



December 16, 2020

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

We have audited the financial statements of the **Housing Authority of the Town of Ruston** for the year ended **June 30, 2020**, and have issued our report thereon dated **December 16, 2020**. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have included this information in this letter dated **December 16, 2020**. Professional standards also require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

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

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

Qualitative Aspects of Accounting Practices

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the **Housing Authority of the Town of Ruston** are described in Note A to the financial statements. We noted no transactions entered into by the Organization during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. No new accounting policies were adopted and the application of existing policies was not changed during the year.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

There were no difficulties encountered in conducting the audit of the **Housing Authority of the Town of Ruston** for the year ended **June 30, 2020**.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated **December 19, 2020**.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

There were no other matters noted during the course of our audit that needed to be formally communicated to management as a part of this letter.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Organization that could potentially cause future financial statements to be materially misstated. For purposes of reporting, we have prepared audit adjustments that we believe are necessary to, in all material regards, accurately present the financial statements. These adjustments have been accepted by management and are included in the audited financial statements.

Current Year Findings, Significant Deficiencies and Material Weaknesses

The current audit period for **June 30, 2020**, reported no significant deficiencies or material weaknesses. Also, this report disclosed no reportable findings of noncompliance.

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

Very truly yours,

Rector, Reeder & Lofton, P.C.

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

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

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

YEAR ENDED JUNE 30, 2020

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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, 2020



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, 2020, 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.

Opinion

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, 2020, 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.

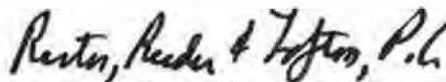
Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Housing Authority of the Town of Ruston. The accompanying Schedule of Expenditures of Federal Awards as required by the U.S. Office of Management and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as the Financial Data Schedules and Special Reports required by the U.S. Department of Housing and Urban Development, and the Schedule of Expenditures of Compensation, Benefits and Other Payments to the Agency Head or Chief Executive Office, 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 December 16, 2020 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 solely to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



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

Loganville, Georgia
December 16, 2020

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

MANAGEMENT DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2020

HOUSING AUTHORITY OF THE TOWN OF RUSTON MANAGEMENT'S DISCUSSION & ANALYSIS FISCAL YEAR ENDED JUNE 30, 2020

The management of The Housing Authority of the Town of Ruston offers the readers of the Authority's financial statements this narrative overview and analysis of the Authority's financial activities for the year ended June 30, 2020. This discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the Authority's financial activity, identify changes in the Authority's financial position, and identify individual program issues or concerns. Readers should consider the information presented here in conjunction with the Authority's financial statements to obtain a full understanding of its financial position.

This management's discussion and analysis is presented in accordance with the requirements of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) to allow the reader to gain an adequate understanding of the Authority's annual operating results and financial position as of June 30, 2020.

Questions concerning the information provided in this discussion or requests for additional information should be addressed to the Authority's Executive Director.

Financial Highlights

- The Authority's net position increased by \$322,799 or 4.72%. Since the Authority engages only in business-type activities, the increase is in the category of business-type net position. Net position was \$7,164,592 and \$6,841,793 for FY 2020 and FY 2019, respectively.
- The Authority's cash and investments balance as of June 30, 2020 was \$2,454,880 representing an increase of \$217,787 from June 30, 2019.
- The Authority had total revenues of \$2,635,697 and total expenses of \$2,312,898 for the year ended June 30, 2020.
- The Housing Authority recognized an additional \$38,539 from the CARES Act during the year.

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**

	2020	2019	Total Change	% Change
Current Assets	\$ 2,749,916	\$ 2,494,141	\$ 255,775	10.26%
Capital Assets	4,579,588	4,530,383	49,205	1.09%
Total Assets	\$ 7,329,504	\$ 7,024,524	\$ 304,980	4.34%
Current Liabilities	\$ 128,795	\$ 150,666	\$ (21,871)	-14.52%
Noncurrent Liabilities	36,117	32,065	4,052	12.64%
Total Liabilities	164,912	182,731	(17,819)	-9.75%
Net Investment in Capital Assets	4,579,588	4,530,383	49,205	1.09%
Unrestricted	2,585,004	2,311,410	273,594	11.84%
Total Net Position	7,164,592	6,841,793	322,799	4.72%
Total Liabilities & Net Position	\$ 7,329,504	\$ 7,024,524	\$ 304,980	4.34%

Total assets increased by \$304,980 or 4.34%. Current assets increased by \$255,775 or 10.26%, due primarily to cash and investments increasing by \$217,787 or 9.74%, and accounts receivable increasing by \$30,182 or 40.46%. The increase in accounts receivable is due to

increases in amounts due from HUD of \$33,350. The overall increase to cash and investments is due to positive operating results for the year.

Capital assets increased by \$49,205 or 1.09%. This is due to additions of capital assets of \$450,235 while depreciation expense was \$401,029.

Current liabilities decreased by \$21,871, which is due mainly to a decrease in vendors and contractors accounts payable for the year. Noncurrent liabilities increased by \$4,052 or 12.64% due to increased accrued compensated absences liability.

As illustrated in the above Comparative Statement of Net Position, the overall Net Position of the Authority increased by \$322,799 or 4.72%. Unrestricted Net Position increased by \$273,594 or 11.84%, due to positive operating results. Net Investment in Capital Assets increased by \$49,205 or 1.09%.

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

	2020	2019	Total Change	% Change
Tenant Revenue	\$ 882,432	\$ 953,858	\$ (71,426)	-7.49%
Grant Funding	1,478,146	1,223,098	255,048	20.85%
Interest Income	6,799	9,437	(2,638)	-27.95%
Other Income	268,320	470,171	(201,851)	-42.93%
Total Revenue	2,635,697	2,656,564	(20,867)	-0.79%
Administration	452,446	476,916	(24,470)	-5.13%
Tenant Services	40,668	61,500	(20,832)	-33.87%
Utilities	284,628	275,617	9,011	3.27%
Protective Services	41,265	41,296	(31)	-0.08%
Maintenance	854,382	944,305	(89,923)	-9.52%
General	238,480	215,394	23,086	10.72%
Depreciation	401,029	387,499	13,530	3.49%
Total Expenses	2,312,898	2,402,527	(89,629)	-3.73%
Change in Net Position	322,799	254,037	68,762	27.07%
Beginning Net Position	6,841,793	6,587,756	254,037	3.86%
Ending Net Position	\$ 7,164,592	\$ 6,841,793	\$ 322,799	4.72%

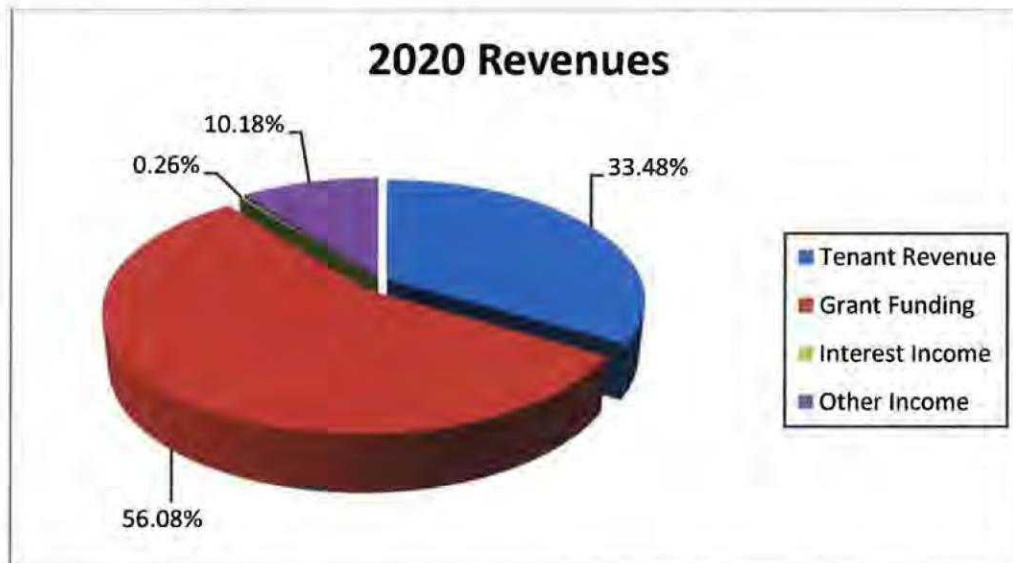
Housing Authority of the Town of Ruston
Statement of Revenues, Expenses, and Changes in Net Position - By Program
For Year Ended June 30, 2020

TABLE III

	Public & Indian Housing	Central Office	Business Type Activity	Eliminations	Total
Tenant Revenue	\$ 876,852	\$ -	\$ 5,580	\$ -	\$ 882,432
Grant Funding	1,478,146	-	-	-	1,478,146
Interest Income	2,008	2,908	1,883	-	6,799
Other Income	105,321	269,095	162,803	(268,899)	268,320
Total Revenue	2,462,327	272,003	170,266	(268,899)	2,635,697
Administration	489,187	187,900	8,378	(233,019)	452,446
Asset Management	35,880	-	-	(35,880)	-
Tenant Services	40,668	-	-	-	40,668
Utilities	284,560	-	68	-	284,628
Maintenance	793,196	-	61,186	-	854,382
Protective Services	41,265	-	-	-	41,265
General	222,498	11,040	4,942	-	238,480
Interest	-	-	-	-	-
Depreciation	399,796	-	1,233	-	401,029
Total Expenses	2,307,050	198,940	75,807	(268,899)	2,312,898
Change in Net Position	155,277	73,063	94,459	-	322,799
Transfer of Funds	-	-	-	-	-
Beginning Net Position	5,302,303	817,048	722,442	-	6,841,793
Ending Net Position	\$ 5,457,580	\$ 890,111	\$ 816,901	\$ -	\$ 7,164,592

REVENUES

In reviewing the Statement of Revenues, Expenses, and Changes in Net Position, you will find that 56.08% 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 33.48% of total revenue. Other Revenue, including insurance proceeds, Interest from Investments, and Property, Grant, and Asset Management Fees to the Central office comprises the remaining 10.18%. Compared to the Fiscal Year Ended June 30, 2019, revenues showed an overall decrease of \$20,867 or 0.79% which was mainly due to other operating revenue decreased.



Tenant Revenue - Tenant Revenue decreased from \$953,858 to \$882,432 or 7.49%. Dwelling rent revenue typically changes in relation to changes in the number of working family tenants and changes in dwelling unit occupancy. In the current year the change was most likely due to COVID 19 and the impact on several tenant's earned income.

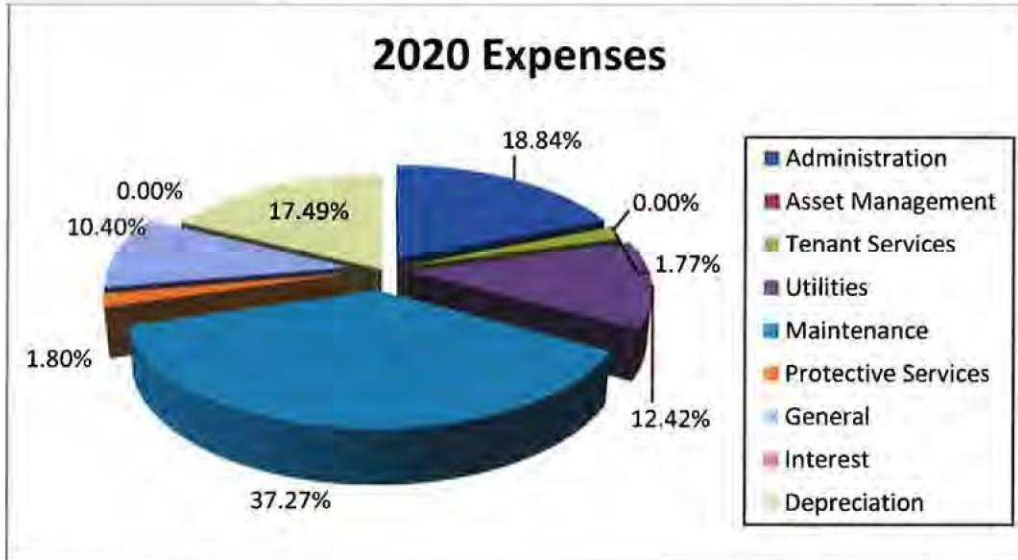
Program Grants/Subsidies - The Authority experienced an increase of \$255,048 or 20.85% in Grant Funding from \$1,223,098 in FY2019 to \$1,478,146 in FY2020. This increase was due to increased draws in Capital Funds in the current fiscal year and additional funding through the CARES Act.

Interest Income - Interest income decreased by \$2,638 or 27.95% due to a fluctuation in interest yields on investments.

Other Income - Other income decreased by \$201,851 or 42.93%. This decrease was due to prior year amounts received for insurance proceeds received for tornado damages. This was somewhat offset with increases in management income for Gibsland Housing Authority.

EXPENSES

The Housing Authority of the Town of Ruston experienced a decrease in expenses of \$89,629 or 3.73%. Expenses were \$2,402,527 in FY2019, compared to \$2,312,898 in FY2020.



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 2019, administrative costs decreased by \$24,470 or 5.13%. This decrease was mainly due to prior year services paid for website design and development.

Tenant Services - Tenant services costs include all costs incurred by the Authority to provide social services to the residents. Tenant Services costs decreased from \$61,500 to \$40,668, or 33.87% due to the changes in allocation of costs.

Utilities - The total utilities expense for the Authority remained relatively stable during the year, increasing by \$9,011 or 3.27% due to normal fluctuations in rates and consumption.

Maintenance - Maintenance costs are all costs incurred by the Authority to maintain its Public Housing units in a safe and sanitary manner. Costs include personnel costs, materials used to maintain the units, contracts for waste management and telephone/radio service, etc. Maintenance expenses for the Authority decreased by \$89,923 or 9.52%. Labor and benefits decreased by \$23,987 or 5.18%, which was primarily due to the impact of COVID 19 on work orders being performed. Contract costs decreased by \$22,765 or 6.38%, which was due to COVID 19 as well and a reduction in unit turnaround.

General Expenses - General expenses include insurance costs, property taxes, compensated absences and collection losses. General expenses for the Authority increased from \$215,394 to \$238,480, or \$23,086 (10.72%) primarily due to an increase in property insurance. Insurance increased due to historic tornadoes in the prior year.

CAPITAL ASSETS

As of June 30, 2020, the Authority experienced a net increase in its capital assets of \$49,205 or 1.09% to \$4,579,588. The following chart illustrates the Capital Asset values for 2020 and 2019.

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

	2020	2019	Total Change	% Change
Land	\$ 38,768	\$ 38,768	\$ -	0.00%
Buildings & improvements	15,150,001	14,770,092	379,909	2.57%
Equipment	578,013	519,268	58,745	11.31%
Construction in Progress	-	-	-	0.00%
	<u>15,766,782</u>	<u>15,328,128</u>	<u>438,654</u>	<u>2.86%</u>
Accumulated Depreciation	<u>(11,187,194)</u>	<u>(10,797,745)</u>	<u>(389,449)</u>	<u>3.61%</u>
Total Capital Assets	<u><u>\$ 4,579,588</u></u>	<u><u>\$ 4,530,383</u></u>	<u><u>\$ 49,205</u></u>	<u><u>1.09%</u></u>

Major changes in the capital asset accounts are summarized below:

Balance at July 1, 2019	\$ 4,530,383
Current period additions – capital fund	427,170
Current period additions – operations	23,064
Current period depreciation expense	<u>(401,029)</u>
Balance at June 30, 2020	<u><u>\$ 4,579,588</u></u>

DEBT OBLIGATIONS

As of June 30, 2020, the Authority had no outstanding debt.

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 continue to increase dramatically due to the Affordable Care Act.
- The spread of a novel strain of coronavirus (COVID-19) in 2020 has caused significant volatility in the U.S. Markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on residents, employees and vendors, all of which are uncertain and cannot be determined at this time.

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, 2020**

HOUSING AUTHORITY OF THE TOWN OF RUSTON

Ruston, Louisiana

STATEMENT OF NET POSITION

JUNE 30, 2020

ASSETS

Current Assets

Cash & cash equivalents - unrestricted	\$	2,130,190
Cash & cash equivalents - restricted		65,221
Investments - unrestricted		259,469
Accounts receivable, net		104,787
Prepaid expenses		117,162
Inventories, net		<u>73,087</u>
Total Current Assets		<u>2,749,916</u>

Noncurrent Assets

Capital Assets:

Land		38,768
Buildings & improvements		15,150,001
Furniture & equipment		<u>578,013</u>
		15,766,782
Less: Accumulated depreciation		<u>(11,187,194)</u>
Total Capital Assets		<u>4,579,588</u>
Total Noncurrent Assets		<u>4,579,588</u>

TOTAL ASSETS

\$ 7,329,504

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

LIABILITIES & NET POSITION

Current Liabilities

Accounts payable	\$	34,449
Accrued liabilities		25,964
Unearned revenue		3,161
Tenant security deposits/escrow deposits		<u>65,221</u>
Total Current Liabilities		<u>128,795</u>

Noncurrent Liabilities

Accrued liabilities - noncurrent		<u>36,117</u>
Total Noncurrent Liabilities		<u>36,117</u>

TOTAL LIABILITIES		<u>164,912</u>
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Net Position

Net investment in capital assets		4,579,588
Unrestricted		<u>2,585,004</u>
TOTAL NET POSITION		<u>7,164,592</u>

TOTAL LIABILITIES & NET POSITION	\$	<u><u>7,329,504</u></u>
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HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

<u>Operating Revenues</u>	
Tenant revenue	\$ 882,432
Governmental grants & subsidy	1,050,976
Other income	268,320
Total Operating Revenue	<u>2,201,728</u>
<u>Operating Expenses</u>	
Administration	452,446
Tenant services	40,668
Utilities	284,628
Maintenance & operations	854,382
Protective services	41,265
General expense	238,480
Depreciation expense	401,029
Total Operating Expense	<u>2,312,898</u>
Net Operating Income/(Loss)	<u>(111,170)</u>
<u>Nonoperating Revenues/(Expenses)</u>	
Investment income	6,799
Loss on disposition of equipment	0
Net Nonoperating Revenues/(Expenses)	<u>6,799</u>
Net Income/(Loss) before capital grants	(104,371)
Capital grants	427,170
Increase/(Decrease) in Net Position	322,799
Total Net Position - beginning	<u>6,841,793</u>
Total Net Position - ending	\$ <u><u>7,164,592</u></u>

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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 1,150,752
Governmental grants & subsidy - operations	1,050,976
Payments to suppliers	(1,232,133)
Payments to employees	(735,542)
	234,053
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	234,053

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(2,054)
Interest received	6,799
	4,745
NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES	4,745

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Governmental capital grant fund received	427,170
Additions to capital assets - capital funds	(427,170)
Additions to capital assets - operations	(23,065)
Proceeds from disposition of capital assets	-
	(23,065)
NET CASH PROVIDED/(USED) FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(23,065)

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	215,733
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,979,678
	2,195,411
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 2,195,411

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income/(Loss) from operations	\$ (111,170)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	401,029
Decrease (Increase) in accounts receivable	(30,181)
Decrease (Increase) in prepaid expenses	(16,112)
Decrease (Increase) in inventory	8,306
Increase (Decrease) in accounts payable	(22,281)
Increase (Decrease) in accrued liabilities	7,618
Increase (Decrease) in unearned revenue	(4,157)
Increase (Decrease) in security/trust deposits	1,001
	234,053
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	\$ 234,053

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, 2020

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:

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:

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(Continued)

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

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.

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.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(Continued)

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

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.

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.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(Continued)

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

9. New Accounting Pronouncements:

During FY 2020, there were no new pronouncements implemented that impact the presentation of the financial statements and/or note disclosures.

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, 2020, the Authority's cash and investments deposits had a carrying amount of \$2,454,880 and bank balances of \$2,482,048. Of the bank balances held in various financial institutions, \$710,559 was covered by federal depository insurance and the remainder was covered by collateral held under the dedicated method. At June 30, 2020, the Authority's petty cash/change funds totaled \$50.

Investments - At June 30, 2020, the Authority's investment balances were as follows:

Investment Type	Market Value	Maturity	Rating
Certificates of Deposit	\$ 259,469	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.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(Continued)

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

Cash & Investments at June 30, 2020 are as follows:

Checking accounts	\$ 2,195,361
Certificates of Deposit	259,469
Petty cash	<u>50</u>
	<u>\$ 2,454,880</u>

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>65,221</u>
Tenant security deposit – liability	<u>\$ 65,221</u>

Collateralization:

As of June 30, 2020 the following securities were pledged as collateral to secure the deposits of the Housing Authority of the Town of Ruston:

Security	CUSIP	Market Value
Origin Bank/Held at Raymond James		
GNMA II Pool #AQ9442	3138MRP47	1,682,154
GNMA II Pool #AL8628	3138ETSS6	<u>196,304</u>
		<u>\$ 1,878,458</u>

NOTE C - ACCOUNTS RECEIVABLE AND ACCRUED RECEIVABLES:

Accounts Receivable and Accrued Receivables at June 30, 2020, consisted of the following:

Tenants Accounts Receivable (Net of Allowance - \$500)	\$ 15,220
Accounts Receivable – HUD	48,628
Accounts Receivable – Other Government	40,540
Accrued Interest Receivable	<u>399</u>
	<u>\$ 104,787</u>

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(Continued)

NOTE D - PREPAID EXPENSES:

Prepaid expenses at June 30, 2020, consisted of the following:

Prepaid insurance & expenses	\$ 117,162
Inventory materials (Net of Allowance - \$1)	<u>73,087</u>
	<u>\$ 190,249</u>

NOTE E - CAPITAL ASSETS:

The following is a summary of changes in the net capital assets during the fiscal year ended June 30, 2020:

	Beginning Balances	Additions/ Depreciation	Transfers/ Adjustments	Dispositions	Ending Balances
Enterprise Activities					
Capital assets not being depreciated:					
Land	\$ 38,768	\$ -	\$ -	\$ -	\$ 38,768
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	<u>38,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,768</u>
Buildings & improvements	14,770,092	379,909	-	-	15,150,001
Furniture & equipment	519,268	70,326	-	(11,581)	578,013
Total capital assets being depreciated	<u>15,289,360</u>	<u>450,235</u>	<u>-</u>	<u>(11,581)</u>	<u>15,728,014</u>
Less accumulated depreciation for:					
Buildings & improvements	(10,402,441)	(365,345)	(1)	11,581	(10,756,206)
Furniture & equipment	(395,304)	(35,684)	-	-	(430,988)
Total accumulated depreciation	<u>(10,797,745)</u>	<u>(401,029)</u>	<u>(1)</u>	<u>11,581</u>	<u>(11,187,194)</u>
Total capital assets being depreciated	<u>4,491,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,540,820</u>
Enterprise activity capital assets, net	<u>\$ 4,530,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 4,579,588</u>

Balance at July 1, 2019	\$ 4,530,383
Current period additions – capital fund	427,170
Current period additions – operations	23,064
Current period depreciation expense	<u>(401,029)</u>
Balance at June 30, 2020	<u>\$ 4,579,588</u>

NOTE F - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:

Accounts Payable and Accrued liabilities at June 30, 2020, consisted of the following:

Vendors & contractors	\$ 34,449
Accrued compensated absences-current	16,589
Accrued wages	9,375
Tenant security deposits	65,221
Unearned revenue	<u>3,161</u>
	<u>\$ 128,795</u>

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(Continued)

NOTE G - OTHER NONCURRENT LIABILITIES:

Other noncurrent liabilities at June 30, 2020, consisted of the noncurrent portion of accrued compensated absences of \$36,117. The change in liabilities follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion of Balance
Compensated absences	\$ 46,454	\$ 31,982	\$ (25,730)	\$ 52,706	\$ 16,589
Total Noncurrent Liabilities	\$ 46,454	\$ 31,982	\$ (25,730)	\$ 52,706	\$ 16,589

NOTE H - 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 I - ASSET IMPAIRMENT:

In accordance with financial reporting standards issued by the Government Accounting Standards Board's, Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" requires certain note disclosures. During the fiscal year ended June 30, 2020, the Housing Authority of the Town of Ruston experienced no permanent material impairments during the audit period.

NOTE J - 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, 2020.

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." In 2020 there was no evidence to indicate that there was a violation or noncompliance with this consent order.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(Continued)

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, 2020 was \$372,375.

The Employees are required to contribute 4.00% of their annual covered salary and the Housing Authority is required to contribute at a rate of 10.50% 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, 2020 was \$39,099 and the total pension contribution for the year was \$54,014.

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

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.

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(Continued)

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 - SUBSEQUENT EVENTS:

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. Management evaluated the activity of the Authority through December 16, 2020 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

The spread of a novel strain of coronavirus (COVID-19) in 2020 has caused significant volatility in the U.S. Markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on residents, employees and vendors, all of which are uncertain and cannot be determined at this time.

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

OTHER REPORTS

YEAR ENDED JUNE 30, 2020



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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, 2020, 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 December 16, 2020.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements 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.
Certified Public Accountants

Loganville, Georgia
December 16, 2020



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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) 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, 2020. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 Housing Authority of the Town of Ruston complied, in all material respects, with the 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, 2020.

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.
Rector, Reeder & Lofton, P.C.
Certified Public Accountants

Loganville, Georgia
December 16, 2020

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended June 30, 2019, contained no formal audit findings.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor’s Results:

Financial Statements

Type of report issued on the financial statements:	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 under 2 CFR §200.516(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:	\$750,000
Low Risk Auditee under 2 CFR §200.520?	Yes

Section II – Financial Statement Findings

Findings related to financial statements in accordance with GAGAS:

None reported

Section III – Federal Award Findings and Questioned Costs

Findings and questioned costs for Federal Awards as defined in 2 CFR §200.516(a):

None reported

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

SUPPLEMENTAL INFORMATION

YEAR ENDED JUNE 30, 2020

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
JUNE 30, 2020

FDS Line#	Account Description	Public and Indian Housing 14.850	Public Housing CARES Act Funding 14.PHC	Business Activities	Central Office Cost Center	Elimination	TOTAL
ASSETS:							
CURRENT ASSETS:							
Cash:							
111	Cash - unrestricted	\$ 581,801	\$ 0	\$ 760,477	\$ 787,912	\$ 0	\$ 2,130,190
112	Cash - restricted modernization & development	0	0	0	0	0	0
113	Cash - other restricted	0	0	0	0	0	0
114	Cash - tenant security deposits	64,771	0	450	0	0	65,221
115	Cash - restricted for payment of current liabilities	0	0	0	0	0	0
100	Total Cash	646,572	0	760,927	787,912	0	2,195,411
Accounts and notes receivables:							
121	Accounts receivable - PHA projects	0	0	0	0	0	0
122	Accounts receivable - HUD other projects	10,089	38,539	0	0	0	48,628
124	Accounts receivable - other government	0	0	35,643	4,897	0	40,540
125	Accounts receivable - miscellaneous	0	0	0	0	0	0
126	Accounts receivable - tenants rents	15,720	0	0	0	0	15,720
126.1	Allowance for doubtful accounts - tenants	(500)	0	0	0	0	(500)
126.2	Allowance for doubtful accounts - other	0	0	0	0	0	0
127	Notes receivable - current	0	0	0	0	0	0
128	Accounts receivable - fraud	0	0	0	0	0	0
128.1	Allowance for doubtful accounts-fraud	0	0	0	0	0	0
129	Accrued interest receivable	262	0	0	137	0	399
120	Total receivables - net	25,571	38,539	35,643	5,034	0	104,787
Current Investments:							
131	Investments - unrestricted	115,424	0	0	144,045	0	259,469
132	Investments - restricted	0	0	0	0	0	0
135	Investments - restricted for payment of current liability	0	0	0	0	0	0
142	Prepaid expenses and other assets	111,985	0	0	5,177	0	117,162
143	Inventories	73,088	0	0	0	0	73,088
143.1	Allowance for obsolete inventories	(1)	0	0	0	0	(1)
144	Interprogram due from	38,539	0	0	10,089	(48,628)	0
145	Assets held for sale	0	0	0	0	0	0
150	TOTAL CURRENT ASSETS	1,011,178	38,539	796,570	952,257	(48,628)	2,749,916
NONCURRENT ASSETS:							
Capital Assets:							
161	Land	35,768	0	3,000	0	0	38,768
162	Buildings	3,948,420	0	37,000	0	0	3,985,420
163	Furniture & equipment - dwellings	0	0	0	0	0	0
164	Furniture & equipment - admin	533,118	0	0	44,895	0	578,013
165	Leasehold improvements	11,164,581	0	0	0	0	11,164,581
166	Accumulated depreciation	(11,123,080)	0	(19,219)	(44,895)	0	(11,187,194)
167	Construction in process	0	0	0	0	0	0
168	Infrastructure	0	0	0	0	0	0
160	Total capital assets - net	4,558,807	0	20,781	0	0	4,579,588
171	Notes receivable - noncurrent	0	0	0	0	0	0
172	Notes receivable - noncurrent - past due	0	0	0	0	0	0
173	Grants receivable - noncurrent	0	0	0	0	0	0
174	Other assets	0	0	0	0	0	0
176	Investment in joint ventures	0	0	0	0	0	0
180	TOTAL NONCURRENT ASSETS	4,558,807	0	20,781	0	0	4,579,588
200	Deferred Outflow of Resources	0	0	0	0	0	0
290	TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	\$ 5,569,985	\$ 38,539	\$ 817,351	\$ 952,257	\$ (48,628)	\$ 7,329,504

Housing Authority of the Town of Ruston
Ruston, Louisiana

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
JUNE 30, 2020

FDS Line#	Account Description	Public and Indian Housing 14.B50	Public Housing CARES Act Funding 14.PHC	Business Activities	Central Office Cost Center	Elimination	TOTAL
LIABILITIES AND NET POSITION:							
LIABILITIES:							
CURRENT LIABILITIES:							
311	Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
312	Accounts payable <= 90 days	0	0	0	34,449	0	34,449
313	Accounts payable > 90 days	0	0	0	0	0	0
321	Accrued salaries/payroll withholding	0	0	0	9,375	0	9,375
322	Accrued compensated absences - current	11,154	0	0	5,435	0	16,589
324	Accrued contingency liability	0	0	0	0	0	0
325	Accrued Interest payable	0	0	0	0	0	0
331	Accounts payable - HUD PHA programs	0	0	0	0	0	0
332	Accounts payable - PHA projects	0	0	0	0	0	0
333	Accounts payable - other gov.	0	0	0	0	0	0
341	Tenant security deposits	64,771	0	450	0	0	65,221
342	Unearned revenue	3,161	0	0	0	0	3,161
343	Current portion of L-T debt - capital projects	0	0	0	0	0	0
344	Current portion of L-T debt - operating borrowings	0	0	0	0	0	0
345	Other current liabilities	0	0	0	0	0	0
346	Accrued liabilities - other	0	0	0	0	0	0
347	Interprogram (due to)	10,089	38,539	0	0	(48,628)	0
348	Loan Liability - current	0	0	0	0	0	0
310	TOTAL CURRENT LIABILITIES	<u>89,175</u>	<u>38,539</u>	<u>450</u>	<u>49,259</u>	<u>(48,628)</u>	<u>128,795</u>
NONCURRENT LIABILITIES:							
351	Long-term debt, net of current - capital projects	0	0	0	0	0	0
352	Long-term debt, net of current - operating borrowings	0	0	0	0	0	0
353	Noncurrent liabilities - other	0	0	0	0	0	0
354	Accrued comp. absences - long term	23,230	0	0	12,887	0	36,117
355	Loan liability - noncurrent	0	0	0	0	0	0
356	FASB 5 liabilities	0	0	0	0	0	0
357	Accrued pensions & OPEB liabilities	0	0	0	0	0	0
350	TOTAL NONCURRENT LIABILITIES	<u>23,230</u>	<u>0</u>	<u>0</u>	<u>12,887</u>	<u>0</u>	<u>36,117</u>
300	TOTAL LIABILITIES	<u>112,405</u>	<u>38,539</u>	<u>450</u>	<u>62,146</u>	<u>(48,628)</u>	<u>164,912</u>
400	Deferred Inflow of Resources	0	0	0	0	0	0
NET POSITION:							
508.4	Net investment in capital assets	4,558,807	0	20,781	0	0	4,579,588
511.4	Restricted	0	0	0	0	0	0
512.4	Unrestricted	898,773	0	796,120	890,111	0	2,585,004
513	TOTAL NET POSITION	<u>5,457,580</u>	<u>0</u>	<u>816,901</u>	<u>890,111</u>	<u>0</u>	<u>7,164,592</u>
600	TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 5,569,985</u>	<u>\$ 38,539</u>	<u>\$ 817,351</u>	<u>\$ 952,257</u>	<u>\$ (48,628)</u>	<u>\$ 7,329,504</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, 2020

<u>FDS Line#</u>	<u>Account Description</u>	Public and Indian Housing 14.850	Public Housing CARES Act Funding 14.PHC	Business Activities	Central Office Cost Center	Elimination	TOTAL
REVENUES:							
70300	Net tenant rental revenue	\$ 673,482	\$ 0	\$ 5,400	\$ 0	\$ 0	\$ 678,882
70400	Tenant revenue - other	203,370	0	180	0	0	203,550
70500	Total tenant revenue	876,852	0	5,580	0	0	882,432
70600	HUD PHA grants - operating	1,012,437	38,539	0	0	0	1,050,976
70610	HUD PHA grants - capital	427,170	0	0	0	0	427,170
70710	Management fee	0	0	0	207,436	(207,436)	0
70720	Asset management fee	0	0	0	35,880	(35,880)	0
70730	Bookkeeping fee	0	0	0	25,583	(25,583)	0
70740	Front line service fee	0	0	0	0	0	0
70750	Other fees	0	0	0	0	0	0
70700	Total fee revenue	0	0	0	268,899	(268,899)	0
70800	Other government grants	0	0	0	0	0	0
71100	Investment income - unrestricted	2,008	0	1,883	2,908	0	6,799
71200	Mortgage interest income	0	0	0	0	0	0
71300	Proceeds from disposition of assets held for sale	0	0	0	0	0	0
71310	Cost of sale of assets	0	0	0	0	0	0
71400	Fraud recovery	0	0	0	0	0	0
71500	Other revenue	105,321	0	162,803	196	0	268,320
71600	Gain/(loss) on disposition	0	0	0	0	0	0
72000	Investment income - restricted	0	0	0	0	0	0
70000	TOTAL REVENUES	\$ 2,423,788	\$ 38,539	\$ 170,266	\$ 272,003	\$ (268,899)	\$ 2,635,697
EXPENSES:							
Administrative:							
91100	Administrative salaries	\$ 82,833	\$ 12,841	\$ 0	\$ 122,238	\$ 0	\$ 217,912
91200	Auditing fees	9,250	0	1,600	5,000	0	15,850
91300	Management fees	207,436	0	0	0	(207,436)	0
91310	Bookkeeping fees	25,583	0	0	0	(25,583)	0
91400	Advertising & marketing	690	0	0	0	0	690
91500	Employee benefits - administrative	54,001	0	0	24,504	0	78,505
91600	Office expense	14,209	0	0	11,648	0	25,857
91700	Legal expense	2,275	0	0	0	0	2,275
91800	Travel expense	6,078	0	0	443	0	6,521
91810	Allocated overhead	0	0	0	0	0	0
91900	Other operating - administrative	73,991	0	6,778	24,067	0	104,836
91000	Total Administrative Expense	476,346	12,841	8,378	187,900	(233,019)	452,446
92000	Asset management fee	35,880	0	0	0	(35,880)	0
Tenant services:							
92100	Tenant services - salaries	0	0	0	0	0	0
92200	Relocation costs	0	0	0	0	0	0
92300	Employee benefits - tenant services	0	0	0	0	0	0
92400	Other tenant services	34,510	6,158	0	0	0	40,668
92500	Total Tenant Services	34,510	6,158	0	0	0	40,668

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, 2020

FDS Line#	Account Description	Public and Indian Housing 14.850	Public Housing CARES Act Funding 14.PHC	Business Activities	Central Office Cost Center	Elimination	TOTAL
Utilities:							
93100	Water	31,574	0	0	0	0	31,574
93200	Electricity	181,185	0	0	0	0	181,185
93300	Gas	6,482	0	68	0	0	6,550
93400	Fuel	0	0	0	0	0	0
93500	Labor	0	0	0	0	0	0
93600	Sewer	65,319	0	0	0	0	65,319
93700	Employee benefits - utilities	0	0	0	0	0	0
93800	Other utilities expense	0	0	0	0	0	0
93000	Total Utilities Expense	<u>284,560</u>	<u>0</u>	<u>68</u>	<u>0</u>	<u>0</u>	<u>284,628</u>
Ordinary Maintenance & Operation:							
94100	Labor	273,346	19,540	11,200	0	0	304,086
94200	Materials	72,512	0	8,954	0	0	81,466
94300	Contracts	293,606	0	40,185	0	0	333,791
94300-010	Garbage & trash removal contracts	32,688	0	0	0	0	32,688
94300-020	Heating & cooling contracts	0	0	0	0	0	0
94300-030	Snow removal contracts	0	0	0	0	0	0
94300-040	Elevator maintenance contracts	0	0	0	0	0	0
94300-050	Landscape & grounds contracts	65,143	0	10,200	0	0	75,343
94300-060	Unit turnaround contracts	0	0	0	0	0	0
94300-070	Electrical contracts	0	0	950	0	0	950
94300-080	Plumbing contracts	0	0	0	0	0	0
94300-090	Extermination contracts	27,550	0	6,400	0	0	33,950
94300-100	Janitorial contracts	0	0	0	0	0	0
94300-110	Routine maintenance contracts	84,599	0	0	0	0	84,599
94300-120	Contract costs - other	83,626	0	22,635	0	0	106,261
94500	Employee benefit contributions	134,192	0	847	0	0	135,039
94000	Total Ordinary Maintenance & Operation	<u>773,656</u>	<u>19,540</u>	<u>61,186</u>	<u>0</u>	<u>0</u>	<u>854,382</u>
Protective services:							
95100	Protective services - labor	39,515	0	0	0	0	39,515
95200	Protective services - other contract costs	0	0	0	0	0	0
95300	Other protective services	0	0	0	0	0	0
95500	Employee benefits - protective services	1,750	0	0	0	0	1,750
95000	Total Protective Services	<u>41,265</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>41,265</u>
Insurance Premiums:							
96110	Property insurance	111,128	0	0	0	0	111,128
96120	Liability insurance	19,011	0	4,942	0	0	23,953
96130	Workmen's compensation	21,912	0	0	0	0	21,912
96140	Insurance - other	14,986	0	0	170	0	15,156
96100	Total Insurance Premiums	<u>167,037</u>	<u>0</u>	<u>4,942</u>	<u>170</u>	<u>0</u>	<u>172,149</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, 2020

FDS Line#	Account Description	Public and Indian Housing 14.850	Public Housing CARES Act Funding 14.PHC	Business Activities	Central Office Cost Center	Elimination	TOTAL
General Expenses:							
96200	Other general expense	0	0	0	0	0	0
96210	Compensated absences	21,112	0	0	10,870	0	31,982
96300	Payments in lieu of taxes	0	0	0	0	0	0
96400	Bad debt - tenant rents	34,349	0	0	0	0	34,349
96500	Bad debt - mortgages	0	0	0	0	0	0
96600	Bad debt - other	0	0	0	0	0	0
96800	Severance expense	0	0	0	0	0	0
96000	Total General Expenses	<u>55,461</u>	<u>0</u>	<u>0</u>	<u>10,870</u>	<u>0</u>	<u>66,331</u>
Financial Expenses:							
96710	Interest expense - Mortgage Payable	0	0	0	0	0	0
96720	Interest expense - Notes Payable	0	0	0	0	0	0
96730	Amortization - Issuance costs	0	0	0	0	0	0
96700	Total Financial Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
96900	TOTAL OPERATING EXPENSE	<u>1,868,715</u>	<u>38,539</u>	<u>74,574</u>	<u>198,940</u>	<u>(268,899)</u>	<u>1,911,869</u>
97000	EXCESS OPERATING REVENUE	<u>555,073</u>	<u>0</u>	<u>95,692</u>	<u>73,063</u>	<u>0</u>	<u>723,828</u>
Other Expenses:							
97100	Extraordinary maintenance	0	0	0	0	0	0
97200	Casualty losses	0	0	0	0	0	0
97300	Housing assistance payments	0	0	0	0	0	0
97350	HAP portability-in	0	0	0	0	0	0
97400	Depreciation expense	399,796	0	1,233	0	0	401,029
97500	Fraud losses	0	0	0	0	0	0
97600	Capital outlays - governmental funds	0	0	0	0	0	0
97700	Debt principal payment - gov't funds	0	0	0	0	0	0
97800	Dwelling units rents expense	0	0	0	0	0	0
	Total Other Expenses	<u>399,796</u>	<u>0</u>	<u>1,233</u>	<u>0</u>	<u>0</u>	<u>401,029</u>
90000	TOTAL EXPENSES	<u>\$ 2,268,511</u>	<u>\$ 38,539</u>	<u>\$ 75,807</u>	<u>\$ 198,940</u>	<u>\$ (268,899)</u>	<u>\$ 2,312,898</u>
10010	Operating transfer in	36,000	0	0	0	(36,000)	0
10020	Operating transfer out	(36,000)	0	0	0	36,000	0
10030	Operating transfers from/to primary gov't	0	0	0	0	0	0
10040	Operating transfers from/to comp. unit	0	0	0	0	0	0
10050	Proceeds from notes, loans & bonds	0	0	0	0	0	0
10060	Proceeds from property sales	0	0	0	0	0	0
10070	Extraordinary items, net gain/loss	0	0	0	0	0	0
10080	Special items, net gain/loss	0	0	0	0	0	0
10091	Inter project excess cash transfer in	0	0	0	0	0	0
10092	Inter project excess cash transfer out	0	0	0	0	0	0
10093	Transfers between project & program - in	0	0	0	0	0	0
10094	Transfers between project & program - out	0	0	0	0	0	0
10100	Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
10000	EXCESS OF REVENUE OVER EXPENSES	<u>\$ 155,277</u>	<u>\$ 0</u>	<u>\$ 94,459</u>	<u>\$ 73,063</u>	<u>\$ 0</u>	<u>\$ 322,799</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, 2020

<u>FDS Line#</u>	<u>Account Description</u>	Public and Indian Housing 14.850	Public Housing CARES Act Funding 14.PHC	Business Activities	Central Office Cost Center	Elimination	TOTAL
11020	Required annual debt principal payments	0	0	0	0	0	0
11030	Beginning Net Position	\$ 5,302,303	0	722,442	817,048	0	6,841,793
11040-010	Prior period adjustments	0	0	0	0	0	0
11040-070	Equity transfers	0	0	0	0	0	0
11050	Changes-compensated absence balance	0	0	0	0	0	0
11060	Changes-contingent liability balance	0	0	0	0	0	0
11070	Changes-unrec. pension transition liability	0	0	0	0	0	0
11080	Changes-doubtful accounts - dwelling rents	0	0	0	0	0	0
11090	Changes-doubtful accounts - other	0	0	0	0	0	0
	Ending Net Position	\$ 5,457,580	\$ 0	\$ 816,901	\$ 890,111	\$ 0	\$ 7,164,592
11170	Administrative fee equity	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-
11190	Units Available	3,484	-	12	-	-	3,496
11210	Units Leased	3,411	-	12	-	-	3,423
11270	Excess Cash	588,148	-	-	-	-	588,148
	Prior year excess cash	532,427	-	-	-	-	532,427
11610	Land purchases	-	-	-	-	-	-
11620	Building purchases	-	-	-	-	-	-
11630	Furniture & equipment - dwelling	-	-	-	-	-	-
11640	Furniture & equipment - admin	70,327	-	-	-	-	70,327
11650	Leasehold improvement purchases	379,908	-	-	-	-	379,908
11660	Infrastructure purchases	-	-	-	-	-	-
13510	CFFP debt services payments	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-



INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedure enumerated in the second paragraph, which was agreed to by Housing Authority of the Town of Ruston, and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), on whether the electronic submission of certain information agrees with related hard copy documents included within the Single Audit reporting package. The sufficiency of the procedure is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedure enumerated below either for the purpose of which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the chart below under the "UFRS Rule Information" column with corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate **agreement or non-agreement** of electronically submitted information and hard copy documents as shown in the chart below.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the electronic submission of the items listed in the "UFRS Rule Information" column in the chart below. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

We were engaged to perform an audit in accordance with 2 CFR 200 Subpart F, Audits Requirements, for the Housing Authority as of and for the year ended June 30, 2020, and have issued our reports thereon dated December 16, 2020. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of the audit. Further, our opinion on the fair presentation of the Authority's Financial Data Schedule (FDS) dated June 30, 2020, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the reporting package required by OMB Guidance, which includes the auditor's report, is available in its entirety from the Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports.

This report was intended solely for the information and use of the Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

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

Loganville, Georgia
December 16, 2020

**HOUSING AUTHORITY OF THE TOWN OF RUSTON
 AGREED UPON PROCEDURES FOR THE YEAR ENDED
 JUNE 30, 2020**

PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENTS	AGREES
1	Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedule, all CFDAs	x
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	x
3	Type of opinion on the FDS (data element G5100-010)	Auditor's supplemental report on FDS	x
4	Audit findings narratives (data element G5200-010)	Schedule of Findings and Questioned costs	x
5	General information (data element series G2000, G2100 G2200, G2300, G9000, G9100)	OMB Data Collection Form	x
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	x
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	x
8	Type of Compliance Requirement (G4000-020 & G4000-030)	OMB Data Collection Form	x
9	Basic financial statements and auditors' reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	x

Housing Authority of the Town of Ruston
Ruston, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
JUNE 30, 2020

	<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	\$ 932,407
Public Housing Capital Fund	B - Nonmajor	14.872	<u>545,739</u>
TOTAL FEDERAL FINANCIAL AWARDS			\$ <u>1,478,146</u>
 Threshold for Type A & Type B			 \$ <u>750,000</u>

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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 Uniform Guidance.

NOTE B - SUBRECIPIENTS:

The Housing Authority of the Town of Ruston provided no federal awards to subrecipients during the fiscal year ending June 30, 2020.

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, 2020.
- 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, 2020.
- The auditee did not elect to use the 10% de minimis cost rate.
- The Housing Authority of the Town of Ruston maintains the following limits of insurance as of June 30, 2020:

Property	\$ 24,992,280
Liability	\$ 1,000,000
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, 2020

Agency Head: Woody Whittington, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 99,372
Benefits - insurance	18,870
Less Withholding	(2,629)
Benefits - retirement	10,434
Car allowance	4,800
Per diem/travel	-
Registration fees	-
	<u>\$ 130,847</u>

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

**SUPPLEMENTAL INFORMATION
SPECIAL REPORTS**

YEAR ENDED JUNE 30, 2020

HOUSING AUTHORITY OF THE TOWN OF RUSTON
Ruston, Louisiana

STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
June 30, 2020

LA48PO5450118

- 1 The Actual Modernization Costs of Phase 501-18 were:

Funds Approved	\$ 602,139
Funds Expended	<u>602,139</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 602,139
Funds Expended	<u>602,139</u>
Excess of Funds Advanced	<u>\$ -</u>

- 2 Audit period additions were \$126,001.60 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 December 2, 2020, 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.