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HOUSING AUTHORITY OF THE TOWN OF RUSTON

Annual Audit Report

RUSTON, LOUISIANA
JUNE 30, 2000

Jean Sickels

Certified Public Accountant

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 1-17-01

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HOUSING AUTHORITY
OF THE TOWN OF RUSTON

RUSTON, LOUISIANA
JUNE 30, 2000

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Jean Sickels

Certified Public Accountant

**870 Cinderella Court
Decatur, GA 30033-5812**

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the Town of Ruston
P.O. Box 2288
Ruston, Louisiana 71273

I have audited the accompanying general-purpose financial statements of the Housing Authority of the Town of Ruston, as of and for the year ended June 30, 2000 as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the Town of Ruston as of June 30, 2000 and the results of its income, expenses and changes in retained earnings and cash flows of its proprietary funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with **Government Auditing Standards**, I have also issued my report dated November 1, 2000 on my consideration of the Housing Authority of the Town of Ruston's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was made for the purpose of forming an opinion on the general-purpose financial statements of the Housing Authority of the Town of Ruston, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**, and is not a required part of the general-purpose financial statements. The accompanying Financial Data Schedule is presented for the purpose of additional analysis and is not a part of the general-purpose financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements, and, in my opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

Jean Sickels
Certified Public Accountant

Decatur, Georgia
November 1, 2000

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

COMBINING BALANCE SHEET
JUNE 30, 2000

	Annual Contributions C	
	FW-1074	FW-1074
	Low	PIH
	Rent	Drug
	Public	Elimination
	Housing	Program
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash	\$ 434,593	\$ 0
Accounts receivable	13,983	1,139
Interprogram due from	39,945	8,056
Prepaid expenses	35,950	0
Inventory	19,926	0
Current Assets	544,397	9,195
 <u>Property and Equipment</u>		
Land, structure and equipment	1,209,767	0
Property and Equipment	1,209,767	0
TOTAL ASSETS	\$ 1,754,164	\$ 9,195
 <u>LIABILITIES AND SURPLUS</u>		
<u>Current liabilities</u>		
Accounts payable	\$ 38,387	\$ 8,056
Accrued liabilities	86,378	0
Interprogram due to	8,056	1,139
Deferred revenue	2,593	0
Current liabilities	135,414	9,195
 <u>Equity</u>		
Retained earnings	408,983	0
Contributed capital	1,209,767	0
Total Equity	1,618,750	0
TOTAL LIABILITIES AND EQUITY	\$ 1,754,164	\$ 9,195

The accompanying notes are an integral part of these financial statements

Contracts

FW-1074

<u>Comprehensive Grant Program</u>	<u>(Totals Memorandum Only)</u>
\$ 0	\$ 434,593
38,806	53,928
0	48,001
0	35,950
0	19,926
<u>38,806</u>	<u>592,398</u>
319,713	1,529,480
<u>319,713</u>	<u>1,529,480</u>
\$ <u>358,519</u>	\$ <u>2,121,878</u>
\$ 0	\$ 46,443
0	86,378
38,806	48,001
0	2,593
<u>38,806</u>	<u>183,415</u>
0	408,983
319,713	1,529,480
<u>319,713</u>	<u>1,938,463</u>
\$ <u>358,519</u>	\$ <u>2,121,878</u>

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2000

	Annual Contributions Co	
	FW-1074	FW-1074
	Low Rent Public Housing	PIH Drug Elimination Program
<u>OPERATING REVENUES</u>		
Total rental income	\$ 581,048	\$ 0
Other income	50	0
TOTAL OPERATING REVENUE	581,098	0
 <u>OPERATING EXPENSES</u>		
Administrative	235,058	988
Tenant services	0	38,403
Utilities	178,840	0
Ordinary maintenance and operation	351,126	0
Protective Services	79,661	33,730
General expense	77,223	0
Depreciation expense	165,863	0
TOTAL OPERATING EXPENSES	1,087,771	73,121
 <u>NONOPERATING REVENUES (EXPENSES)</u>		
Intergovernmental	189,841	73,121
Interest income	8,212	0
TOTAL NONOPERATING REVENUES (EXPENSES)	198,053	73,121
NET INCOME (LOSS)	(308,620)	0
 <u>RETAINED EARNINGS</u>		
JULY 1, 1999	551,740	0
Depreciation add back	165,863	0
RETAINED EARNINGS JUNE 30, 2000	\$ 408,983	\$ 0

The accompanying notes are an integral part of these financial statements

Contracts

FW-1074

<u>Comprehensive Grant Program</u>	<u>(Totals Memorandum Only)</u>
\$ 0	\$ 581,048
0	50
<u>0</u>	<u>581,098</u>
1,145	237,191
0	38,403
0	178,840
0	351,126
0	113,391
0	77,223
0	165,863
<u>1,145</u>	<u>1,162,037</u>
1,145	264,107
0	8,212
<u>1,145</u>	<u>272,319</u>
0	(308,620)
0	551,740
0	165,863
<u>\$ 0</u>	<u>\$ 408,983</u>

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2000

Cash Flows from Operating Activities

Net income	\$	(308,620)
Depreciation		165,863
(Increase) Decrease in:		
Accounts receivable		192,214
Prepaid expenses		170,771
Increase (Decrease) in:		
Accounts payable		(160)
Accrued liabilities		(257,529)
Deferred credits		<u>2,593</u>
Net Cash Flows Provided (Used) by Operating Activities		<u>(34,868)</u>

Cash Flows from Investing Activities

(Increase) Decrease in:		
Investments		<u>320,620</u>
Net Cash Flows Provided (Used) by Investing Activities		<u>320,620</u>

Net Increase (Decrease) in Cash		285,752
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Beginning Cash and Cash Equivalents		<u>148,841</u>
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Ending Cash and Cash Equivalents	\$	<u><u>434,593</u></u>
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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, 2000

NOTE A - Summary of Significant Accounting Policies:

The HOUSING AUTHORITY OF THE TOWN OF RUSTON ("The Authority") was established under the provision of Louisiana Statutes, to provide adequate housing at rents which persons of low-income can afford in areas where there exists a shortage. To accomplish this purpose, the Authority has entered into annual contributions contracts with the U.S. Department of Housing and Urban Development (HUD) to be the Administrator of a public housing program under Annual Contributions Contract FW-1074.

Reporting Entity

Management of the HOUSING AUTHORITY OF THE TOWN OF RUSTON has reviewed all potential component units to determine if any should be included in these financial statements. Management has concluded that there are no component units that should be included in these financial statements.

In evaluating the Authority as a reporting entity, management has addressed its relationship with the Town and concluded that the Town does not maintain an oversight responsibility for the Authority's operations. An independent Board of Commissioners, appointed by the Town is responsible for the activities of the Authority. The Authority recruits and employs its executive staff and has substantial legal authority to control its affairs without requiring approval of the Town government. Debt incurred by the Authority is not an obligation of the Town, the Town does not review or approve the Authority's budget, is not entitled to any surplus funds generated by the Authority's operations and is not responsible for any deficits incurred by the Authority. Consequently, in accordance with evaluating the criteria set forth in Section 2100 and 2600 of the Governmental Accounting Standards Board Codification, management has concluded that the Authority is a separate reporting entity.

HOUSING AUTHORITY OF THE TOWN OF RUSTON

The financial statements of the HOUSING AUTHORITY OF THE TOWN OF RUSTON include the following:

Management:

The Authority had 300 units in management at June 30, 2000.

Project

PHA Owned

Units
300

The authority is also administering Comprehensive Grants and Drug Grants.

Basis of Presentation

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

Accounting Policies - The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Fund accounting - The financial activities of the Authority are recorded in separate funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures.

Proprietary funds:

Proprietary funds are used to account for the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Authority applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund type:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred, and / or net income is necessary for management accountability.

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

The accompanying financial statements have been prepared using the accrual basis of accounting for all Governmental Funds. Accordingly, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Budgets - Budgets are adopted on the basis of accounting consistent with the basis of accounting for the fund to which it applies. The Authority prepares annual operating budgets for the Low Income Public Housing program. The budgets are formally adopted by its governing Board and are approved by the funding agency. The budgets for the programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual has not been presented in this report. This presentation has been omitted because the authority does not annually adopt a legally authorized budget. The authority's budget is adopted by the authority's board and approved by HUD. This budget does not represent an appropriated budget that has been signed into law or a nonappropriated budget authorized by constitution. The authority's budget represents budgetary execution and management by it's board and HUD, therefore, budgetary data and presentation is not required.

Cash Deposits and Investments - Cash Deposits and Investments consist of Certificates of Deposit and Discount Notes issued by agencies of the United States Government and are stated at fair value. Cash deposits and investments are fully collateralized or vested in securities of the United States Government and are identified specifically in the name of the Authority. All cash deposits and investments are classified as category 1 investments. Category 1 investments are insured or registered or are securities that are held by the government or it's agent in the government name.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Tenant Receivables - Receivables for rentals and service charges are reported in the General Fund at net of an allowance for doubtful accounts. The Housing Authority Board takes monthly action as required to write off specific uncollectible accounts receivable balances.

Due From and Due To Other Funds - During the course of it's operations, the authority has inter-fund transactions to finance operations and provide services. Inter-fund accounts receivable and payable have been recorded to recognize transactions between funds for which the applicable cash transfer had not been made as of the balance sheet date.

Fixed assets - Fixed assets purchased are capitalized at the time of purchase. Such assets are recorded at cost. The capitalization policy of the Authority requires assets to be capitalized when their cost is \$1,000 or greater. Donated assets are recorded at fair market value at the date of donation. Because developments and major capital repairs or improvements are financed through cash advances from HUD, there are no capitalized interest costs in current programs.

Depreciation of property and equipment is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

<u>Class</u>	<u>Life</u>
Building	40 years
Leasehold improvements	15 years
Furniture & Fixtures	5 years
Maintenance equipment	5 years

Compensated Absences - Employees earn annual leave and sick leave. At termination, employees are paid for any sick leave and accumulated annual leave. The liability for accumulated annual leave at the balance sheet date is reported in the Enterprise fund.

Total columns - The columns on the accompanying financial statements captioned "Totals - (Memorandum Only)" are not necessary for a fair presentation of the financial statements, but are presented as additional analytical data. The columns do not represent consolidated financial information.

NOTE B - Accounts Receivable:

Accounts receivable at June 30, 2000 consist of the following:

Tenants accounts receivable - net	\$ 605
HUD accounts receivable	39,945
Accrued interest	7,331
Miscellaneous accounts receivable	<u>6,047</u>
	<u>\$ 53,928</u>

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

(Continued)

NOTE C - Cash, Deposits and Investments:

Cash, Deposits and Investments at June 30, 2000 consist of the following:

The Authority's cash deposits include deposits with financial institutions. The carrying amount of the Authority's deposits were \$434,593 and the bank balance was \$463,684. The bank balance is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by third party custodians in Authority's name	\$ 463,684
Amount collateralized with securities held by the Pledging financial institution's trust department in the Authority's name	<u>0</u>
Total bank balance	<u>\$ 463,684</u>

Investments made by the Authority are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1 - Insured or registered, or security's held by the Authority or its agent in the Authority's name
- Category 2 - Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Authority's name.
- Category 3 - Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the Authority's name.

Cash, Deposits and Investments at June 30, 2000 consist of the following:

	Category			Carrying Amount	Market Value
	1	2	3		
Checking	\$ 44,529	\$ 0	\$ 0	\$ 44,529	\$ 44,529
Certificates of Deposit	<u>390,064</u>	<u>0</u>	<u>0</u>	<u>390,064</u>	<u>390,064</u>
	<u>\$ 434,593</u>	<u>\$ 0</u>	<u>\$ 0</u>	434,593	434,593
Investment in state investment pool				<u>0</u>	<u>0</u>
Total investments				<u>\$ 434,593</u>	<u>\$ 434,593</u>

Restricted investments include tenant security deposits.

NOTE D - Prepaid expenses:

Prepaid expenses at June 30, 2000 consist of the following:

Prepaid insurance	<u>\$ 35,950</u>
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HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

(Continued)

NOTE E - Inventory:

Inventory at June 30, 2000 consist of the following:

Materials and supplies \$19,926

Materials inventories are recorded at cost. The FIFO inventory flow assumption is used to determine expenditures. Expenditures are recorded when inventory is consumed.

NOTE F - Inter program accounts receivable and payable:

Inter program accounts receivable and payable consist of the following:

	<u>Accounts Receivable</u>	<u>Accounts Payable</u>
Low Rent Public Housing	\$ 39,945	\$ 8,056
Drug Elimination Program	8,056	1,139
Comprehensive Grant Program	<u>0</u>	<u>38,806</u>
Total	<u>\$ 48,001</u>	<u>\$ 48,001</u>

NOTE G - Fixed Assets:

A summary of changes in fixed assets is as follows:

	Balance June 30, 1999	Reclassif- ications Additions	Retirements	Balance June 30, 2000
Land	\$ 0	\$ 36,279	\$ 0	\$ 36,279
Buildings	8,015,966	0	(4,414,120)	3,601,846
Equipment	0	345,242	0	345,242
Leasehold Improvements	0	3,796,092	0	3,796,092
Construction in Process	0	319,713	0	319,713
Accumulated Depreciation	<u>0</u>	<u>(6,403,829)</u>	<u>(165,863)</u>	<u>(6,569,692)</u>
	<u>\$ 8,015,966</u>	<u>\$ (1,906,503)</u>	<u>\$ (4,579,983)</u>	<u>\$ 1,529,480</u>

Major construction renovation through the Comprehensive Grant Program costs of \$374,416 are yet to be expended under the current programs. HUD has approved funding for the above amount.

Depreciation expense of \$165,863 was incurred during the year.

NOTE H - Accounts payable:

Accounts payable at June 30, 2000, consist of the following:

Vendors accounts payable	\$ 9,034
Accounts payable - HUD	8,056
Tenant security deposits	<u>29,353</u>
	<u>\$ 46,443</u>

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

(Continued)

NOTE I - Accrued liabilities:

Accrued liabilities at June 30, 2000, consist of the following:

Accrued wages payable	\$ 12,368
Accrued compensated absences	<u>74,010</u>
	<u>\$ 86,378</u>

NOTE J - Deferred revenue:

Deferred revenue at June 30, 2000, consist of the following:

Prepaid rent	<u>\$ 2,593</u>
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NOTE K - Annual Contributions by Federal Agencies:

Annual Contributions Contract FW-1074 - Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. Operating subsidy contributions for the year ended June 30, 2000 was \$189,841.

NOTE L - Contingencies:

The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no examinations for the year ended June 30, 2000. Areas of noncompliance, if any, as a result of examinations would be included as a part of the "Findings and Questioned Costs" section of this report.

NOTE M - Risk Management:

The Authority is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance coverage for these risks to the extent deemed prudent by Authority management.

NOTE N - Pension Plan:

The Authority provides pension benefits for all its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The Authority contributes an amount equal to 8.5% of the employee's base salary each month. 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 total payroll in fiscal year 2000 was \$389,419. The Authority's contributions were calculated using the base salary amount of \$389,419. The Authority made the required contributions, amounting to \$18,530.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

(Continued)

NOTE O - Schedule of Expenditures of Federal Awards:

The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting as described in Note A.

Major Programs

Programs are labeled as either a type "A" program or a type "B" program as required by OMB Circular A-133. Type "A" programs are programs that have expenditures in excess of \$300,000. Type "B" programs have expenditures of less than \$300,000.

NOTE S - HUD Guaranteed Debt:

To provide for the development and modernization of low-rent housing units, the PEA issued New Housing Authority Bonds and Permanent Notes - FFB. These bonds and notes are payable by HUD and secured by annual contributions. The bonds and notes do not constitute a debt by the Authority and accordingly have not been reported in the accompanying financial statements. The amount of the debt that has been reclassified to equity is \$855,000.

NOTE T - Accounting changes and prior period adjustments:

Prior to this year, the Housing Authority's policy was to prepare certain portions of its financial statements on the basis of accounting practices prescribed or permitted by the various governing bodies. These practices differ in some respects from generally accepted accounting principles. During this year, the Housing Authority began reporting tenants accounts receivable net of an allowance for doubtful accounts. The Housing Authority also computed the vacation and sick pay accrual. Additionally, the Authority has reclassified the HUD guaranteed debt as equity. Finally, the Housing Authority is now computing depreciation on an annual basis and has recorded the effects of accumulated depreciation. Therefore, the beginning surplus balances have been restated to reflect financial position and results of operations in conformity with generally accepted accounting principles. During the year the Housing Authority converted to generally accepted accounting principles. The Housing Authority made prior period adjustments and adjustments through this years income statement in order to record the cumulative effect of converting to generally accepted accounting principles. The ending surplus balances reflect generally accepted accounting principles.

SUPPLEMENTAL INFORMATION

LA054 06/30/2000

Line Item #	Account Description	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Public Housing Comprehensive Grant Program	Total
111	Cash - Unrestricted	\$405,240	\$0	\$0	\$405,240
114	Cash - Tenant Security Deposits	\$29,353	\$0	\$0	\$29,353
100	Total Cash	\$434,593	\$0	\$0	\$434,593
122	Accounts Receivable - HUD Other Projects	\$0	\$1,139	\$38,806	\$39,945
124	Accounts Receivable - Other Government	\$6,047	\$0	\$0	\$6,047
126	Accounts Receivable - Tenants - Dwelling Rents	\$2,105	\$0	\$0	\$2,105
126.1	Allowance for Doubtful Accounts - Dwelling Rents	\$-1,500	\$0	\$0	\$-1,500
126.2	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
129	Accrued Interest Receivable	\$7,331	\$0	\$0	\$7,331
120	Total Receivables, net of allowances for doubtful accounts	\$13,983	\$1,139	\$38,806	\$53,928
142	Prepaid Expenses and Other Assets	\$35,950	\$0	\$0	\$35,950
143	Inventories	\$19,926	\$0	\$0	\$19,926
143.1	Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0
144	Interprogram Due From	\$39,945	\$8,056	\$0	\$48,001
150	Total Current Assets	\$544,397	\$9,195	\$38,806	\$592,398
161	Land	\$36,279	\$0	\$0	\$36,279
162	Buildings	\$3,601,846	\$0	\$0	\$3,601,846
163	Furniture, Equipment & Machinery - Dwellings	\$121,874	\$0	\$0	\$121,874
164	Furniture, Equipment & Machinery - Administration	\$223,368	\$0	\$0	\$223,368
165	Leasehold Improvements	\$3,796,092	\$0	\$0	\$3,796,092
166	Accumulated Depreciation	\$-6,569,692	\$0	\$0	\$-6,569,692
167	Construction In Progress	\$0	\$0	\$319,713	\$319,713
160	Total Fixed Assets, Net of Accumulated Depreciation	\$1,209,767	\$0	\$319,713	\$1,529,480
180	Total Non-Current Assets	\$1,209,767	\$0	\$319,713	\$1,529,480
190	Total Assets	\$1,754,164	\$9,195	\$358,519	\$2,121,878

LA054 06/30/2000

Line Item #	Account Description	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Public Housing Comprehensive Grant Program	Total
312	Accounts Payable <= 90 Days	\$9,034	\$0	\$0	\$9,034
321	Accrued Wage/Payroll Taxes Payable	\$12,368	\$0	\$0	\$12,368
322	Accrued Compensated Absences	\$74,010	\$0	\$0	\$74,010
331	Accounts Payable - HUD PHA Programs	\$0	\$8,056	\$0	\$8,056
341	Tenant Security Deposits	\$29,353	\$0	\$0	\$29,353
342	Deferred Revenues	\$2,593	\$0	\$0	\$2,593
347	Interprogram Due To	\$8,056	\$1,139	\$38,806	\$48,001
310	Total Current Liabilities	\$135,414	\$9,195	\$38,806	\$183,415
350	Total Noncurrent Liabilities	\$0	\$0	\$0	\$0
300	Total Liabilities	\$135,414	\$9,195	\$38,806	\$183,415
503	Long-term Debt - HUD Guaranteed	\$855,000	\$0	\$0	\$855,000
504	Net HUD PHA Contributions	\$345,113	\$0	\$319,713	\$664,826
507	Other Contributions	\$9,654	\$0	\$0	\$9,654
508	Total Contributed Capital	\$1,209,767	\$0	\$319,713	\$1,529,480
511	Total Reserved Fund Balance	\$0	\$0	\$0	\$0
512	Undesignated Fund Balance/Retained Earnings	\$408,983	\$0	\$0	\$408,983
513	Total Equity	\$1,618,750	\$0	\$319,713	\$1,938,463
500	Total Liabilities and Equity	\$1,754,164	\$9,195	\$358,519	\$2,121,878

LA054 06/30/2000

Line Item #	Account Description	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Public Housing Comprehensive Grant Program	Total
703	Net Tenant Rental Revenue	\$479,130	\$0	\$0	\$479,130
704	Tenant Revenue - Other	\$101,918	\$0	\$0	\$101,918
705	Total Tenant Revenue	\$581,048	\$0	\$0	\$581,048
706	HUD PHA Grants	\$189,841	\$73,121	\$1,145	\$264,107
711	Investment Income - Unrestricted	\$8,212	\$0	\$0	\$8,212
715	Other Revenue	\$50	\$0	\$0	\$50
700	Total Revenue	\$779,151	\$73,121	\$1,145	\$853,417
911	Administrative Salaries	\$100,237	\$0	\$0	\$100,237
912	Auditing Fees	\$8,953	\$0	\$0	\$8,953
914	Compensated Absences	\$9,065	\$0	\$0	\$9,065
915	Employee Benefit Contributions - Administrative	\$73,072	\$0	\$0	\$73,072
916	Other Operating - Administrative	\$43,731	\$988	\$1,145	\$45,864
924	Tenant Services - Other	\$0	\$38,403	\$0	\$38,403
931	Water	\$23,594	\$0	\$0	\$23,594
932	Electricity	\$109,320	\$0	\$0	\$109,320
933	Gas	\$2,806	\$0	\$0	\$2,806
938	Other Utilities Expense	\$43,120	\$0	\$0	\$43,120
941	Ordinary Maintenance and Operations - Labor	\$155,808	\$0	\$0	\$155,808
942	Ordinary Maintenance and Operations - Materials and Other	\$60,471	\$0	\$0	\$60,471
943	Ordinary Maintenance and Operations - Contract Costs	\$90,061	\$0	\$0	\$90,061
945	Employee Benefit Contributions - Ordinary Maintenance	\$44,786	\$0	\$0	\$44,786
952	Protective Services - Other Contract Costs	\$79,661	\$33,730	\$0	\$113,391

LA054 06/30/2000

Line Item #	Account Description	Low Rent Public Housing	Public and Indian Housing Drug Elimination Program	Public Housing Comprehensive Grant Program	Total
961	Insurance Premiums	\$68,997	\$0	\$0	\$68,997
964	Bad Debt - Tenant Rents	\$8,226	\$0	\$0	\$8,226
969	Total Operating Expenses	\$921,908	\$73,121	\$1,145	\$996,174
970	Excess Operating Revenue over Operating Expenses	\$-142,757	\$0	\$0	\$-142,757
974	Depreciation Expense	\$165,863	\$0	\$0	\$165,863
900	Total Expenses	\$1,087,771	\$73,121	\$1,145	\$1,162,037
1010	Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$-308,620	\$0	\$0	\$-308,620

LA054 06/30/2000

Line	Low Rent	Public and Indian Housing Drug	Public Housing Comprehensive

Item #	Account Description	Public Housing	Elimination Program	Grant Program	Total
1101	Capital Outlays Enterprise Fund	\$0	\$0	\$319,713	\$319,713
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0	\$0
1103	Beginning Equity	\$8,563,620	\$0	\$0	\$8,563,620
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$-6,636,250	\$0	\$0	\$-6,636,250
1120	Unit Months Available	3600	0	0	3600
1121	Number of Unit Months Leased	3258	0	0	3258

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

JUNE 30, 2000

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - SUMMARY OF AUDITORS RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unqualified

Internal control over financial reporting:
~ Material weakness(es) identified? yes X no
~ Reportable condition(s) identified that are
not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements
noted? yes X no

FEDERAL AWARDS

Internal control over major programs:
~ Material weakness(es) identified? yes X no
~ Reportable condition(s) identified that are
not considered to be material weakness(es)? yes X none reported

Type of auditors' report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with section 510(a)
of Circular A-133? yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.859	Comprehensive Grant Program

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

Auditee qualified as low-risk auditee? X yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no Financial Statement Findings during the current audit period.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings and Questioned Costs during the current audit period.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000

<u>ANNUAL CONTRIBUTION CONTRACT</u>	<u>PROGRAM AND ASSISTANCE TYPE</u>	<u>CFDA NUMBER</u>	<u>BUDGET</u>	<u>EXPENDITURES</u>
FW-1074	<u>U. S. DEPARTMENT OF HUD</u> Low Income Public Housing	14.850	\$ 189,841	\$ 189,841 B
FW-1074	Comprehensive Grant Program	14.859	1,118,324	320,858 A*
FW-1074	Drug Elimination Grant Program	14.855	<u>206,308</u>	<u>73,121</u> B
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$1,514,473</u>	<u>\$ 583,820</u>

A - Indicates a type "A" federal financial assistance program as defined by OMB Circular A-133

B - Indicates a type "B" federal financial assistance program as defined by OMB Circular A-133

* - Indicates a program audited as major.

Jean Sickels

**Certified Public Accountant
870 Cinderella Court
Decatur, GA 30033-5812**

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Housing Authority of the Town of Ruston
P.O. Box 2288
Ruston, Louisiana 71273

I have audited the general-purpose financial statements of the Housing Authority of the Town of Ruston, as of and for the year ended June 30, 2000 and have issued my report thereon dated November 1, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Housing Authority of the Town of Ruston's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Jean Sickels
Certified Public Accountant

Decatur, Georgia
November 1, 2000

Jean Sickels

Certified Public Accountant

**870 Cinderella Court
Decatur, GA 30033-5812**

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

Board of Commissioners
Housing Authority of the Town of Ruston
P.O. Box 2288
Ruston, Louisiana 71273

Compliance

I have audited the compliance of the Housing Authority of the Town of Ruston with the types of compliance requirements described in the **U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement** that are applicable to each of its major federal programs for the year ended June 30, 2000. The Housing Authority of the Town of Ruston's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the Town of Ruston's management. My responsibility is to express an opinion on the Housing Authority of the Town of Ruston's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States; and OMB Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**. Those standards and OMB Circular A-133 require that I 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 I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Housing Authority of the Town of Ruston's compliance with those requirements.

In my opinion, the Housing Authority of the Town of Ruston complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

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

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

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Jan Sicked

Certified Public Accountant

Decatur, Georgia
November 1, 2000