

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

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

YEAR ENDED JUNE 30, 2015

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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, 2015



**UNMODIFIED OPINIONS ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY
INFORMATION AND OTHER INFORMATION – STATE OR LOCAL GOVERNMENTAL ENTITY**
INDEPENDENT AUDITORS' 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

Report on Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the Town of Ruston as of and for the year ended June 30, 2015, and the related notes to the 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 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 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 reasonable basis for our audit opinions.

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the Town of Ruston, as of June 30, 2015, and the respective changes in financial position and, where appropriate, cash flows for the year then ended in conformity 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 Management's Discussion and Analysis, as listed in the table of contents, should 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 inquires 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 procedure did not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Housing Authority of the Town of Ruston. The accompanying Schedule of Expenditures of Federal Awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as well as the Financial Data 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 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.

This 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2015 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* in considering the Authority's internal control over financial reporting and compliance.


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

Lawrenceville, Georgia
November 19, 2015

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

MANAGEMENT DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2015

HOUSING AUTHORITY OF THE TOWN OF RUSTON MANAGEMENT'S DISCUSSION & ANALYSIS FISCAL YEAR ENDED JUNE 30, 2015

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, 2015.

FINANCIAL HIGHLIGHTS AND CONCLUSIONS:

The Housing Authority of the Town of Ruston had a good year as illustrated by the outcome of its fiscal year operations. Total Net Position increased by \$461,046 or 7.95%. 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 "standard 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 Position (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 position 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 position are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Authority's operations over the past fiscal year.

The purpose of 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 Position and the Statement of Revenues, Expenses, and Changes in Net

Position 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 Position is presented in Table I, which follows.

Housing Authority of the Town of Ruston
Comparative Statement of Net Position
TABLE I

	2015	2014	Total Change	% Change
Current Assets	\$ 1,701,396	\$ 1,396,004	\$ 305,392	21.88%
Capital Assets	4,841,671	4,664,248	177,423	3.80%
Total Assets	\$ 6,543,067	\$ 6,060,252	\$ 482,815	7.97%
Current Liabilities	\$ 141,326	\$ 109,164	\$ 32,162	29.46%
Noncurrent Liabilities	142,721	153,114	(10,393)	-6.79%
Total Liabilities	284,047	262,278	21,769	8.30%
Net Investment in Capital Assets	4,747,206	4,564,935	182,271	3.99%
Unrestricted	1,511,814	1,233,039	278,775	22.61%
Total Net Position	6,259,020	5,797,974	461,046	7.95%
Total Liabilities & Net Position	\$ 6,543,067	\$ 6,060,252	\$ 482,815	7.97%

Total assets increased by \$482,815 or 7.97%. This was a result of increases in current assets of \$305,392 or 21.88% and an increase of \$177,423 or 3.80% in capital assets. The overall increase in current assets is primarily due to increases in cash and investments of \$455,369 or 48.18% as illustrated in the Statement of Cash Flows in the audited financial statements. Also contributing to the overall increase were increases of \$10,029 or 16.05% in prepaid expenses and \$26,219 or 38.78% in inventories, both due to normal fluctuations in the timing of year end payments and usage. These increases were offset somewhat by a decrease in total accounts receivables of \$186,225 or 58.07%, primarily due to decreases in HUD receivables of \$187,658 or 66.58%. This decrease was mainly due to fewer outstanding reimbursement draws related to the capital fund grant program compared to 2014. Capital assets increased by \$177,423 or 3.80% due to additions from the capital fund grants in excess of current depreciation expense. This change is outlined further in the capital assets section of this discussion.

Total liabilities increased by \$21,769 or 8.30% compared to the prior year. Current liabilities increased by \$32,162 or 29.46% while noncurrent liabilities decreased by \$10,393 or 6.79%. The increase in current liabilities was primarily due to increases of \$20,593 or 80.32% in accounts payable, \$10,093 or 550.33% in accrued payroll expenses, and \$561 or 10.39% in unearned revenues. All of these increases were due to normal timing/reporting differences.

These increases were partially offset by decreases of \$6,616 or 9.00% in total accrued compensated absences and \$4,848 or 4.88% in total capital debt.

As illustrated in the above Comparative Statement of Net Position, the overall Net Position of the Authority increased by \$461,046 or 7.95%. Unrestricted Net Position increased by \$278,775 or 22.61%, representing an increase in net working capital and available resources for future programs and expenditures. Net Investment in Capital Assets increased by \$182,271 or 3.99%. This change was due current period capital asset additions in excess of current depreciation expense and is explained further within this document.

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

Housing Authority of the Town of Ruston
Comparative Statement of Revenues, Expenses, and Changes in Net Position
TABLE II

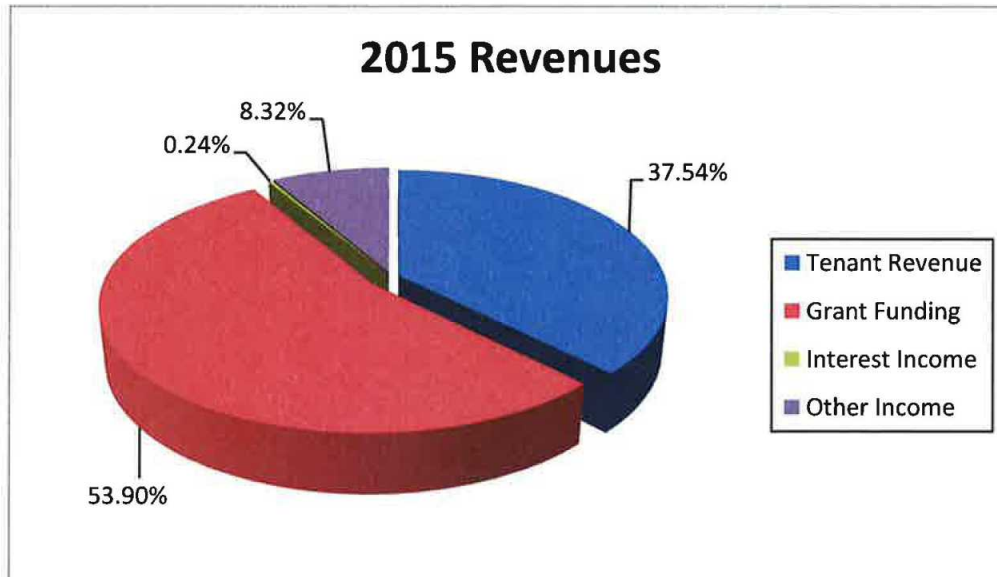
	2015	2014	Total Change	% Change
Tenant Revenue	\$ 969,418	\$ 907,317	\$ 62,101	6.84%
Grant Funding	1,392,079	1,076,851	315,228	29.27%
Interest Income	6,210	1,196	5,014	419.23%
Other Income	214,847	104,705	110,142	105.19%
Total Revenue	2,582,554	2,090,069	492,485	23.56%
Administration	428,086	450,784	(22,698)	-5.04%
Tenant Services	100,056	96,393	3,663	3.80%
Utilities	280,079	285,383	(5,304)	-1.86%
Maintenance	910,630	815,095	95,535	11.72%
General	160,141	150,085	10,056	6.70%
Interest	4,270	6,251	(1,981)	-31.69%
Depreciation	238,246	238,246	-	0.00%
Total Expenses	2,121,508	2,042,237	79,271	3.88%
Change in Net Position	461,046	47,832	413,214	863.89%
Beginning Net Position	5,797,974	5,750,142	47,832	0.83%
Ending Net Position	\$ 6,259,020	\$ 5,797,974	\$ 461,046	7.95%

Housing Authority of the Town of Ruston
Statement of Revenues, Expenses, and Changes in Net Position - By Program
For Year Ended June 30, 2015
TABLE III

	Public & Indian Housing	Central Office	Business Type Activity	Eliminations	Total
Tenant Revenue	\$ 954,515	\$ -	\$ 14,903	\$ -	\$ 969,418
Grant Funding	1,392,079	-	-	-	1,392,079
Interest Income	228	5,982	-	-	6,210
Other Income	50,185	303,755	164,662	(303,755)	214,847
Total Revenue	2,397,007	309,737	179,565	(303,755)	2,582,554
Administration	469,520	220,411	5,910	(267,755)	428,086
Asset Management	36,000	-	-	(36,000)	-
Tenant Services	99,796	-	260	-	100,056
Utilities	279,911	-	168	-	280,079
Maintenance	834,563	-	76,067	-	910,630
General	153,231	4,123	2,787	-	160,141
Interest	-	-	4,270	-	4,270
Depreciation	234,459	-	3,787	-	238,246
Total Expenses	2,107,480	224,534	93,249	(303,755)	2,121,508
Change in Net Position	289,527	85,203	86,316	-	461,046
Transfer of Funds	-	-	-	-	-
Beginning Net Position	4,871,804	636,161	290,009	-	5,797,974
Ending Net Position	\$ 5,161,331	\$ 721,364	\$ 376,325	\$ -	\$ 6,259,020

REVENUES

In reviewing the Statement of Revenues, Expenses, and Changes in Net Position, you will find that 53.90% 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 which account for 37.54% of total revenue. Other Revenue, including Interest from Investments, and Property, Grant, and Asset Management Fees to the Central office comprises the remaining 8.56%. Compared to the Fiscal Year Ended June 30, 2014, revenues showed an overall increase of \$492,485 or 23.56%.



Tenant Revenue - Tenant Revenue increased from \$907,317 to \$969,418, an increase of \$62,101 or 6.84%. Dwelling rent revenue typically changes in relation to changes in the number of working family tenants and changes in dwelling unit occupancy.

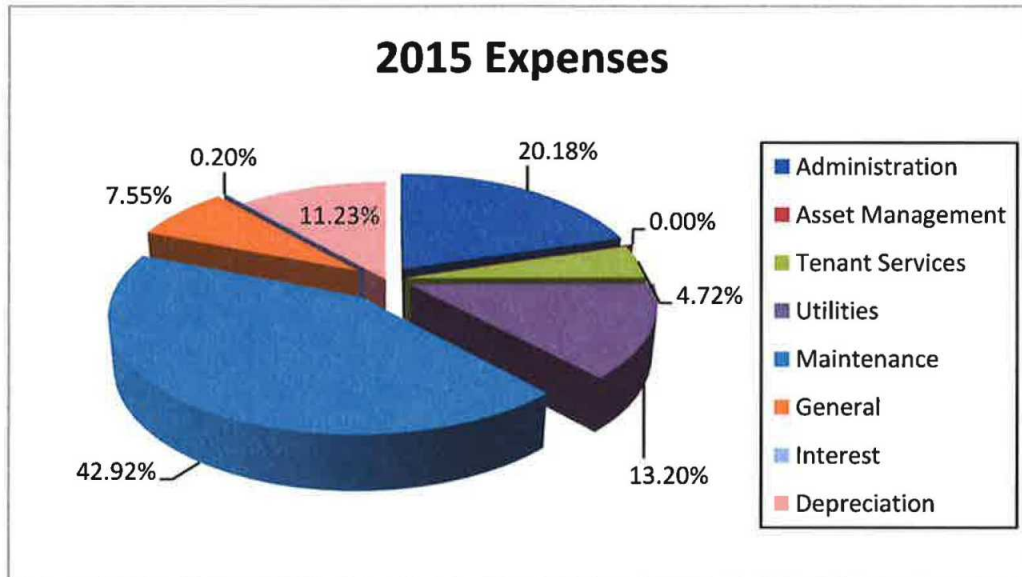
Program Grants/Subsidies - The Authority experienced an increase of \$315,228 or 29.27% in Grant Funding from \$1,076,851 in FY2014 to \$1,392,079 in FY2015. The primary reason for change is the increased activity in Capital Fund grants which can be expended and earned over several years. The Capital Fund Program ordinarily remains fairly consistent from program year to program year. Capital fund grants increased by \$217,903 or 61.38% compared to the previous year as more capital fund projects were undertaken. Public Housing operating subsidy revenue for this year increased by \$97,325 or 13.48%, due to improved funding levels from HUD.

Interest Income - Interest income increased by \$5,014 or 419.23% due to the availability of more funds earning interest as well as a change in the calculation of accrued interest in the current year.

Other Income - Other income increased by \$110,142 or 105.19% which was primarily due to increases in the level of work done for Farmerville Housing Authority and other managed entities, reflected in the Business Type Activities fund, as well as the receipt of oil and gas lease payments in FY2015. These increases were offset by decreases of \$5,966 or 100.00% in tenant fraud revenue, and \$1,700 or 100.00% in gains on the sale of disposed capital assets.

EXPENSES

The Housing Authority of the Town of Ruston experienced an increase in expenses for the current year from \$2,042,237 to \$2,121,508, an increase of \$79,271 or 3.88%.



The highlights of changes in 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 2014, administrative costs decreased by \$22,698 or 5.04%. The primary cause of this increase was the \$47,717 or 14.90% decrease in administrative salaries and benefits due to the retirement of a long time staff member. Legal expense decreased by \$4,113 or 50.14%, mainly due to the settlement of the prior year's litigation. These decreases were partially offset by increases in several areas. Other administrative expenses increased by \$24,198 or 25.18%, primarily due to the classification of capital fund 'soft' costs and changes in the presentation of certain costs. Office expenses increased by \$3,480 or 31.83% primarily due to increases in the COCC. Travel expense increased by \$1,324 or 19.26% due to additional trainings and conferences for staff members.

Tenant Services - Tenant services costs include all costs incurred by the Authority to provide social services to the residents. Tenant Services costs increased from \$96,393 to \$100,056, an increase of \$3,663 or 3.80%.

Utilities - The total utilities expense for the Authority decreased by \$5,304 or 1.86%. This decrease was due to the decrease sewer costs of \$7,846 or 13.55%, due to lower sewer rates. This decrease was partially offset by minor increases in all other utility costs.

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. Maintenance expenses for the Authority increased from \$815,095 to \$910,630, an increase of \$95,535 or 11.72%. This was almost mainly due to increases of \$75,631 or 25.71% in labor, \$19,162 or 13.95% in employee benefits and \$21,772 or 20.20% in materials, primarily due to fewer payroll costs capitalized as part of capital fund building projects. These increases were partially offset by decreases of \$21,030 or 7.62% in maintenance contract costs.

General Expenses - General expenses include insurance costs (property, auto, liability, workers' compensation, public officials' liability, lead based paint insurance, etc.), property taxes and collection losses. General expenses for the Authority increased from \$150,085 to \$160,141, an increase of \$10,056 or 6.70%. This increase is primarily due to an increase in insurance expense of \$13,234 or 13.19% due to increased premiums in FY2015. This increase was offset somewhat by decreases of \$1,778 or 3.78% in collection losses and \$1,401 or 100.00% in other general expense.

Interest Expense - Interest expense on capital notes decreased from \$6,251 to \$4,270 in the current year, a decrease of \$1,981 or 31.69%. This was due to the normal amortization of the outstanding capital loan.

CAPITAL ASSETS

As of June 30, 2015, the Authority experienced an increase in its capital assets of \$177,423 or 3.80% to \$4,841,671. The following chart illustrates the Capital Asset values for 2014 and 2015.

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

	2015	2014	Total Change	% Change
Land	\$ 67,146	\$ 67,146	\$ -	0.00%
Buildings & improvements	12,779,087	12,779,087	-	0.00%
Equipment	397,433	397,433	-	0.00%
Construction in Progress	754,178	338,508	415,670	122.79%
	<u>13,997,844</u>	<u>13,582,174</u>	415,670	3.06%
Accumulated Depreciation	(9,156,173)	(8,917,926)	(238,247)	2.67%
Total Capital Assets	<u><u>\$ 4,841,671</u></u>	<u><u>\$ 4,664,248</u></u>	<u><u>\$ 177,423</u></u>	3.80%

Major changes in the capital asset accounts are summarized below:

Balance at July 1, 2014	\$ 4,664,248
Current period additions – capital fund	415,670
Adjustment to accumulated depreciation	(1)
Current period depreciation expense	<u>(238,246)</u>
Balance at June 30, 2015	<u>\$ 4,841,671</u>

The change in Capital Assets was due to capital asset additions from the Capital Fund program of \$415,670 which were offset by current depreciation expense of \$238,246.

DEBT OBLIGATIONS

The Ruston Community Corporation (Business Activities) refinanced an existing debt obligation with the Bank of Ruston on October 11, 2013, which was for the acquisition of certain real property. The obligation is secured by a first mortgage deed and bears interest at a rate of 5.00% per annum. Monthly payments including principal and interest total \$820 with a balloon payment due at maturity on September 19, 2016, and the Authority plans to refinance this obligation into another long-term instrument at that time. The activity for the year is shown in the accompanying notes to the financial statements. The outstanding balance as of June 30, 2015 was \$94,465, with \$5,236 classified as a current liability.

ECONOMIC FACTORS

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

- Congressional funding of the Department of Housing and Urban Development, including potential “subsidy allocation adjustments.”
- 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 especially due to the Affordable Care Act.

CONCLUSIONS:

Overall, the Housing Authority of the Town of Ruston had a 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: Housing Authority of the Town of Ruston, P.O. Box 510, Ruston, LA 71270.

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

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

**STATEMENT OF NET POSITION
JUNE 30, 2015**

ASSETS

Current Assets

Cash & cash equivalents - unrestricted	\$ 1,086,353
Cash & cash equivalents - restricted	58,591
Investments - unrestricted	255,663
Accounts receivable	134,453
Prepaid expenses	72,506
Inventories	<u>93,830</u>
 Total Current Assets	 <u>1,701,396</u>

Noncurrent Assets

Capital Assets:

Land	67,146
Buildings & improvements	12,779,087
Furniture & equipment	397,433
Construction in progress	<u>754,178</u>
	13,997,844
Less: Accumulated depreciation	<u>(9,156,173)</u>
Total Capital Assets	<u>4,841,671</u>
 Total Noncurrent Assets	 <u>4,841,671</u>

TOTAL ASSETS **\$ 6,543,067**

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

LIABILITIES & NET POSITION

Current Liabilities

Accounts payable	\$ 46,231
Accrued liabilities	25,306
Unearned revenue	5,962
Long-term debt - current portion	5,236
Tenant security deposits/escrow deposits	<u>58,591</u>
 Total Current Liabilities	 <u>141,326</u>

Noncurrent Liabilities

Long-term debt, net of current	89,229
Accrued liabilities - noncurrent	<u>53,492</u>
 Total Noncurrent Liabilities	 <u>142,721</u>

TOTAL LIABILITIES 284,047

Net Position

Net investment in capital assets	4,747,206
Unrestricted	<u>1,511,814</u>

TOTAL NET POSITION 6,259,020

TOTAL LIABILITIES & NET POSITION \$ 6,543,067

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

Operating Revenues

Tenant revenue	\$	969,418
Governmental grants & subsidy		976,409
Other income		214,847
Total Operating Revenue		2,160,674

Operating Expenses

Administration		428,086
Tenant services		100,056
Utilities		280,079
Maintenance & operations		910,630
General expense		160,141
Depreciation expense		238,246
Total Operating Expense		2,117,238

Net Operating Income/(Loss)		43,436
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Nonoperating Revenues/(Expenses)

Investment income		6,210
Interest expense		(4,270)

Net Nonoperating Revenues/(Expenses)		1,940
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Net Income/(Loss) before capital grants		45,376
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Capital grants		415,670
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Increase/(Decrease) in Net Position		461,046
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Total Net Position - beginning		5,797,974
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Total Net Position - ending	\$	6,259,020
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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, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 1,184,265
Governmental grants & subsidy - operations	976,409
Payments to suppliers	(867,640)
Payments to employees	(834,757)
	(834,757)

NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES 458,277

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(434)
Interest received	6,210
	6,210

NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES 5,776

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Governmental capital grant fund received	415,670
Additions to capital assets - capital funds	(415,670)
Interest paid	(4,270)
Payments on notes payable	(4,848)
	(4,848)

NET CASH PROVIDED/(USED) FROM CAPITAL AND RELATED FINANCING ACTIVITIES (9,118)

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS 454,935

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD 690,009

CASH AND CASH EQUIVALENTS AT END OF PERIOD \$ 1,144,944

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income/(Loss) from operations	\$ 43,436
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	238,246
Decrease (Increase) in accounts receivable	186,225
Decrease (Increase) in prepaid expenses	(10,028)
Decrease (Increase) in inventory	(26,219)
Increase (Decrease) in accounts payable	20,593
Increase (Decrease) in accrued liabilities	3,477
Increase (Decrease) in unearned revenue	561
Increase (Decrease) in security/trust deposits	1,986
	1,986

NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES \$ 458,277

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, 2015

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 Authority 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 Authority 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 financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). The following summary of the more significant accounting policies is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

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, 2015
(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 Position. Proprietary Fund Net Position is segregated into Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position. 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. Public and Indian 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. Public Housing Capital Fund Program – The objective of this program is to improve the physical condition of the Low Income Public Housing units and upgrade the management of the program.
3. Business Activities – The objective of this program is to acquire affordable housing property within the Ruston area. This program represents the activity of the Ruston Community Corporation.

Encumbrances - The Authority does not use encumbrance accounting.

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

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(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. If the initial cost of the piece of equipment and/or other personal property is \$1,000 or more, and the anticipated life or useful value is more than one year, the same shall be capitalized. 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 Revenues, Expenses, and Change in Net Position, while grants for capital improvements have been added to Net Position and are 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.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

7. Accounts Receivable:

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

8. Operating Revenue:

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

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 position below the nonoperating revenue and expense.

9. New Accounting Pronouncements:

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, is effective for periods beginning after June 15, 2014 and should be applied simultaneously with the provisions of Statement 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The Authority does not provide a defined benefit pension for its employees and, GASB Statement No. 71 will have no financial impact on the financial statements.

GASB Statement No. 72, *Fair Value Measurement and Application*, is effective for periods beginning after June 15, 2015 with earlier application encouraged. This Statement should improve financial reporting by clarifying the definition of *fair value* for financial reporting purposes. This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The disclosures should be organized by type asset or liability reported at fair value. The Authority does not anticipate a material impact on the financial statements as a result of this pronouncement.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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, 2015, the Authority's cash and cash equivalent deposits had a carrying amount of \$1,144,693 and bank balances of \$1,154,312. Of the bank balances held in various financial institutions, \$617,016 was covered by federal depository insurance and the remainder was covered by collateral held under the dedicated method. At June 30, 2015, the Authority's petty cash/change funds totaled \$251.

Investments - At June 30, 2015, the Authority's investment balances were as follows:

Investment Type	Market Value	Maturity	Rating
Certificates of Deposit	\$ 255,663	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 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 in five banks and are fully collateralized at 100% and pledged securities are noted below. The Authority has no policy on custodial credit risk.

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

The above balances are contained in the following types of accounts at various financial institutions.

Cash & Investments at June 30, 2015 are as follows:

Checking accounts	\$ 1,144,693
Certificates of Deposit	255,663
Petty cash	<u>251</u>
	<u>\$ 1,400,607</u>

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

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

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>\$ 58,591</u>
Tenant security deposit – liability	<u>\$ 58,591</u>

Collateralization:

As of June 30, 2015 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				
Caddo Parish LA GO	127269GY8	03/01/26	3.000%	\$ 100,000
Calcasieu Parish LA School Dist GO	128506DX7	02/15/20	4.000%	400,000
Calcasieu Parish LA School Dist GO	128506DX7	02/15/20	4.000%	50,000
Calcasieu Parish LA School Dist GO	128506DX7	02/15/20	4.000%	50,000
FNMA POOL #AE7758	31419JTQ1	11/01/25	3.500%	<u>293,764</u>
				<u>\$ 893,764</u>

NOTE C - ACCOUNTS RECEIVABLE AND ACCRUED RECEIVABLES:

Accounts Receivable and Accrued Receivables at June 30, 2015, consisted of the following:

Tenants Accounts Receivable (Net of Allowance - \$241)	\$ 5,284
Accounts Receivable – HUD	94,182
Accounts Receivable – Miscellaneous	18,362
Accounts Receivable – Other Government	16,280
Accrued Interest Receivable	<u>345</u>
	<u>\$ 134,453</u>

The consolidated Statement of Net Position presented in the financial statements does not include the interfund receivables and payables of \$94,182 which have been eliminated in the consolidation.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE D - PREPAID EXPENSES:

Prepaid expenses at June 30, 2015, consisted of the following:

Prepaid insurance & expenses	\$ 72,506
Inventory materials	<u>93,830</u>
	<u>\$ 166,336</u>

NOTE E - CAPITAL ASSETS:

The following is a summary of changes in the net capital assets during the fiscal year ended June 30, 2015:

	Beginning Balances	Additions/ Depreciation	Transfers/ Adjustments	Dispositions	Ending Balances
Enterprise Activities					
Capital assets not being depreciated:					
Land	\$ 67,146	\$ -	\$ -	\$ -	\$ 67,146
Construction in progress	<u>338,508</u>	<u>415,670</u>	<u>-</u>	<u>-</u>	<u>754,178</u>
Total capital assets not being depreciated	<u>405,654</u>	<u>415,670</u>	<u>-</u>	<u>-</u>	<u>821,324</u>
Buildings & improvements	12,779,087	-	-	-	12,779,087
Furniture & equipment	<u>397,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>397,433</u>
Total capital assets being depreciated	<u>13,176,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,176,520</u>
Less accumulated depreciation for:					
Buildings & improvements	(8,620,369)	(208,910)	-	-	(8,829,279)
Furniture & equipment	<u>(297,557)</u>	<u>(29,336)</u>	<u>(1)</u>	<u>-</u>	<u>(326,894)</u>
Total accumulated depreciation	<u>(8,917,926)</u>	<u>(238,246)</u>	<u>(1)</u>	<u>-</u>	<u>(9,156,173)</u>
Total capital assets being depreciated	<u>4,258,594</u>				<u>4,020,347</u>
Enterprise activity capital assets, net	<u>\$ 4,664,248</u>				<u>\$ 4,841,671</u>

Balance at July 1, 2014	\$ 4,664,248
Current period additions – capital fund	415,670
Adjustment to accumulated depreciation	(1)
Current period depreciation expense	<u>(238,246)</u>
Balance at June 30, 2015	<u>\$ 4,841,671</u>

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE F - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

Accounts Payable and Accrued liabilities at June 30, 2015, consisted of the following:

Vendors & contractors	\$	46,231
Accrued compensated absences-current		13,379
Tenant security deposits		58,591
Accrued payroll/taxes		11,927
Unearned revenue		5,962
Long-term debt – current portion		<u>5,236</u>
	<u>\$</u>	<u>141,326</u>

The consolidated Statement of Net Position presented in the financial statements does not include the interfund receivables and payables of \$94,182 which have been eliminated in the consolidation.

NOTE G - OTHER NONCURRENT LIABILITIES:

Other noncurrent liabilities at June 30, 2015, consisted of the following:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion of Balance
Compensated absences	\$ 73,487	\$ 25,490	\$ (32,106)	\$ 66,871	\$ 13,379
Notes Payable	<u>99,313</u>	<u>-</u>	<u>(4,848)</u>	<u>94,465</u>	<u>5,236</u>
Total Noncurrent Liabilities	<u>\$ 172,800</u>	<u>\$ 25,490</u>	<u>\$ (36,954)</u>	<u>\$ 161,336</u>	<u>\$ 18,615</u>

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

The Ruston Community Corporation (Business Activities) refinanced an existing debt obligation with the Bank of Ruston on October 11, 2013, which was for the acquisition of certain real property. The obligation is secured by a first mortgage deed and bears interest at a rate of 5.00% per annum. Monthly payments on the note total \$820 with a balloon payment due at maturity on September 19, 2016, at which time RCC plans to refinance into another note. The balance as of June 30, 2015 was \$94,465, with a current amount due of \$5,236. Annual maturities and payments are detailed below.

	Payment	Interest	Principal
2016	\$ 9,840	\$ 4,604	\$ 5,236
2017	<u>90,339</u>	<u>1,110</u>	<u>89,229</u>
	<u>\$ 100,179</u>	<u>\$ 5,714</u>	<u>\$ 94,465</u>

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE I - COMMITMENTS AND CONTINGENCIES:

The entity is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in judgments against the entity and/or required refunds by the entity to federal grantors and/or program beneficiaries. There were no such liabilities recorded as of June 30, 2015.

On May 12, 2015 the Authority entered into a Consent Order as a result of the settlement of litigation proceedings initiated in prior periods. This order runs for a period of 5 years and 2 months, and calls for compliance with a variety of policy, procedure, and reporting requirements. Failure to maintain compliance with all provisions of the Order, "may move this Court to impose any remedy authorized by law or equity, including but not limited to, an order requiring performance of such act or deeming such act to have been performed, and an award of damages, costs, and reasonable attorneys' fees which may have been occasioned by the violation or failure to perform."

NOTE J - RELATED PARTY TRANSACTIONS:

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

NOTE K - 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 Authority total covered payroll for the year ended June 30, 2015 was \$477,568.

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 joinder 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 contribution requirement. The Authority's contribution for the year ended June 30, 2015 was \$40,593 and the total pension contribution for the year was \$91,653.

Other than the above mentioned pension plan, the Authority does not participate in any Other Post-Employment Benefits plan.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE L - 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 Housing Council, Inc. Group Self Insurance Risk Management Agency and Participating Members) for Property, General Liability, Workmen's Comp 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 M - ECONOMIC DEPENDENCY:

The Authority Owned Housing program is economically dependent on annual contributions and 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 Authority.

NOTE O - SUBSEQUENT EVENTS:

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through November 19, 2015 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statement.

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

SINGLE AUDIT SECTION

YEAR ENDED JUNE 30, 2015



**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**

INDEPENDENT AUDITORS' 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, 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 Housing Authority of the Town of Ruston, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Ruston's basic financial statements, and have issued our report thereon dated November 19, 2015.

Internal Control Over Financial Reporting

Management of the Housing Authority of the Town of Ruston is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the Housing Authority'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority'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 entity'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.

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 Housing Authority of the Town of Ruston's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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*.

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

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

Lawrenceville, Georgia
November 19, 2015



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB A-133
INDEPENDENT AUDITORS' 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

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the Town of Ruston'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 Housing Authority of the Town of Ruston's major federal programs for the year ended June 30, 2015. The Housing Authority of the Town of Ruston's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the Town of Ruston'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 OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the Town of Ruston's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Housing Authority of the Town of Ruston's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the Authority 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 June 30, 2015.

Report on Internal Control over Compliance

The management of the Housing Authority of the Town of Ruston is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Housing Authority of the Town of Ruston's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



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

Lawrenceville, Georgia
November 19, 2015

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended June 30, 2014, contained one formal audit finding, finding no. 2014-001, relative to the administration and internal controls governing the Low Rent Public Housing waiting list. Our review this year determined that the Authority has undertaken the necessary policy and procedural changes to ensure compliance with all regulatory requirements governing the selection and placement of Public Housing residents. ***This finding is cleared.***

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor’s Results:

Financial Statements

Type of report issued on the financial statements:	Unmodified
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:	Unmodified
Any audit findings disclosed that are required to be reported in Accordance with Circular A-133, Section .510(a)?	No
Identification of major program(s):	
CFDA #14.850 – Public and Indian Housing	
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Did the Authority qualify as a low-risk auditee?	No

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, 2015

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

**FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
JUNE 30, 2015**

<u>Account Description</u>	Business Activities	Public and Indian Housing 14.850	Central Office Cost Center	Elimination	TOTAL
ASSETS:					
CURRENT ASSETS:					
Cash:					
Cash - unrestricted	\$ 342,545	\$ 204,264	\$ 539,544	\$ 0	\$ 1,086,353
Cash - restricted	0	0	0	0	0
Cash - tenant security deposits	1,750	56,841	0	0	58,591
Total Cash	<u>344,295</u>	<u>261,105</u>	<u>539,544</u>	<u>0</u>	<u>1,144,944</u>
Accounts and notes receivables:					
Accounts receivable - HUD	0	94,182	0	0	94,182
Accounts receivable - other government	16,280	0	0	0	16,280
Accounts receivable - miscellaneous	0	0	18,362	0	18,362
Accounts receivable - tenants rents	450	5,075	0	0	5,525
Allowance for doubtful accounts-tenants	0	(241)	0	0	(241)
Accounts receivable - fraud	0	0	0	0	0
Allowance for doubtful accounts-other	0	0	0	0	0
Notes receivable - current	0	0	0	0	0
Accrued interest receivable	0	129	216	0	345
Total receivables - net	<u>16,730</u>	<u>99,145</u>	<u>18,578</u>	<u>0</u>	<u>134,453</u>
Current investments:					
Investments - unrestricted	0	114,017	141,646	0	255,663
Investments - restricted	0	0	0	0	0
Prepaid expenses and other assets	0	70,210	2,296	0	72,506
Inventories	0	93,830	0	0	93,830
Allowance for obsolete inventories	0	0	0	0	0
Assets held for sale	0	0	0	0	0
Interprogram due from	0	0	94,182	(94,182)	0
TOTAL CURRENT ASSETS	<u>361,025</u>	<u>638,307</u>	<u>796,246</u>	<u>(94,182)</u>	<u>1,701,396</u>
NONCURRENT ASSETS:					
Capital Assets:					
Land	31,378	35,768	0	0	67,146
Buildings	113,622	3,601,846	0	0	3,715,468
Furniture & equipment - dwellings	0	0	0	0	0
Furniture & equipment - admin	0	352,538	44,895	0	397,433
Improvements	0	9,063,619	0	0	9,063,619
Construction in process	0	754,178	0	0	754,178
Accumulated depreciation	(33,485)	(9,077,793)	(44,895)	0	(9,156,173)
Total capital assets - net	<u>111,515</u>	<u>4,730,156</u>	<u>0</u>	<u>0</u>	<u>4,841,671</u>
Notes receivable - noncurrent	0	0	0	0	0
Investment in joint ventures	0	0	0	0	0
TOTAL NONCURRENT ASSETS	<u>111,515</u>	<u>4,730,156</u>	<u>0</u>	<u>0</u>	<u>4,841,671</u>
TOTAL ASSETS	<u>\$ 472,540</u>	<u>\$ 5,368,463</u>	<u>\$ 796,246</u>	<u>\$ (94,182)</u>	<u>\$ 6,543,067</u>

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

**FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
JUNE 30, 2015**

<u>Account Description</u>	<u>Business Activities</u>	<u>Public and Indian Housing 14,850</u>	<u>Central Office Cost Center</u>	<u>Elimination</u>	<u>TOTAL</u>
LIABILITIES AND NET POSITION:					
LIABILITIES:					
CURRENT LIABILITIES:					
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	0	0	46,231	0	46,231
Accrued salaries/payroll withholding	0	0	11,927	0	11,927
Accrued compensated absences	0	10,034	3,345	0	13,379
Accrued interest payable	0	0	0	0	0
Accounts payable - HUD PHA programs	0	0	0	0	0
Accounts payable - other gov.	0	0	0	0	0
Tenant security deposits	1,750	56,841	0	0	58,591
Unearned revenue	0	5,962	0	0	5,962
Current portion of L-T debt - capital projects	5,236	0	0	0	5,236
Other current liabilities	0	0	0	0	0
Interprogram (due to)	0	94,182	0	(94,182)	0
TOTAL CURRENT LIABILITIES	<u>6,986</u>	<u>167,019</u>	<u>61,503</u>	<u>(94,182)</u>	<u>141,326</u>
NONCURRENT LIABILITIES:					
Long-term debt, net of current - capital projects	89,229	0	0	0	89,229
Accrued comp. absences - long term	0	40,113	13,379	0	53,492
TOTAL NONCURRENT LIABILITIES	<u>89,229</u>	<u>40,113</u>	<u>13,379</u>	<u>0</u>	<u>142,721</u>
TOTAL LIABILITIES	<u>96,215</u>	<u>207,132</u>	<u>74,882</u>	<u>(94,182)</u>	<u>284,047</u>
NET POSITION:					
Net investment in capital assets	17,050	4,730,156	0	0	4,747,206
Restricted	0	0	0	0	0
Unrestricted	359,275	431,175	721,364	0	1,511,814
TOTAL NET POSITION	<u>376,325</u>	<u>5,161,331</u>	<u>721,364</u>	<u>0</u>	<u>6,259,020</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 472,540</u>	<u>\$ 5,368,463</u>	<u>\$ 796,246</u>	<u>\$ (94,182)</u>	<u>\$ 6,543,067</u>

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Account Description</u>	<u>Business Activities</u>	<u>Public and Indian Housing 14.850</u>	<u>Central Office Cost Center</u>	<u>Elimination</u>	<u>TOTAL</u>
REVENUES:					
Net tenant rental revenue	\$ 14,738	\$ 708,259	\$ 0	\$ 0	\$ 722,997
Tenant revenue - other	165	246,256	0	0	246,421
Total tenant revenue	14,903	954,515	0	0	969,418
HUD PHA grants - operating	0	976,409	0	0	976,409
HUD PHA grants - capital	0	415,670	0	0	415,670
Management fee	0	0	241,182	(241,182)	0
Asset management fee	0	0	36,000	(36,000)	0
Bookkeeping fee	0	0	26,573	(26,573)	0
Front line service fee	0	0	0	0	0
Other government grants	0	0	0	0	0
Investment income - unrestricted	0	228	5,982	0	6,210
Mortgage interest income	0	0	0	0	0
Fraud income	0	0	0	0	0
Other revenue	164,662	50,185	0	0	214,847
Investment income - restricted	0	0	0	0	0
Gain/(loss) on disposition	0	0	0	0	0
TOTAL REVENUES	\$ 179,565	\$ 2,397,007	\$ 309,737	\$ (303,755)	\$ 2,582,554
EXPENSES:					
Administrative:					
Administrative salaries	\$ 0	\$ 61,993	\$ 121,883	\$ 0	\$ 183,876
Compensated absences	0	0	0	0	0
Auditing fees	0	4,420	4,000	0	8,420
Management fees	0	241,182	0	(241,182)	0
Bookkeeping fees	0	26,573	0	(26,573)	0
Advertising & marketing	0	130	0	0	130
Employee benefits - administrative	0	27,936	60,727	0	88,663
Office expense	180	7,617	6,616	0	14,413
Legal expense	512	3,578	0	0	4,090
Travel expense	276	7,922	0	0	8,198
Other operating - administrative	4,942	88,169	27,185	0	120,296
Total Administrative Expense	5,910	469,520	220,411	(267,755)	428,086
Asset management fee	0	36,000	0	(36,000)	0
Tenant services:					
Tenant services - salaries	0	25,244	0	0	25,244
Employee benefits - tenant services	0	10,686	0	0	10,686
Other tenant services	260	63,866	0	0	64,126
Total Tenant Services	260	99,796	0	0	100,056
Utilities:					
Water	0	20,211	0	0	20,211
Electricity	146	202,043	0	0	202,189
Gas	22	7,594	0	0	7,616
Sewer	0	50,063	0	0	50,063
Other utilities	0	0	0	0	0
Employee benefits - utilities	0	0	0	0	0
Total Utilities Expense	168	279,911	0	0	280,079

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Account Description</u>	Business Activities	Public and Indian Housing 14.850	Central Office Cost Center	Elimination	TOTAL
Ordinary Maintenance & Operation:					
Labor	24,011	345,755	0	0	369,766
Materials	20,496	109,043	0	0	129,539
Employee benefit contributions	0	156,522	0	0	156,522
Garbage & trash removal contracts	0	20,946	0	0	20,946
Heating & cooling contracts	0	0	0	0	0
Snow removal contracts	0	0	0	0	0
Elevator maintenance contracts	0	0	0	0	0
Landscape & grounds contracts	0	14,370	0	0	14,370
Unit turnaround contracts	0	47,457	0	0	47,457
Electrical contracts	0	7,664	0	0	7,664
Plumbing contracts	0	1,702	0	0	1,702
Extermination contracts	0	32,812	0	0	32,812
Janitorial contracts	0	0	0	0	0
Routine maintenance contracts	0	0	0	0	0
Contract costs - other	31,560	98,292	0	0	129,852
Total Ordinary Maintenance & Operation	76,067	834,563	0	0	910,630
Protective services:					
Protective services - salaries	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0
Other protective services	0	0	0	0	0
Total Protective Services	0	0	0	0	0
Insurance Premiums:					
Property insurance	0	76,868	0	0	76,868
Liability insurance	0	18,107	227	0	18,334
Workmen's compensation	0	14,454	3,896	0	18,350
Insurance - other	0	0	0	0	0
Total Insurance Premiums	0	109,429	4,123	0	113,552
General Expenses:					
Other general expense	0	0	0	0	0
Payments in lieu of taxes	1,287	0	0	0	1,287
Bad debt - tenant rents	1,500	43,802	0	0	45,302
Bad debt - mortgages	0	0	0	0	0
Severance expense	0	0	0	0	0
Total General Expenses	2,787	43,802	0	0	46,589
Financial Expenses:					
Interest expense - Mortgage Payable	4,270	0	0	0	4,270
Interest expense - Notes Payable	0	0	0	0	0
Amortization - issuance costs	0	0	0	0	0
Total Financial Expenses	4,270	0	0	0	4,270
TOTAL OPERATING EXPENSE	89,462	1,873,021	224,534	(303,755)	1,883,262
EXCESS OPERATING REVENUE	90,103	523,986	85,203	0	699,292

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Account Description</u>	<u>Business Activities</u>	<u>Public and Indian Housing 14.850</u>	<u>Central Office Cost Center</u>	<u>Elimination</u>	<u>TOTAL</u>
Other Expenses:					
Extraordinary maintenance	0	0	0	0	0
Casualty losses	0	0	0	0	0
Housing assistance payments	0	0	0	0	0
Depreciation expense	3,787	234,459	0	0	238,246
Total Other Expenses	<u>3,787</u>	<u>234,459</u>	<u>0</u>	<u>0</u>	<u>238,246</u>
TOTAL EXPENSES	\$ <u>93,249</u>	\$ <u>2,107,480</u>	\$ <u>224,534</u>	\$ <u>(303,755)</u>	\$ <u>2,121,508</u>
EXCESS OF REVENUE OVER EXPENSES	\$ <u>86,316</u>	\$ <u>289,527</u>	\$ <u>85,203</u>	\$ <u>0</u>	\$ <u>461,046</u>
Transfer of funds	0	0	0	0	0
Transfer of equity	0	0	0	0	0
Prior period adjustments	0	0	0	0	0
Beginning Net Position	<u>290,009</u>	<u>4,871,804</u>	<u>636,161</u>	<u>0</u>	<u>5,797,974</u>
Ending Net Position	\$ <u>376,325</u>	\$ <u>5,161,331</u>	\$ <u>721,364</u>	\$ <u>0</u>	\$ <u>6,259,020</u>
Units Available	48	3,600	-	-	3,648
Units Leased	48	3,543	-	-	3,591

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

**FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - AMPs
JUNE 30, 2015**

<u>Account Description</u>	<u>LA054 - 1</u>	<u>Other Project</u>	<u>TOTAL</u>
ASSETS:			
CURRENT ASSETS:			
Cash:			
Cash - unrestricted	\$ 204,264	\$ 0	\$ 204,264
Cash - restricted	0	0	0
Cash - tenant security deposits	56,841	0	56,841
Total Cash	261,105	0	261,105
Accounts and notes receivables:			
Accounts receivable - HUD	94,182	0	94,182
Accounts receivable - other government	0	0	0
Accounts receivable - miscellaneous	0	0	0
Accounts receivable - tenants rents	5,075	0	5,075
Allowance for doubtful accounts-tenants	(241)	0	(241)
Accounts receivable - fraud	0	0	0
Allowance for doubtful accounts-other	0	0	0
Accrued interest receivable	129	0	129
Total receivables - net	99,145	0	99,145
Current investments:			
Investments - unrestricted	114,017	0	114,017
Prepaid expenses and other assets	70,210	0	70,210
Inventories	93,830	0	93,830
Allowance for obsolete inventories	0	0	0
Interprogram due from	0	0	0
TOTAL CURRENT ASSETS	638,307	0	638,307
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	352,538	0	352,538
Improvements	9,063,619	0	9,063,619
Construction in Progress	754,178	0	754,178
Accumulated depreciation	(9,077,793)	0	(9,077,793)
Total capital assets - net	4,730,156	0	4,730,156
Notes receivable - noncurrent	0	0	0
Investment in joint ventures	0	0	0
TOTAL NONCURRENT ASSETS	4,730,156	0	4,730,156
TOTAL ASSETS	\$ 5,368,463	\$ 0	\$ 5,368,463

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

**FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - AMPs
JUNE 30, 2015**

<u>Account Description</u>	<u>LA054 - 1</u>	<u>Other Project</u>	<u>TOTAL</u>
LIABILITIES AND NET POSITION:			
LIABILITIES:			
CURRENT LIABILITIES:			
Cash overdraft	\$ 0	\$ 0	0
Accounts payable < 90 days	0	0	0
Accrued salaries/payroll withholding	0	0	0
Accrued compensated absences	10,034	0	10,034
Accrued interest payable	0	0	0
Accounts payable - HUD PHA programs	0	0	0
Accounts payable - other gov.	0	0	0
Tenant security deposits	56,841	0	56,841
Unearned revenue	5,962	0	5,962
Current portion of L-T debt - capital projects	0	0	0
Other current liabilities	0	0	0
Interprogram (due to)	94,182	0	94,182
TOTAL CURRENT LIABILITIES	<u>167,019</u>	<u>0</u>	<u>167,019</u>
NONCURRENT LIABILITIES:			
Long-term debt, net of current - capital projects	0	0	0
Accrued comp. absences - long term	40,113	0	40,113
Noncurrent liabilities - other	0	0	0
TOTAL NONCURRENT LIABILITIES	<u>40,113</u>	<u>0</u>	<u>40,113</u>
TOTAL LIABILITIES	<u>207,132</u>	<u>0</u>	<u>207,132</u>
NET POSITION:			
Net investment in capital assets	4,730,156	0	4,730,156
Restricted	0	0	0
Unrestricted	431,175	0	431,175
TOTAL NET POSITION	<u>5,161,331</u>	<u>0</u>	<u>5,161,331</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 5,368,463</u>	<u>\$ 0</u>	<u>\$ 5,368,463</u>

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN
NET POSITION ACCOUNTS - COMBINED SCHEDULE - AMP's
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Account Description</u>	LA054 - 1		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
REVENUES:			
Net tenant rental revenue	\$ 708,259	\$ 0	\$ 708,259
Tenant revenue - other	246,256	0	246,256
Total tenant revenue	<u>954,515</u>	<u>0</u>	<u>954,515</u>
HUD PHA grants - operating	819,183	157,226	976,409
HUD PHA grants - capital	0	415,670	415,670
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	228	0	228
Mortgage interest income	0	0	0
Fraud income	0	0	0
Other revenue	50,185	0	50,185
Investment income - restricted	0	0	0
Gain/(loss) on disposition	0	0	0
TOTAL REVENUES	\$ <u>1,824,111</u>	\$ <u>572,896</u>	\$ <u>2,397,007</u>
EXPENSES:			
Administrative:			
Administrative salaries	\$ 61,993	\$ 0	\$ 61,993
Auditing fees	3,420	1,000	4,420
Management fees	171,091	70,091	241,182
Bookkeeping fees	26,573	0	26,573
Advertising & marketing	130	0	130
Employee benefits - administrative	27,936	0	27,936
Office expense	3,543	4,074	7,617
Legal expense	3,578	0	3,578
Travel expense	7,922	0	7,922
Other operating - administrative	64,284	23,885	88,169
Total Administrative Expense	<u>370,470</u>	<u>99,050</u>	<u>469,520</u>
Asset management fee	<u>36,000</u>	<u>0</u>	<u>36,000</u>
Tenant services:			
Tenant services - salaries	25,244	0	25,244
Employee benefits - tenant services	10,686	0	10,686
Other tenant services	54,866	9,000	63,866
Total Tenant Services	<u>90,796</u>	<u>9,000</u>	<u>99,796</u>

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN
NET POSITION ACCOUNTS - COMBINED SCHEDULE - AMP's
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Account Description</u>	LA054 - 1		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Utilities:			
Water	20,211	0	20,211
Electricity	202,043	0	202,043
Gas	7,594	0	7,594
Sewer	50,063	0	50,063
Other utilities	0	0	0
Employee benefits - utilities	0	0	0
Total Utilities Expense	279,911	0	279,911
Ordinary Maintenance & Operation:			
Labor	345,755	0	345,755
Materials	105,867	3,176	109,043
Employee benefit contributions	156,522	0	156,522
Garbage & trash removal contracts	20,946	0	20,946
Heating & cooling contracts	0	0	0
Snow removal contracts	0	0	0
Elevator maintenance contracts	0	0	0
Landscape & grounds contracts	14,370	0	14,370
Unit turnaround contracts	47,457	0	47,457
Electrical contracts	7,664	0	7,664
Plumbing contracts	1,702	0	1,702
Extermination contracts	32,812	0	32,812
Janitorial contracts	0	0	0
Routine maintenance contracts	0	0	0
Contract costs - other	98,292	0	98,292
Total Ordinary Maintenance & Operation	831,387	3,176	834,563
Protective services:			
Protective services - salaries	0	0	0
Employee benefits - protective services	0	0	0
Other protective services	0	0	0
Total Protective Services	0	0	0
Insurance Premiums:			
Property insurance	76,868	0	76,868
Liability insurance	18,107	0	18,107
Workmen's compensation	14,454	0	14,454
Insurance - other	0	0	0
Total Insurance Premiums	109,429	0	109,429
General Expenses:			
Other general expense	0	0	0
Payments in lieu of taxes	0	0	0
Bad debt - tenant rents	43,802	0	43,802
Bad debt - mortgages	0	0	0
Severance expense	0	0	0
Total General Expenses	43,802	0	43,802

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

**FINANCIAL DATA SUBMISSION SUMMARY
REVENUES, EXPENSES, AND CHANGES IN
NET POSITION ACCOUNTS - COMBINED SCHEDULE - AMP's
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Account Description</u>	LA054 - 1		
	<u>Operating</u>	<u>Capital</u>	<u>Total</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>1,761,795</u>	<u>111,226</u>	<u>1,873,021</u>
EXCESS OPERATING REVENUE	<u>62,316</u>	<u>461,670</u>	<u>523,986</u>
Other Expenses:			
Extraordinary maintenance	0	0	0
Casualty losses	0	0	0
Housing assistance payments	0	0	0
Depreciation expense	234,459	0	234,459
Total Other Expenses	<u>234,459</u>	<u>0</u>	<u>234,459</u>
TOTAL EXPENSES	<u>\$ 1,996,254</u>	<u>\$ 111,226</u>	<u>\$ 2,107,480</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ (172,143)</u>	<u>\$ 461,670</u>	<u>\$ 289,527</u>
Transfer of funds	46,000	(46,000)	0
Transfer of equity	415,670	(415,670)	0
Prior period adjustments	0	0	0
Beginning Net Position	<u>4,871,804</u>	<u>0</u>	<u>4,871,804</u>
Ending Net Position	<u>\$ 5,161,331</u>	<u>\$ 0</u>	<u>\$ 5,161,331</u>
Units Available	3,600	-	3,600
Units Leased	3,543	-	3,543

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

**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
June 30, 2015**

	<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:			
Public and Indian Housing	A - Major	14.850	\$ 819,183
Public Housing Capital Fund	A - Nonmajor	14.872	<u>572,896</u>
TOTAL FEDERAL FINANCIAL AWARDS			\$ <u><u>1,392,079</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, 2015

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, 2015.

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, 2015.
- 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, 2015.
- The Housing Authority of the Town of Ruston maintains the following limits of insurance as of June 30, 2015:

Property	\$ 25,327,710
Liability	\$ 2,000,000
Commercial Auto	\$ 1,000,000
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

SCHEDULE OF EXPENDITURES OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICE
FOR THE YEAR ENDED JUNE 30, 2015

Agency Head: Woody Whittington, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 83,088
Benefits - insurance	14,853
Benefits - retirement	7,062
Car allowance	4,800
Per diem	177
Registration fees	500
Conference travel	513
	<u>\$ 110,993</u>

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

**SUPPLEMENTAL INFORMATION
SPECIAL REPORTS**

YEAR ENDED JUNE 30, 2015

Housing Authority of the Town of Ruston
Ruston, Louisiana

STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
June 30, 2015

LA48PO5450112

- 1 The Actual Modernization Costs of Phase 501-12 were:

Funds Approved	\$	362,714
Funds Expended		<u>362,714</u>
Excess of Funds Approved	\$	<u><u>-</u></u>
Funds Advanced	\$	362,714
Funds Expended		<u>362,714</u>
Excess of Funds Advanced	\$	<u><u>-</u></u>

- 2 Audit period additions totaled \$48,065 and accordingly were audited by Rector, Reeder & Lofton, 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 January 27, 2015, 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.