

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

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

**YEAR ENDED JUNE 30, 2010**

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 2/23/11

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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, 2010**



## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the Ruston Housing Authority as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ruston Housing Authority, as of June 30, 2010, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2010 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

  
Rector & Reeder, P.C.  
Certified Public Accountants

Lawrenceville, Georgia  
December 2, 2010

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

**MANAGEMENT DISCUSSION & ANALYSIS**

**YEAR ENDED JUNE 30, 2010**

# **RUSTON HOUSING AUTHORITY MANAGEMENT'S DISCUSSION & ANALYSIS FISCAL YEAR ENDED JUNE 30, 2010**

This section of the Authority's annual financial report presents Management's analysis of the Authority's financial performance during the Fiscal Year Ended June 30, 2010.

## **FINANCIAL HIGHLIGHTS AND CONCLUSIONS:**

The Ruston Housing Authority had a good year as illustrated by the outcome of its fiscal year operations. Total Net Assets increased by \$606,978 (13.59%). The financial indicators continue to maintain an above average score as established by the Real Estate Assessment Center (REAC). Based on our calculation of the financial score, the Authority should receive a designation of "high performer" under the Financial Assessment Sub System (FASS).

## **REQUIRED FINANCIAL STATEMENTS**

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

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

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

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

## **FINANCIAL ANALYSIS OF THE AUTHORITY**

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

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

**Ruston Housing Authority**  
**Comparative Statement of Net Assets**  
**TABLE I**

	2010	2009	Total Change	% Change
Current Assets	1,096,214	931,166	165,048	17.72%
Capital Assets	4,359,573	3,785,381	574,192	15.17%
<b>Total Assets</b>	<b>5,455,787</b>	<b>4,716,547</b>	<b>739,240</b>	<b>15.67%</b>
Current Liabilities	229,427	100,594	128,833	128.07%
Noncurrent Liabilities	152,971	149,518	3,453	2.31%
<b>Total Liabilities</b>	<b>382,398</b>	<b>250,112</b>	<b>132,286</b>	<b>52.89%</b>
Invested in Capital Assets				
Net of Related Debt	4,252,040	3,675,597	576,443	15.68%
Unrestricted Net Assets	821,349	790,814	30,535	3.86%
<b>Total Net Assets</b>	<b>5,073,389</b>	<b>4,466,411</b>	<b>606,978</b>	<b>13.59%</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>5,455,787</b>	<b>4,716,523</b>	<b>739,264</b>	<b>15.67%</b>

As illustrated in the above Comparative Statement of Net Assets, the overall Net Assets of the Authority increased by \$606,978. Current assets increased by \$165,048, mainly due to an increase in accounts receivable of \$156,295. Capital assets increased by \$574,192, which is discussed in more detail later in this document.

Liabilities also increased by 52.89%, or \$132,286. Current liabilities consisted of the majority of this increase, which was mainly due from an increase in accounts payable of \$108,074 due to timing issues.

The "Invested in Capital Assets" increased by \$576,443. The net change in Invested in Capital Assets, net of related debt, was largely due to capital asset costs additions from federal grants. These additions were offset by depreciation expense of \$146,365. The Unrestricted Net Assets increased by \$30,535. This represents a net increase in net working capital and available resources for future programs and expenditures.

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

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

	<b>2010</b>	<b>2009</b>	<b>Total Change</b>	<b>% Change</b>
Tenant Revenue	868,306	865,517	2,789	0.32%
Grant Funding	1,541,189	1,155,272	385,917	33.40%
Interest Income	5,982	14,035	(8,053)	-57.38%
Other Income	134,719	172,715	(37,996)	-22.00%
Gain/(Loss) on sale of Fixed Assets	-	(1,147)	1,147	-100.00%
<b>Total Revenue</b>	<b>2,550,196</b>	<b>2,206,392</b>	<b>343,804</b>	<b>15.58%</b>
Administration	428,071	405,483	22,588	5.57%
Tenant Services	97,526	101,731	(4,205)	-4.13%
Utilities	284,749	336,633	(51,884)	-15.41%
Maintenance	803,927	739,306	64,621	8.74%
General expense	174,032	138,750	35,282	25.43%
Interest expense	8,548	7,938	610	7.68%
Depreciation	146,365	180,733	(34,368)	-19.02%
<b>Total Expenses</b>	<b>1,943,218</b>	<b>1,910,574</b>	<b>32,644</b>	<b>1.71%</b>
Change in Net Assets	606,978	295,818	311,160	105.19%
Beginning Net Assets	4,466,411	4,170,593	295,818	7.09%
<b>Ending Net Assets</b>	<b>5,073,389</b>	<b>4,466,411</b>	<b>606,978</b>	<b>13.59%</b>



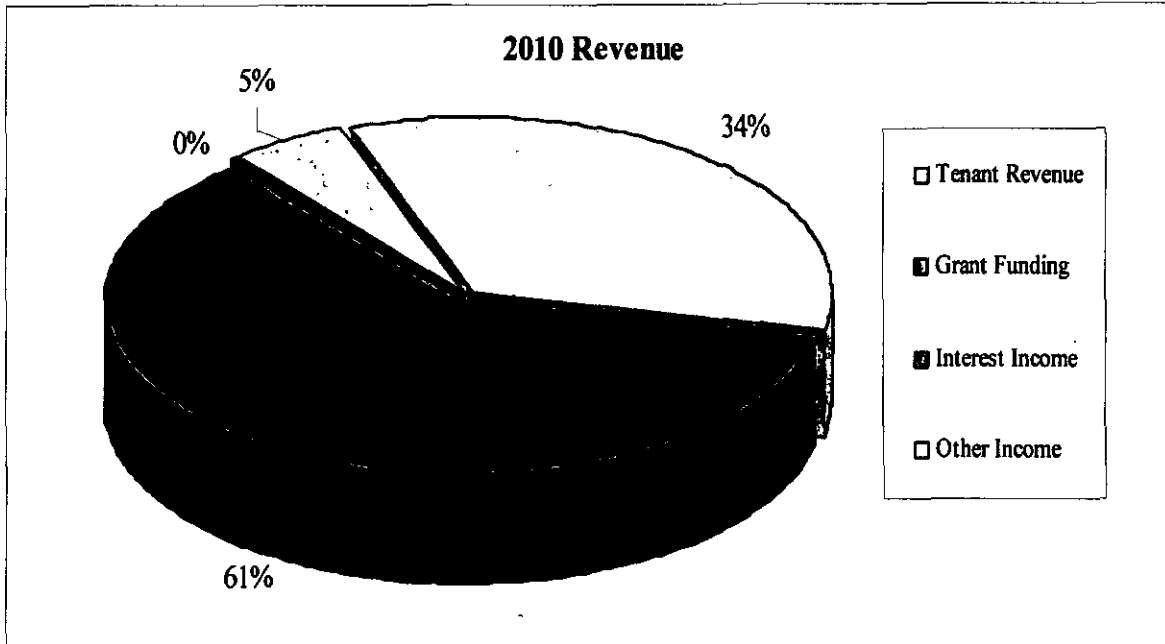
**Ruston Housing Authority**  
**Statement of Revenues, Expenses and Change in Net Assets - By Program**  
**For Year-to-Date ended June 30, 2010**

**TABLE III**

	<b>Business Type</b>					
	<b>Activity</b>	<b>Low-Rent</b>	<b>Central Office</b>	<b>ARRA</b>	<b>Eliminations</b>	<b>Total</b>
Tenant Revenue	21,821	846,485	-	-	-	868,306
Grant Funding	-	1,158,684	-	382,505	-	1,541,189
Interest Income	-	2,692	3,290	-	-	5,982
Other Income	82,413	36,682	322,296	-	(306,672)	134,719
<b>Total Revenue</b>	<b>104,234</b>	<b>2,044,543</b>	<b>325,586</b>	<b>382,505</b>	<b>(306,672)</b>	<b>2,550,196</b>
Administration	41,905	438,004	206,173	48,661	(306,672)	428,071
Tenant Services	-	97,526	-	-	-	97,526
Utilities	-	284,749	-	-	-	284,749
Maintenance	50,131	747,647	6,149	-	-	803,927
General expense	3,193	164,574	6,265	-	-	174,032
Interest expense	8,548	-	-	-	-	8,548
Depreciation	2,033	142,709	1,623	-	-	146,365
<b>Total Expenses</b>	<b>105,810</b>	<b>1,875,209</b>	<b>220,210</b>	<b>48,661</b>	<b>(306,672)</b>	<b>1,943,218</b>
<b>Change in Net Assets</b>	<b>(1,576)</b>	<b>169,334</b>	<b>105,376</b>	<b>333,844</b>	<b>-</b>	<b>606,978</b>
Beginning Net Assets	31,367	4,151,475	283,569	-	-	4,466,411
Equity transfers	-	333,844	-	(333,844)	-	-
Prior period adjustments	-	-	-	-	-	-
<b>Ending Net Assets</b>	<b>29,791</b>	<b>4,654,653</b>	<b>388,945</b>	<b>-</b>	<b>-</b>	<b>5,073,389</b>

## REVENUES

In reviewing the Statement of Revenues, Expenses, and Net Assets, you will find that 61% of the Authority's revenues are derived from grants from the Department of Housing and Urban Development. The Authority receives revenue from tenants for dwelling rental charges, excess utilities, and miscellaneous charges for 34% of total revenue. Other Revenue, including Interest from Investments, comprises the remaining 5%. Compared to the Fiscal Year Ended June 30, 2009, revenues had an overall increase of \$343,804 (15.58%).



**Tenant Revenue** - Tenant Revenue received in the Public Housing Program had an increase from \$865,517 to \$868,306 of around .32%. Dwelling rent revenue typically changes in relation to changes in the number of working family tenants and changes in dwelling unit occupancy.

**Program Grants/Subsidies** - We had a 33.40% increase in Grant Funding compared to the previous year. The primary reason for change is typically a temporary increase in spending of the Capital Fund grants which can be expended and earned over several years. The Capital Fund Programs ordinarily remain consistent from program year to program year. This year, the PHA was also awarded a one-time grant from the federal stimulus spending, resulting in revenue earned of \$382,505. The PHA also experienced an increase in operating subsidy in public housing of \$53,053 over the previous year.

**Interest Income** - Interest income decreased by \$8,053 as a result of a decrease in the yield on investments.

## **EXPENSES**

The Ruston Housing Authority experienced an increase in total expenses for the current year from \$1,910,574 to \$1,943,218, or \$32,644 (1.71%). The highlights of the expenses for the current year are as follows:

**Administrative** – Administrative costs include all non-maintenance and non-resident service personnel costs (including benefits and accrued leave), legal costs, auditing costs, travel and training costs, and other administrative costs such as supplies, telephone expense, etc. Compared to 2009, administrative costs increased by \$22,588 (5.57%).

**Tenant Services** – Tenant Services costs include all costs incurred by the Authority to provide social services to the residents. Tenant Services costs decreased from \$101,731, to \$97,526 or \$4,205 (-4.13%). This decrease is due to decreases in personnel expenses charged to this category.

**Utilities** - The total utilities expense for the Authority decreased by \$51,884 (-15.41%). The decrease is due mainly to decreasing utility costs and consumption.

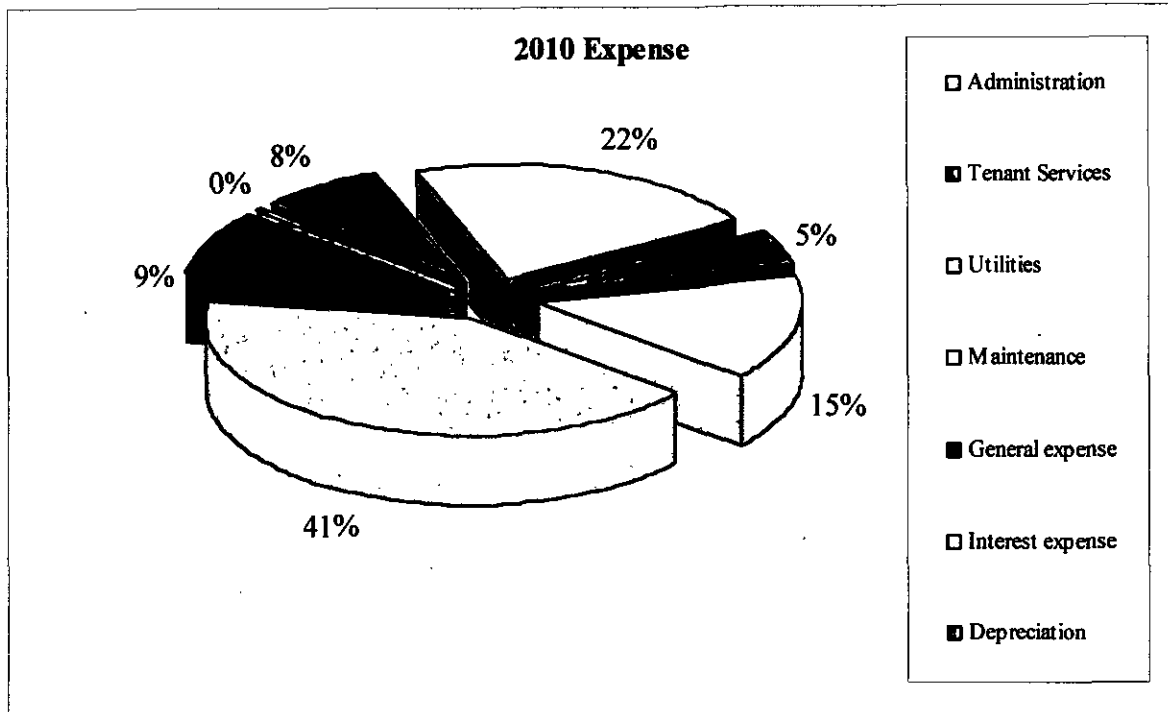
**Maintenance** – Maintenance costs are all costs incurred by the Authority to maintain its Public Housing units in a safe and sanitary manner. Costs include personnel costs, materials used to maintain the units, contracts for waste management and telephone/radio service, etc. The Maintenance Expense for the Authority increased from \$739,306, to \$803,927 or \$64,621, (8.74%), due to increased personnel expenses as well as an increase in maintenance service contracts due to rising prices and increased unit turnaround time.

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

**General Expenses** – General Expenses include insurance costs (property, auto, liability, workers' compensation, public officials' liability, lead based paint insurance, etc.), and collection losses. General expenses for the Authority increased from \$138,750 to \$174,032, or an increase of \$35,282 (25.43%). This increase is mainly due to increased insurance premiums.

**Financial Expenses** – Financial Expenses consists of interest expense on notes payable. Financial Expenses for the Authority increased from \$7,938 to \$8,548, or an increase of \$610 (7.68%). This increase is due to the terms of the promissory note which was renewed this fiscal year.

**Depreciation** – Because the costs of all capitalized additions are spread over the estimated useful life of an asset, the estimated current year costs of capitalized items is recorded as depreciation. Depreciation expense for the current year decreased by \$34,368 (-19.02%).



## CAPITAL ASSETS

At the end of fiscal year 2009 the Authority had invested in Capital Assets of \$3,785,381 net of depreciation. As of June 30, 2010, the Authority had increased its net capital assets by \$574,192 to \$4,359,573 (15.17%). The following illustrates the Capital Asset values for 2009 and 2010.

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

	2010	2009	Total Change	% Change
Land	67,157	67,157	-	0.00%
Buildings & improvements	10,150,073	10,150,073	-	0.00%
Equipment	257,410	264,293	(6,883)	-2.60%
Construction in Progress	2,099,816	1,398,552	701,264	50.14%
	<u>12,574,456</u>	<u>11,880,075</u>	<u>694,381</u>	<u>5.84%</u>
Accumulated Depreciation	(8,214,883)	(8,094,694)	(120,189)	1.48%
<b>Total Capital Assets</b>	<u><u>4,359,573</u></u>	<u><u>3,785,381</u></u>	<u><u>574,192</u></u>	<u><u>15.17%</u></u>

The net change in Invested in Capital Assets, net of related debt, was due to \$701,264 capital asset cost additions from the Capital Fund, and \$19,293 capital asset cost additions from operating funds. These additions were offset by the disposition of capital assets in the amount of \$26,176, as well as depreciation expense of \$146,365.

## **DEBT OBLIGATIONS**

Debt service payments of \$2,252 were made during the year resulting in a balance in Mortgage Notes Payable of \$107,532 at the end of the year.

## **CONCLUSIONS:**

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

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

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

**AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Housing Authority of the Town of Ruston  
Ruston, Louisiana

**STATEMENT OF NET ASSETS**  
**JUNE 30, 2010**

**ASSETS**

**Current Assets**

Cash & investments	\$	575,520
Accounts receivable		401,299
Prepaid expenses		80,188
Inventories		<u>39,207</u>

Total Current Assets 1,096,214

**Capital Assets:**

Land		67,157
Buildings & Improvements		10,150,073
Furniture & equipment		257,410
Construction in progress		<u>2,099,816</u>
		12,574,456
Less: Accumulated depreciation		<u>(8,214,883)</u>
Total Capital Assets		<u>4,359,573</u>

Total Noncurrent Assets 4,359,573

**TOTAL ASSETS** \$ 5,455,787

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

## LIABILITIES & NET ASSETS

### Current Liabilities

Accounts payable	\$ 130,578
Accrued liabilities	43,115
Unearned revenue	7,451
Current portion of long-term debt	2,556
Tenant security deposits/escrow deposits	<u>45,727</u>
 Total Current Liabilities	 <u>229,427</u>

### Noncurrent Liabilities

Long-term debt	104,976
Accrued liabilities - noncurrent	<u>47,995</u>
 Total Noncurrent Liabilities	 <u>152,971</u>

### TOTAL LIABILITIES

382,398

### NET ASSETS

Invested in capital assets, net of related debt	4,252,040
Unrestricted net assets	<u>821,349</u>
 TOTAL NET ASSETS	 <u>5,073,389</u>

### TOTAL LIABILITIES & NET ASSETS

\$ 5,455,787



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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010**

**Operating Revenues**

Dwelling rent	\$	868,306
Governmental grants & subsidy		839,925
Other income		134,719
<b>Total Operating Revenues</b>		<b><u>1,842,950</u></b>

**Operating Expenses**

Administration		428,071
Tenant services		97,526
Utilities		284,749
Maintenance & operations		803,927
General expense		174,032
Depreciation expense		146,365
<b>Total Operating Expense</b>		<b><u>1,934,670</u></b>

<b>Net Operating Income/(Loss)</b>		<b><u>(91,720)</u></b>
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**Nonoperating Revenues/(Expenses)**

Investment income		5,982
Interest expense		(8,548)
Gain/(Loss) on disposition of assets		-
<b>Net Nonoperating Revenues/(Expenses)</b>		<b><u>(2,566)</u></b>

<b>Net Income/(Loss) before capital contributions</b>		<b>(94,286)</b>
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Capital grants		<u>701,264</u>
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<b>Increase/(Decrease) in Net Assets</b>		<b>606,978</b>
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Total Net Assets - beginning		<u>4,466,411</u>
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Total Net Assets - ending	\$	<b><u>5,073,389</u></b>
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The accompanying notes are an integral part of these financial statements.

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 1,003,025
Governmental grants & subsidy - operations	839,925
Payments to suppliers	(1,023,248)
Payments to employees	<u>(766,903)</u>
 NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	 <u>52,799</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	<u>5,982</u>
 NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES	 <u>5,982</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Grant revenue - capital grants	701,264
Acquisition of capital assets - capital grants	(701,264)
Acquisition of capital assets - operating	(19,293)
Interest paid	(8,548)
Repayment of debt service	<u>(2,252)</u>
 NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>(30,093)</u>

NET INCREASE/(DECREASE) IN CASH	28,688
 CASH AND INVESTMENTS AT BEGINNING OF PERIOD	 <u>546,832</u>
 CASH AND INVESTMENTS AT END OF PERIOD	 <u>\$ 575,520</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, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income/(Loss) from operations	\$	(91,720)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation		146,365
Decrease (Increase) in accounts receivable		(156,295)
Decrease (Increase) in prepaid expenses		10,476
Decrease (Increase) in inventory		9,459
Increase (Decrease) in accounts payable		108,074
Increase (Decrease) in accrued expenses		22,324
Increase (Decrease) in unearned revenue		162
Increase (Decrease) in security/trust deposits		<u>3,954</u>
 NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	\$	<u><u>52,799</u></u>

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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

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

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

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

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

**Basis of Accounting:**

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

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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

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

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

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

**Encumbrances** -The Authority does not use encumbrance accounting.

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

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

*Other particulars related to balance sheet items include:*

**1. Cash and Investments:**

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

**2. Buildings and Equipment:**

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

**3. Subsidies:**

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

**4. Income Taxes:**

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

**5. Use of Estimates:**

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

**6. Compensation for Future Absences:**

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

**7. Accounts Receivable:**

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

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

**8. Operating Revenue:**

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

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

**NOTE B - CASH AND CASH EQUIVALENTS:**

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, 2010, the Authority's cash deposits had a carrying amount of \$220,934 and bank balances of \$265,905. Of the bank balances held in various financial institutions, \$593,440 was covered by federal depository insurance and the remainder was covered by collateral held under the dedicated method. At June 30, 2010, the Authority's petty cash/change funds totaled \$177.

*Investments* - At June 30, 2010, the Authority's investment balances were as follows:

Investment Type	Fair Value	Maturity	Rating
Certificates of Deposit	\$ 354,409	Various	N/A

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE B - CASH AND CASH EQUIVALENTS: (Cont'd)**

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

Checking/savings accounts	\$ 220,934
Certificate of deposit	354,409
Petty cash	<u>177</u>
Totals	<u>\$ 575,520</u>

**Collateralization:**

As of June 30, 2010 the following securities were pledged as collateral to secure the deposits of the Housing Authority of the Town of Ruston:

Security	Cusip	Maturity Date	Interest Rate	Market Value
<b>JP Morgan Chase</b> US Treasury Bills	912828LP3	09/30/2016	3.00%	\$ 449,183
<b>Community Trust Bank</b> FHLB	313385ZQ2	11/15/2034	5.00%	65,000
<b>IBERIA BANK</b> FNMA	31402DEH9	07/01/2019	5.00%	35,182
FNMA	31406WS70	04/01/2020	5.00%	<u>57,983</u>
Totals				<u>\$ 607,348</u>

**NOTE C - ACCOUNTS RECEIVABLE:**

Accounts Receivable and Accrued Liabilities at June 30, 2010, consisted of the following:

Tenants Accounts Receivable (Net of Allowance - \$211)	\$ 10,106
Accounts Receivable – HUD	352,949
Accounts Receivable – Farmerville Housing Authority	8,728
Accounts Receivable – Miscellaneous	26,297
Accrued Interest Receivable	<u>3,219</u>
	<u>\$ 401,299</u>

The consolidated statement of Net Assets presented in the financial statements does not include the interfund receivables and payables of \$442,083 which have been eliminated in the consolidation.



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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE D - DEFERRED CHARGES:**

Deferred charges at June 30, 2010, consisted of the following:

Prepaid insurance & expenses	\$ 80,188
Inventory materials	<u>39,207</u>
	<u>\$ 119,395</u>

**NOTE E - CAPITAL ASSETS:**

The following is a summary of changes in the net capital assets during the fiscal year ended June 30, 2010:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Enterprise Activities</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 67,157	\$ -	\$ -	\$ 67,157
Construction in progress	1,398,552	701,264	-	2,099,816
<b>Total capital assets not being depreciated</b>	<u>1,465,709</u>	<u>701,264</u>	<u>-</u>	<u>2,166,973</u>
Buildings & improvements	10,150,073	-	-	10,150,073
Furniture & equipment	264,294	19,291	(26,175)	257,410
<b>Total capital assets being depreciated</b>	<u>10,414,367</u>	<u>19,291</u>	<u>(26,175)</u>	<u>10,407,483</u>
Less accumulated depreciation for:				
Buildings & improvements	7,842,837	125,934	-	7,968,771
Furniture & equipment	251,858	20,429	(26,175)	246,112
<b>Total accumulated depreciation</b>	<u>8,094,695</u>	<u>146,363</u>	<u>(26,175)</u>	<u>8,214,883</u>
<b>Total capital assets being depreciated</b>	<u>2,319,672</u>			<u>2,192,600</u>
<b>Enterprise activity capital assets, net</b>	<u>\$ 3,785,381</u>			<u>\$ 4,359,573</u>

**NOTE F - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:**

Accounts payable and Accrued Liabilities at June 30, 2010, consisted of the following:

Vendors & contractors	\$ 130,578
Accrued compensated absences-current	11,999
Tenant security deposits	45,727
Accrued payroll/taxes	31,116
Unearned revenue	7,451
Long-term debt – current portion	<u>2,556</u>
	<u>\$ 229,427</u>

The consolidated statement of Net Assets presented in the financial statements does not include the interfund receivables and payables of \$442,083 which have been eliminated in the consolidation.

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE G - OTHER NONCURRENT LIABILITIES:**

Other noncurrent liabilities at June 30, 2010, consisted of the following:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010	Current Portion of Balance
Compensated absences	\$ 53,240	\$ 11,049	\$ (4,295)	\$ 59,994	\$ 11,999
Total long-term liabilities	\$ 53,240	\$ 11,049	\$ (4,295)	\$ 59,994	\$ 11,999

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

The Ruston Community Corporation (Business Activities) entered into a debt obligation with the Bank of Ruston on October 19, 2010 for the acquisition of certain real property. The obligation is secured by a first mortgage deed and bears interest at a rate of 7.75% per annum. If the property is not sold the maturity date of this obligation is July 3, 2029. Debt service payments of \$2,252 were made during the year resulting in a balance in Mortgage Notes Payable of \$107,532 at the end of the year. A schedule of five year maturities and required payments is as follows:

Date	Payments	Principal	Interest
2011	10,800	2,556	8,244
2012	10,800	2,761	8,039
2013	10,800	2,983	7,817
2014	10,800	3,222	7,578
2015	10,800	3,481	7,319
2016-2020	54,000	22,076	31,924
2021-2025	54,000	32,484	21,516
2026-2030	44,472	37,969	6,503
	<u>206,472</u>	<u>107,532</u>	<u>98,940</u>

**NOTE I - COMMITMENTS AND CONTINGENCIES:**

**Legal:**

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

**Grants and contracts:**

The Authority participates in various federally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of June 30, 2010.

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

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

**Capital Fund and Capital Fund Stimulus Grant:**

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

**NOTE J - PENSION PLAN:**

The Authority participates in the Housing-Renewal and Local Agency Retirement Plan. The plan administrator is William M. Mercer, Inc. The purpose of the Plan is to provide retirement benefits for eligible employees when they reach their normal retirement date. This plan is considered to be a defined contribution plan and as such the contribution percentages are fixed and based upon the employee's earnings. Employees are eligible to participate from the date of employment. The Housing Authority total covered payroll for the year ended June 30, 2010 was \$475,603.70.

The Employees are required to contribute 6.00% of their annual covered salary and the Housing Authority is required to contribute at a rate of 8.50% of the annual covered payroll. The contribution rates were established by the employee's joiner agreement. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. Authority contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the Authority's current period contributed requirement. The Housing Authority's contribution for the year ended June 30, 2010 was \$40,426.24 and the total pension contribution for the year was \$68,962.50.

**NOTE K - RISK MANAGEMENT:**

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

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

**NOTE L - RELATED PARTY TRANSACTIONS:**

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**NOTE M - ECONOMIC DEPENDENCY:**

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

**NOTE N - SUPPLEMENTARY INFORMATION:**

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

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

**SINGLE AUDIT SECTION**

**YEAR ENDED JUNE 30, 2010**



**ACCOUNTANT'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Ruston Housing Authority, as of and for the year ended June 30, 2010, which collectively comprise Ruston Housing Authority's basic financial statements and have issued our report thereon dated December 2, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

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

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

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

Lawrenceville, Georgia  
December 2, 2010



**ACCOUNTANTS' 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  
Ruston, Louisiana 71723

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

**Compliance**

We have audited the Ruston Housing Authority's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The Ruston Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Ruston Housing Authority's management. Our responsibility is to express an opinion on the Ruston Housing Authority's compliance based on our audit.

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

In our opinion, the Ruston Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

**Internal Control Over Compliance**

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

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

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

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

*Rector & Reeder, P.C.*

Rector & Reeder, P.C.  
Certified Public Accountants

Lawrenceville, Georgia  
December 2, 2010



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

**STATUS OF PRIOR AUDIT FINDINGS**

The prior audit report for the period ended June 30, 2009, contained no formal audit findings.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Section I – Summary of Auditor’s Results**

***Financial Statements***

Type of Auditor’s report issued: Unqualified

Internal Control over financial reporting:

- Material weakness (es) identified?                        yes            No
- Significant Deficiency (ies) identified  
that are not considered to be  
material weaknesses?                        yes            None reported

Noncompliance material to financial  
Statements noted?                        yes            No

***Federal Awards***

Internal Control over major programs:

- Material weakness (es) identified?                        yes            No
- Significant Deficiency (ies) identified  
that are not considered to be  
materials weaknesses?                        yes            None reported

Type of Auditor’s report issued on  
compliance for major programs: Unqualified

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

Identification of major programs:

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

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

Auditee qualifies as a low-risk auditee?                    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 Section .510:***  
NONE REPORTED

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

**SUPPLEMENTAL INFORMATION**

**YEAR ENDED JUNE 30, 2010**

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

**FINANCIAL DATA SUBMISSION SUMMARY  
NET ASSET ACCOUNTS  
June 30, 2010**

Account Description	Business Activities	Low-Rent Public Hsg 14.850	Central Office Cost Center	Formula Capital Fund Stimulus Grant 14.885	Elimination	TOTAL
<b>ASSETS:</b>						
<b>CURRENT ASSETS:</b>						
Cash:						
Cash - unrestricted	\$ 6,878	\$ 63,854	\$ 104,652	\$ 0	\$ 0	\$ 175,384
Cash - restricted	0	0	0	0	0	0
Cash - tenant security deposits	1,200	44,527	0	0	0	45,727
Cash - restricted for payment of current liabilities	0	0	0	0	0	0
<b>Total Cash</b>	<b>8,078</b>	<b>108,381</b>	<b>104,652</b>	<b>0</b>	<b>0</b>	<b>221,111</b>
Accounts and notes receivables:						
Accounts receivable - HUD	0	221,451	0	131,498	0	352,949
Accounts receivable - other government	0	0	0	0	0	0
Accounts receivable - miscellaneous	0	0	35,025	0	0	35,025
Accounts receivable - tenants rents	0	10,317	0	0	0	10,317
Allowance for doubtful accounts-tenants	0	(211)	0	0	0	(211)
Allowance for doubtful accounts-other	0	0	0	0	0	0
Notes Receivable - current	0	0	0	0	0	0
Accrued interest receivable	0	1,087	2,132	0	0	3,219
<b>Total receivables - net</b>	<b>0</b>	<b>232,644</b>	<b>37,157</b>	<b>131,498</b>	<b>0</b>	<b>401,299</b>
Current investments						
Investments - unrestricted	0	0	354,409	0	0	354,409
Investments - restricted	0	0	0	0	0	0
Prepaid expenses and other assets	0	75,039	5,149	0	0	80,188
Inventories	0	39,207	0	0	0	39,207
Allowance for obsolete inventories	0	0	0	0	0	0
Assets held for sale	0	0	0	0	0	0
Interprogram due from	0	442,076	7	0	(442,083)	0
<b>TOTAL CURRENT ASSETS</b>	<b>8,078</b>	<b>897,347</b>	<b>501,374</b>	<b>131,498</b>	<b>(442,083)</b>	<b>1,096,214</b>
<b>NONCURRENT ASSETS:</b>						
Capital Assets:						
Land	31,378	35,779	0	0	0	67,157
Buildings	113,622	3,601,846	0	0	0	3,715,468
Furniture & equipment - dwellings	0	0	0	0	0	0
Furniture & equipment - admin	0	212,515	44,895	0	0	257,410
Improvements	0	6,434,605	0	0	0	6,434,605
Work in process	0	2,099,816	0	0	0	2,099,816
Accumulated depreciation	(14,548)	(8,174,196)	(26,139)	0	0	(8,214,883)
<b>Total capital assets - net</b>	<b>130,452</b>	<b>4,210,365</b>	<b>18,756</b>	<b>0</b>	<b>0</b>	<b>4,359,573</b>
Notes receivable - noncurrent	0	0	0	0	0	0
Investment in joint ventures	0	0	0	0	0	0
<b>TOTAL NONCURRENT ASSETS</b>	<b>130,452</b>	<b>4,210,365</b>	<b>18,756</b>	<b>0</b>	<b>0</b>	<b>4,359,573</b>
<b>TOTAL ASSETS</b>	<b>\$ 138,530</b>	<b>\$ 5,107,712</b>	<b>\$ 520,130</b>	<b>\$ 131,498</b>	<b>\$ (442,083)</b>	<b>\$ 5,455,787</b>

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

**FINANCIAL DATA SUBMISSION SUMMARY  
NET ASSET ACCOUNTS  
June 30, 2010**

Account Description	Business Activities	Low-Rent Public Hsg 14,850	Central Office Cost Center	Formula Capital Fund Stimulus Grant 14,885	Elimination	TOTAL
<b>LIABILITIES AND NET ASSETS:</b>						
<b>LIABILITIES:</b>						
<b>CURRENT LIABILITIES</b>						
Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	0	130,319	259	0	0	130,578
Accrued salaries/payroll withholding	0	26,201	4,915	0	0	31,116
Accrued compensated absences	0	9,363	2,636	0	0	11,999
Accrued interest payable	0	0	0	0	0	0
Accounts payable - HUD PHA programs	0	0	0	0	0	0
Accounts payable - other gov.	0	0	0	0	0	0
Tenant security deposits	1,200	44,527	0	0	0	45,727
Unearned revenue	0	7,451	0	0	0	7,451
Current portion of L-T debt - capital projects	2,556	0	0	0	0	2,556
Other current liabilities	0	0	0	0	0	0
Interprogram (due to)	7	197,746	112,832	131,498	(442,083)	0
Loan Liability - Current	0	0	0	0	0	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,763</b>	<b>415,607</b>	<b>120,642</b>	<b>131,498</b>	<b>(442,083)</b>	<b>229,427</b>
<b>NONCURRENT LIABILITIES</b>						
Long-term debt, net of current - capital projects	104,976	0	0	0	0	104,976
Accrued comp. Absences - long term	0	37,452	10,543	0	0	47,995
Loan Liability - Noncurrent	0	0	0	0	0	0
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>104,976</b>	<b>37,452</b>	<b>10,543</b>	<b>0</b>	<b>0</b>	<b>152,971</b>
<b>TOTAL LIABILITIES</b>	<b>108,739</b>	<b>453,059</b>	<b>131,185</b>	<b>131,498</b>	<b>(442,083)</b>	<b>382,398</b>
<b>NET ASSETS:</b>						
Capital assets net of related debt	22,920	4,210,364	18,756	0	0	4,252,040
Restricted - Net Assets	0	0	0	0	0	0
Unrestricted - Net Assets	6,871	444,289	370,189	0	0	821,349
<b>TOTAL NET ASSETS</b>	<b>29,791</b>	<b>4,654,653</b>	<b>388,945</b>	<b>0</b>	<b>0</b>	<b>5,073,389</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 138,530</b>	<b>\$ 5,107,712</b>	<b>\$ 520,130</b>	<b>\$ 131,498</b>	<b>\$ (442,083)</b>	<b>\$ 5,455,787</b>

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

**FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg 14.850</u>	<u>Central Office Cost Center</u>	<u>Formula Capital Fund Stimulus Grant 14.885</u>	<u>Elimination</u>	<u>TOTAL</u>
<b>REVENUES:</b>						
Net tenant rental revenue	\$ 21,655	\$ 639,779	\$ 0	\$ 0	\$ 0	\$ 661,434
Tenant revenue - other	<u>166</u>	<u>206,706</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>206,872</u>
Total tenant revenue	21,821	846,485	0	0	0	868,306
HUD PHA grants - operating	0	791,264	0	48,661	0	839,925
HUD PHA grants - capital	0	367,420	0	333,844	0	701,264
Management fee	0	0	246,912	0	(246,912)	0
Asset management fee	0	0	34,140	0	(34,140)	0
Bookkeeping fee	0	0	25,620	0	(25,620)	0
Front line service fee	0	0	0	0	0	0
Other government grants	0	0	0	0	0	0
Investment income - unrestricted	0	2,692	3,290	0	0	5,982
Mortgage interest income	0	0	0	0	0	0
Fraud income	0	0	0	0	0	0
Other revenue	82,413	36,682	15,624	0	0	134,719
Investment income - restricted	0	0	0	0	0	0
Gain/(loss) on disposition	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL REVENUES</b>	<b>\$ 104,234</b>	<b>\$ 2,044,543</b>	<b>\$ 325,586</b>	<b>\$ 382,505</b>	<b>\$ (306,672)</b>	<b>\$ 2,550,196</b>
<b>EXPENSES:</b>						
<i>Administrative</i>						
Administrative salaries	\$ 28,338	\$ 87,695	\$ 75,164	\$ 0	\$ 0	\$ 191,197
Compensated absences	0	0	0	0	0	0
Auditing fees	0	1,000	0	0	0	1,000
Management fees	0	198,251	0	48,661	(246,912)	0
Bookkeeping fees	0	25,620	0	0	(25,620)	0
Advertising & marketing	0	0	0	0	0	0
Employee benefits - administrative	10,964	33,930	29,081	0	0	73,975
Office expense	1,037	1,830	3,034	0	0	5,901
Legal expense	1,566	2,672	2,705	0	0	6,943
Travel expense	0	4,956	4,294	0	0	9,250
Other operating - administrative	<u>0</u>	<u>47,910</u>	<u>91,895</u>	<u>0</u>	<u>0</u>	<u>139,805</u>
Total Administrative Expense	41,905	403,864	206,173	48,661	(272,532)	428,071
Asset management fee	<u>0</u>	<u>34,140</u>	<u>0</u>	<u>0</u>	<u>(34,140)</u>	<u>0</u>
<i>Tenant services</i>						
Tenant services - salaries	0	17,013	0	0	0	17,013
Employee benefits - tenant services	0	6,583	0	0	0	6,583
Other tenant services	<u>0</u>	<u>73,930</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>73,930</u>
Total Tenant Services	0	97,526	0	0	0	97,526
<i>Utilities</i>						
Water	0	26,296	0	0	0	26,296
Electricity	0	178,176	0	0	0	178,176
Gas	0	8,997	0	0	0	8,997
Sewer	0	68,274	0	0	0	68,274
Other utilities	0	3,006	0	0	0	3,006
Employee benefits - utilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Utilities Expense	0	284,749	0	0	0	284,749

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

**FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg 14,850</u>	<u>Central Office Cost Center</u>	<u>Formula Capital Fund Stimulus Grant 14,885</u>	<u>Elimination</u>	<u>TOTAL</u>
<b>Ordinary Maintenance &amp; Operation</b>						
Labor	26,012	302,117	4,269	0	0	332,398
Materials	0	116,729	258	0	0	116,987
Employee benefit contributions	10,055	134,060	1,622	0	0	145,737
Garbage & trash removal contracts	0	20,928	0	0	0	20,928
Heating & cooling contracts	0	0	0	0	0	0
Snow Removal contracts	0	0	0	0	0	0
Elevator maintenance contracts	0	0	0	0	0	0
Landscape & grounds contracts	0	13,755	0	0	0	13,755
Unit turnaround contracts	0	25,813	0	0	0	25,813
Electrical contracts	0	6,575	0	0	0	6,575
Plumbing contracts	0	12,598	0	0	0	12,598
Extermination contracts	0	22,347	0	0	0	22,347
Janitorial contracts	0	0	0	0	0	0
Routine Maintenance Contracts	0	53,788	0	0	0	53,788
Contract costs - other	14,064	38,937	0	0	0	53,001
<b>Total Ordinary Maintenance &amp; Operation</b>	<b>50,131</b>	<b>747,647</b>	<b>6,149</b>	<b>0</b>	<b>0</b>	<b>803,927</b>
<b>Protective services</b>						
Protective services - salaries	0	0	0	0	0	0
Employee benefits - protective services	0	0	0	0	0	0
Other protective services	0	0	0	0	0	0
<b>Total Protective Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General Expenses</b>						
Property insurance	0	84,326	0	0	0	84,326
Liability insurance	0	20,474	3,398	0	0	23,872
Workmen's compensation	2,021	17,422	2,867	0	0	22,310
Insurance - other	0	11,456	0	0	0	11,456
Other general expense	0	0	0	0	0	0
Payments in lieu of taxes	1,172	0	0	0	0	1,172
Bad debt - tenant rents	0	30,896	0	0	0	30,896
Bad debt - mortgages	0	0	0	0	0	0
Serverance expense	0	0	0	0	0	0
<b>Total General Expenses</b>	<b>3,193</b>	<b>164,574</b>	<b>6,265</b>	<b>0</b>	<b>0</b>	<b>174,032</b>
<b>Financial Expenses</b>						
Interest expense - Mortgage Payable	8,548	0	0	0	0	8,548
Interest expense - Notes Payable	0	0	0	0	0	0
Amortization - issuance costs	0	0	0	0	0	0
<b>Total Financial Expenses</b>	<b>8,548</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,548</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>103,777</b>	<b>1,732,500</b>	<b>218,587</b>	<b>48,661</b>	<b>(306,672)</b>	<b>1,796,853</b>
<b>EXCESS OPERATING REVENUE</b>	<b>457</b>	<b>312,043</b>	<b>106,999</b>	<b>333,844</b>	<b>0</b>	<b>753,343</b>

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

**FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES AND CHANGE IN FUND NET ASSET ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Account Description</u>	<u>Business Activities</u>	<u>Low-Rent Public Hsg 14,850</u>	<u>Central Office Cost Center</u>	<u>Formula Capital Fund Stimulus Grant 14,885</u>	<u>Elimination</u>	<u>TOTAL</u>
<b>Other Expenses</b>						
Extraordinary maintenance	0	0	0	0	0	0
Casualty losses	0	0	0	0	0	0
Housing assistance payments	0	0	0	0	0	0
Depreciation expense	2,033	142,709	1,623	0	0	146,365
<b>Total Other Expenses</b>	<u>2,033</u>	<u>142,709</u>	<u>1,623</u>	<u>0</u>	<u>0</u>	<u>146,365</u>
<b>TOTAL EXPENSES</b>	<u>\$ 105,810</u>	<u>\$ 1,875,209</u>	<u>\$ 220,210</u>	<u>\$ 48,661</u>	<u>\$ (306,672)</u>	<u>\$ 1,943,218</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ (1,576)</u>	<u>\$ 169,334</u>	<u>\$ 105,376</u>	<u>\$ 333,844</u>	<u>\$ 0</u>	<u>\$ 606,978</u>
Transfer of funds	0	0	0	0	0	0
Transfer of equity	0	333,844	0	(333,844)	0	0
Prior period adjustments	0	0	0	0	0	0
<b>Beginning Net Assets</b>	<u>31,367</u>	<u>4,151,475</u>	<u>283,569</u>	<u>0</u>	<u>0</u>	<u>4,466,411</u>
<b>Ending Net Assets</b>	<u>\$ 29,791</u>	<u>\$ 4,654,653</u>	<u>\$ 388,945</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,073,389</u>
<b>Units Available</b>	48	3,600	-	-	-	3,648
<b>Units Leased</b>	48	3,416	-	-	-	3,464

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

**FINANCIAL DATA SUBMISSION SUMMARY  
NET ASSET ACCOUNTS - AMPs  
June 30, 2010**

<u>Account Description</u>	<u>LA054 - 1</u>	<u>Other Project</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Cash:			
Cash - unrestricted	\$ 63,854	\$ 0	\$ 63,854
Cash - restricted	0	0	0
Cash - tenant security deposits	44,527	0	44,527
<b>Total Cash</b>	<b>108,381</b>	<b>0</b>	<b>108,381</b>
Accounts and notes receivables:			
Accounts receivable - HUD	221,451	0	221,451
Accounts receivable - other government	0	0	0
Accounts receivable - miscellaneous	0	0	0
Accounts receivable - tenants rents	10,317	0	10,317
Allowance for doubtful accounts-tenants	(211)	0	(211)
Allowance for doubtful accounts-other	0	0	0
Accrued interest receivable	1,087	0	1,087
<b>Total receivables - net</b>	<b>232,644</b>	<b>0</b>	<b>232,644</b>
Current investments			
Investments - unrestricted	0	0	0
Prepaid expenses and other assets	75,039	0	75,039
Inventories	39,207	0	39,207
Allowance for obsolete inventories	0	0	0
Interprogram due from	442,076	0	442,076
<b>TOTAL CURRENT ASSETS</b>	<b>897,347</b>	<b>0</b>	<b>897,347</b>
<b>NONCURRENT ASSETS:</b>			
Capital Assets:			
Land	35,779	0	35,779
Buildings	3,601,846	0	3,601,846
Furniture & equipment - dwellings	0	0	0
Furniture & equipment - admin	212,515	0	212,515
Improvements	6,434,605	0	6,434,605
Work in process	2,099,816	0	2,099,816
Accumulated depreciation	(8,174,196)	0	(8,174,196)
<b>Total capital assets - net</b>	<b>4,210,365</b>	<b>0</b>	<b>4,210,365</b>
Notes receivable - noncurrent	0	0	0
Investment in joint ventures	0	0	0
<b>TOTAL NONCURRENT ASSETS</b>	<b>4,210,365</b>	<b>0</b>	<b>4,210,365</b>
<b>TOTAL ASSETS</b>	<b>\$ 5,107,712</b>	<b>\$ 0</b>	<b>\$ 5,107,712</b>



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

**FINANCIAL DATA SUBMISSION SUMMARY  
NET ASSET ACCOUNTS - AMPs  
June 30, 2010**

<u>Account Description</u>	<u>LA054 - 1</u>	<u>Other Project</u>	<u>TOTAL</u>
<b>LIABILITIES AND NET ASSETS:</b>			
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES</b>			
Cash overdraft	\$ 0	\$ 0	\$ 0
Accounts payable < 90 days	130,319	0	130,319
Accrued salaries/payroll withholding	26,201	0	26,201
Accrued compensated absences	9,363	0	9,363
Accrued interest payable	0	0	0
Accounts payable - HUD PHA programs	0	0	0
Accounts payable - other gov.	0	0	0
Tenant security deposits	44,527	0	44,527
Unearned revenue	7,451	0	7,451
Current portion of L-T debt - capital projects	0	0	0
Other current liabilities	0	0	0
Interprogram (due to)	197,746	0	197,746
<b>TOTAL CURRENT LIABILITIES</b>	<u>415,607</u>	<u>0</u>	<u>415,607</u>
<b>NONCURRENT LIABILITIES</b>			
Long-term debt, net of current - capital projects	0	0	0
Accrued comp. Absences - long term	37,452	0	37,452
Noncurrent liabilities - other	0	0	0
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>37,452</u>	<u>0</u>	<u>37,452</u>
<b>TOTAL LIABILITIES</b>	<u>453,059</u>	<u>0</u>	<u>453,059</u>
<b>NET ASSETS:</b>			
Capital assets net of related debt	4,210,364	0	4,210,364
Restricted - Net Assets	0	0	0
Unrestricted - Net Assets	444,289	0	444,289
<b>TOTAL NET ASSETS</b>	<u>4,654,653</u>	<u>0</u>	<u>4,654,653</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 5,107,712</u>	<u>\$ 0</u>	<u>\$ 5,107,712</u>

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

**FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES AND CHANGE IN FUND  
NET ASSET ACCOUNTS - COMBINED SCHEDULE - AMP's  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Account Description</u>	LA054 - 1		
	Operating	Capital	Total
<b>REVENUES:</b>			
Net tenant rental revenue	\$ 639,779	\$ 0	\$ 639,779
Tenant revenue - other	206,706	0	206,706
Total tenant revenue	846,485	0	846,485
HUD PHA grants - operating	648,868	142,396	791,264
HUD PHA grants - capital	0	367,420	367,420
Management fee	0	0	0
Asset management fee	0	0	0
Bookkeeping fee	0	0	0
Front line service fee	0	0	0
Other government grants	0	0	0
Investment income - unrestricted	2,692	0	2,692
Mortgage interest income	0	0	0
Fraud income	0	0	0
Other revenue	36,682	0	36,682
Investment income - restricted	0	0	0
Gain/(loss) on disposition	0	0	0
<b>TOTAL REVENUES</b>	<b>\$ 1,534,727</b>	<b>\$ 509,816</b>	<b>\$ 2,044,543</b>
<b>EXPENSES:</b>			
<b>Administrative</b>			
Administrative salaries	\$ 87,695	\$ 0	\$ 87,695
Auditing fees	0	1,000	1,000
Management fees	150,044	48,207	198,251
Bookkeeping fees	25,620	0	25,620
Advertising & marketing	0	0	0
Employee benefits - administrative	33,930	0	33,930
Office expense	1,830	0	1,830
Legal expense	2,672	0	2,672
Travel expense	4,956	0	4,956
Other operating - administrative	15,839	32,071	47,910
Total Administrative Expense	322,586	81,278	403,864
Asset management fee	34,140	0	34,140
<b>Tenant services</b>			
Tenant services - salaries	17,013	0	17,013
Employee benefits - tenant services	6,583	0	6,583
Other tenant services	15,780	58,150	73,930
Total Tenant Services	39,376	58,150	97,526
<b>Utilities</b>			
Water	26,296	0	26,296
Electricity	178,176	0	178,176
Gas	8,997	0	8,997
Sewer	68,274	0	68,274
Other utilities	3,006	0	3,006
Employee benefits - utilities	0	0	0
Total Utilities Expense	284,749	0	284,749

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

**FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES AND CHANGE IN FUND  
NET ASSET ACCOUNTS - COMBINED SCHEDULE - AMP's  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Account Description</u>	<u>LA054 - 1</u>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
<b>Ordinary Maintenance &amp; Operation</b>			
Labor	302,117	0	302,117
Materials	114,021	2,708	116,729
Employee benefit contributions	134,060	0	134,060
Garbage & trash removal contracts	20,928	0	20,928
Heating & cooling contracts	0	0	0
Snow removal contracts	0	0	0
Elevator maintenance contracts	0	0	0
Landscape & grounds contracts	13,755	0	13,755
Unit turnaround contracts	25,813	0	25,813
Electrical contracts	6,575	0	6,575
Plumbing contracts	12,598	0	12,598
Extermination contracts	22,347	0	22,347
Janitorial contracts	0	0	0
Routine Maintenance Contracts	53,788	0	53,788
Contract costs - other	38,677	260	38,937
<b>Total Ordinary Maintenance &amp; Operation</b>	<u>744,679</u>	<u>2,968</u>	<u>747,647</u>
<b>Protective services</b>			
Protective services - salaries	0	0	0
Employee benefits - protective services	0	0	0
Other protective services	0	0	0
<b>Total Protective Services</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>General Expenses</b>			
Property insurance	84,326	0	84,326
Liability insurance	20,474	0	20,474
Workmen's compensation	17,422	0	17,422
Insurance - other	11,456	0	11,456
Other general expense	0	0	0
Payments in lieu of taxes	0	0	0
Bad debt - tenant rents	30,896	0	30,896
Bad debt - mortgages	0	0	0
Serverance expense	0	0	0
<b>Total General Expenses</b>	<u>164,574</u>	<u>0</u>	<u>164,574</u>
<b>Financial Expenses</b>			
Interest expense - Mortgage Payable	0	0	0
Interest expense - Notes Payable	0	0	0
Amortization - issuance costs	0	0	0
<b>Total Financial Expenses</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL OPERATING EXPENSE</b>	<u>1,590,104</u>	<u>142,396</u>	<u>1,732,500</u>

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

**FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES AND CHANGE IN FUND  
NET ASSET ACCOUNTS - COMBINED SCHEDULE - AMP's  
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Account Description</u>	<b>LA054 - 1</b>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
<b>EXCESS OPERATING REVENUE</b>	<u>(55,377)</u>	<u>367,420</u>	<u>312,043</u>
<b>Other Expenses</b>			
Extraordinary maintenance	0	0	0
Casualty losses	0	0	0
Housing assistance payments	0	0	0
Depreciation expense	<u>142,709</u>	<u>0</u>	<u>142,709</u>
<b>Total Other Expenses</b>	<u>142,709</u>	<u>0</u>	<u>142,709</u>
<b>TOTAL EXPENSES</b>	<b>\$ <u>1,732,813</u></b>	<b>\$ <u>142,396</u></b>	<b>\$ <u>1,875,209</u></b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ <u>(198,086)</u></b>	<b>\$ <u>367,420</u></b>	<b>\$ <u>169,334</u></b>
Transfer of funds	0	0	0
Transfer of equity	0	333,844	333,844
Prior period adjustments	0	0	0
<b>Beginning Net Assets</b>	<u>2,752,923</u>	<u>1,398,552</u>	<u>4,151,475</u>
<b>Ending Net Assets</b>	<b>\$ <u>2,554,837</u></b>	<b>\$ <u>2,099,816</u></b>	<b>\$ <u>4,654,653</u></b>
<b>Units Available</b>	<b>3600</b>	<b>0</b>	<b>3,600</b>
<b>Units Leased</b>	<b>3416</b>	<b>0</b>	<b>3,416</b>

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

**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Type</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>
<b><u>FEDERAL GRANTOR</u></b>			
<b><u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT:</u></b>			
<b>Public Housing:</b>			
Low Rent Public Housing - subsidy	A - Major	14.850	\$ 648,868
Capital Fund Program	A - Major	14.872	509,816
ARRA - Formula Capital Fund Stimulus Grant	A - Major	14.885	382,505
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>			<b>\$ 1,541,189</b>
<b>Threshold for Type A &amp; Type B</b>			<b>\$ 300,000</b>

The accompanying notes are an integral part of this schedule

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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**NOTE A - BASIS OF PRESENTATION:**

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

**NOTE B - SUBRECIPIENTS:**

The Housing Authority of the Town of Ruston provided no federal awards to subrecipients during the fiscal year ending June 30, 2010.

**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, 2010.
- 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, 2010.
- The Housing Authority of the Town of Ruston maintains the following limits of insurance as of June 30, 2010:

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

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

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

**SUPPLEMENTAL INFORMATION  
SPECIAL REPORTS**

**YEAR ENDED JUNE 30, 2010**

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

**STATEMENT OF ACTUAL MODERNIZATION COSTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**LA48PO5450105**

1 The Actual Modernization Costs of Phase 501-05 were:

Funds Approved	\$ 454,815
Funds Expended	<u>454,815</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 454,815
Funds Expended	<u>454,815</u>
Excess of Funds Advanced	<u>\$ -</u>

- 2 All audit period additions were incurred in the prior audit period and accordingly were not reaudited by Rector & Reeder, P.C.
- 3 The total program costs as stated on the Annual Statement/Performance and Evaluation Report is in agreement with the Actual Modernization Cost Certificate dated July 30, 2010, as submitted to HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.



Housing Authority of the Town of Ruston  
Ruston, Louisiana

**STATEMENT OF ACTUAL MODERNIZATION COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**LA48PO5450106**

- 1 The Actual Modernization Costs of Phase 501-06 were:

Funds Approved	\$	446,894
Funds Expended		<u>446,894</u>
Excess of Funds Approved	\$	<u><u>-</u></u>
Funds Advanced	\$	446,894
Funds Expended		<u>446,894</u>
Excess of Funds Advanced	\$	<u><u>-</u></u>

- 2 All audit period additions were incurred in the prior audit period and accordingly were not reaudited by Rector & Reeder, P.C.
- 3 The total program costs as stated on the Annual Statement/Performance and Evaluation Report is in agreement with the Actual Modernization Cost Certificate dated July 30, 2010, as submitted to HUD for approval is in agreement with the PHA's records.
- 4 All Capital Fund Program costs have been paid and all related liabilities have been discharged through payment.

Housing Authority of the Town of Ruston  
Ruston, Louisiana

**STATEMENT OF ACTUAL MODERNIZATION COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**LA48PO5450107**

- 1 The Actual Modernization Costs of Phase 501-07 were:

Funds Approved	\$	449,419
Funds Expended		<u>449,419</u>
Excess of Funds Approved	\$	<u><u>-</u></u>
Funds Advanced	\$	449,419
Funds Expended		<u>449,419</u>
Excess of Funds Advanced	\$	<u><u>-</u></u>

- 2 Audit period additions totaled \$19,302.37 and accordingly were audited by Rector & Reeder, P.C.
- 3 The total program costs as stated on the Annual Statement/Performance and Evaluation Report is in agreement with the Actual Modernization Cost Certificate dated August 3, 2010, 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.