	(1,108,942)	170,940	-15.41%	15,999,823
9/30/2017	1,224,879	185,024	15.11%	7,167,622
9/30/2016	1,101,447	368,572	33.46%	6,127,767
9/30/2015	1,068,348	341,270	31.94%	5,394,893
9/30/2014	1,086,160	300,647	27.68%	4,667,815
9/30/2013	1,055,580	278,377	26.37%	3,882,302
9/30/2012	1,032,285	261,883	25.37%	3,105,099

This schedule will contain ten years of historical information once such information becomes available

See accompanying notes to required supplementary information and independent auditor's report.

CITY OF RUSTON, LOUISIANA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
YEARS ENDED SEPTEMBER 30, 2015 THROUGH SEPTEMBER 30, 2020
(unaudited)

Fiscal Year	Employer Proportion of Net Pension Liability (Asset)	Employer Proportionate Share of Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of Net Pension Liability (Asset) as % of Covered Employee Payroll	Plan Fiduciary Net Position as % of Total Pension Liability
<u>MERS:</u>					
2020	3.755900%	\$ 16,238,547	\$ 6,540,329	248.3%	64.52%
2019	3.843900%	16,062,737	6,671,225	240.8%	64.68%
2018	3.583200%	14,836,848	6,032,030	246.0%	63.94%
2017	3.428600%	14,343,355	6,435,899	222.9%	63.49%
2016	3.404900%	13,955,737	5,701,761	244.8%	63.34%
2015	3.346300%	11,953,340	5,537,583	215.9%	68.71%
<u>SFRS:</u>					
2020	1.007400%	6,982,531	2,026,502	344.6%	72.61%
2019	0.987600%	6,184,669	2,256,407	274.1%	73.96%
2018	0.957600%	5,508,282	2,243,550	245.5%	74.76%
2017	0.978200%	5,606,625	2,155,839	260.1%	73.55%
2016	0.984500%	6,439,468	1,990,089	323.6%	68.16%
2015	0.970200%	5,236,246	1,674,852	312.6%	72.45%
<u>MPERS:</u>					
2020	0.651600%	6,022,229	1,925,236	312.8%	70.94%
2019	0.695500%	6,316,595	2,139,431	295.2%	71.01%
2018	0.748100%	6,324,576	2,121,341	298.1%	71.89%
2017	0.672500%	5,870,965	2,068,683	283.8%	70.08%
2016	0.663900%	6,222,388	2,789,026	223.1%	66.04%
2015	0.715300%	5,603,526	3,095,114	181.0%	70.73%

This schedule will contain ten years of historical information once such information becomes available.

CITY OF RUSTON, LOUISIANA
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
YEARS ENDED SEPTEMBER 30, 2015 THROUGH SEPTEMBER 30, 2020
(unaudited)

Fiscal Year	Contractually Required Contribution	Contributions inRelation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as % of Covered Employee Payroll
MERS:					
2020	\$ 1,929,397	\$ 1,929,397	\$ -	6,540,329	29.50%
2019	1,851,265	1,851,265	-	6,671,225	27.75%
2018	1,633,860	1,633,860	-	6,032,030	27.09%
2017	1,464,167	1,464,167	-	6,435,899	22.75%
2016	1,201,264	1,201,264	-	5,701,761	21.07%
2015	1,139,803	1,139,803	-	5,537,583	20.58%
SFRS:					
2020	653,547	653,547	-	2,026,502	32.25%
2019	626,153	626,153	-	2,256,407	27.75%
2018	537,893	537,893	-	2,243,550	23.98%
2017	587,466	587,466	-	2,155,839	27.25%
2016	604,899	604,899	-	1,990,089	30.40%
2015	603,089	603,089	-	1,674,852	36.01%
MPERS:					
2020	649,767	649,767	-	1,925,236	33.75%
2019	695,315	695,315	-	2,139,431	32.50%
2018	686,262	686,262	-	2,121,341	32.35%
2017	656,807	656,807	-	2,068,683	31.75%
2016	548,599	548,599	-	2,789,026	19.67%
2015	602,702	602,702	-	3,095,114	19.47%

This schedule will contain ten years of historical information once such information becomes available.

CITY OF RUSTON, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE AGENCY HEAD
YEAR ENDED SEPTEMBER 30, 2020

<u>Mayor Ronny Walker</u>	<u>Amount</u>
Salary	\$ 98,077
Benefits	
Medicare	1,456
Health insurance	9,599
Life insurance	59
Retirement/457 plan	27,750
Reimbursements - cell phone	<u>1,800</u>
Total	<u><u>\$ 138,741</u></u>

See accompanying independent auditor's report.

COMBINING FUND STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used for specific revenues that are legally restricted for expenditures of a particular purpose.

Ruston Parks and Recreation Board – This fund accounts for the receipts and expenditures of the City of Ruston Parks and Recreation Program.

D.A.R.T. Grant Program – This fund accounts for the receipt and expenditures of the State of Louisiana Emergency Shelter Grant Program.

Section 8 Housing Choice Voucher Program – This fund accounts for receipt of Federal Funds and the payment of Housing Assistance Payments to qualifying rental property owners.

I-20 TID Debt Service Fund

The I-20 TID Debt Service Fund accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

Capital Projects Funds

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

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

CITY OF RUSTON, LOUISIANA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2020

	<u>Special Revenue Funds</u>						
	<u>Ruston Parks & Recreation Board</u>	<u>D.A.R.T. Grant Program</u>	<u>Section 8 Housing Choice Voucher Program</u>	<u>Total</u>	<u>I-20 TID Debt Service</u>	<u>Sewer LCDBG</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 52,674	\$ -	\$ 832,469	\$ 885,144	\$ -	\$ 1,808,954	\$ 2,694,098
Investments	-	-	-	-	3,821,174	-	3,821,174
Accounts receivable, net	-	7,188	-	7,188	989,253	-	996,442
Due from landlords (HAP)	-	-	17,755	17,755	-	-	17,755
Due from other funds	964,537	-	183,500	1,148,037	-	-	1,148,037
Total assets	<u>\$ 1,017,211</u>	<u>\$ 7,188</u>	<u>\$ 1,033,724</u>	<u>\$ 2,058,124</u>	<u>\$ 4,810,427</u>	<u>\$ 1,808,954</u>	<u>\$ 8,677,505</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 24,163	\$ 7,188	\$ 10,150	\$ 41,501	\$ 66,275	\$ -	\$ 107,777
Accrued salaries	17,361	-	1,984	19,345	-	-	19,345
Due to other funds	222,110	-	27,544	249,653	-	1,808,954	2,058,607
Deferred revenue - COVID	-	-	58,102	58,102	-	-	58,102
Total liabilities	<u>263,634</u>	<u>7,188</u>	<u>97,779</u>	<u>368,602</u>	<u>66,275</u>	<u>1,808,954</u>	<u>2,243,831</u>
Fund balances:							
Spendable:							
Restricted	753,577	-	935,945	1,689,522	4,744,151	-	6,433,674
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>753,577</u>	<u>-</u>	<u>935,945</u>	<u>1,689,522</u>	<u>4,744,151</u>	<u>-</u>	<u>6,433,674</u>
Total liabilities and fund balances	<u>\$ 1,017,211</u>	<u>\$ 7,188</u>	<u>\$ 1,033,724</u>	<u>\$ 2,058,124</u>	<u>\$ 4,810,427</u>	<u>\$ 1,808,954</u>	<u>\$ 8,677,505</u>

CITY OF RUSTON, LOUISIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Ruston Parks & Recreation Board	D.A.R.T. Grant Program	Section 8 Housing Choice Voucher Program	Total	I-20 TID Debt Service	Sewer LCDBG	
REVENUES							
Taxes	\$ 611,262	\$ -	\$ -	\$ 611,262	\$ 3,536,280	\$ -	\$ 4,147,543
Intergovernmental	-	46,266	923,309	969,575	-	-	969,575
Charges for services	23,001	-	-	23,001	-	-	23,001
Investment earnings	256	-	2,653	2,909	21,406	-	24,315
Miscellaneous	4,356	-	30	4,386	-	-	4,386
Total revenues	<u>638,875</u>	<u>46,266</u>	<u>925,992</u>	<u>1,611,133</u>	<u>3,557,686</u>	<u>-</u>	<u>5,168,818</u>
EXPENDITURES							
Current:							
General government	-	46,266	1,036,920	1,083,186	-	-	1,083,185
Recreation	908,289	-	-	908,289	-	-	908,289
Bond principal	-	-	-	-	1,845,000	-	1,845,000
Bond interest	-	-	-	-	846,038	-	846,038
Capital outlay	11,293	-	-	11,293	-	-	11,293
Total expenditures	<u>919,583</u>	<u>46,266</u>	<u>1,036,920</u>	<u>2,002,768</u>	<u>2,691,038</u>	<u>-</u>	<u>4,693,806</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(280,708)</u>	<u>-</u>	<u>(110,928)</u>	<u>(391,635)</u>	<u>866,648</u>	<u>-</u>	<u>475,013</u>
OTHER FINANCING SOURCES							
Transfers in	390,494	-	174,123	564,617	-	-	564,617
Total other financing sources	<u>390,494</u>	<u>-</u>	<u>174,123</u>	<u>564,617</u>	<u>-</u>	<u>-</u>	<u>564,617</u>
Net change in fund balances	109,786	-	63,195	172,982	866,648	-	1,039,630
Fund balances - beginning	643,790	-	872,750	1,516,540	3,877,503	-	5,394,043
Fund balances - ending	<u>\$ 753,577</u>	<u>\$ -</u>	<u>\$ 935,945</u>	<u>\$ 1,689,522</u>	<u>\$ 4,744,151</u>	<u>\$ -</u>	<u>\$ 6,433,674</u>

INTERNAL SERVICE FUNDS

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

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

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

Purchasing/Warehouse Fund – This fund coordinates purchasing and warehousing operations for all applicable departments.

General & Auto Liability Fund – This fund accumulates resources to finance general and auto liability premiums and claims.

CITY OF RUSTON, LOUISIANA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2020

	<u>Workmen's Compensation</u>	<u>Health Insurance</u>	<u>Purchasing/ Warehouse</u>	<u>General & Auto Liability</u>	<u>Total Internal Service Funds</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 500,122	\$ 476,907	\$ 7,387	\$ 137,465	\$ 1,121,882
Investments	307,115	403,403	-	-	710,519
Receivables, net	-	3,275	-	-	3,275
Due from other funds	-	861,462	155,383	376,815	1,393,660
Prepaid items	45,000	-	-	8,947	53,947
Total current assets	<u>852,238</u>	<u>1,745,048</u>	<u>162,769</u>	<u>523,228</u>	<u>3,283,282</u>
Noncurrent assets:					
Capital assets:					
Buildings	-	-	13,080	-	13,080
Equipment	-	-	76,306	-	76,306
Less accumulated depreciation	-	-	(81,052)	-	(81,052)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>8,335</u>	<u>-</u>	<u>8,335</u>
Total assets	<u>852,238</u>	<u>1,745,048</u>	<u>171,104</u>	<u>523,228</u>	<u>3,291,618</u>
LIABILITIES					
Current liabilities:					
Accounts payable	3,358	15,872	1,610	20,803	41,643
Accrued salaries	-	-	3,621	-	3,621
Due to other funds	7,094	-	214,482	207,694	429,270
Claims and judgments	146,283	506,875	-	100,000	753,158
Total current liabilities	<u>156,735</u>	<u>522,747</u>	<u>219,713</u>	<u>328,496</u>	<u>1,227,691</u>
Noncurrent liabilities:					
Compensated absences	-	-	15,765	-	15,765
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>15,765</u>	<u>-</u>	<u>15,765</u>
Total liabilities	<u>156,735</u>	<u>522,747</u>	<u>235,478</u>	<u>328,496</u>	<u>1,243,456</u>
NET POSITION					
Net investments in capital assets	-	-	8,335	-	8,335
Unrestricted	695,503	1,222,301	(72,709)	194,732	2,039,827
Total net position	<u>\$ 695,503</u>	<u>\$ 1,222,301</u>	<u>\$ (64,373)</u>	<u>\$ 194,732</u>	<u>\$ 2,048,163</u>

CITY OF RUSTON, LOUISIANA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED SEPTEMBER 30, 2020

	<u>Workmen's Compensation</u>	<u>Health Insurance</u>	<u>Purchasing/ Warehouse</u>	<u>General & Auto Liability</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES					
Charges for services	\$ 365,000	\$ 3,281,550	\$ -	\$ 690,820	\$ 4,337,370
Premiums paid by retired employees	-	215,362	-	-	215,362
Total operating revenues	<u>365,000</u>	<u>3,496,912</u>	<u>-</u>	<u>690,820</u>	<u>4,552,732</u>
OPERATING EXPENSES					
Cost of services:					
Salaries, wages and employee benefits	-	-	164,249	-	164,249
Operating services	278	275	25,168	-	25,721
Materials and supplies	-	-	6,616	-	6,616
Travel and other	-	-	3,234	-	3,234
Depreciation	-	-	5,907	-	5,907
Total cost of services	<u>278</u>	<u>275</u>	<u>205,174</u>	<u>-</u>	<u>205,727</u>
Claims	106,630	2,579,681	-	24,832	2,711,142
Insurance premiums	303,013	892,975	-	592,414	1,788,401
Total operating expenses	<u>409,921</u>	<u>3,472,931</u>	<u>205,174</u>	<u>617,245</u>	<u>4,705,271</u>
Operating income (loss)	<u>(44,921)</u>	<u>23,981</u>	<u>(205,174)</u>	<u>73,575</u>	<u>(152,538)</u>
NONOPERATING REVENUES					
Investment earnings	306,083	3,449	16	74	309,623
Total nonoperating revenues	<u>306,083</u>	<u>3,449</u>	<u>16</u>	<u>74</u>	<u>309,623</u>
Income (loss) before transfers	<u>261,162</u>	<u>27,431</u>	<u>(205,158)</u>	<u>73,649</u>	<u>157,083</u>
Transfers in	-	-	60,000	-	60,000
Change in net position	<u>261,162</u>	<u>27,431</u>	<u>(145,158)</u>	<u>73,649</u>	<u>217,083</u>
Total net position - beginning	434,341	1,194,871	80,785	121,083	1,831,080
Total net position - ending	<u>\$ 695,503</u>	<u>\$ 1,222,301</u>	<u>\$ (64,373)</u>	<u>\$ 194,732</u>	<u>\$ 2,048,163</u>

See accompanying independent auditor's report.

CITY OF RUSTON, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	<u>Workmen's Compensation</u>	<u>Health Insurance</u>	<u>Purchasing/ Warehouse</u>	<u>General & Auto Liability</u>	<u>Total Internal Service Funds</u>
Cash flows from operating activities:					
Receipts from operations	\$ 365,000	\$ 3,496,912	\$ 129,574	\$ 463,508	\$ 4,454,994
Payments to suppliers	(309,194)	(1,212,734)	(33,644)	(491,503)	(2,047,075)
Payments to employees	-	-	(159,961)	-	(159,961)
Claims	(120,483)	(2,339,727)	-	(24,832)	(2,485,042)
Net cash (used in) operating activities	<u>(64,677)</u>	<u>(55,549)</u>	<u>(64,031)</u>	<u>(52,827)</u>	<u>(237,084)</u>
Cash flows from noncapital financing activities:					
Transfers in	-	-	60,000	-	60,000
Net cash provided by noncapital activities	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Cash flows from investing activities:					
Purchases of investments	(3,255)	(2,766)	-	-	(6,021)
Interest on investments	306,083	3,449	16	74	309,623
Net cash provided by investing activities	<u>302,828</u>	<u>683</u>	<u>16</u>	<u>74</u>	<u>303,601</u>
Net increase (decrease) in cash and cash equivalents	238,151	(54,866)	(4,015)	(52,753)	126,517
Cash and cash equivalents - beginning of year	261,971	531,773	11,402	190,218	995,364
Cash and cash equivalents - end of year	<u>\$ 500,122</u>	<u>\$ 476,907</u>	<u>\$ 7,387</u>	<u>\$ 137,465</u>	<u>\$ 1,121,882</u>
Reconciliation of operating income (loss) to net cash (used in) operating activities:					
Operating income (loss)	\$ (44,921)	\$ 23,981	\$ (205,174)	\$ 73,575	\$ (152,538)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:					
Depreciation and amortization	-	-	5,907	-	5,907
(Increase) decrease in assets:					
Receivables	-	-	2,145	-	2,145
Due from other funds	-	(334,496)	(5,115)	(227,312)	(566,923)
Increase (decrease) in liabilities:					
Accounts payable	(6,153)	15,012	1,374	18,216	28,449
Accrued liabilities	-	-	3,621	-	3,621
Due to other funds	250	-	132,544	82,694	215,488
Claims and judgments	(13,853)	239,954	-	-	226,101
Compensated absences	-	-	667	-	667
Total adjustments	<u>(19,756)</u>	<u>(79,530)</u>	<u>141,143</u>	<u>(126,402)</u>	<u>(84,545)</u>
Net cash (used in) operating activities	<u>\$ (64,677)</u>	<u>\$ (55,549)</u>	<u>\$ (64,031)</u>	<u>\$ (52,827)</u>	<u>\$ (237,084)</u>

INDIVIDUAL FUND SCHEDULES

CITY OF RUSTON, LOUISIANA
RUSTON PARKS AND RECREATION BOARD
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020
(unaudited)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 650,000	\$ 628,000	\$ 611,262	\$ (16,738)
Charges for services	60,000	25,000	23,001	(1,999)
Investment earnings	1,200	1,200	256	(944)
Rent	10,000	10,000	4,150	(5,850)
Miscellaneous	5,500	8,000	206	(7,794)
Total revenues	<u>726,700</u>	<u>672,200</u>	<u>638,875</u>	<u>(33,325)</u>
EXPENDITURES				
Salaries, wages and employee benefits	630,453	631,453	651,303	(19,850)
Operating services	303,896	306,094	200,506	105,588
Materials and supplies	32,150	32,150	51,949	(19,799)
Travel and other	5,000	5,000	4,531	469
Improvements and equipment	50,000	61,293	11,293	50,000
Total expenditures	<u>1,021,499</u>	<u>1,035,990</u>	<u>919,583</u>	<u>116,407</u>
Deficiency of revenues over expenditures	<u>(294,799)</u>	<u>(363,790)</u>	<u>(280,708)</u>	<u>83,083</u>
OTHER FINANCING SOURCES				
Transfers in	458,900	439,650	390,494	(49,156)
Total other financing sources	<u>458,900</u>	<u>439,650</u>	<u>390,494</u>	<u>(49,156)</u>
Net change in fund balance	164,101	75,860	109,786	33,928
Fund balances - beginning	643,790	643,790	643,790	-
Fund balances - ending	<u>\$ 807,891</u>	<u>\$ 719,650</u>	<u>\$ 753,577</u>	<u>\$ 33,928</u>

See accompanying independent auditor's report.

CITY OF RUSTON, LOUISIANA
SECTION 8 VOUCHER HOUSING
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020
(unaudited)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,106,000	\$ 936,000	\$ 923,309	\$ (12,691)
Investment earnings	6,000	6,000	2,683	(3,317)
Total revenues	<u>1,112,000</u>	<u>942,000</u>	<u>925,992</u>	<u>(16,008)</u>
EXPENDITURES				
Salaries, wages and employee benefits	214,794	214,794	152,719	62,075
Operating services	987,370	987,419	861,221	126,198
Materials and supplies	7,100	7,100	19,498	(12,398)
Travel and other	2,500	3,213	3,483	(270)
Total expenditures	<u>1,211,764</u>	<u>1,212,526</u>	<u>1,036,920</u>	<u>175,605</u>
Deficiency of revenues over expenditures	(99,764)	(270,526)	(110,928)	159,597
OTHER FINANCING SOURCES				
Transfers in	-	-	174,123	174,123
Total other financing sources	<u>-</u>	<u>-</u>	<u>174,123</u>	<u>174,123</u>
Net change in fund balance	(99,764)	(270,526)	63,195	333,720
Fund balances - beginning	<u>872,750</u>	<u>872,750</u>	<u>872,750</u>	<u>-</u>
Fund balances - ending	<u>\$ 772,987</u>	<u>\$ 602,225</u>	<u>\$ 935,945</u>	<u>\$ 333,720</u>

See accompanying independent auditor's report.

CITY OF RUSTON, LOUISIANA
UNIFORM GUIDANCE
SUPPLEMENTARY REPORTS
YEAR ENDED SEPTEMBER 30, 2020

CITY OF RUSTON
RUSTON, LOUISIANA

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HEARD, McELROY, & VESTAL

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CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
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March 30, 2021

Honorable Mayor Ronny Walker
and Members of the City Council
City of Ruston
Ruston, Louisiana

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ruston, Louisiana (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 30, 2021. Our report includes a reference to other auditors who audited the financial statements of the Ruston City Judge's Office and Ruston City Marshal's Office, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Ruston, Louisiana's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Shreveport, Louisiana

HEARD, McELROY & VESTAL, L.L.C.

HEARD, McELROY, & VESTAL

LLC

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March 30, 2021

Honorable Mayor Ronny Walker
and Members of the City Council
City of Ruston
Ruston, Louisiana

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited the City of Ruston, Louisiana's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal program for the year ended September 30, 2020. The City 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination on the City's compliance.

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Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. This report is intended solely for the information and use of management, the City Council of the City of Ruston, Louisiana, others within the entity, the 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ruston, Louisiana, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 30, 2021, which contained unmodified opinions on those financial statements. The accompanying schedule of expenditures of federal awards is presented for

purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

HEARD, McELROY & VESTAL, L.L.C.

Shreveport, Louisiana

CITY OF RUSTON, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Federal Grantor / Pass-Through Grantor Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Pass-Through Number</u>	<u>Federal Expenditures</u>
United States Department of Housing and Urban Development:			
Section 8 - Housing Choice Vouchers	14.871	LA232	\$ 1,032,591
Emergency Shelter Grants Program	14.231		46,266
Total United States Department of Housing and Urban Development			1,078,857
Environmental Protection Agency:			
Passed through State of Louisiana Department of Environmental Quality: Capitalization Grants for Clean Water State Revolving Funds	66.458	CS221163-01	1,101,570
Total Environmental Protection Agency			1,101,570
United States Department of Transportation:			
FAA - Airport Improvement Program	20.106	3-22-0082-021-2020	520,966
Total United States Department of Transportation			520,966
Department of Homeland Security:			
Disaster Grants – Public Assistance (Presidentially Declared Disaster)	97.036	FEMA-4439-PA-LA	1,640,897
Total Department of Homeland Security			1,640,897
Department of the Treasury:			
COVID-19 Coronavirus Relief Fund	21.019		2,374,375
Total Department of the Treasury			2,374,375
Total Federal Awards			\$ 6,716,665

See accompanying notes to Schedule of Expenditures of Federal Awards.

CITY OF RUSTON, LOUISIANA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

1. Basis of Presentation

The audit was performed pursuant to the *Single Audit Act of 1996* and the *Uniform Guidance*. The Schedule of Expenditures of Federal Awards has been prepared on the modified accrual basis of accounting used by the City in preparation of the government wide financial statements that report these awards. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The preparation of the Schedule of Expenditures of Federal Awards in conformity with accounting principles generally accepted in the United States of America requires management to make certain assumptions that affect the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

2. Disbursements

Disbursements reported in the Schedule of Expenditures of Federal Awards cannot be traced, in every case, directly to the disbursements reported in the City's Comprehensive Annual Financial Report (CAFR). However, the detailed information regarding the disbursements reflected in both issued reports can be traced to the City's detailed general ledger with adjustments for any year-end financial statement accruals and reversals.

3. Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City that were received directly from federal agencies or passed through other entities and governmental agencies.

The City has prepared this Schedule of Expenditures of Federal Awards to comply with the provisions of the Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations*. The Uniform Guidance stipulates that a Schedule of Expenditures of Federal Awards be prepared showing total expenditures of each federal award program as identified in the Catalog of Federal Domestic Assistance (CFDA) and for other federal financial awards that have not been assigned a catalog number.

4. Subrecipient Payments

The City's federal expenditures include subrecipient payments in the amount of \$46,266 to D.A.R.T. CDBG Program. These awards were received from Emergency Solutions Grant Program, CFDA 14.231.

5. Indirect Cost Rate

The City has elected to use the 10-percent de minimis cost rate allowed under the Uniform Guidance.

6. Subsequent Events

The City is required to evaluate events or transactions that may occur after the schedule of expenditures of federal awards date for potential recognition or disclosure in the notes to the schedule of expenditures of federal awards. The City performed such an evaluation through March 30, 2021, the date which the schedule of expenditures of federal awards was available to be issued, and noted no events of transactions that occurred after the schedule of expenditures of federal awards date requiring recognition or disclosure.

CITY OF RUSTON, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the City of Ruston, Louisiana.
2. No material weaknesses or significant deficiencies relating to the audit of the basic financial statements are reported.
3. There are no findings of noncompliance relating to the basic financial statements of the City of Ruston, Louisiana disclosed during the audit.
4. The auditor's report on compliance for major federal award programs of the City of Ruston, Louisiana expresses an unmodified opinion.
5. There are no audit findings relative to major federal award programs of the City of Ruston, Louisiana.
6. The programs tested as major programs included:

<u>Program</u>	<u>CFDA No.</u>
COVID-19 Relief Fund	21.019
Disaster Grants – Public Assistance (Presidentially Declared Disaster	97.036
Capitalization Grants for Clean Water State Revolving Revolving Funds	66.458

7. The threshold for distinguishing Types A and B programs was \$750,000.
8. The City of Ruston does qualify as a low-risk auditee.

B. Findings – Financial Statement Audit

No findings to report.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

No findings to report.

CITY OF RUSTON, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

No findings were reported in the prior year.