

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

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

YEAR ENDED JUNE 30, 2011

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

Release Date **JAN 25 2012**

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

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

YEAR ENDED JUNE 30, 2011



RECTOR & REEDER, PC

INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the Ruston Housing Authority as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ruston Housing Authority, as of June 30, 2011, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2011 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Rector & Reeder, P.C.

Rector & Reeder, P.C.
Certified Public Accountants

Lawrenceville, Georgia
December 7, 2011

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

MANAGEMENT DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2011

RUSTON HOUSING AUTHORITY MANAGEMENT'S DISCUSSION & ANALYSIS FISCAL YEAR ENDED JUNE 30, 2011

This section of the Authority's annual financial report presents Management's analysis of the Authority's financial performance during the Fiscal Year Ended June 30, 2011.

FINANCIAL HIGHLIGHTS AND CONCLUSIONS:

The Ruston Housing Authority had a good year as illustrated by the outcome of its fiscal year operations. Total Net Assets increased by \$314,245 (6.2%). The financial indicators continue to maintain an above average score as established by the Real Estate Assessment Center (REAC). Based on our calculation of the financial score, the Authority should receive a designation of "high performer" under the Financial Assessment Sub System (FASS).

REQUIRED FINANCIAL STATEMENTS

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

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

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

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

FINANCIAL ANALYSIS OF THE AUTHORITY

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

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

Ruston Housing Authority
Comparative Statement of Net Assets
TABLE I

	2011	2010	Total Change	% Change
Current Assets	1,078,451	1,096,214	(17,763)	-1.62%
Capital Assets	4,590,886	4,359,573	231,313	5.31%
Total Assets	5,669,337	5,455,787	213,550	3.91%
Current Liabilities	124,056	229,427	(105,371)	-45.93%
Noncurrent Liabilities	157,647	152,971	4,676	3.06%
Total Liabilities	281,703	382,398	(100,695)	-26.33%
Invested in Capital Assets				
Net of Related Debt	4,484,660	4,252,040	232,620	5.47%
Unrestricted Retained Earnings	902,974	821,349	81,625	9.94%
Total Net Assets	5,387,634	5,073,389	314,245	6.19%
Total Liabilities & Net Assets	5,669,337	5,455,787	213,550	3.91%

Total Assets increased by \$213,550, this was a result of an increase in Capital Assets, particularly in construction in progress. Current assets offset this increase with a decrease of \$17,763 or 1.62%, which was due to decreases from receivables from HUD.

Total liabilities decreased this year by \$100,695 or 26.33% due to the timing in accruals for accounts payable and accrued wages. Non-current liabilities increases slightly by \$4,676 or 3.06%. This increase was in the non-current portion of accrued compensated absences.

As illustrated in the above Comparative Statement of Net Assets, the overall Net Assets of the Authority increased by \$314,245. The "Invested in Capital Assets" increased by \$232,620, which was largely due to capital asset costs additions from federal grants. These additions were offset by depreciation expense of \$131,883. The Unrestricted Net Assets increased by \$81,625. This represents a net increase in net working capital and available resources for future programs and expenditures.

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

Ruston Housing Authority
Comparative Statement of Revenues, Expenses and Change in Net Assets
TABLE II

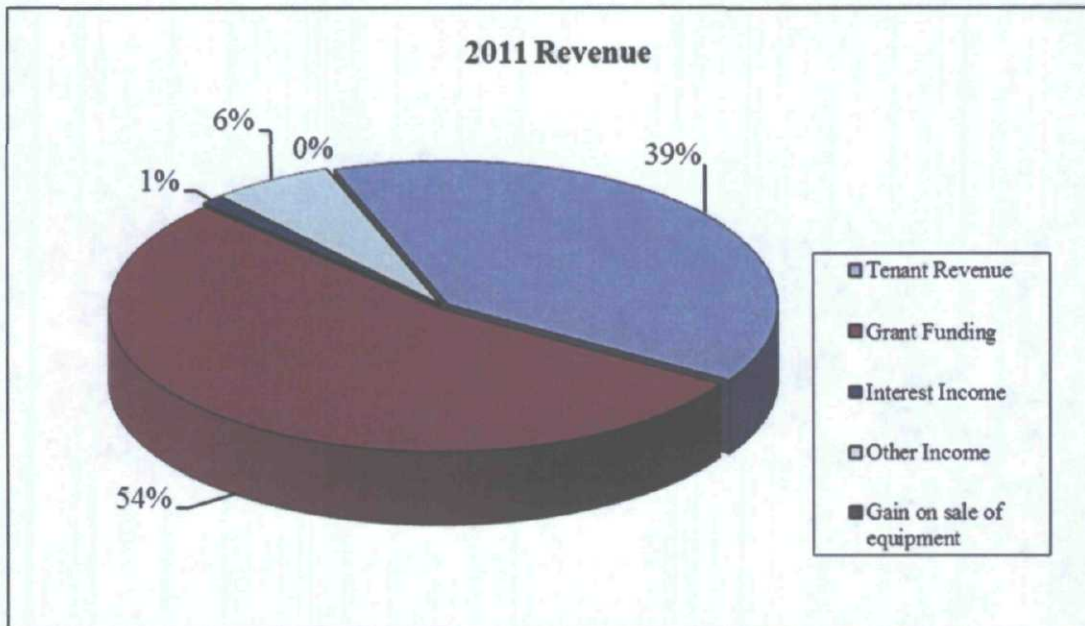
	2011	2010	Total Change	% Change
Tenant Revenue	853,022	868,306	(15,284)	-1.76%
Grant Funding	1,162,007	1,541,189	(379,182)	-24.60%
Interest Income	22,826	5,982	16,844	281.58%
Other Income	129,096	134,719	(5,623)	-4.17%
Gain/(Loss) on sale of Fixed Assets	185	-	185	100.00%
Total Revenue	2,167,136	2,550,196	(383,060)	-15.02%
Administration	382,178	428,071	(45,893)	-10.72%
Tenant Services	87,942	97,526	(9,584)	-9.83%
Utilities	269,773	284,749	(14,976)	-5.26%
Maintenance	774,132	803,927	(29,795)	-3.71%
General expense	198,213	174,032	24,181	13.89%
Interest expense	8,770	8,548	222	2.60%
Depreciation	131,883	146,365	(14,482)	-9.89%
Total Expenses	1,852,891	1,943,218	(90,327)	-4.65%
Change in Net Assets	314,245	606,978	(292,733)	-48.23%
Beginning Net Assets	5,073,389	4,466,411	606,978	13.59%
Ending Net Assets	5,387,634	5,073,389	314,245	6.19%

Ruston Housing Authority
Statement of Revenues, Expenses and Change in Net Assets - By Program
For Year-to-Date ended June 30, 2011
TABLE III

	Low-Rent	Central Office	Business Type Activity	Eliminations	Total
Tenant Revenue	828,748	-	24,274	-	853,022
Grant Funding	1,162,007	-	-	-	1,162,007
Interest Income	1,416	21,335	75	-	22,826
Other Income	1,717	260,565	127,379	(260,565)	129,096
Gain on sale of equipment	185	-	-	-	185
Total Revenue	1,994,073	281,900	151,728	(260,565)	2,167,136
Administration	486,518	154,124	2,101	(260,565)	382,178
Tenant Services	87,942	-	-	-	87,942
Utilities	269,773	-	-	-	269,773
Maintenance	710,333	-	63,799	-	774,132
Protective services	-	-	-	-	-
General expense	187,496	9,545	1,172	-	198,213
Other	-	-	8,770	-	8,770
Depreciation	121,666	6,430	3,787	-	131,883
Total Expenses	1,863,728	170,099	79,629	(260,565)	1,852,891
Change in Net Assets	130,345	111,801	72,099	-	314,245
Beginning Net Assets	4,654,653	388,945	29,791	-	5,073,389
Ending Net Assets	4,784,998	500,746	101,890	-	5,387,634

REVENUES

In reviewing the Statement of Revenues, Expenses, and Net Assets, you will find that 54% of the Authority's revenues are derived from grants from the Department of Housing and Urban Development. The Authority receives revenue from tenants for dwelling rental charges, excess utilities, and miscellaneous charges for 39% of total revenue. Other Revenue, including Interest from Investments, comprises the remaining 7%. Compared to the Fiscal Year Ended June 30, 2010, revenues had an overall decrease of \$383,060 (15.02%).



Tenant Revenue - Tenant Revenue received in the Public Housing Program had a decrease from \$868,306 to \$853,022 of around 1.76%. Dwelling rent revenue typically changes in relation to changes in the number of working family tenants and changes in dwelling unit occupancy.

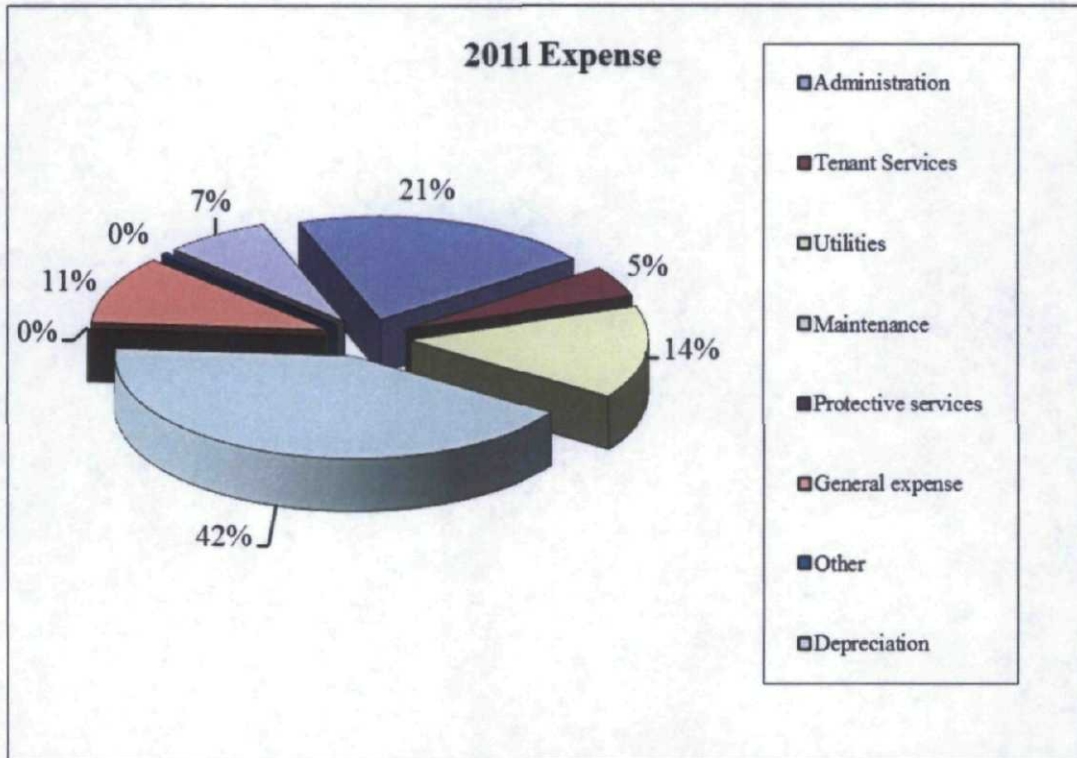
Program Grants/Subsidies - We had a 24.6% decrease in Grant Funding compared to the previous year. The typical reason for change is a temporary change in spending of the Capital Fund grants which can be expended and earned over several years. The Capital Fund Programs ordinarily remains consistent from program year to program year. This year, federal stimulus was not available. The PHA also experienced an increase in operating subsidy in public housing of \$7,535 over the previous year.

Interest Income – Interest income increased by \$16,844 as a result of an increase in interest bearing investments.

Other Income – Other income decreased slightly during the year by \$5,623 or 4.17%. Additionally, during the year, the Authority sold a very small strip of land to the City to satisfy an easement. The amount received for this transaction was \$196, and the resulting gain on this sale was \$185.

EXPENSES

The Ruston Housing Authority experienced a decrease in expenses for the current year from \$1,943,218 to \$1,852,891 or \$90,327 (4.65%).



The highlights of the expenses for the current year are as follows:

Administrative – Administrative costs include all non-maintenance and non-resident service personnel costs (including benefits and accrued leave), legal costs, auditing costs, travel and training costs, and other administrative costs such as supplies, telephone expense, etc. Compared to 2010, administrative costs decreased by \$45,893 (10.72%). This was due to a decrease from a one-time property acquisition not repeated in 2011. Additionally, sundry expenses were reduced in the COCC during 2011.

Tenant Services – Tenant Services costs include all costs incurred by the Authority to provide social services to the residents. Tenant Services costs decreased from \$97,526, to \$87,942 or \$9,584 (9.8%). This decrease is due to decreases in personnel expenses charged to this category.

Utilities - The total utilities expense for the Authority decreased by \$14,976 (5.3%). The decrease is due mainly to decreasing consumption.

Maintenance – Maintenance costs are all costs incurred by the Authority to maintain its Public Housing units in a safe and sanitary manner. Costs include personnel costs, materials used to maintain the units, contracts for waste management and telephone/radio service, etc.

The maintenance expense for the Authority decreased from \$803,927 to \$774,132 or \$29,795 (3.7%), due to decreased personnel expenses as well as a change in maintenance service contracts due to rising prices and increased unit turnaround time.

Protective Services – Protective Services costs include all costs incurred by the Authority to provide security and other protective services to the residents. Protective Services costs remained unchanged at \$-0-.

General Expenses – General Expenses include insurance costs (property, auto, liability, workers' compensation, public officials' liability, lead based paint insurance, etc.), collection losses, and interest expense. General expenses for the Authority increased from \$174,032 to \$198,213, or an increase of \$24,181 (13.9%). This increase is due to increased bad debt expense as the Authority attempted to improve efforts to collect more bad debts during this fiscal year.

Depreciation – Because the costs of all capitalized additions are spread over the estimated useful life of an asset, the estimated current year costs of capitalized items is recorded as depreciation. Depreciation expense for the current year decreased by \$14,482 (9.9%).

CAPITAL ASSETS

At the end of fiscal year 2010 the Authority had invested in Capital Assets of \$4,359,573 net of depreciation. As of June 30, 2011, the Authority had increased its net capital assets by \$231,313 (5.3%) to \$4,590,886. The following illustrates the Capital Asset values for 2010 and 2011.

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

	2011	2010	Total Change	% Change
Land	67,146	67,157	(11)	-0.02%
Buildings & improvements	10,150,073	10,150,073	-	0.00%
Equipment	257,410	257,410	-	0.00%
Construction in Progress	2,463,024	2,099,816	363,208	17.30%
	<u>12,937,653</u>	<u>12,574,456</u>	363,197	2.89%
Accumulated Depreciation	<u>(8,346,767)</u>	<u>(8,214,883)</u>	<u>(131,884)</u>	1.61%
Total Capital Assets	<u>4,590,886</u>	<u>4,359,573</u>	<u>231,313</u>	5.31%

The net change in Invested in Capital Assets, net of related debt, was due to capital asset costs additions from the Capital Fund. These additions were offset by depreciation expense of \$131,883.

DEBT OBLIGATIONS

The Ruston Community Corporation (Business Activities) entered into a debt obligation with the Bank of Ruston on October 19, 2010 for the acquisition of certain real property. The obligation is secured by a first mortgage deed and bears interest at a rate of 7.75% per annum. If the property is not sold the maturity date of this obligation is July 3, 2029. The balance as of June 30, 2011 in Mortgage Notes Payable was \$106,226, with a current amount due of \$1,893.

ECONOMIC FACTORS

Several significant economic factors affecting the Housing Authority are as follows:

- Congressional funding of the Department of Housing and Urban Development, as well as the final “recapture” of operating subsidy amounts
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs
- Health care and other insurance costs are expected to increase dramatically over the next several years.

CONCLUSIONS:

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

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

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

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

STATEMENT OF NET ASSETS

JUNE 30, 2011

ASSETS

Current Assets

Cash & cash equivalents - unrestricted	\$ 319,526
Cash & cash equivalents - restricted	51,351
Investments - unrestricted	359,884
Accounts receivable	222,090
Prepaid expenses	72,911
Inventories	<u>52,689</u>

Total Current Assets 1,078,451

Capital Assets:

Land	67,146
Buildings & improvements	10,150,073
Furniture & equipment	257,410
Construction in progress	<u>2,463,024</u>
	12,937,653
Less: Accumulated depreciation	<u>(8,346,767)</u>
Total Capital Assets	<u>4,590,886</u>

Total Noncurrent Assets 4,590,886

TOTAL ASSETS \$ 5,669,337

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

LIABILITIES & NET ASSETS

Current Liabilities

Accounts payable	\$ 45,871
Accrued liabilities	16,290
Unearned revenue	8,651
Current portion of long-term debt	1,893
Tenant security deposits/escrow deposits	<u>51,351</u>
 Total Current Liabilities	 <u>124,056</u>

Noncurrent Liabilities

Long-term debt	104,333
Accrued liabilities - noncurrent	<u>53,314</u>
 Total Noncurrent Liabilities	 <u>157,647</u>

TOTAL LIABILITIES 281,703

NET ASSETS

Invested in capital assets, net of related debt	4,484,660
Unrestricted net assets	<u>902,974</u>
 TOTAL NET ASSETS	 <u>5,387,634</u>

TOTAL LIABILITIES & NET ASSETS \$ 5,669,337

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011**

Operating Revenues

Tenant revenue	\$	853,022
Governmental grants & subsidy		798,799
Other income		129,096
Total Operating Revenues		1,780,917

Operating Expenses

Administration		382,178
Tenant services		87,942
Utilities		269,773
Maintenance & operations		774,132
General expense		198,213
Depreciation expense		131,883
Total Operating Expense		1,844,121

Net Operating Income/(Loss)		(63,204)
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Nonoperating Revenues/(Expenses)

Investment income		22,826
Interest expense		(8,770)
Gain/(Loss) on disposition of assets		185
Net Nonoperating Revenues/(Expenses)		14,241

Net Income/(Loss) before capital contributions		(48,963)
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Capital grants		363,208
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Increase/(Decrease) in Net Assets		314,245
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Total Net Assets - beginning		5,073,389
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Prior period adjustments		-
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Total Net Assets - ending	\$	5,387,634
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The accompanying notes are an integral part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 982,118
Governmental grants & subsidy - operations	798,799
Payments to suppliers	(856,376)
Payments to employees	(782,246)
	<hr/>
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	142,295

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(359,884)
Interest received	22,826
	<hr/>
NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES	(337,058)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Grant revenue - capital grants	363,208
Acquisition of capital assets - capital grants	(363,208)
Proceeds from sale of capital assets	196
Interest paid	(8,770)
Repayment of debt service	(1,306)
	<hr/>
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(9,880)

NET INCREASE/(DECREASE) IN CASH (204,643)

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD

575,520

CASH AND CASH EQUIVALENTS AT END OF PERIOD \$

370,877

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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income/(Loss) from operations	\$	(63,204)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation		131,883
Prior period adjustments		-
Decrease (Increase) in accounts receivable		179,209
Decrease (Increase) in prepaid expenses		7,278
Decrease (Increase) in inventory		(13,482)
Increase (Decrease) in accounts payable		(84,707)
Increase (Decrease) in accrued liabilities		(21,506)
Increase (Decrease) in unearned revenue		1,200
Increase (Decrease) in security/trust deposits		<u>5,624</u>
 NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	 \$	 <u><u>142,295</u></u>

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

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

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

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

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

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

Basis of Accounting:

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

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

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

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

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

Enterprise Fund – This fund is used to account for operations that are financed and operated in a manner similar to private businesses where the intent of the governing body is that the costs (expenditures, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenditures incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Authority operates the following programs in the Enterprise Fund:

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

Encumbrances -The Authority does not use encumbrance accounting.

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

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

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

Other particulars related to balance sheet items include:

1. Cash and Investments:

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

2. Buildings and Equipment:

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

3. Subsidies:

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

4. Income Taxes:

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

5. Use of Estimates:

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

6. Compensation for Future Absences:

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

7. Accounts Receivable:

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

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

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

8. Operating Revenue:

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

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

NOTE B - CASH AND INVESTMENTS:

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

At June 30, 2011, the Authority's cash deposits had a carrying amount of \$370,557 and bank balances of \$405,543. Of the bank balances held in various financial institutions, \$1,250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the dedicated method. At June 30, 2011, the Authority's petty cash/change funds totaled \$320.

Investments - At June 30, 2011, the Authority's investment balances were as follows:

Investment Type	Market Value	Maturity	Rating
Certificates of Deposit	\$ 359,884	Greater than 3 months	N/A

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

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

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

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

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

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

Restricted Cash and Investments:

Rental deposits are reserved until refunded to the tenant or used to cover expenses upon departure. The tenant security deposit cash and liability balances are as follows:

Tenant security deposit – cash	<u>\$ 51,351</u>
Tenant security deposit – liability	<u>\$ 51,351</u>

Collateralization:

As of June 30, 2011 the following securities were pledged as collateral to secure the deposits of the Housing Authority of the Town of Ruston:

Security	Cusip	Maturity Date	Interest Rate	Market Value
Community Trust Bank				
FHLB	31397QL22	05/22/2040	4.000%	\$ 98,877
FHLB	128506DX7	02/15/2020	4.000%	100,000
FHLB	50700NAR8	11/01/2027	5.375%	35,000
FHLB	534490EA1	03/01/2030	4.125%	25,000
IBERIA BANK				
FNMA	31402DEH9	07/01/2019	5.00%	25,598
FNMA	31406WS70	04/01/2020	5.00%	<u>45,163</u>
Totals				<u>\$ 329,638</u>

NOTE C - ACCOUNTS RECEIVABLE:

Accounts Receivable and Accrued Liabilities at June 30, 2011, consisted of the following:

Tenants Accounts Receivable (Net of Allowance - \$276)	\$ 7,711
Accounts Receivable – HUD	189,140
Accounts Receivable – Farmerville Housing Authority	11,149
Accounts Receivable – Miscellaneous	11,499
Accrued Interest Receivable	<u>2,591</u>
	<u>\$ 222,090</u>

The consolidated statement of Net Assets presented in the financial statements does not include the interfund receivables and payables of \$149,020 which have been eliminated in the consolidation.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE D - DEFERRED CHARGES:

Deferred charges at June 30, 2011, consisted of the following:

Prepaid insurance & expenses	\$ 72,911
Inventory materials	<u>52,689</u>

\$ 125,600

NOTE E - CAPITAL ASSETS:

The following is a summary of changes in the net capital assets during the fiscal year ended June 30, 2011:

	Beginning Balances	Additions	Adjustments	Ending Balances
Enterprise Activities				
Capital assets not being depreciated:				
Land	\$ 67,157	\$ -	\$ (11)	\$ 67,146
Construction in progress	2,099,816	363,208	-	2,463,024
Total capital assets not being depreciated	2,166,973	363,208	(11)	2,530,170
Buildings & improvements	10,150,073	-	-	10,150,073
Furniture & equipment	257,410	-	-	257,410
Total capital assets being depreciated	10,407,483	-	-	10,407,483
Less accumulated depreciation for:				
Buildings & improvements	7,968,771	123,189	1	8,091,961
Furniture & equipment	246,112	8,694	-	254,806
Total accumulated depreciation	8,214,883	131,883	1	8,346,767
Total capital assets being depreciated	2,192,600	-	-	2,060,716
Enterprise activity capital assets, net	\$ 4,359,573	\$ -	\$ 1	\$ 4,590,886

NOTE F - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

Accounts payable and Accrued Liabilities at June 30, 2011, consisted of the following:

Vendors & contractors	\$ 45,871
Accrued compensated absences-current	13,328
Tenant security deposits	51,351
Accrued payroll/taxes	2,962
Unearned revenue	8,651
Long-term debt - current portion	<u>1,893</u>

\$ 124,056

The consolidated statement of Net Assets presented in the financial statements does not include the interfund receivables and payables of \$149,020 which have been eliminated in the consolidation.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE G - OTHER NONCURRENT LIABILITIES:

Other noncurrent liabilities at June 30, 2011, consisted of the following:

	Balance			Balance	
	July 1, 2010	Increases	Decreases	June 30, 2011	Current Portion of Balance
Compensated absences	\$ 59,994	\$ 36,734	\$ (30,086)	\$ 66,642	\$ 13,328
Total long-term liabilities	\$ 59,994	\$ 36,734	\$ (30,086)	\$ 66,642	\$ 13,328

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

The Ruston Community Corporation (Business Activities) entered into a debt obligation with the Bank of Ruston on October 19, 2010 for the acquisition of certain real property. The obligation is secured by a first mortgage deed and bears interest at a rate of 7.75% per annum. If the property is not sold the maturity date of this obligation is July 3, 2029. The balance as of June 30, 2011 in Mortgage Notes Payable was \$106,226, with a current amount due of \$1,893. A schedule of five year maturities and required payments is as follows:

Date	Payments	Principal	Interest
2012	9,819	1,893	7,926
2013	9,819	2,064	7,755
2014	9,819	2,224	7,595
2015	9,819	2,397	7,422
2016	9,819	2,583	7,236
2017-2021	49,095	18,833	30,262
2022-2027	49,095	23,617	25,478
2027-2031	49,095	34,322	14,773
2032-2034	22,910	18,293	4,617
	<u>219,290</u>	<u>106,226</u>	<u>113,064</u>

NOTE I - COMMITMENTS AND CONTINGENCIES:

Legal:

The Authority is party to no pending or threatened legal actions arising from the normal course of its operations.

Grants and contracts:

The Authority participates in various federally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of June 30, 2011.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE I - COMMITMENTS AND CONTINGENCIES: (Cont'd)

Capital Fund and Capital Fund Stimulus Grant:

The Authority receives capital funding each year for ongoing capital improvements and repairs and maintenance and currently has received Capital Fund Stimulus Funds for additional capital improvements and acquisitions.

NOTE J - PENSION PLAN:

The Authority participates in the Housing-Renewal and Local Agency Retirement Plan. The plan administrator is William M. Mercer, Inc. The purpose of the Plan is to provide retirement benefits for eligible employees when they reach their normal retirement date. This plan is considered to be a defined contribution plan and as such the contribution percentages are fixed and based upon the employee's earnings. Employees are eligible to participate from the date of employment. The Housing Authority total covered payroll for the year ended June 30, 2011 was \$499,240.91.

The Employees are required to contribute 6.00% of their annual covered salary and the Housing Authority is required to contribute at a rate of 8.50% of the annual covered payroll. The contribution rates were established by the employee's joiner agreement. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. Authority contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the Authority's current period contributed requirement. The Housing Authority's contribution for the year ended June 30, 2011 was \$42,435.60 and the total pension contribution for the year was \$72,390.24.

NOTE K - RISK MANAGEMENT:

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

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

NOTE L - RELATED PARTY TRANSACTIONS:

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

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE M - ECONOMIC DEPENDENCY:

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

NOTE N - SUPPLEMENTARY INFORMATION:

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

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

SINGLE AUDIT SECTION

YEAR ENDED JUNE 30, 2011



RECTOR & REEDER, P.C.

**INDEPENDENT ACCOUNTANT'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**

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

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

We have audited the financial statements of the Ruston Housing Authority, as of and for the year ended June 30, 2011, and have issued our report thereon dated December 7, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ruston Housing Authority'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 the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Rector & Reeder, P.C.
Certified Public Accountants

Lawrenceville, Georgia
December 7, 2011



RECTOR & REEDER, PC

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

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

Compliance

We have audited the Ruston Housing Authority's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Ruston Housing Authority's major federal programs for the year ended June 30, 2011. The Ruston Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Ruston Housing Authority's management. Our responsibility is to express an opinion on the Ruston Housing Authority's compliance based on our audit.

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

In our opinion, the Ruston Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the Ruston Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Ruston Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

A 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Rector & Reeder, P.C.

Rector & Reeder, P.C.
Certified Public Accountants

Lawrenceville, Georgia
December 7, 2011

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

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended June 30, 2010, contained no formal audit findings.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor’s Results:

Financial Statements

Type of report issued on the financial statements:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal controls over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported

Type of report issued on the compliance for major programs:	Unqualified
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Any audit findings disclosed that are required to be reported in Accordance with Circular A-133, Section .510(a)?	No
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Identification of major program:

CFDA #14.850 - Low-Rent Public Housing Program
CFDA #14.885 - ARRA – Capital Fund Recovery Grant
CFDA #14.872 - Capital Fund Program

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
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Did the Authority qualify as a low-risk auditee?	Yes
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Section II – Financial Statement Findings

Findings related to financial statements in accordance with GAGAS:

NONE REPORTED

Section III – Federal Award Findings and Questioned Costs

Findings and questioned costs for Federal Awards as defined in Section .510:

NONE REPORTED

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

SUPPLEMENTAL INFORMATION

YEAR ENDED JUNE 30, 2011

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

**FINANCIAL DATA SUBMISSION SUMMARY
NET ASSET ACCOUNTS
June 30, 2011**

Account Description	Business Activities	Low-Rent Public Hsg 14,850	Central Office Cost Center	Formula Capital Fund Stimulus Grant 14,885	Elimination	TOTAL
ASSETS:						
CURRENT ASSETS:						
Cash:						
Cash - unrestricted	\$ 5,192	\$ 0	\$ 314,334	\$ 0	\$ 0	\$ 319,526
Cash - restricted	0	0	0	0	0	0
Cash - tenant security deposits	1,550	49,801	0	0	0	51,351
Total Cash	6,742	49,801	314,334	0	0	370,877
Accounts and notes receivables:						
Accounts receivable - HUD	0	189,140	0	0	0	189,140
Accounts receivable - other government	0	0	11,149	0	0	11,149
Accounts receivable - miscellaneous	0	0	11,499	0	0	11,499
Accounts receivable - tenants rents	4,072	3,915	0	0	0	7,987
Allowance for doubtful accounts-tenants	0	(276)	0	0	0	(276)
Allowance for doubtful accounts-other	0	0	0	0	0	0
Notes Receivable - current	0	0	0	0	0	0
Accrued interest receivable	0	889	1,702	0	0	2,591
Total receivables - net	4,072	193,668	24,350	0	0	222,090
Current investments						
Investments - unrestricted	0	250,130	109,754	0	0	359,884
Investments - restricted	0	0	0	0	0	0
Prepaid expenses and other assets	0	71,684	1,227	0	0	72,911
Inventories	0	52,689	0	0	0	52,689
Allowance for obsolete inventories	0	0	0	0	0	0
Assets held for sale	0	0	0	0	0	0
Interprogram due from	84,808	0	64,212	0	(149,020)	0
TOTAL CURRENT ASSETS	95,622	617,972	513,877	0	(149,020)	1,078,451
NONCURRENT ASSETS:						
Capital Assets:						
Land	31,378	35,768	0	0	0	67,146
Buildings	113,622	3,601,846	0	0	0	3,715,468
Furniture & equipment - dwellings	0	0	0	0	0	0
Furniture & equipment - admin	0	212,515	44,895	0	0	257,410
Improvements	0	6,434,605	0	0	0	6,434,605
Work in process	0	2,463,024	0	0	0	2,463,024
Accumulated depreciation	(18,335)	(8,295,862)	(32,570)	0	0	(8,346,767)
Total capital assets - net	126,665	4,451,896	12,325	0	0	4,590,886
Notes receivable - noncurrent	0	0	0	0	0	0
Investment in joint ventures	0	0	0	0	0	0
TOTAL NONCURRENT ASSETS	126,665	4,451,896	12,325	0	0	4,590,886
TOTAL ASSETS	\$ 222,287	\$ 5,069,868	\$ 526,202	\$ 0	\$ (149,020)	\$ 5,669,337

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

**FINANCIAL DATA SUBMISSION SUMMARY
NET ASSET ACCOUNTS
June 30, 2011**

Account Description	Business Activities	Low-Rent Public Hsg 14,850	Central Office Cost Center	Formula Capital Fund Stimulus Grant 14,885	Elimination	TOTAL
LIABILITIES AND NET ASSETS:						
LIABILITIES:						
CURRENT LIABILITIES						
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	0	45,871	0	0	0	45,871
Accrued salaries/payroll withholding	0	0	2,962	0	0	2,962
Accrued compensated absences	0	10,605	2,723	0	0	13,328
Accrued interest payable	0	0	0	0	0	0
Accounts payable - HUD PHA programs	0	0	0	0	0	0
Accounts payable - other gov.	0	0	0	0	0	0
Tenant security deposits	1,550	49,801	0	0	0	51,351
Unearned revenue	0	8,651	0	0	0	8,651
Current portion of L-T debt - capital projects	1,893	0	0	0	0	1,893
Other current liabilities	0	0	0	0	0	0
Interprogram (due to)	12,621	127,520	8,879	0	(149,020)	0
TOTAL CURRENT LIABILITIES	16,064	242,448	14,564	0	(149,020)	124,056
NONCURRENT LIABILITIES						
Long-term debt, net of current - capital projects	104,333	0	0	0	0	104,333
Accrued comp. Absences - long term	0	42,422	10,892	0	0	53,314
TOTAL NONCURRENT LIABILITIES	104,333	42,422	10,892	0	0	157,647
TOTAL LIABILITIES	120,397	284,870	25,456	0	(149,020)	281,703
NET ASSETS:						
Capital assets net of related debt	20,439	4,451,896	12,325	0	0	4,484,660
Restricted - Net Assets	0	0	0	0	0	0
Unrestricted - Net Assets	81,451	333,102	488,421	0	0	902,974
TOTAL NET ASSETS	101,890	4,784,998	500,746	0	0	5,387,634
TOTAL LIABILITIES AND NET ASSETS	\$ 222,287	\$ 5,069,868	\$ 526,202	\$ 0	\$ (149,020)	\$ 5,669,337

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg 14.850</u>	<u>Central Office Cost Center</u>	<u>Formula Capital Fund Stimulus Grant 14.885</u>	<u>Elimination</u>	<u>TOTAL</u>
REVENUES:						
Net tenant rental revenue	\$ 24,095	\$ 622,964	\$ 0	\$ 0	\$ 0	\$ 647,059
Tenant revenue - other	179	205,784	0	0	0	205,963
Total tenant revenue	24,274	828,748	0	0	0	853,022
HUD PHA grants - operating	0	798,799	0	0	0	798,799
HUD PHA grants - capital	0	223,348	0	139,860	0	363,208
Management fee	0	0	199,200	0	(199,200)	0
Asset management fee	0	0	36,000	0	(36,000)	0
Bookkeeping fee	0	0	25,365	0	(25,365)	0
Front line service fee	0	0	0	0	0	0
Other government grants	0	0	0	0	0	0
Investment income - unrestricted	75	1,416	21,335	0	0	22,826
Mortgage interest income	0	0	0	0	0	0
Fraud income	0	0	0	0	0	0
Other revenue	127,379	1,717	0	0	0	129,096
Investment income - restricted	0	0	0	0	0	0
Gain/(loss) on disposition	0	185	0	0	0	185
TOTAL REVENUES	\$ 151,728	\$ 1,854,213	\$ 281,900	\$ 139,860	\$ (260,565)	\$ 2,167,136
EXPENSES:						
Administrative						
Administrative salaries	\$ 0	\$ 90,705	\$ 105,573	\$ 0	\$ 0	\$ 196,278
Compensated absences	0	0	0	0	0	0
Auditing fees	0	6,930	0	0	0	6,930
Management fees	0	199,200	0	0	(199,200)	0
Bookkeeping fees	0	25,365	0	0	(25,365)	0
Advertising & marketing	0	0	0	0	0	0
Employee benefits - administrative	0	38,854	47,474	0	0	86,328
Office expense	183	7,004	912	0	0	8,099
Legal expense	114	3,502	0	0	0	3,616
Travel expense	131	12,965	0	0	0	13,096
Other operating - administrative	1,673	65,993	165	0	0	67,831
Total Administrative Expense	2,101	450,518	154,124	0	(224,565)	382,178
Asset management fee	0	36,000	0	0	(36,000)	0
Tenant services						
Tenant services - salaries	0	20,775	0	0	0	20,775
Employee benefits - tenant services	0	8,899	0	0	0	8,899
Other tenant services	0	58,268	0	0	0	58,268
Total Tenant Services	0	87,942	0	0	0	87,942
Utilities						
Water	0	23,147	0	0	0	23,147
Electricity	0	167,562	0	0	0	167,562
Gas	0	7,122	0	0	0	7,122
Sewer	0	71,942	0	0	0	71,942
Other utilities	0	0	0	0	0	0
Employee benefits - utilities	0	0	0	0	0	0
Total Utilities Expense	0	269,773	0	0	0	269,773

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2011**

Account Description	Business Activities	Low-Rent Public Hsg 14.850	Central Office Cost Center	Formula Capital Fund Stimulus Grant 14.885	Elimination	TOTAL
Ordinary Maintenance & Operation						
Labor	37,698	291,328	0	0	0	329,026
Materials	0	130,256	0	0	0	130,256
Employee benefit contributions	16,148	124,792	0	0	0	140,940
Garbage & trash removal contracts	0	20,946	0	0	0	20,946
Heating & cooling contracts	0	35	0	0	0	35
Snow Removal contracts	0	0	0	0	0	0
Elevator maintenance contracts	0	0	0	0	0	0
Landscape & grounds contracts	0	11,408	0	0	0	11,408
Unit turnaround contracts	0	15,211	0	0	0	15,211
Electrical contracts	1,331	5,046	0	0	0	6,377
Plumbing contracts	0	5,590	0	0	0	5,590
Extermination contracts	0	22,527	0	0	0	22,527
Janitorial contracts	0	0	0	0	0	0
Routine Maintenance Contracts	0	0	0	0	0	0
Contract costs - other	8,622	83,194	0	0	0	91,816
Total Ordinary Maintenance & Operation	63,799	710,333	0	0	0	774,132
Protective services						
Protective services - salaries	0	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0	0
Other protective services	0	0	0	0	0	0
Total Protective Services	0	0	0	0	0	0
General Expenses						
Property insurance	0	82,039	0	0	0	82,039
Liability insurance	0	20,563	0	0	0	20,563
Workmen's compensation	0	22,983	5,850	0	0	28,833
Insurance - other	0	3,468	3,695	0	0	7,163
Other general expense	0	0	0	0	0	0
Payments in lieu of taxes	1,172	0	0	0	0	1,172
Bad debt - tenant rents	0	58,443	0	0	0	58,443
Bad debt - mortgages	0	0	0	0	0	0
Severance expense	0	0	0	0	0	0
Total General Expenses	1,172	187,496	9,545	0	0	198,213
Financial Expenses						
Interest expense - Mortgage Payable	8,770	0	0	0	0	8,770
Interest expense - Notes Payable	0	0	0	0	0	0
Amortization - issuance costs	0	0	0	0	0	0
Total Financial Expenses	8,770	0	0	0	0	8,770
TOTAL OPERATING EXPENSE	75,842	1,742,062	163,669	0	(260,565)	1,721,008
EXCESS OPERATING REVENUE	75,886	112,151	118,231	139,860	0	446,128

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg 14.850</u>	<u>Central Office Cost Center</u>	<u>Formula Capital Fund Stimulus Grant 14.885</u>	<u>Elimination</u>	<u>TOTAL</u>
Other Expenses						
Extraordinary maintenance	0	0	0	0	0	0
Casualty losses	0	0	0	0	0	0
Housing assistance payments	0	0	0	0	0	0
Depreciation expense	3,787	121,666	6,430	0	0	131,883
Total Other Expenses	3,787	121,666	6,430	0	0	131,883
TOTAL EXPENSES	\$ 79,629	\$ 1,863,728	\$ 170,099	\$ 0	\$ (260,565)	\$ 1,852,891
EXCESS OF REVENUE OVER EXPENSES	\$ 72,099	\$ (9,515)	\$ 111,801	\$ 139,860	\$ 0	\$ 314,245
Transfer of funds	0	0	0	0	0	0
Transfer of equity	0	139,860	0	(139,860)	0	0
Prior period adjustments	0	0	0	0	0	0
Beginning Net Assets	29,791	4,654,653	388,945	0	0	5,073,389
Ending Net Assets	\$ 101,890	\$ 4,784,998	\$ 500,746	\$ 0	\$ 0	\$ 5,387,634
Units Available	48	3,600	-	-	-	3,648
Units Leased	48	3,382	-	-	-	3,430

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

**FINANCIAL DATA SUBMISSION SUMMARY
NET ASSET ACCOUNTS - AMPs
June 30, 2011**

<u>Account Description</u>	<u>LA054 - I</u>	<u>Other Project</u>	<u>TOTAL</u>
ASSETS:			
CURRENT ASSETS:			
Cash:			
Cash - unrestricted	\$ 0	\$ 0	\$ 0
Cash - restricted	0	0	0
Cash - tenant security deposits	49,801	0	49,801
Total Cash	49,801	0	49,801
Accounts and notes receivables:			
Accounts receivable - HUD	189,140	0	189,140
Accounts receivable - other government	0	0	0
Accounts receivable - miscellaneous	0	0	0
Accounts receivable - tenants rents	3,915	0	3,915
Allowance for doubtful accounts-tenants	(276)	0	(276)
Allowance for doubtful accounts-other	0	0	0
Accrued interest receivable	889	0	889
Total receivables - net	193,668	0	193,668
Current investments			
Investments - unrestricted	250,130	0	250,130
Prepaid expenses and other assets	71,684	0	71,684
Inventories	52,689	0	52,689
Allowance for obsolete inventories	0	0	0
Interprogram due from	0	0	0
TOTAL CURRENT ASSETS	617,972	0	617,972
NONCURRENT ASSETS:			
Capital Assets:			
Land	35,768	0	35,768
Buildings	3,601,846	0	3,601,846
Furniture & equipment - dwellings	0	0	0
Furniture & equipment - admin	212,515	0	212,515
Improvements	6,434,605	0	6,434,605
Work in process	2,463,024	0	2,463,024
Accumulated depreciation	(8,295,862)	0	(8,295,862)
Total capital assets - net	4,451,896	0	4,451,896
Notes receivable - noncurrent	0	0	0
Investment in joint ventures	0	0	0
TOTAL NONCURRENT ASSETS	4,451,896	0	4,451,896
TOTAL ASSETS	\$ 5,069,868	\$ 0	\$ 5,069,868

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

**FINANCIAL DATA SUBMISSION SUMMARY
NET ASSET ACCOUNTS - AMPs
June 30, 2011**

<u>Account Description</u>	<u>LA054 - 1</u>	<u>Other Project</u>	<u>TOTAL</u>
LIABILITIES AND NET ASSETS:			
LIABILITIES:			
CURRENT LIABILITIES			
Cash overdraft	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	45,871	0	45,871
Accrued salaries/payroll withholding	0	0	0
Accrued compensated absences	10,605	0	10,605
Accrued interest payable	0	0	0
Accounts payable - HUD PHA programs	0	0	0
Accounts payable - other gov.	0	0	0
Tenant security deposits	49,801	0	49,801
Unearned revenue	8,651	0	8,651
Current portion of L-T debt - capital projects	0	0	0
Other current liabilities	0	0	0
Interprogram (due to)	127,520	0	127,520
TOTAL CURRENT LIABILITIES	242,448	0	242,448
NONCURRENT LIABILITIES			
Long-term debt, net of current - capital projects	0	0	0
Accrued comp. Absences - long term	42,422	0	42,422
Noncurrent liabilities - other	0	0	0
TOTAL NONCURRENT LIABILITIES	42,422	0	42,422
TOTAL LIABILITIES	284,870	0	284,870
NET ASSETS:			
Capital assets net of related debt	4,451,896	0	4,451,896
Restricted - Net Assets	0	0	0
Unrestricted - Net Assets	333,102	0	333,102
TOTAL NET ASSETS	4,784,998	0	4,784,998
TOTAL LIABILITIES AND NET ASSETS	\$ 5,069,868	\$ 0	\$ 5,069,868

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND
NET ASSET ACCOUNTS - COMBINED SCHEDULE - AMP's
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Account Description</u>	<u>LA054 - 1</u>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
REVENUES:			
Net tenant rental revenue	\$ 622,964	\$ 0	\$ 622,964
Tenant revenue - other	205,784	0	205,784
Total tenant revenue	<u>828,748</u>	<u>0</u>	<u>828,748</u>
HUD PHA grants - operating	686,303	112,496	798,799
HUD PHA grants - capital	0	223,348	223,348
Management fee	0	0	0
Asset management fee	0	0	0
Bookkeeping fee	0	0	0
Front line service fee	0	0	0
Other government grants	0	0	0
Investment income - unrestricted	1,416	0	1,416
Mortgage interest income	0	0	0
Fraud income	0	0	0
Other revenue	1,717	0	1,717
Investment income - restricted	0	0	0
Gain/(loss) on disposition	185	0	185
TOTAL REVENUES	\$ <u>1,518,369</u>	\$ <u>335,844</u>	\$ <u>1,854,213</u>
EXPENSES:			
Administrative			
Administrative salaries	\$ 90,705	\$ 0	\$ 90,705
Auditing fees	6,930	0	6,930
Management fees	155,404	43,796	199,200
Bookkeeping fees	25,365	0	25,365
Advertising & marketing	0	0	0
Employee benefits - administrative	38,854	0	38,854
Office expense	6,263	741	7,004
Legal expense	3,502	0	3,502
Travel expense	12,965	0	12,965
Other operating - administrative	58,784	7,209	65,993
Total Administrative Expense	<u>398,772</u>	<u>51,746</u>	<u>450,518</u>
Asset management fee	<u>36,000</u>	<u>0</u>	<u>36,000</u>
Tenant services			
Tenant services - salaries	20,775	0	20,775
Employee benefits - tenant services	8,899	0	8,899
Other tenant services	17,268	41,000	58,268
Total Tenant Services	<u>46,942</u>	<u>41,000</u>	<u>87,942</u>
Utilities			
Water	23,147	0	23,147
Electricity	167,562	0	167,562
Gas	7,122	0	7,122
Sewer	71,942	0	71,942
Other utilities	0	0	0
Employee benefits - utilities	0	0	0
Total Utilities Expense	<u>269,773</u>	<u>0</u>	<u>269,773</u>

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND
NET ASSET ACCOUNTS - COMBINED SCHEDULE - AMP's
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Account Description</u>	<u>LA054 - 1</u>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Ordinary Maintenance & Operation			
Labor	291,328	0	291,328
Materials	111,066	19,190	130,256
Employee benefit contributions	124,792	0	124,792
Garbage & trash removal contracts	20,946	0	20,946
Heating & cooling contracts	35	0	35
Snow removal contracts	0	0	0
Elevator maintenance contracts	0	0	0
Landscape & grounds contracts	11,408	0	11,408
Unit turnaround contracts	15,211	0	15,211
Electrical contracts	5,046	0	5,046
Plumbing contracts	5,590	0	5,590
Extermination contracts	22,527	0	22,527
Janitorial contracts	0	0	0
Routine Maintenance Contracts	0	0	0
Contract costs - other	82,634	560	83,194
Total Ordinary Maintenance & Operation	<u>690,583</u>	<u>19,750</u>	<u>710,333</u>
Protective services			
Protective services - salaries	0	0	0
Employee benefits - protective services	0	0	0
Other protective services	0	0	0
Total Protective Services	<u>0</u>	<u>0</u>	<u>0</u>
General Expenses			
Property insurance	82,039	0	82,039
Liability insurance	20,563	0	20,563
Workmen's compensation	22,983	0	22,983
Insurance - other	3,468	0	3,468
Other general expense	0	0	0
Payments in lieu of taxes	0	0	0
Bad debt - tenant rents	58,443	0	58,443
Bad debt - mortgages	0	0	0
Severance expense	0	0	0
Total General Expenses	<u>187,496</u>	<u>0</u>	<u>187,496</u>
Financial Expenses			
Interest expense - Mortgage Payable	0	0	0
Interest expense - Notes Payable	0	0	0
Amortization - issuance costs	0	0	0
Total Financial Expenses	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OPERATING EXPENSE	<u>1,629,566</u>	<u>112,496</u>	<u>1,742,062</u>

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES AND CHANGE IN FUND
NET ASSET ACCOUNTS - COMBINED SCHEDULE - AMP's
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Account Description</u>	LA054 - 1		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
EXCESS OPERATING REVENUE	<u>(111,197)</u>	<u>223,348</u>	<u>112,151</u>
Other Expenses			
Extraordinary maintenance	0	0	0
Casualty losses	0	0	0
Housing assistance payments	0	0	0
Depreciation expense	<u>121,666</u>	<u>0</u>	<u>121,666</u>
Total Other Expenses	<u>121,666</u>	<u>0</u>	<u>121,666</u>
TOTAL EXPENSES	\$ <u>1,751,232</u>	\$ <u>112,496</u>	\$ <u>1,863,728</u>
EXCESS OF REVENUE OVER EXPENSES	\$ <u>(232,863)</u>	\$ <u>223,348</u>	\$ <u>(9,515)</u>
Transfer of funds	0	0	0
Transfer of equity	0	139,860	139,860
Prior period adjustments	0	0	0
Beginning Net Assets	<u>4,654,653</u>	<u>0</u>	<u>4,654,653</u>
Ending Net Assets	\$ <u>4,421,790</u>	\$ <u>363,208</u>	\$ <u>4,784,998</u>
Units Available	3600	0	3,600
Units Leased	3382	0	3,382

Housing Authority of the Town of Ruston
Ruston, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Type</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>
<u>FEDERAL GRANTOR</u>			
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:</u>			
Public Housing:			
Low Rent Public Housing - subsidy	A - Major	14.850	\$ 686,303
Capital Fund Program	A - Major	14.872	335,844
ARRA - Formula Capital Fund Stimulus Grant	A - Major	14.885	<u>139,860</u>
TOTAL FEDERAL FINANCIAL AWARDS			\$ <u><u>1,162,007</u></u>
Threshold for Type A & Type B			\$ <u><u>300,000</u></u>

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the Town of Ruston and is presented on the full accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE B - SUBRECIPIENTS:

The Housing Authority of the Town of Ruston provided no federal awards to subrecipients during the fiscal year ending June 30, 2011.

NOTE C - DISCLOSURE OF OTHER FORMS OF ASSISTANCE:

- The Housing Authority of the Town of Ruston received no federal awards of non-monetary assistance that are required to be disclosed for the year ended June 30, 2011.
- The Housing Authority of the Town of Ruston had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the fiscal year ended June 30, 2011.
- The Housing Authority of the Town of Ruston maintains the following limits of insurance as of June 30, 2011:

Property	\$ 16,957,140
Liability	\$ 1,000,000
Commercial Auto	\$ 100,000
Commercial Auto Liability	\$ 300,000
Worker Compensation	Regulatory
Public Officials Liability	\$ 1,000,000
Fidelity Bond	\$ 45,000

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

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

**SUPPLEMENTAL INFORMATION
SPECIAL REPORTS**

YEAR ENDED JUNE 30, 2011

Housing Authority of the Town of Ruston
Ruston, Louisiana

STATEMENT OF ACTUAL MODERNIZATION COSTS
FOR THE YEAR ENDED JUNE 30, 2011

LA48PO5450108

1 The Actual Modernization Costs of Phase 501-08 were:

Funds Approved	\$ 453,541
Funds Expended	<u>453,541</u>
Excess of Funds Approved	\$ <u><u>-</u></u>
Funds Advanced	\$ 453,541
Funds Expended	<u>453,541</u>
Excess of Funds Advanced	\$ <u><u>-</u></u>

- 2 All audit period additions were incurred in the prior audit period and accordingly were not reaudited by Rector & Reeder, P.C.
- 3 The total program costs as stated on the Annual Statement/Performance and Evaluation Report is in agreement with the Actual Modernization Cost Certificate dated December 8, 2011, as submitted to HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.

Housing Authority of the Town of Ruston
Ruston, Louisiana

STATEMENT OF ACTUAL MODERNIZATION COSTS
FOR THE YEAR ENDED JUNE 30, 2011

LA48PO5450109

- 1 The Actual Modernization Costs of Phase 501-09 were:

Funds Approved	\$	442,852
Funds Expended		<u>442,852</u>
Excess of Funds Approved	\$	<u><u>-</u></u>
Funds Advanced	\$	442,852
Funds Expended		<u>442,852</u>
Excess of Funds Advanced	\$	<u><u>-</u></u>

- 2 Audit period additions totaled \$1,411.72 and accordingly were audited by Rector & Reeder, P.C.
- 3 The total program costs as stated on the Annual Statement/Performance and Evaluation Report is in agreement with the Actual Modernization Cost Certificate dated December 8, 2011, as submitted to HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.

Housing Authority of the Town of Ruston
Ruston, Louisiana

STATEMENT OF ACTUAL MODERNIZATION COSTS
FOR THE YEAR ENDED JUNE 30, 2011

LA48SO5450109

- 1 The Actual Modernization Costs of Phase 501-09 were:

Funds Approved	\$ 574,093
Funds Expended	<u>574,093</u>
Excess of Funds Approved	\$ <u><u>-</u></u>
Funds Advanced	\$ 574,093
Funds Expended	<u>574,093</u>
Excess of Funds Advanced	\$ <u><u>-</u></u>

- 2 Audit period additions totaled \$139,860.00 and accordingly were audited by Rector & Reeder, P.C.
- 3 The total program costs as stated on the Annual Statement/Performance and Evaluation Report is in agreement with the Actual Modernization Cost Certificate dated November 17, 2011, as submitted to HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.



December 7, 2011

To the Board of Commissioners
Housing Authority of the Town of Ruston

We have audited the financial statements of the Housing Authority of the Town of Ruston for the year ended June 30, 2011, and have issued our report thereon dated December 7, 2011. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As a part of our audit, we considered the internal control structure of the Housing Authority of the Town of Ruston. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Housing Authority of the Town of Ruston are described in Note A to the financial statements. Currently as a result of federal regulations the Housing Authority has adopted the generally accepted accounting principles.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Housing Authority that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements. We proposed no audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the Housing Authority's financial reporting process.

Page Two

Disagreements with Management

For the purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in auditing the Housing Authority of the Town of Ruston.

CURRENT AUDIT FINDINGS:

There are no current audit findings for noncompliance, significant deficiencies or material weaknesses that were identified during the scope of our audit.

OTHER MATTERS OR CONCERNS

There were no matters noted during the course of our audit that rose to the level of a finding in the current audit report.

This information is intended solely for the use of the Audit Committee, the Finance Committee, the Board of Commissioners, the management agent, and management of the Housing Authority of the Town of Ruston and should not be used for any other purpose.

Very truly yours,



Rector & Reeder, P.C.
Certified Public Accountants