



# Comprehensive Annual Financial Report

of the  
City of Ruston, Louisiana

For the Year Ended September 30, 2021

Mayor  
Ronny Walker

Prepared by the Finance Department  
Julie Speir  
Finance Director

CITY OF RUSTON, LOUISIANA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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# INTRODUCTORY SECTION

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March 31, 2022

Mayor Ronny Walker  
Members of the City Council  
City of Ruston, Louisiana

Mayor and Members of the City Council:

I am pleased to submit the Comprehensive Annual Financial Report for the year ended September 30, 2021. The financial statements were prepared in conformity with U.S. generally accepted accounting principles (GAAP) and audited 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, by a firm of licensed certified public accountants. I believe this report presents comprehensive information about the City of Ruston's (the City) financial and operating activities during fiscal year 2021 that is useful to taxpayers, citizens, and other interested persons.

This report was prepared by the Finance Department and consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established an internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

In accordance with the Lawrason Act, the City Council is required to provide for an annual independent audit of the accounts and financial transactions of the City by a firm of independent certified public accountants duly licensed to practice in the State of Louisiana. The accounting firm of Heard, McElroy and Vestal, LLC was selected by the City to conduct its annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the City of Ruston**

The City was incorporated in 1898. It is located in North Central Louisiana at the cross roads of U.S. Highway 167, Interstate 20 and U.S. Highway 80, approximately thirty-five miles south of Arkansas. Ruston is the seat of Lincoln Parish. The current area of the City is approximately 18 square miles.

The City of Ruston has been organized under a Mayor – Board of Aldermen form of government. There is a five-member board, with each member selected for a four-year term from separate districts of the City. The Mayor is elected at-large for a four-year term, is not a member of the Council, but has veto power over Council action.

The City provides a wide range of services including public safety, highways and streets, sanitation, electric, telecommunications, water, and sewer services, airports, ambulance, recreational activities, general administration functions, and others.

These financial statements present the City (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Included as discretely presented component units is the financial data for the Ruston City Judge and the Ruston City Marshal. They are reported separately within the City's financial statements to emphasize that they are legally separate from the City. Additional information on these legally separate entities can be found in the notes to the financial statements.

### **Budgetary Control**

The annual budget serves as the foundation for the City's financial planning and control. The Treasurer's Office compiles for the Mayor estimates of revenues and requests for appropriations of the annual budget. Before August 31, the Mayor's budget is submitted to the Council for possible revision and adoption. The Council conducts a public hearing on the budget, which must be adopted by September 30 to become effective October 1. State law provides that in no event shall the total appropriations exceed total anticipated revenues taking into account the estimated surplus or deficit at the end of the current fiscal year. Budgets may be amended during the year with Council approval.

Legal budgetary control for operating budgets is exercised at the department/object class, with the exception of salaries, regular and overtime, which are at the line item level. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

### **Local economy**

The City is a dynamic, growing area with a proud past and a future filled with the promise of continued growth. The City of Ruston and Lincoln Parish have experienced steady population growth from 1970 to 2021 with approximately 22,000 City residents and 48,400 parish residents. The past several years have been a period of extraordinary population growth, as evidenced by the sharp increase in new home construction.

The Tax Increment District continues to provide an economic growth base for the City and parish. Even in the midst of the COVID-19 pandemic, sales tax revenue of the City has continued to increase.

The Ruston Sports Complex is a state-of-the-art complex residing on a 185 acre site. The Complex provides quality recreation and sports opportunities for residents of Ruston as well as visitors to the City. The family-oriented sports destination is equipped with baseball, softball, tennis, football and soccer fields as well as basketball, volleyball, and pickle ball courts and walking/biking trails, playgrounds, and a stocked pond. The outdoor facility opened for business in the Summer of 2019. The indoor facility became fully operational in January 2022.

Louisiana Tech University is a mainstay in the local economy both as a major employer of the area and as a strong partner in the development efforts of the community. With our relationship with Louisiana Tech, Ruston is positioned to be a key player in the technology sector development along the I-20 corridor in the near future. The City of Ruston provides many amenities while keeping a small town feel, attractive to many executives and families relocating to the area for technology employment.

The people of the City of Ruston and the administration of the City are continuing to work through the COVID-19 phases and will do what is necessary. The administration is proud of the way our City is growing and working through the COVID pandemic, and that so many families consider Ruston a great place to live, work and raise a family.

### **Long-term financial planning**

Recently, sales taxes revenues have maintained the same level as the previous year. In the General Fund, sales taxes represent 39% of the revenues and transfers in. Because of the increasing trends in retirement costs and health insurance, difficulty to balance the budget will exist now and in the future.

### **Cash management policies and practices**

Cash temporarily idle during the year was invested in certificates of deposit, or obligations of the U.S. Treasury. The maturities of the investments range from 90 days to two years.

The City's investment policy is to exercise judgment and care in the management of City investments. Investments are selected as investments, not for speculation, considering the probable safety of the capital, as well as the probable income to be derived. Accordingly, deposits are either insured by federal depository insurance or collateralized. All of the investments held by the City are classified in the category of lowest risk. State statutes require that all public funds should be insured or collateralized. The City's policy is not to have uninsured/uncollateralized funds which it controls.

### **Risk management**

The City partially retains the risk for property, liability, workers compensation, and general health insurance. As part of this comprehensive plan, resources are being accumulated in the respective funds to meet potential losses.

In addition, various risk control techniques including an employee safety program, drug free workplace program with mandatory drug screening for new employees as well as random drug screening for current employees, and pre-employment physicals have been implemented to minimize accident-related losses. The City has third-party coverages subject to self-insured retentions which are more fully described in the notes to the financial statements.

### **Pension and other postemployment benefits**

Substantially all employees of the City of Ruston are members of one of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana (MERS), Statewide Firefighter's Retirement System (SFRS), or Municipal Police Employees Retirement System of Louisiana (MPERS). These systems are multiple employer (cost-sharing), public employee retirement systems (PERS), controlled and administered by separate State appointed board of trustees. Additional information on the City's pension arrangements and postemployment benefits can be found in the notes to the financial statements.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support of excellence in financial reporting and fiscal integrity.

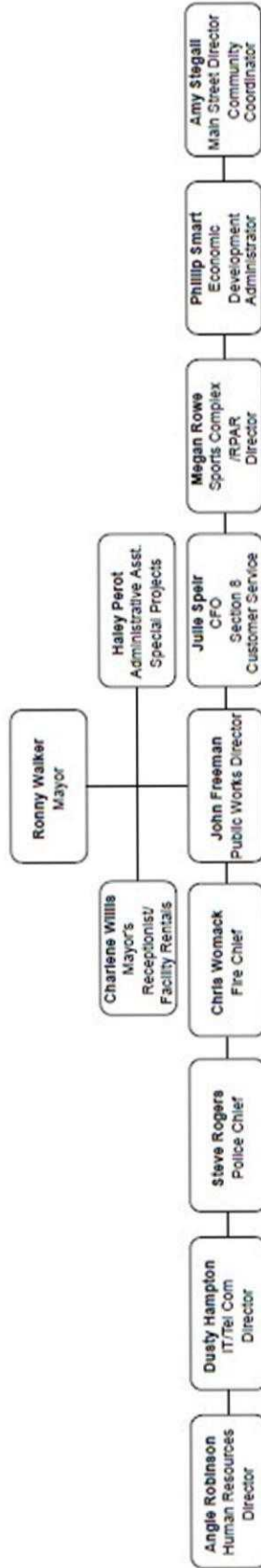
Sincerely,



Julie Speir  
Finance Director



# CITY OF RUSTON ORGANIZATION CHART



# CITY OF RUSTON, LOUISIANA

## ELECTED OFFICIALS

Mayor

Ronny Walker

### City Council

Carolyn Cage	Ward 1
Angela Mayfield	Ward 2
Melanie Lewis	Ward 3
Jim Pearce	Ward 4
Bruce Siegmund	Ward 5

# FINANCIAL SECTION

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REGIONS TOWER  
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101  
318.429.1525 (P) | 318.429.2124 (F)

March 31, 2022

Honorable Mayor Ronny Walker  
and Members of the City Council  
City of Ruston  
Ruston, Louisiana

### **Independent Auditor's Report**

#### **Report on the Financial Statements**

We have audited the accompanying 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 City of Ruston, Louisiana (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic 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 opinions on these financial statements based on our audit. We did not audit the financial statements of the Ruston City Judge's Office (Judge) and the Ruston City Marshal's Office (Marshal), which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it related to the amounts included for the Judge and the Marshal, is based on the reports of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 basis of our audit opinions.

## **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position 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 City of Ruston, Louisiana as of September 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance 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 the management's discussion and analysis, schedule of funding progress, schedule of employer's share of net pension liability, schedule of employer's pension contributions, and budgetary comparison information listed as required supplementary information in the table of contents 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 inquiries 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 procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining fund financial statements, schedule of compensation, benefits and other payments, and judicial funding schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, schedule of compensation, benefits and other payments, and judicial funding schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022 on our consideration of the City's internal control over financial reporting and on 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 our 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 City's internal control over financial reporting and compliance.

Shreveport, Louisiana

HEARD, McELROY & VESTAL, L.L.C.

**CITY OF RUSTON, LOUISIANA**  
Management's Discussion and Analysis  
September 30, 2021

We offer readers of the City of Ruston's financial statements this narrative overview and analysis of the financial activities of the City of Ruston for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

**Financial Highlights**

Key financial highlights for the year ended September 30, 2021, include the following:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2021, by \$177 million (net position).
- The City's total net position increased \$12.5 million for the year ended September 30, 2021. Net position of governmental activities had a net decrease from prior year of \$39 million while the net position of business-type activities increased \$51.5 million. The change in both types is primarily related to a transfer of capital assets between the two of \$50.6 million.
- Total net position of governmental activities is \$65.4 million and includes unrestricted net position of (\$33.5) million which is primarily a result of GASB 68 *Accounting and Financial Reporting for Pensions* that requires recognizing the actuarial determined pension liability of \$16.9 million. Another liability as required to be reported by GASB 75 *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions* (OPEB) totals \$14.2 million.
- As of September 30, 2021, the City's governmental funds reported combined ending fund balances of \$27.6 million, a decrease of \$3.3 million from the prior year. Of this amount (\$227,517) was unassigned; \$2.5 million was assigned for subsequent years' expenditures; \$25.2 million was restricted. This restricted amount includes \$6 million restricted to fund ongoing construction projects, \$10.6 million restricted by sales tax ordinances, \$6.3 million for debt covenants, \$1.0 million restricted for Section 8 housing, \$1.3 million restricted by ordinance for use by RPAR; \$77,312 assigned for inventories and prepaid items.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$8.9 million, or 37.6% of total General Fund expenditures and transfers out.

**Overview of the Financial Statements**

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the City of Ruston's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the City of Ruston's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the City's assets and deferred outflows of resources less liabilities and deferred inflows of resources which results in net

**CITY OF RUSTON, LOUISIANA**  
Management's Discussion and Analysis  
September 30, 2021

position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The statement of net position and the statement of activities distinguish functions of the City that are principally supported by taxes, intergovernmental revenues, and charges for services (governmental activities) and other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City's governmental activities include general government, public safety, public works, and cultural and recreation. The business-type activities of the City include electric, water, and sewer systems, sports complex, telecommunication, airport and ambulance operations.

Not only do the government-wide financial statements include the City itself which is the primary government, but also its component units, Ruston City Judge and Ruston City Marshal. Although these component units are legally separate, their operational or financial relationship with the City makes the City financially accountable for them. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Ruston, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds* - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City of Ruston's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund Statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.



**CITY OF RUSTON, LOUISIANA**  
Management's Discussion and Analysis  
September 30, 2021

The City maintains 15 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balance for the General Fund, 1968 Sales Tax Special Revenue Fund, 1985 Sales Tax Special Revenue Fund, 1990 Sales Tax Special Revenue Fund, 2016 Sales Tax Special Revenue Fund, Ruston EDD#1 Sales Tax Special Revenue Fund, Cooktown EDD Sales Tax Special Revenue Fund, I-20 Tax Increment District Fund, Moving Ruston Forward (MRF) Capital Project Fund, and Sports Complex Phase II, all of which are considered to be major funds. Data for the other 5 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and certain special revenue funds. Budgetary comparison schedules have been provided elsewhere in this report to demonstrate compliance with these budgets.

*Proprietary funds* - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The City uses enterprise funds to account for its electric, water, and sewer systems, sports complex, telecommunication, airport, and ambulance services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its workmen's compensation, health insurance, purchasing/warehouse, and general & auto liability services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the electric, water, and sewer systems, which are considered to be major funds of the City of Ruston. Data from the other proprietary funds are also presented although they are not considered major funds.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's compliance with budgets for its major funds.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor proprietary funds, and internal service funds are presented immediately following the required supplementary information on pensions and budgetary comparisons.

**CITY OF RUSTON, LOUISIANA**  
Management's Discussion and Analysis  
September 30, 2021

**Financial Analysis of Government-Wide Activities**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Ruston, assets exceeded liabilities by \$177.1 million at the close of the most recent fiscal year.

The largest portion of the City of Ruston's net position, totaling approximately \$185.1 million, reflects its net investment in capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Ruston's Net Position**  
September 30, 2021 and 2020

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Current & other assets	\$37,414,788	\$39,189,765	\$9,194,792	\$9,296,034	\$46,609,580	\$48,485,800
Capital assets	152,385,638	192,958,379	121,487,825	68,410,182	273,873,463	261,368,561
Total assets	189,800,426	232,148,144	130,682,617	77,706,216	320,483,043	309,854,361
Deferred outflows of resources	2,625,309	5,775,265	-	-	2,625,309	5,775,265
Total assets & deferred outflows of resources	192,425,735	237,923,409	130,682,617	77,706,216	323,108,352	315,629,626
Current & other liabilities	14,935,172	6,877,101	8,149,891	4,434,703	23,085,063	11,311,805
Long-term liabilities	103,896,520	124,919,328	10,820,386	13,082,162	114,716,906	138,001,490
Total liabilities	118,831,692	131,796,429	18,970,277	17,516,865	137,801,969	149,313,295
Deferred inflows of resources	8,215,862	1,719,309	-	-	8,215,862	1,719,309
Total liabilities & deferred inflows of resources	127,047,554	133,515,738	18,970,277	17,516,865	146,017,831	151,032,604
Net position:						
Net investment in capital assets	75,235,638	112,443,379	109,828,327	56,177,301	185,063,965	168,620,680
Restricted	23,729,152	23,225,097	-	-	23,729,152	23,225,097
Unrestricted	(33,586,609)	(31,260,804)	1,884,012	4,012,050	(31,702,597)	(27,248,754)
Total net position	\$65,378,181	\$104,407,671	\$111,712,340	\$60,189,350	\$177,090,521	\$164,597,022

13% of total net position represents resources that are subject to external restriction on how they may be used. Accounts reserved by external restrictions account for the total of restricted net position. At the end of the current fiscal year, with the exception of the deficit in the unrestricted net position of the governmental-type activities, the City of Ruston is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type

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Management's Discussion and Analysis  
September 30, 2021

activities. The City of Ruston's net position increased by \$12.5 million during the current fiscal year. Key elements of this increase are as follows:

**City of Ruston's Changes in Net Position  
For the Years Ended September 30, 2021 and 2020**

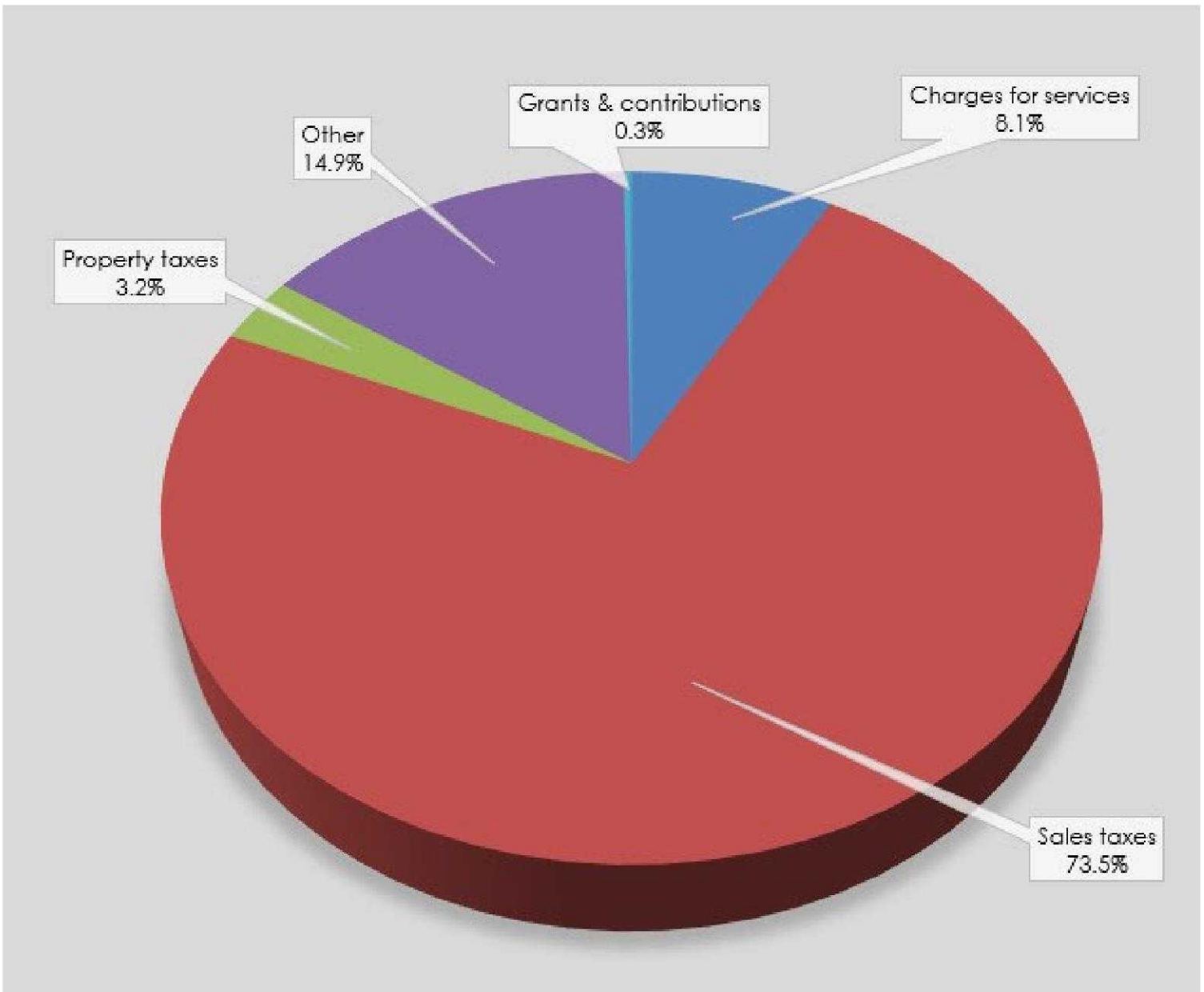
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Program revenues:</b>						
Charges for services	\$2,878,373	\$6,003,873	\$28,876,913	\$29,749,678	\$31,755,286	\$35,753,551
Operating grants & contributions	118,462	1,434,492	-	-	118,462	1,434,492
Capital grants & contributions	-	2,769,490	2,651,873	375,772	2,651,873	3,145,262
<b>General revenues:</b>						
Property tax	1,132,461	1,097,265	-	-	1,132,461	1,097,265
Sales tax	26,116,717	22,300,740	-	-	26,116,717	22,300,740
Other tax	902,966	862,617	-	-	902,966	862,617
Other	4,393,982	3,027,803	184,533	(9,742)	4,578,515	3,018,061
Total revenues	<u>35,542,961</u>	<u>37,496,281</u>	<u>31,713,319</u>	<u>\$30,115,708</u>	<u>67,256,235</u>	<u>67,611,988</u>
<b>Expenses:</b>						
<b>General</b>						
government	5,210,954	(1,779,845)	-	-	5,210,954	(1,779,845)
Public safety	9,114,605	10,220,723	-	-	9,114,605	10,220,723
Public works	8,884,976	6,811,522	-	-	8,884,976	6,811,522
Cultural & recreation	1,768,697	1,019,810	-	-	1,768,697	1,019,810
Ruston City Judge & Ruston City Marshal	560,590	673,969	-	-	560,590	673,969
Interest on debt	3,042,700	2,885,721	-	-	3,042,700	2,885,721
Electric	-	-	17,451,990	20,887,723	17,451,990	20,887,723
Water	-	-	1,874,038	1,970,870	1,874,038	1,970,870
Sewer	-	-	3,608,243	3,501,498	3,608,243	3,501,498
Sports Complex	-	-	1,121,136	523,639	1,121,136	523,639
Telecommunication	-	-	554,400	740,655	554,400	740,655
Airport	-	-	271,411	282,096	271,411	282,096
Ambulance service	-	-	1,299,041	716,679	1,299,041	716,679
Total expenses	<u>28,582,521</u>	<u>19,831,900</u>	<u>26,180,259</u>	<u>28,623,160</u>	<u>54,762,780</u>	<u>48,455,060</u>
Excess before transfers	6,960,440	17,664,381	5,533,060	1,492,548	12,493,500	19,156,927
Transfers	4,591,350	4,192,455	(4,591,350)	(4,192,455)	-	-
Change in net position	<u>11,551,790</u>	<u>21,856,835</u>	<u>941,710</u>	<u>(2,699,907)</u>	<u>12,493,500</u>	<u>19,156,927</u>
Net position beginning of year	104,407,671	82,550,836	60,189,350	62,889,258	164,597,021	145,440,094
Prior period adjustment	(50,581,280)	-	50,581,280	-	-	-
Net position beginning of year as restated	<u>53,826,391</u>	<u>82,550,836</u>	<u>110,770,630</u>	<u>62,889,258</u>	<u>164,597,021</u>	<u>145,440,094</u>
Net position end of year	<u>\$65,378,181</u>	<u>\$104,407,671</u>	<u>\$111,712,340</u>	<u>\$60,189,350</u>	<u>\$177,090,521</u>	<u>\$164,597,021</u>

**CITY OF RUSTON, LOUISIANA**  
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**Governmental Activities**

Revenues for the City's governmental activities for the year ended September 30, 2021, were \$35 million compared to \$37 million in 2020. Program revenues for governmental activities decreased by \$7 million in 2021 while general revenue increased by \$5 million. The decrease in program revenues primarily relates to \$4.2 million of grant revenue received in 2020.

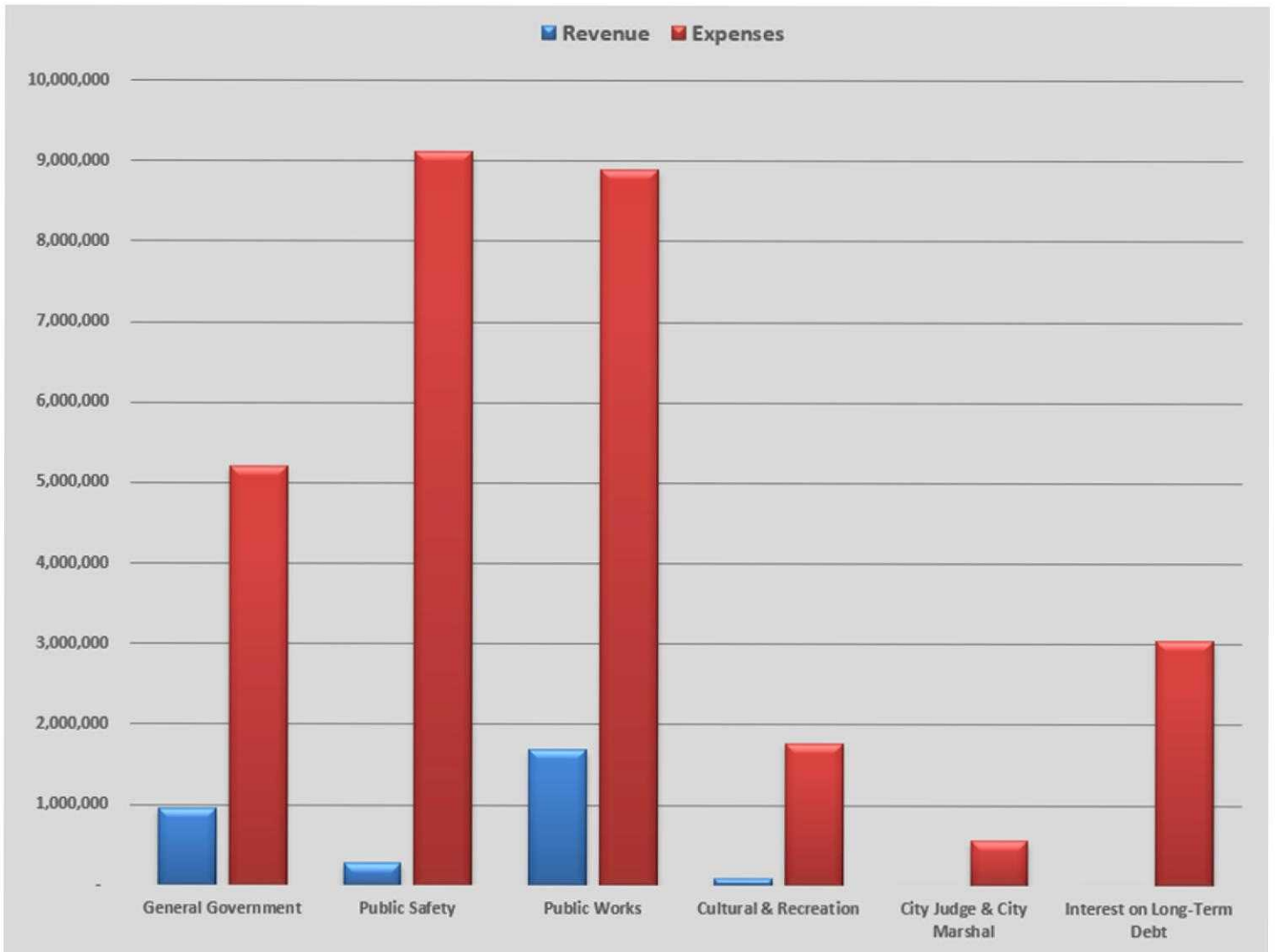
**Revenue by Source – Governmental Activities**



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The cost of all governmental activities this year was \$28.6 million, an increase of approximately \$8.75 million from 2020. This increase is predominantly due to increases in costs related to the effects of COVID-19 as well as a return to spending levels prior to the pandemic. The City's largest programs are general government, public safety, and public works. The graph below shows expenses and program revenues generated by governmental activities:

**Expenses and Program Revenues – Governmental Activities**

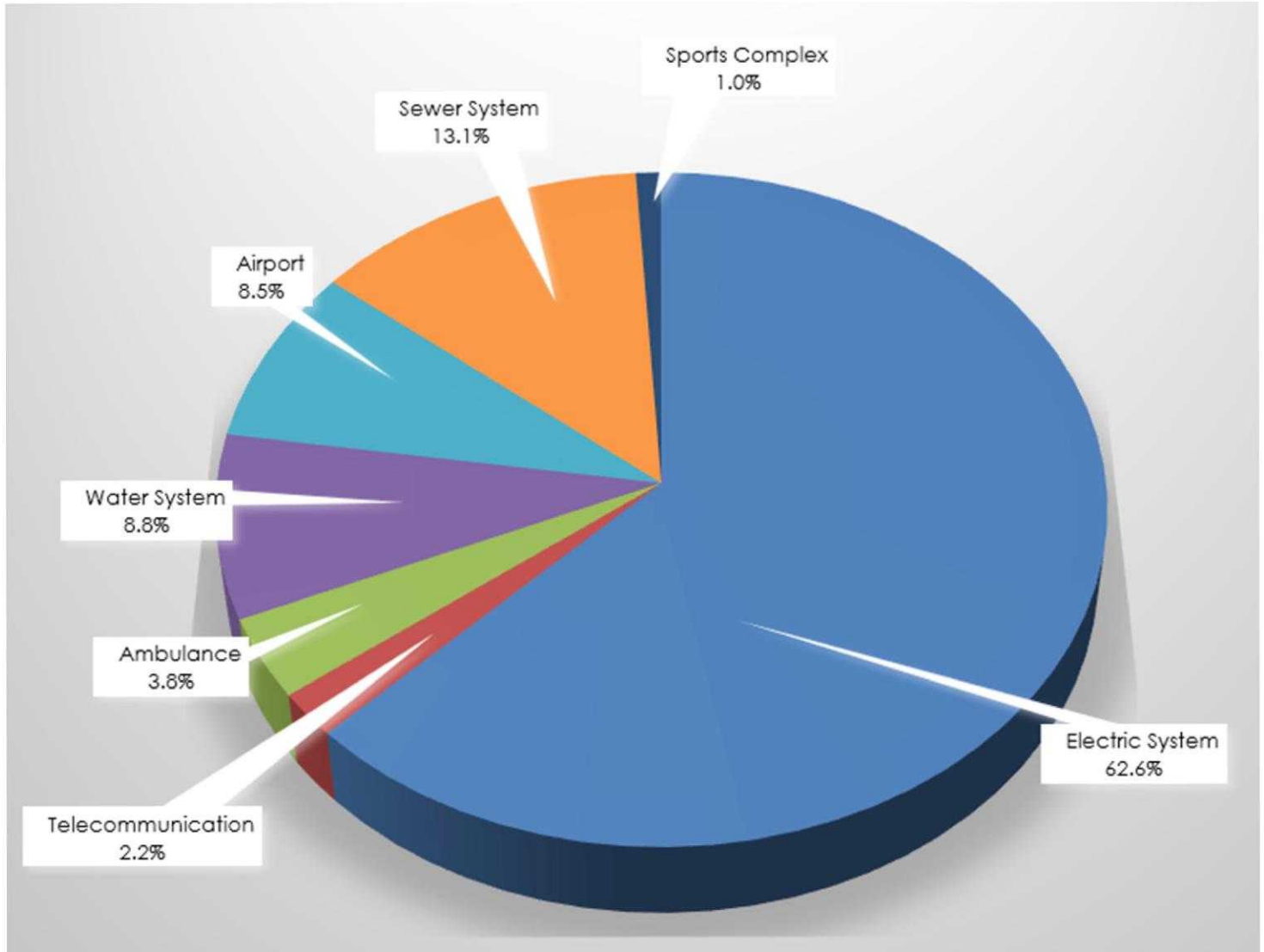


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**Business-Type Activities**

Total revenues for the City's business-type activities were \$31.7 million in 2021, an increase of \$1.6 million. This increase was primarily due to \$2.7 million in Airport grants received in 2021.

**Revenue by Source – Business-Type Activities**

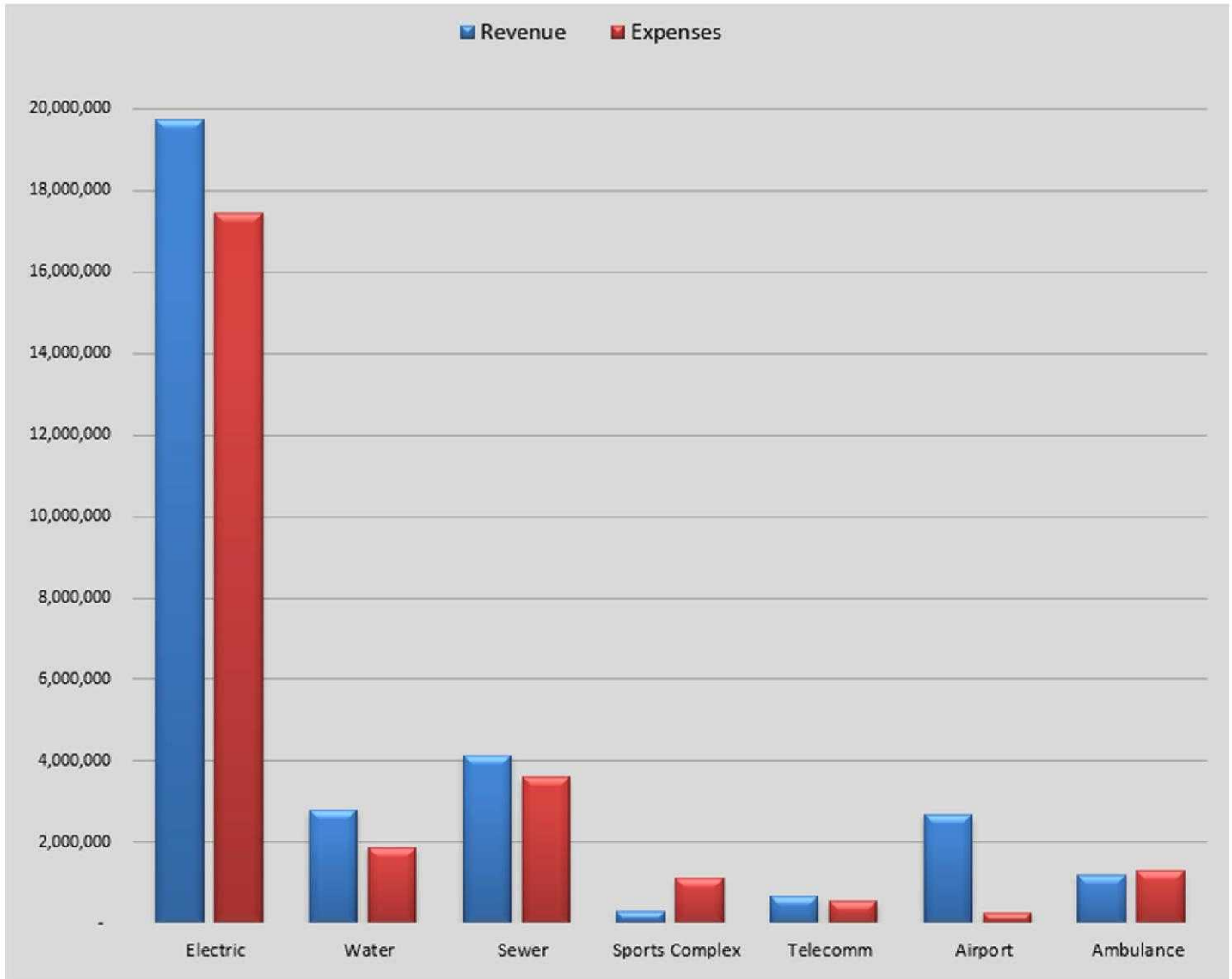


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**Expenses and Program Revenues – Business-Type Activities**

The costs of these activities were \$26.1 million, a decrease of \$2.4 million from 2020. This decrease is primarily related to decreases in spending related to the COVID-19 pandemic as well as the effects of renegotiated energy costs contracts.

**Expenses and Program Revenues – Business-Type Activities**



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**Financial Analysis of the City of Ruston's Funds**

**Governmental Funds**

As noted earlier, the City of Ruston uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

- The General Fund is the primary operating fund of the City of Ruston. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8.9 million, the total of which was available for spending at the City Council's discretion. The fund balance of the General Fund increased by \$3.75 million.
- The 1968 Sales Tax Fund had a total fund balance of \$388,490 all of which was restricted for its specified purposes. Fund balance increased \$29,815 as a result of a timing difference in the distribution of prior year sales tax collections.
- The 1985 Sales Tax Fund had an unassigned total fund balance of (\$21,977). Fund balance increased \$45,584 as a result of a timing difference in the distribution of prior year sales tax collections.
- The 1990 Sales Tax Fund had a total fund balance of \$884,588 all of which was restricted for its specified purpose. Fund balance increased \$30,027 as a result of a timing difference in the distribution of prior year sales tax collections.
- The 2016 Sales Tax Fund had a total fund balance of \$5.4 million all of which was restricted for its specified purpose. Fund balance increased \$2.6 million as a result of increased cash positions for future debt service funding.
- The Ruston EDD#1 Sales Tax Fund had a total fund balance of \$4.0 million all of which was restricted for its specific purpose. Fund balance increased \$1.4 million as a result of a timing difference in the distribution of prior year sales tax collections.
- Cooktown EDD Sales Tax Fund had a total fund balance of \$1,073 all of which was restricted for its specific purpose. Fund balance decreased \$18,475 as a result of the net effect of a timing difference in the distribution of prior year sales tax collections and payments to the Developer.
- The I-20 Fund had an unassigned total fund balance of (\$1.5) million. Fund balance decreased \$2.8 million as a result of spending towards I-20 Service Road construction projects.
- The Moving Ruston Forward Fund had an unassigned total fund balance of (\$7.5) million. Fund balance decreased \$164,528 as a result of spending towards the Sports Complex.



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- The Sports Complex Phase II had a total fund balance of \$6.1 million all of which is restricted for its specific purpose. Fund balance decreased \$10.2 million as a result of spending towards Sports Complex Phase II construction.

**Proprietary funds**

The City of Ruston's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- The unrestricted net position of the Electric System at September 30, 2021, was (\$6.9) million. Total net position for the Electric System decreased \$7.3 million primarily as a result of transfers out to other funds.
- The unrestricted net position for the Water System at September 30, 2021, was \$7.1 million. Total net position for the Water System increased \$1.85 million.
- The unrestricted net position for the Sewer System at September 30, 2021, was \$6.3 million. Total net position for the Sewer System increased \$3.4 million.
- The unrestricted net position for the Sports Complex at September 30, 2021, was \$62,861. Total net position for the Sports Complex increased \$51.4 million.

**General Fund Budgetary Highlights**

The budget policy of the City of Ruston complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.).

The original budget for the General Fund of the City of Ruston was adopted on September 14, 2020. During the year, the City Council revised the City's budget one time. The major differences between the original budget and the final budget were primarily adjustments related to the effects of the COVID-19 pandemic. Budget amendments were made to take into consideration the effects of increased costs of materials and supplies across all funds.

**Capital Assets and Debt Administration**

Capital Assets

The City of Ruston's gross investment in capital assets as of September 30, 2021, was \$273.9 million, net of depreciation. This investment in capital assets includes land, buildings, improvements, streets, drainage, furniture and equipment, and construction in progress. The following table shows the value at the end of the fiscal year.

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**City of Ruston's Capital Assets  
 (Net of depreciation)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land & land improvements	\$17,991,660	\$17,822,367	\$12,360,265	\$1,863,270	\$30,351,925	\$19,685,637
Buildings & structures	8,465,406	8,027,202	17,965,629	5,205,541	26,431,035	13,232,743
Improvements other than buildings	36,796,678	28,305,985	59,317,235	39,222,664	96,113,913	67,528,649
Equipment	3,279,199	4,294,636	19,142,994	15,076,342	22,422,193	19,370,978
Infrastructure	12,504,356	12,975,569	-	-	12,504,356	12,975,569
Construction in progress	73,348,338	121,532,619	12,701,700	7,042,363	86,050,038	128,574,982
<b>Total capital assets</b>	<b>\$152,385,638</b>	<b>\$192,958,379</b>	<b>\$121,487,825</b>	<b>\$68,410,182</b>	<b>\$273,873,463</b>	<b>\$261,368,561</b>

Long-Term Debt

At the end of the current fiscal year, the City of Ruston had total debt outstanding of \$89.1 million. The following table summarizes bonds outstanding at September 30, 2021 and 2020:

**City of Ruston's Outstanding Debt**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenue bonds	\$77,150,000	\$80,515,000	-	-	\$77,150,000	\$80,515,000
Refunding sewer bonds	-	-	\$5,995,000	\$7,195,000	5,995,000	7,195,000
Revolving loans	-	-	5,944,497	5,312,880	5,944,497	5,312,880
<b>Total outstanding debt</b>	<b>\$77,150,000</b>	<b>\$80,515,000</b>	<b>\$11,939,497</b>	<b>\$12,507,880</b>	<b>\$89,089,497</b>	<b>\$93,022,880</b>

For additional information regarding capital assets and long-term debt, see Notes 5 and 7, respectively, in the Notes to the Basic Financial Statements.

**Economic Factors and Next Year's Budgets and Rates**

The following economic factors were considered when the budget for fiscal year 2022 was presented to the City Council:

The plan is designed to continue supporting the following broadly stated objectives: (1) to improve current level of services to our citizens; (2) to continue improving City facilities and infrastructure; (3) to provide continuous support of residential expansion and economic development; and (4) to maintain and improve the quality of life for our citizens.

For the fiscal year 2022, the City has budgeted a 2.5 – 14.00% increase in sales tax dollars compared to 2021.

Total expenditures were budgeted to be up \$34.7 million from prior year primarily due several large capital projects occurring in fiscal year 2022. Health insurance costs increased slightly from 2021. Property tax continues to increase despite the City not rolling forward its millage rates in 2020 due to new construction added to the tax roll each year

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during this period of extraordinary growth. The next property reassessment year will be 2024.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Ruston's finances for all those with an interest in the City of Ruston's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Julie Speir, City of Ruston Treasurer's Office, 401 North Trenton Street, Ruston, LA 71270 or by calling (318) 251-8651.

# BASIC FINANCIAL STATEMENTS

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**CITY OF RUSTON, LOUISIANA**  
**STATEMENT OF NET POSITION**  
 SEPTEMBER 30, 2021

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 21,239,752	\$ 3,877,706	\$ 25,117,458	\$ 2,089,691
Investments	9,562,485	832,228	10,394,713	-
Receivables, net	3,478,435	1,684,573	5,163,008	-
Unbilled revenues	57,306	1,171,571	1,228,877	-
Due from other governments	-	5,000	5,000	11,194
Internal balances, net	2,994,497	-	2,994,497	-
Inventories	76,614	1,623,714	1,700,329	-
Prepaid items	5,698	-	5,698	14,955
Capital assets:				
Land and construction in progress	91,339,998	25,061,964	116,401,962	-
Other capital assets, net of depreciation	61,045,640	96,425,861	157,471,501	437,887
Total assets	<u>189,800,426</u>	<u>130,682,617</u>	<u>320,483,043</u>	<u>2,553,727</u>
Deferred outflow of resources	2,625,309	-	2,625,309	44,146
<b>LIABILITIES</b>				
Accounts payable	1,622,158	1,978,868	3,601,026	5,713
Accrued liabilities	1,903,144	51,366	1,954,510	2,803
Internal balances, net	-	2,994,498	2,994,498	-
Claims	506,855	-	506,855	-
Deposits	70,630	1,304,718	1,375,348	-
Accrued interest payable	603,858	51,879	655,737	-
Unearned revenue (ARPA)	4,041,377	19,206	4,060,583	-
Non-current liabilities:				
Due within one year	6,187,151	1,768,561	7,955,712	-
Due in more than one year	72,831,453	10,801,181	83,632,634	-
Net pension liability	16,911,830	-	16,911,830	231,607
Post employment benefit obligation	14,153,237	-	14,153,237	-
Total liabilities	<u>118,831,692</u>	<u>18,970,277</u>	<u>137,801,969</u>	<u>240,123</u>
Deferred inflow of resources	8,215,862	-	8,215,862	61,736
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	75,235,638	109,828,327	185,063,965	437,887
Restricted for:				9,134
Sales Tax Funds	10,659,898	-	10,659,898	-
I-20 TID Fund	4,782,882	-	4,782,882	-
Sports Complex Phase II	6,130,836	-	6,130,836	-
Ruston Parks and Recreation Fund	1,314,562	-	1,314,562	-
Section 8 Housing Voucher Fund	840,973	-	840,973	-
Unrestricted	(33,586,609)	1,884,012	(31,702,596)	1,848,993
Total net position	<u>\$ 65,378,181</u>	<u>\$ 111,712,340</u>	<u>\$ 177,090,521</u>	<u>\$ 2,296,014</u>

**CITY OF RUSTON, LOUISIANA**  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2021

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating	Capital	Primary Government			Component Units
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary Government:</b>								
Governmental activities:								
General government	\$ 5,210,954	\$ 833,886	\$ 115,462	\$ -	\$ (4,261,606)	\$ -	\$ (4,261,606)	\$ -
Public safety	9,114,605	266,340	3,000	-	(8,845,265)	-	(8,845,265)	-
Public works	8,884,976	1,681,636	-	-	(7,203,340)	-	(7,203,340)	-
Cultural and recreation	1,768,697	96,511	-	-	(1,672,186)	-	(1,672,186)	-
City Judge and City Marshal	560,590	-	-	-	(560,590)	-	(560,590)	-
Interest on long-term debt	3,042,700	-	-	-	(3,042,700)	-	(3,042,700)	-
Total governmental activities	<u>28,582,521</u>	<u>2,878,373</u>	<u>118,462</u>	<u>-</u>	<u>(25,585,686)</u>	<u>-</u>	<u>(25,585,686)</u>	<u>-</u>
Business-type activities:								
Electric System	17,451,990	19,730,484	-	-	-	2,278,494	2,278,494	-
Water System	1,874,038	2,777,718	-	-	-	903,680	903,680	-
Sewer System	3,608,243	4,145,116	-	-	-	536,873	536,873	-
Sports Complex	1,121,136	306,978	-	-	-	(814,158)	(814,158)	-
Telecommunications	554,400	679,058	-	-	-	124,658	124,658	-
Airport	271,411	25,788	-	2,651,873	-	2,406,250	2,406,250	-
Ambulance	1,299,041	1,211,771	-	-	-	(87,270)	(87,270)	-
Total business-type activities	<u>26,180,259</u>	<u>28,876,913</u>	<u>-</u>	<u>2,651,873</u>	<u>-</u>	<u>5,348,527</u>	<u>5,348,527</u>	<u>-</u>
Total primary government	<u>54,762,780</u>	<u>31,755,286</u>	<u>118,462</u>	<u>2,651,873</u>	<u>(25,585,686)</u>	<u>5,348,527</u>	<u>(20,237,159)</u>	<u>-</u>
<b>Component units:</b>								
Ruston City Judge	746,456	264,323	529,359	-	-	-	-	47,226
Ruston City Marshal	1,765,817	1,343,413	386,950	-	-	-	-	(35,454)
Total component units	<u>\$ 2,512,273</u>	<u>\$ 1,607,736</u>	<u>\$ 916,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>11,772</u>
General revenues:								
Taxes:								
Property taxes					1,132,461	-	1,132,461	-
Sales taxes - general purpose					16,734,145	-	16,734,145	-
Sales taxes - recreation facilities and programs					397,955	-	397,955	-
Sales taxes - street and drainage facilities					600,000	-	600,000	-
Sales taxes - fire protection					2,040,026	-	2,040,026	-
Sales taxes - police protection					2,040,026	-	2,040,026	-
Sales taxes - drug prevention programs					50,000	-	50,000	-
Sales taxes - debt service					4,254,565	-	4,254,565	-
Insurance taxes					451,308	-	451,308	-
Alcoholic beverage taxes					26,421	-	26,421	-
Franchise taxes					425,237	-	425,237	-
Intergovernmental					3,163,627	-	3,163,627	-
Investment earnings					157,467	58,377	215,844	1,970
Rent					3,075	87,460	90,535	-
Miscellaneous					289	38,696	38,985	4,765
Proceeds from sale of land					1,069,524	-	1,069,524	-
Transfers					4,591,350	(4,591,350)	-	-
Total general revenues and transfers					<u>37,137,476</u>	<u>(4,406,817)</u>	<u>\$32,730,659</u>	<u>6,735</u>
Change in net position					11,551,790	941,710	12,493,500	18,507
Net position - beginning					104,407,671	60,189,350	164,597,021	2,277,507
Prior period adjustment					(50,581,280)	50,581,280	-	-
Net position - ending					<u>\$ 65,378,181</u>	<u>\$ 111,712,340</u>	<u>\$ 177,090,521</u>	<u>\$ 2,296,014</u>

See accompanying notes to basic financial statements.

**CITY OF RUSTON, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2021**

	<b>General</b>	<b>1968 Sales Tax</b>	<b>1985 Sales Tax</b>	<b>1990 Sales Tax</b>	<b>2016 Sales Tax</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 10,236,648	\$ 18,206	\$ -	\$ -	\$ 5,099,971
Investments	685,291	-	-	-	-
Receivables, net	283,245	363,839	545,758	363,838	545,757
Unbilled revenues	57,306	-	-	-	-
Due from landlords (HAP)	-	-	-	-	-
Due from other funds	10,309,235	567,789	-	520,750	1,469,863
Inventories, at cost	76,614	-	-	-	-
Prepaid items	698	-	-	-	-
Total assets	<u>\$ 21,649,037</u>	<u>\$ 949,834</u>	<u>\$ 545,758</u>	<u>\$ 884,588</u>	<u>\$ 7,115,592</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 220,182	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	794,915	-	-	-	542,332
Due to other funds	5,111,922	561,344	567,735	-	1,219,268
Unearned revenue (ARPA)	4,041,377	-	-	-	-
Deposits and deferred charges	70,630	-	-	-	-
Total liabilities	<u>10,239,025</u>	<u>561,344</u>	<u>567,735</u>	<u>-</u>	<u>1,761,600</u>
Fund Balances:					
Nonspendable:					
Inventories	76,614	-	-	-	-
Prepaid items	698	-	-	-	-
Spendable:					
Restricted	-	388,490	-	884,588	5,353,991
Assigned	2,468,783	-	-	-	-
Unassigned	8,863,917	-	(21,977)	-	-
Total fund balances	<u>11,410,012</u>	<u>388,490</u>	<u>(21,977)</u>	<u>884,588</u>	<u>5,353,991</u>
Total liabilities and fund balances	<u>\$ 21,649,037</u>	<u>\$ 949,834</u>	<u>\$ 545,758</u>	<u>\$ 884,588</u>	<u>\$ 7,115,592</u>

See accompanying notes to basic financial statements.

**CITY OF RUSTON, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2021**

<u>Ruston EDD#1 Sales Tax</u>	<u>Cooktown EDD Sales Tax</u>	<u>I-20 TID</u>	<u>Moving Ruston Forward</u>	<u>Sports Complex Phase II</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,948,934	\$ 37,999	\$ 4	\$ 1,266	\$ 1,293,203	\$ 828,221	\$ 20,464,452
-	-	-	-	2,945,882	5,219,725	8,850,897
191,946	8,754	-	-	-	1,154,728	3,457,865
-	-	-	-	-	-	57,306
-	-	-	-	-	17,294	17,295
1,060,384	-	1,044,031	136,460	4,085,092	1,734,210	20,927,813
-	-	-	-	-	-	76,614
-	-	-	-	-	-	698
<u>\$ 4,201,264</u>	<u>\$ 46,753</u>	<u>\$ 1,044,035</u>	<u>\$ 137,725</u>	<u>\$ 8,324,176</u>	<u>\$ 8,954,179</u>	<u>\$ 53,852,941</u>
\$ -	\$ 23,248	\$ 121,908	\$ -	\$ 1,153,604	\$ 102,171	\$ 1,621,115
-	-	-	-	559,885	4,132	1,901,264
169,508	22,432	2,448,308	7,681,001	479,851	383,276	18,644,645
-	-	-	-	-	-	4,041,377
-	-	-	-	-	-	70,630
<u>169,508</u>	<u>45,680</u>	<u>2,570,216</u>	<u>7,681,001</u>	<u>2,193,340</u>	<u>489,580</u>	<u>26,279,031</u>
-	-	-	-	-	-	76,614
-	-	-	-	-	-	698
4,031,755	1,073	-	-	6,130,836	8,464,599	25,255,331
-	-	-	-	-	-	2,468,783
-	-	(1,526,181)	(7,543,276)	-	-	(227,517)
<u>4,031,755</u>	<u>1,073</u>	<u>(1,526,181)</u>	<u>(7,543,276)</u>	<u>6,130,836</u>	<u>8,464,599</u>	<u>27,573,909</u>
<u>\$ 4,201,264</u>	<u>\$ 46,753</u>	<u>\$ 1,044,035</u>	<u>\$ 137,725</u>	<u>\$ 8,324,176</u>	<u>\$ 8,954,179</u>	<u>\$ 53,852,940</u>

See accompanying notes to basic financial statements.



**CITY OF RUSTON, LOUISIANA**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2021**

Fund balances - total governmental funds \$ 27,573,909

Amounts reported for governmental activities in the statement of net assets are different because of the following:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 193,902,967	
Accumulated depreciation	<u>(41,517,329)</u>	152,385,638

Net pension liability in MPRS, MERS and SFRS (16,911,830)

Unfunded post employment benefit obligations are not financial resources and therefore are not reported in the funds (14,153,237)

Deferred outflows and inflows of resources are not available to pay current period expenditures and therefore are not reported in governmental funds.

Deferred outflows related to pensions	2,625,309	
Deferred inflows related to pensions	<u>(8,215,862)</u>	(5,590,553)

Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.

Accrued interest payable	(603,858)	
Bonds, notes and loans payable	(77,150,000)	
Compensated absences	<u>(1,868,602)</u>	(79,622,460)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities. Capital assets and compensated absences are excluded from this number as they have already been taken into consideration in line items above.

1,696,713

Net position of governmental activities \$ 65,378,181

**CITY OF RUSTON, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2021**

	<b>General Fund</b>	<b>1968 Sales Tax</b>	<b>1985 Sales Tax</b>	<b>1990 Sales Tax</b>	<b>2016 Sales Tax</b>
<b>REVENUES</b>					
Taxes:					
Property	\$ 1,132,461	\$ -	\$ -	\$ -	\$ -
Sales	-	3,821,165	5,731,748	3,821,165	5,731,748
Licenses and permits	1,225,219	-	-	-	-
Intergovernmental	2,424,740	-	-	-	-
Charges for services	1,685,485	-	-	-	-
Fines and forfeitures	278,352	-	-	-	-
Investment earnings	12,333	9	-	-	1,554
Rent	-	-	-	-	-
Miscellaneous	196,224	-	-	-	-
Grants	48,572	-	-	-	-
Total revenues	<u>7,003,387</u>	<u>3,821,174</u>	<u>5,731,748</u>	<u>3,821,165</u>	<u>5,733,302</u>
<b>EXPENDITURES</b>					
Current:					
General government	5,166,132	1,307	1,086	1,086	650
Public safety	8,847,269	-	-	-	-
Public works	6,702,879	-	-	-	-
Culture and recreation	-	-	-	-	-
City Court and Marshal	605,442	-	-	-	-
Debt service:					
Principal	-	-	-	-	1,465,000
Interest and other charges	-	-	-	-	1,656,300
Capital outlay	-	-	-	-	-
Total expenditures	<u>21,321,722</u>	<u>1,307</u>	<u>1,086</u>	<u>1,086</u>	<u>3,121,950</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,318,335)</u>	<u>3,819,867</u>	<u>5,730,662</u>	<u>3,820,079</u>	<u>2,611,352</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	-	-
Proceeds from sale of land	1,069,524	-	-	-	-
Transfers in	19,282,093	-	-	-	-
Transfers (out)	(2,278,504)	(3,790,052)	(5,685,078)	(3,790,052)	-
Total other financing sources (uses)	<u>18,073,113</u>	<u>(3,790,052)</u>	<u>(5,685,078)</u>	<u>(3,790,052)</u>	<u>-</u>
Net change in fund balances	<u>3,754,778</u>	<u>29,815</u>	<u>45,584</u>	<u>30,027</u>	<u>2,611,352</u>
Fund balances - beginning	<u>7,655,234</u>	<u>358,675</u>	<u>(67,561)</u>	<u>854,561</u>	<u>2,742,639</u>
Fund balances - ending	<u>\$ 11,410,012</u>	<u>\$ 388,490</u>	<u>\$ (21,977)</u>	<u>\$ 884,588</u>	<u>\$ 5,353,991</u>

<b>Ruston EDD#1 Sales Tax</b>	<b>Cooktown EDD Sales Tax</b>	<b>I-20 TID</b>	<b>Moving Ruston Forward</b>	<b>Sports Complex Phase II</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,132,461
2,029,565	96,596	-	-	-	4,884,730	26,116,717
-	-	-	-	-	-	1,225,219
-	-	-	-	-	1,038,434	3,463,174
-	-	-	-	-	96,511	1,781,996
-	-	-	-	-	-	278,352
880	16	1,486	33	11,121	1,265	28,697
-	-	-	-	-	3,075	3,075
-	-	-	-	-	289	196,513
-	-	-	69,890	-	-	118,462
<u>2,030,445</u>	<u>96,612</u>	<u>1,486</u>	<u>69,923</u>	<u>11,121</u>	<u>6,024,304</u>	<u>34,344,666</u>
430	115,087	1,500	-	-	1,106,964	6,394,242
-	-	-	-	-	-	8,847,269
-	-	-	-	-	-	6,702,879
-	-	-	-	-	918,476	918,476
-	-	-	-	-	-	605,442
-	-	-	-	-	1,900,000	3,365,000
615,000	-	-	250	-	790,550	3,062,100
-	-	2,871,075	146,981	10,225,999	-	13,244,055
<u>615,430</u>	<u>115,087</u>	<u>2,872,575</u>	<u>147,231</u>	<u>10,225,999</u>	<u>4,715,990</u>	<u>43,139,463</u>
<u>1,415,015</u>	<u>(18,475)</u>	<u>(2,871,089)</u>	<u>(77,308)</u>	<u>(10,214,878)</u>	<u>1,308,314</u>	<u>(8,794,797)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	1,069,524
-	-	45,052	-	-	749,758	20,076,903
-	-	-	(87,220)	-	(27,147)	(15,658,053)
-	-	45,052	(87,220)	-	722,611	5,488,374
<u>1,415,015</u>	<u>(18,475)</u>	<u>(2,826,037)</u>	<u>(164,528)</u>	<u>(10,214,878)</u>	<u>2,030,926</u>	<u>(3,306,423)</u>
<u>2,616,740</u>	<u>19,548</u>	<u>1,299,856</u>	<u>(7,378,748)</u>	<u>16,345,714</u>	<u>6,433,674</u>	<u>30,880,331</u>
<u>\$ 4,031,755</u>	<u>\$ 1,073</u>	<u>\$ (1,526,181)</u>	<u>\$ (7,543,276)</u>	<u>\$ 6,130,836</u>	<u>\$ 8,464,599</u>	<u>\$ 27,573,909</u>

**CITY OF RUSTON, LOUISIANA**  
 RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED SEPTEMBER 30, 2021

Net change in fund balances - total governmental funds \$ (3,306,423)

Amounts reported for governmental activities in the statement of activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 12,090,774	
Depreciation expense	<u>(2,076,349)</u>	10,014,425

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, write offs, and donations) is to decrease net position. -

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows:

Principal payments	<u>3,365,000</u>	3,365,000
--------------------	------------------	-----------

The changes in other long-term assets and liabilities are reported in the statement of activities, but do not affect current financial resources of governmental funds. The changes are as follows:

Net pension liability	2,684,968	
Net post employment benefit liability	<u>(1,150,101)</u>	1,534,867

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported reported as expenditures in governmental funds.

Decrease in compensated absences	287,599	
Decrease in accrued interest	<u>19,401</u>	307,000

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities. (363,079)

Change in net position of governmental activities \$ 11,551,790

CITY OF RUSTON, LOUISIANA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2021

	Business-Type Activities Enterprise Funds							Governmental Activities	
	Major Funds				Nonmajor Funds			Internal Service Funds	
	Electric System	Water System	Sewer System	Sports Complex	Telecom	Airport	Ambulance		Total
<b>ASSETS</b>									
Current assets:									
Cash and cash equivalents	\$ 978,837	\$ 17,982	\$ 162,092	\$ 1,058,925	\$ 22,032	\$ 180,053	\$ 779,688	\$ 3,199,610	\$ 775,300
Investments	303,372	270,224	-	-	-	-	-	573,596	711,588
Receivables, net	1,029,837	124,600	174,504	-	70,406	48,220	237,006	1,684,573	3,275
Unbilled revenue	890,863	110,818	169,890	-	-	-	-	1,171,571	-
Due from other funds	8,658,160	9,073,728	8,868,150	35,458	118,039	126,824	729,144	27,609,504	1,275,572
Due from other governments	-	-	-	-	-	-	5,000	5,000	-
Inventories	1,283,459	197,356	30,570	-	112,330	-	-	1,623,714	-
Prepaid items	-	-	-	-	-	-	-	-	5,000
Total current assets	<u>13,144,528</u>	<u>9,794,708</u>	<u>9,405,206</u>	<u>1,094,383</u>	<u>322,807</u>	<u>355,097</u>	<u>1,750,839</u>	<u>35,867,568</u>	<u>2,770,734</u>
Noncurrent assets:									
Restricted:									
Cash and cash equivalents	65,588	129,088	483,420	-	-	-	-	678,096	-
Investments	32,790	110,341	115,500	-	-	-	-	258,632	-
Capital assets:									
Land	627,501	75,070	209,801	10,505,995	-	941,898	-	12,360,265	-
Construction in progress	106,511	18,045	5,580,462	-	515,143	6,481,539	-	12,701,700	-
Buildings	7,320,340	133,783	1,271,653	11,916,843	-	1,096,051	-	21,738,669	8,580
Land improvements	-	-	-	16,454,744	-	-	-	16,454,744	-
Improvements other than buildings	-	-	-	-	-	9,338,843	-	9,338,843	-
Equipment	21,204,097	839,988	29,949,989	11,851,075	3,434,147	231,239	1,667,797	69,178,333	80,806
Distribution and collection systems	48,087,444	17,543,771	19,583,593	-	-	-	-	85,214,808	-
Less accumulated depreciation	<u>(52,826,244)</u>	<u>(12,581,367)</u>	<u>(30,720,466)</u>	<u>(300,639)</u>	<u>(885,399)</u>	<u>(6,925,096)</u>	<u>(1,260,327)</u>	<u>(105,499,536)</u>	<u>(86,937)</u>
Total capital assets (net of accumulated depreciation)	<u>24,519,649</u>	<u>6,029,290</u>	<u>25,875,031</u>	<u>50,428,019</u>	<u>3,063,891</u>	<u>11,164,474</u>	<u>407,470</u>	<u>121,487,825</u>	<u>2,450</u>
Total noncurrent assets	<u>24,618,027</u>	<u>6,268,719</u>	<u>26,473,951</u>	<u>50,428,019</u>	<u>3,063,891</u>	<u>11,164,474</u>	<u>407,470</u>	<u>122,424,553</u>	<u>2,450</u>
Total assets	<u>\$ 37,762,554</u>	<u>\$ 16,063,428</u>	<u>\$ 35,879,157</u>	<u>\$ 51,522,402</u>	<u>\$ 3,386,698</u>	<u>\$ 11,519,572</u>	<u>\$ 2,158,309</u>	<u>\$ 158,292,121</u>	<u>\$ 2,773,185</u>

CITY OF RUSTON, LOUISIANA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2021

	Business-Type Activities Enterprise Funds							Governmental Activities	
	Major Funds				Nonmajor Funds				Internal Service Funds
	Electric System	Water System	Sewer System	Sports Complex	Telecom	Airport	Ambulance		
<b>LIABILITIES</b>									
Current liabilities									
Accounts payable	\$ 1,123,932	\$ 38,632	\$ 295,713	\$ 47,131	\$ 19,628	\$ 448,815	\$ 5,017	\$ 1,978,868	\$ 1,043
Accrued liabilities	25,219	5,665	9,357	1,811	682	-	8,633	51,366	1,880
Due to other funds	17,288,858	2,874,143	2,978,611	979,189	3,225,141	2,336,792	921,268	30,604,002	564,242
Claims and judgments	-	-	-	-	-	-	-	-	506,855
Compensated absences	79,841	4,160	32,065	848	52	-	40,595	157,561	-
Total current liabilities	<u>18,517,851</u>	<u>2,922,600</u>	<u>3,315,746</u>	<u>1,028,979</u>	<u>3,245,503</u>	<u>2,785,607</u>	<u>975,512</u>	<u>32,791,798</u>	<u>1,074,021</u>
Current liabilities payable from restricted assets:									
Customer deposits	1,300,113	-	655	-	-	3,950	-	1,304,718	-
Bonds payable	-	-	1,210,000	-	-	-	-	1,210,000	-
DEQ Clean Drinking Water Revolving loan	-	-	280,000	-	-	-	-	280,000	-
DHH Revolving loan	-	121,000	-	-	-	-	-	121,000	-
Accrued interest	51,879	-	-	-	-	-	-	51,879	-
Total current liabilities payable from restricted assets	<u>1,351,992</u>	<u>121,000</u>	<u>1,490,655</u>	<u>-</u>	<u>-</u>	<u>3,950</u>	<u>-</u>	<u>2,967,597</u>	<u>-</u>
Noncurrent liabilities:									
Compensated absences	239,523	12,481	96,197	2,543	156	-	121,783	472,683	14,081
Unearned revenue (ARPA)	-	-	-	-	-	-	19,206	19,206	-
Bonds payable	-	-	4,785,000	-	-	-	-	4,785,000	-
DHH Revolving Loan fund	-	1,079,000	-	-	-	-	-	1,079,000	-
DEQ Clean Drinking Water Revolving loan	-	-	4,464,497	-	-	-	-	4,464,497	-
Total noncurrent liabilities	<u>239,523</u>	<u>1,091,480</u>	<u>9,345,694</u>	<u>2,543</u>	<u>156</u>	<u>-</u>	<u>140,989</u>	<u>10,820,386</u>	<u>14,081</u>
Total liabilities	<u>20,109,366</u>	<u>4,135,080</u>	<u>14,152,095</u>	<u>1,031,523</u>	<u>3,245,659</u>	<u>2,789,557</u>	<u>1,116,501</u>	<u>46,579,781</u>	<u>1,088,101</u>
<b>NET POSITION</b>									
Net investment in capital assets	24,519,649	4,829,290	15,415,534	50,428,019	3,063,891	11,164,474	407,470	109,828,327	2,450
Unrestricted (deficit)	(6,866,461)	7,099,058	6,311,528	62,861	(2,922,852)	(2,434,460)	634,337	1,884,012	1,682,633
Total net position	<u>\$ 17,653,188</u>	<u>\$ 11,928,348</u>	<u>\$ 21,727,062</u>	<u>\$ 50,490,879</u>	<u>\$ 141,039</u>	<u>\$ 8,730,015</u>	<u>\$ 1,041,808</u>	<u>\$ 111,712,340</u>	<u>\$ 1,685,084</u>

**CITY OF RUSTON, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2021**

	Business-Type Activities Enterprise Funds							Governmental Activities	
	Major Funds				Nonmajor Funds			Internal Service Funds	
	Electric System	Water System	Sewer System	Sports Complex	Telecom	Airport	Ambulance		Total
<b>OPERATING REVENUES</b>									
Charges for services	\$ 19,730,484	\$ 2,777,718	\$ 4,145,116	\$ 306,978	\$ 679,058	\$ 25,788	\$ 1,211,771	\$ 28,876,913	\$ 5,238,731
Charges to other funds	-	-	-	-	-	-	-	-	227,744
Rent income	-	-	-	-	-	87,460	-	87,460	-
Miscellaneous	32,548	(600)	4,332	-	-	-	2,416	38,696	284,051
Total operating revenues	<u>19,763,032</u>	<u>2,777,118</u>	<u>4,149,448</u>	<u>306,978</u>	<u>679,058</u>	<u>113,248</u>	<u>1,214,187</u>	<u>29,003,069</u>	<u>5,750,526</u>
<b>OPERATING EXPENSES</b>									
Personnel services	3,201,090	535,586	915,009	207,291	52,876	-	1,027,170	5,939,022	146,815
Operating services	2,824,983	793,791	907,277	540,829	321,087	98,621	67,998	5,554,586	32,362
Materials and supplies	10,052,791	73,644	74,586	75,477	(62)	2,461	113,362	10,392,259	10,163
Travel and other	8,469	840	3,675	1,092	-	-	48,856	62,932	1,051
Depreciation	1,354,749	408,052	1,502,835	296,447	180,499	170,329	41,655	3,954,566	5,885
Claims	-	-	-	-	-	-	-	-	4,238,626
Insurance premiums	-	-	-	-	-	-	-	-	1,979,973
Total operating expenses	<u>17,442,081</u>	<u>1,811,913</u>	<u>3,403,382</u>	<u>1,121,136</u>	<u>554,400</u>	<u>271,411</u>	<u>1,299,041</u>	<u>25,903,364</u>	<u>6,414,875</u>
Operating income (loss)	<u>2,320,951</u>	<u>965,205</u>	<u>746,066</u>	<u>(814,158)</u>	<u>124,658</u>	<u>(158,163)</u>	<u>(84,854)</u>	<u>3,099,705</u>	<u>(664,349)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>									
Investment earnings	376	54,648	2,911	9	23	70	340	58,377	128,770
Capital grants	-	-	-	-	-	2,651,873	-	2,651,873	-
Interest expense	(9,909)	(41,741)	(120,714)	-	-	-	-	(172,364)	-
Amortization	-	(20,384)	(84,147)	-	-	-	-	(104,531)	-
Total nonoperating revenues (expenses)	<u>(9,533)</u>	<u>(7,477)</u>	<u>(201,950)</u>	<u>9</u>	<u>23</u>	<u>2,651,943</u>	<u>340</u>	<u>2,433,355</u>	<u>128,770</u>
Income (loss) before transfers	2,311,418	957,728	544,116	(814,149)	124,681	2,493,779	(84,514)	5,533,060	(535,579)
Transfers in	-	1,520,000	3,153,000	1,610,138	225,000	4,195	-	6,512,333	172,500
Transfers (out)	(9,597,551)	(626,132)	(345,000)	-	(60,000)	-	(475,000)	(11,103,683)	-
Change in net position	<u>(7,286,133)</u>	<u>1,851,596</u>	<u>3,352,116</u>	<u>795,989</u>	<u>289,681</u>	<u>2,497,974</u>	<u>(559,514)</u>	<u>941,710</u>	<u>(363,079)</u>
Total net position (deficit) - beginning as previously reported	24,939,321	10,076,752	18,374,946	(886,390)	(148,642)	6,232,041	1,601,322	60,189,350	2,048,163
Prior period adjustment (Note 12)	-	-	-	50,581,280	-	-	-	50,581,280	-
Total net position - beginning	<u>24,939,321</u>	<u>10,076,752</u>	<u>18,374,946</u>	<u>49,694,890</u>	<u>(148,642)</u>	<u>6,232,041</u>	<u>1,601,322</u>	<u>110,770,630</u>	<u>2,048,163</u>
Total net position (deficit) - ending	<u>\$ 17,653,188</u>	<u>\$ 11,928,348</u>	<u>\$ 21,727,062</u>	<u>\$ 50,490,879</u>	<u>\$ 141,039</u>	<u>\$ 8,730,015</u>	<u>\$ 1,041,808</u>	<u>\$ 111,712,340</u>	<u>\$ 1,685,084</u>

CITY OF RUSTON, LOUISIANA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities Enterprise Funds							Governmental Activities	
	Major Funds				Nonmajor Funds			Internal Service Funds	
	Electric System	Water System	Sewer System	Sports Complex	Telecom	Airport	Ambulance		Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>									
Receipts from operations	\$ 27,340,121	\$ 722,437	\$ 706,978	\$ 399,349	\$ 700,201	\$ 1,738,040	\$ 1,807,250	\$ 33,414,376	\$ 6,139,743
Payments to suppliers	(13,809,182)	(941,204)	(910,953)	(645,312)	(386,724)	(313,135)	(252,078)	(17,258,587)	(2,200,305)
Payments to employees	(3,261,905)	(547,549)	(943,249)	(209,175)	(52,286)	-	(942,380)	(5,956,544)	(150,240)
Claim payments	-	-	-	-	-	-	-	-	(4,435,982)
Other receipts	32,548	-	4,332	-	-	-	2,416	39,296	-
Net cash provided (used) by operating activities	<u>10,301,582</u>	<u>(766,316)</u>	<u>(1,142,892)</u>	<u>(455,138)</u>	<u>261,191</u>	<u>1,424,905</u>	<u>615,208</u>	<u>10,238,541</u>	<u>(646,784)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>									
Transfers in	-	1,520,000	3,153,000	1,610,138	225,000	4,195	-	6,512,333	172,500
Transfers (out)	(9,597,551)	(626,132)	(345,000)	-	(60,000)	-	(475,000)	(11,103,683)	-
Net cash provided (used) by noncapital financing activities	<u>(9,597,551)</u>	<u>893,868</u>	<u>2,808,000</u>	<u>1,610,138</u>	<u>165,000</u>	<u>4,195</u>	<u>(475,000)</u>	<u>(4,591,350)</u>	<u>172,500</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Acquisition and construction of capital assets	(630,494)	(18,045)	(1,145,367)	(50,685,810)	(456,110)	(4,086,041)	(10,343)	(57,032,210)	-
Transfer of capital asset	-	-	-	50,581,280	-	-	-	50,581,280	-
Capital grants	-	-	-	-	-	2,651,873	19,206	2,671,079	-
Debt proceeds	-	-	987,617	-	-	-	-	987,617	-
Principal paid on debt	-	(118,000)	(1,438,000)	-	-	-	-	(1,556,000)	-
Interest paid on debt	(9,909)	(41,741)	(120,714)	-	-	-	-	(172,364)	-
Net cash provided (used) by capital and related financing activities	<u>(640,403)</u>	<u>(177,786)</u>	<u>(1,716,464)</u>	<u>(104,530)</u>	<u>(456,110)</u>	<u>(1,434,168)</u>	<u>8,863</u>	<u>(4,520,598)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>									
Proceeds from sales and maturities of investments	1,146	-	-	-	-	-	-	1,146	-
Purchase of investments	-	(7,330)	(2,225)	-	-	-	-	(9,555)	(1,069)
Interest and dividends received	376	54,648	2,911	9	23	70	340	58,377	128,770
Net cash provided by investing activities	<u>1,522</u>	<u>47,318</u>	<u>686</u>	<u>9</u>	<u>23</u>	<u>70</u>	<u>340</u>	<u>49,968</u>	<u>127,701</u>
Net increase (decrease) in cash and cash equivalents	65,150	(2,916)	(50,670)	1,050,479	(29,896)	(4,998)	149,411	1,176,561	(346,582)
Cash and cash equivalents, beginning of year	<u>979,275</u>	<u>149,986</u>	<u>696,182</u>	<u>8,446</u>	<u>51,928</u>	<u>185,051</u>	<u>630,277</u>	<u>2,701,145</u>	<u>1,121,881</u>
Cash and cash equivalents, end of year	<u>\$ 1,044,425</u>	<u>\$ 147,070</u>	<u>\$ 645,512</u>	<u>\$ 1,058,925</u>	<u>\$ 22,032</u>	<u>\$ 180,053</u>	<u>\$ 779,688</u>	<u>\$ 3,877,706</u>	<u>\$ 775,300</u>
Noncash item:									
Amortization	-	20,384	84,147	-	-	-	-	104,531	-

See accompanying notes to basic financial statements.



	Business-Type Activities Enterprise Funds							Governmental Activities	
	Major Funds				Nonmajor Funds			Internal Service Funds	
	Electric System	Water System	Sewer System	Sports Complex	Telecom	Airport	Ambulance		Total
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>									
Operating income (loss)	\$ 2,320,951	\$ 965,205	\$ 746,066	\$ (814,158)	\$ 124,658	\$ (158,163)	\$ (84,854)	\$ 3,099,705	\$ (664,349)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities									
Depreciation	1,354,749	408,052	1,502,835	296,447	180,499	170,329	41,655	3,954,566	5,885
(Increase) decrease in assets:									
Receivables	(130,863)	23,592	11,470	3,237	20,375	(9,752)	(142,036)	(223,976)	-
Due from other funds / governments	1,047,365	(2,734,577)	(3,905,133)	-	(14,840)	117,645	(177,570)	(5,667,110)	118,089
Inventories	(111,704)	(34,856)	(868)	-	4,218	-	-	(143,210)	48,947
Prepaid items	-	-	-	-	-	-	-	-	-
Increase (decrease) in liabilities:									
Accounts payable	(811,236)	(38,073)	75,453	(27,914)	(69,917)	(212,053)	(21,862)	(1,105,602)	(40,601)
Accrued liabilities	(49,932)	(7,957)	(10,617)	(3,167)	682	-	(2,494)	(73,485)	(1,741)
Due to other funds	6,559,274	656,304	457,177	89,134	15,608	1,517,899	915,085	10,210,481	134,973
Customers' deposits	133,861	-	(1,650)	-	-	(1,000)	-	131,211	-
Claims and judgments	-	-	-	-	-	-	-	-	(246,303)
Compensated absences	(10,883)	(4,006)	(17,625)	1,283	(92)	-	87,284	55,961	(1,684)
Total adjustments	7,980,631	(1,731,521)	(1,888,958)	359,020	136,533	1,583,068	700,062	7,138,836	17,565
Net cash provided (used) by operating activities	\$ 10,301,582	\$ (766,316)	\$ (1,142,892)	\$ (455,138)	\$ 261,191	\$ 1,424,905	\$ 615,208	\$ 10,238,541	\$ (646,784)

See accompanying notes to basic financial statements.

**CITY OF RUSTON, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**SEPTEMBER 30, 2021**

	<b>Ruston City Judge</b>	<b>Ruston City Marshal</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,871,371	\$ 218,320	\$ 2,089,691
Prepaid items	1,305	13,650	14,955
Due from governmental units	11,194	-	11,194
Capital assets, net of depreciation	373,982	63,905	437,887
Total assets	2,257,852	295,875	2,553,727
 Deferred outflow of resources	 44,146	 -	 44,146
<b>LIABILITIES</b>			
Accounts payable	3,241	2,472	5,713
Accrued liabilities	2,803	-	2,803
Non-current liabilities:			
Net pension liability	231,607	-	231,607
Total liabilities	237,651	2,472	240,123
 Deferred inflow of resources	 61,736	 -	 61,736
<b>NET POSITION</b>			
Net investment in capital assets	373,982	63,905	437,887
Restricted	-	9,134	9,134
Unrestricted	1,628,629	220,364	1,848,993
Total net position	\$ 2,002,611	\$ 293,403	\$ 2,296,014

See accompanying notes to basic financial statements.

**CITY OF RUSTON, LOUISIANA**  
STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
YEAR ENDED SEPTEMBER 30, 2021

	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>On-Behalf Revenues</u>	<u>Ruston City Judge</u>	<u>Ruston City Marshal</u>	<u>Total</u>
City Judge: Judicial	\$ 746,456	\$ 264,323	\$ 529,359	\$ 47,226	\$ -	\$ 47,226
City Marshal: Judicial	1,765,817	1,343,413	386,950	-	(35,454)	(35,454)
	<u>\$ 2,512,273</u>	<u>\$ 1,607,736</u>	<u>\$ 916,309</u>	<u>47,226</u>	<u>(35,454)</u>	<u>11,772</u>
General revenues:						
Interest earnings				1,776	194	1,970
Miscellaneous				-	4,765	4,765
Total general revenues				<u>1,776</u>	<u>4,959</u>	<u>6,735</u>
Change in net position				49,002	(30,495)	18,507
Net position - beginning				<u>1,953,609</u>	<u>323,898</u>	<u>2,277,507</u>
Net position - ending				<u>\$ 2,002,611</u>	<u>\$ 293,403</u>	<u>\$ 2,296,014</u>

See accompanying notes to basic financial statements.

**CITY OF RUSTON, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

**1. Summary of Significant Accounting Policies**

The City of Ruston, Louisiana, (the "City") was incorporated in 1898, under the provisions of the Lawrason Act. The City operates under a Mayor-Board of Aldermen form of government. The City's major operations include police and fire protection, public works, parks and recreation, utility services, and general administrative services. In addition, the City exercises sufficient control over other governmental agencies and authorities that are included as part of the City's reporting entity.

The basic criterion for determining whether another governmental organization should be included in a primary governmental unit's reporting entity for financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization, or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The financial statements present the City of Ruston (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

**Discretely Presented Component Units**

The component unit's column in the government-wide financial statements includes the financial data of the City's discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the City.

*Ruston City Judge*

The Ruston City Judge was created by special legislative act. Its jurisdiction includes the incorporated area of the City. The City Judge is elected and cannot be removed by City officials. The Ruston City Judge is fiscally dependent on the City. The City has the ability to modify or approve its budget which comes from the General Fund. There are certain funds collected by the Ruston City Judge, pursuant to state statute, which are under the control of the Court. The Ruston City Judge serves the citizenry of the City. The financial statements of the Ruston City Judge included in the accompanying financial statements are as of and for the fiscal year ended September 30, 2021.

*Ruston City Marshal*

The Ruston City Marshal is an elected official. The Ruston City Marshal is fiscally dependent on the City. The City has the ability to modify or approve the budget which comes from the General Fund. Certain funds are collected such as court costs, pursuant to state statute, which are under the control of the Ruston City Marshal. The Ruston City Marshal serves the citizenry of the Parish. The financial statements of the Ruston City Marshal included in the accompanying financial statements are as of and for the fiscal year ended September 30, 2021.

**CITY OF RUSTON, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

Complete financial statements of the individual component units may be obtained at the following addresses:

Ruston City Judge  
P.O. Box 1821  
Ruston, Louisiana 71273-1821

Ruston City Marshal  
P. O. Box 1582  
Ruston, Louisiana 71273-1582

**Other Related Organizations**

Ruston Housing Authority

The Ruston Housing Authority was created by state statutes and is legally separate from the City. The Mayor appoints the commissioners; however, the City cannot impose its will on the Ruston Housing Authority since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the commissioners. The Ruston Housing Authority is fiscally independent and no financial benefit or burden relationship exists with the City. Therefore, it is not included in the City's financial statements.

Lincoln Parish Sales and Use Tax Commission

The Lincoln Parish Sales and Use Tax Commission is an independent agency that collects sales taxes. It is legally separate from the City. The Lincoln Parish Sales and Use Tax Commission is a jointly-governed organization. The City does not retain an ongoing financial interest or responsibility for its operations. It is not included in the City's financial statements.

Union Lincoln Regional Water Supply Initiative

The Union Lincoln Regional Water Supply Initiative is an independent agency that develops and utilizes any and all alternate water sources within Lincoln and Union parishes to reduce the consumption of water from the Sparta Aquifer. The Union Lincoln Regional Water Supply Initiative is a joint venture. The City does retain an ongoing financial responsibility for its operations. It is not included in the City's financial statements.

Complete financial statements of the individual other related organizations may be obtained at the following addresses:

Ruston Housing Authority  
1615 North Farmerville  
Ruston, Louisiana 71270

Lincoln Parish Sales and Use Tax Commission  
P.O. Box 863  
Ruston, Louisiana 71273-0863

Union Lincoln Regional Water Supply Initiative  
407 S. Main Street  
Farmerville, Louisiana 71241

**Accounting Policies**

The accounting policies of the City of Ruston, Louisiana, conform to U. S. generally accepted accounting principles as applicable to governmental units. The accounting policies of the discretely presented component units are consistent with those of the City. The following is a summary of the more significant policies:

**CITY OF RUSTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

**a. Government-Wide and Fund Financial Statements**

The government-wide financial statements (GWFS) (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense is identified by function and is included in the direct expense of each function. Interest on general long-term debt of governmental activities is considered an indirect expense and is reported separately on the statement of activities. Interest on long-term debt of business-type activities is recorded as direct expenses. Program revenues include 1) fees, fines, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements (FFS) are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the FFS with nonmajor governmental, nonmajor enterprise and internal service funds being reported on an aggregated basis.

**b. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

**CITY OF RUSTON, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for franchise tax revenues which are considered available if collected within 90 days and grant revenue if collected within one year. Property taxes are recognized as revenues in the year in which final approval is received from the Louisiana Tax Commission, at which time a valid claim exists, to the extent considered available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Ad Valorem taxes are considered "measurable" at the time of levy whereas such items as beer taxes are considered "measurable" when in the hands of intermediary collecting agencies and are recognized as revenue at that time. Substantially all other non-intergovernmental revenues are susceptible to accrual and are recognized when earned or the underlying transaction occurs. Sales taxes are accrued in the individual funds to which they pertain. For intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Grants and similar items are recognized as revenues as soon as all eligibility requirements have been met. In reimbursement type programs, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore revenues are recognized based upon the expenditures recorded. In other programs in which monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements, the resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met and all other eligibility requirements are met.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net position, revenues expenditures/expenses and other changes in fund balance/net position. The various funds are summarized by type in the financial statements. The following funds are used by the City:

**Governmental Funds**

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The City reports the following major governmental funds:

*General Fund* – The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

**CITY OF RUSTON, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

*1968 Sales Tax Fund* – This special revenue fund accounts for the receipt and use of proceeds of the City's sales and use tax. A one-half cent sales tax is dedicated to general operating expenses, general capital assets, and waterworks extensions and improvements.

*1985 Sales Tax Fund* – This special revenue fund accounts for the receipt and use of proceeds of the City's sales and use tax. A three-fourths cent sales tax is dedicated to the recreation department, streets and drainage, fire protection and police protection.

*1990 Sales Tax Fund* – This special revenue fund accounts for the receipt and use of proceeds of the City's sales and use tax. A one-half cent sales tax is dedicated for police and fire departments and drug prevention.

*2016 Sales Tax Fund* – This special revenue fund accounts for the receipt and use of proceeds of the City's sales and use tax. A three-fourths cent sales tax is dedicated for the debt service payments related to the 2016 Sales and Use Tax Revenue Bonds. This sales tax expires June 30, 2036

*Ruston EDD #1 Sales Tax Fund* – This special revenue fund accounts for the receipt of the City's restaurant and hotel sales tax in the economic development district created to fund Sports Complex Phase II capital projects. This sales tax expires December 31, 2028.

*Cooktown EDD Sales Tax* – This special revenue fund accounts for the receipt of the City's sales tax collected in the economic development district created to fund the development of the Cooktown shopping center. This sales tax expires March 31, 2039.

*I-20 Tax Increment District Sales Tax Fund* – This capital projects fund accounts for infrastructure improvements along the I-20 Service Road that are funded from the issuance of sales tax increment bonds.

*Moving Ruston Forward Capital Projects Fund* – This capital projects fund accounts for numerous capital projects that are funded from the issuance of the 2016 Sales and Use Tax Revenue Bonds.

*Sports Complex Phase II Capital Projects Fund* – This capital projects fund accounts for projects that will complete the Sports Complex facility.

Additionally, the City reports nonmajor governmental funds in the aggregate. These funds are within the following governmental fund types:

*Special Revenue Funds* – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

*Debt Service Funds* – The debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The debt service funds receive a portion of all ad valorem and sales taxes paid to the City.



**CITY OF RUSTON, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

*Capital Project Funds* – Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.)

**Proprietary Funds**

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. All proprietary funds are accounted for on a capital maintenance focus; that is, the measurement focus is upon determination of the change in net position. The City reports the following proprietary fund types:

*Enterprise Funds* – Enterprise funds are used to account for activities in which established fees and charges are designed to recover its costs, including capital costs such as depreciation and debt service.

*Internal Service Funds* – Internal service funds are used to account for the financing of services provided by one department of the City to other departments on a cost-reimbursement basis. The City maintains four internal service funds for workmen's compensation, health insurance coverage, purchasing/warehouse, and general/auto liability insurance.

The City reports the following major enterprise funds:

*Electric System Fund* – Operated as a self-sustaining utility of the City and is responsible for providing the residents of the City of Ruston, Louisiana, with electricity.

*Water System Fund* – Operated as a self-sustaining utility of the City and is responsible for providing the residents of the City of Ruston, Louisiana with water.

*Sewer System Fund* – Operated as a self-sustaining utility of the City and is responsible for providing the residents of the City of Ruston, Louisiana with sewer treatment.

*Sports Complex Fund* – Operated as a self-sustaining recreation facility of the City and is responsible for providing the residents of the City of Ruston, Louisiana with recreational programming.

The City applies all applicable GASB pronouncements in accounting and reporting for its government-wide and business-type activities and its enterprise funds as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins.

As a general rule the effect of interfund activity has been eliminated from the GWFS. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's electric, water, and sewerage function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Transactions that would be

**CITY OF RUSTON, LOUISIANA**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021

treated as revenues, expenditures or expenses if they involved organizations external to the City as they are exchange transactions are accounted for as revenues and expenditures or expenses in the funds involved.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 enterprise funds and the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds 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 nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The reserve method is used to account for bad debt expenses on enterprise fund receivables. Unbilled service receivables of the General Fund, Electric Fund, Water Fund, and Sewer Fund are determined based on October and November billings for electric, water, sewer and refuse services. A percentage is calculated based on the read dates for each cycle and then applied to the total billings.

**c. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the GWFS and the proprietary funds. Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at estimated fair value at the date of donation. The City maintains a threshold level for capitalization of capital assets except land and construction in progress. All land and construction in progress are capitalized regardless of the amount. All other capital assets are capitalized utilizing a threshold of \$5,000. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Capital assets are not reported in the governmental fund financial statements.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is calculated based on the following estimated useful lives:

**CITY OF RUSTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

	<b>Years</b>
Buildings	10 - 50
Improvements other than buildings	10 - 50
Infrastructure	20 - 75
Distribution and collection systems	10 - 50
Equipment	3 - 20

***d. Long-Term Liabilities***

In the GWFS, and proprietary funds in the FFS, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary funds statement of net position. Bond premiums and discounts are deferred and amortized or accreted over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount.

In the FFS, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***e. Investments***

For all funds, investments are stated at fair value based on quoted market prices. The investments at September 30, 2021 were primarily Certificates of Deposit, U.S. government and U.S. government agency securities (see note 2 for the City's investment policy).

***f. Prepaid Items***

Prepaid items consist of items such as prepaid insurance and other prepaid expenditures. The cost is recorded as an asset at the time such items are purchased in both GWFS and FFS. The reserve for prepaid items in governmental funds is equal to the total of prepaid items to indicate a portion of the fund balance is not available for future expenditure.

***g. Inventories***

Inventories are valued at cost (first-in, first-out.) The cost is recorded as an asset at the time individual inventory items are purchased and charged as an expenditure when used in both GWFS and FFS. Inventories in the General Fund consist of expendable supplies held for consumption. Inventories in the enterprise funds consist of repair materials and spare parts.

***h. Refundable Deposits***

The Electric System Fund requires deposits for certain customers. These monies are restricted and are reported as assets and liabilities.

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**i. Vacation and Sick Leave**

City employees are granted paid time off (PTO) time in varying amounts based on years of service. Only 40 hours of unused time is allowed to roll forward into a new accrual period. Prior to fiscal year 2018, vacation and sick leave were accrued separately, in varying amounts based on years of service. Many employees have vacation and sick balances that will be paid out upon termination of employment according to the former policy. Employees are paid for unused sick leave up to a maximum of six months upon retirement. Unpaid PTO time and vacation time for all employees, and sick leave for those employees eligible for retirement benefits has been accrued. All other sick leave is recorded as an expenditure when paid. The estimated liability for unused vacation for governmental funds is recorded in the GWFS. Vacation leave of governmental funds is recorded as an expenditure when paid. Accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as it is earned by the employees.

**j. Pension Plans**

The State of Louisiana has three pension plans which cover substantially all employees of the City who meet certain length of service requirements (see Note 8 for the details of these plans).

**k. Restricted Assets**

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

**l. Classifications of Fund Balance**

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the aldermen - the government's highest level of decision-making authority. Those committed amounts

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cannot be used for any other purpose unless the City aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The City aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the General Fund. It is used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order as needed.

***m. Interfund Receivables and Payables***

All outstanding balances between funds are reported as due to/from other funds in the fund financial statements. There is no activity between funds that is representative of lending/borrowing arrangements at the end of the fiscal year. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the GWFS as internal balances.

***n. Ad Valorem Taxes***

Ad Valorem taxes attach as an enforceable lien on property when the assessment is approved by the Louisiana Tax Commission. Taxes levied are based on the assessed value of property as listed on the previous December 31. Taxes are normally levied in November of each year and are due on or before December 31. A revaluation of all real property must be made every four years. The last revaluation date was January 1, 2020.

***o. Grants from Other Governmental Agencies***

Federal and state governmental agencies represent an important source of supplementary funding to finance housing, employment and construction programs, and other activities beneficial to the community. These funds, primarily in the form of grants, are recorded in the General Fund, special revenue funds, capital projects funds, and enterprise funds. The grants normally specify the purpose for which the funds may be used and are subject to audit by the granting agency or its representative.

***p. Cash and Cash Equivalents***

For purposes of the statement of cash flows, the City considers all highly liquid debt instruments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

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**q. Self-Insurance Claims**

The City is self-insured for workmen's compensation coverage and medical insurance for employees. Self-insured claims are recorded in the City's internal service funds in accordance with GASB Statement No. 10.

Incurred but not reported claims are recorded as liabilities in the Insurance Fund. An estimate for these claims is provided by a third-party administrator based on historical experience.

**r. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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.

**2. Cash and Investments**

Cash and cash equivalents at September 30, 2021 for the City are summarized as follows:

<u>Carrying Amount</u>	<u>Bank Balance</u>
\$25,117,458	\$25,769,091

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable by both parties.

Of the \$25,769,091 bank balance held in the name of the City at September 30, 2021, \$5,238,258 was insured by FDIC insurance and \$22,690,012 was covered by letters of credit purchased by the banks in the name of the City.

The City's investments are categorized below to give an indication of the level of custodial credit risk assumed by the City at September 30, 2021. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the City's name.

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	Category			Carrying Amount & Fair Value
	1	2	3	
U.S. government and U.S. government agency securities	\$10,091,341	\$ -	\$ -	\$10,091,341
Louisiana Asset Management Pool				303,372
Total investments				10,394,713
Total cash and cash equivalents				25,117,458
Total cash, cash equivalents & investments, including restricted cash and investments				\$35,512,171

Investments in the Louisiana Asset Management Pool are not categorized as they are not evidenced by securities that exist in physical or book entry form. Louisiana Asset Management Pool ("LAMP"), a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. LAMP's portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. The dollar-weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP issues a publicly available financial report which may be obtained by writing the Board of Directors, 228 St. Charles Avenue, New Orleans, Louisiana 70130, or by calling (504) 525-5161.

*Discretely Presented Component Units – Deposits*

All deposits of the component units are held by area financial institutions. At the respective year ends, all deposits are insured or collateralized with securities held in the component unit's name by its agent (the trust department of a bank other than the pledging bank.) The cash and equivalent securities have a fair value of \$2,089,691 at September 30, 2021.

**3. Ad Valorem Taxes**

The City levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the City on property values assessed by the Lincoln Parish Assessor and approved by the State of Louisiana Tax Commission. Total assessed value was \$217,916,714 in 2021. The distribution of the City's levy (tax rate per \$1,000 assessed value) was as follows for 2021:

General Alimony	5.19
Recreation Purposes	2.89
Total	8.08

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**4. Receivables**

Receivables as of September 30, 2021, for the City's individual major, nonmajor and internal service funds, including the applicable allowances for uncollectible accounts, are outlined below:

	<u>Customers</u>	<u>Taxes</u>	<u>Other</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net Receivable</u>
<b>Governmental activities:</b>					
General	\$215,531	\$ -	\$366,865	(\$299,151)	\$283,245
1968 Sales Tax	-	363,839	-	-	363,839
1985 Sales Tax	-	545,758	-	-	545,758
1990 Sales Tax	-	363,838	-	-	363,838
2016 Sales Tax	-	545,757	-	-	545,757
Ruston EDD #1	-	191,946	-	-	191,946
Cooktown EDD	-	8,754	-	-	8,754
Nonmajor funds	-	1,150,862	21,161	-	1,172,023
Internal Service funds	-	-	3,275	-	3,275
Total governmental activities	<u>\$215,531</u>	<u>\$3,170,754</u>	<u>\$374,006</u>	<u>(\$299,151)</u>	<u>\$3,478,435</u>
<b>Business-type activities:</b>					
Electric System	\$3,153,445	\$ -	\$ -	(\$2,123,608)	\$1,029,837
Water System	469,765	-	-	(345,165)	124,600
Sewer System	815,902	-	-	(641,398)	174,504
Nonmajor funds	419,086	-	-	(63,454)	355,632
Total business-type activities	<u>\$4,858,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$3,173,625)</u>	<u>\$1,684,573</u>

**5. Capital Assets**

A summary of changes in capital assets is as follows:

	<u>Balance September 30, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2021</u>
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 17,822,367	\$ 1,468,161	\$ (1,298,868)	\$ 17,991,660
Construction in progress	121,532,619	13,918,345	(62,102,626)	73,348,338
Total capital assets not being depreciated	<u>139,354,986</u>	<u>15,386,506</u>	<u>(63,401,494)</u>	<u>91,339,998</u>
Capital assets being depreciated:				
Buildings	13,147,865	1,100,327	(381,394)	13,866,797
Improvements other than buildings	36,221,157	10,467,959	(1,053,388)	45,635,728
Equipment	20,393,504	483,654	(1,092,677)	19,784,481
Infrastructure	23,275,962	-	-	23,275,962
Total capital assets being depreciated	<u>93,038,488</u>	<u>12,051,939</u>	<u>(2,527,459)</u>	<u>102,562,969</u>
Less accumulated depreciation:				
Buildings	(5,120,663)	(280,728)	-	(5,401,391)
Improvements other than buildings	(7,915,172)	(923,878)	-	(8,839,050)
Equipment	(16,098,868)	(406,414)	-	(16,505,282)
Infrastructure	(10,300,393)	(471,213)	-	(10,771,606)
Total accumulated depreciation	<u>(39,435,096)</u>	<u>(2,082,233)</u>	<u>-</u>	<u>(41,517,329)</u>
Total capital assets being depreciated, net	53,603,393	9,969,706	(2,527,459)	61,045,640
Governmental activities capital assets, net	<u>\$ 192,958,379</u>	<u>\$ 25,356,212</u>	<u>\$ (65,928,953)</u>	<u>\$ 152,385,638</u>



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Internal service funds predominately serve the governmental funds. Accordingly, their capital assets are included as part of the above totals for governmental activities.

Governmental activities construction in progress includes of \$29,000,000 for I-20 infrastructure projects; \$14,000,000 for the Sports Complex Phase II projects; \$23,000,000 for street and bridge projects; and \$7,000,000 for water system improvements.

	<b>Balance September 30, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance September 30, 2021</b>
<b>Business activities - Electric System</b>				
Capital assets not being depreciated:				
Land	\$ 627,501	\$ -	\$ -	\$ 627,501
Construction in progress	-	106,511	-	106,511
Total capital assets not being depreciated	<u>627,501</u>	<u>106,511</u>	<u>-</u>	<u>734,012</u>
Capital assets being depreciated:				
Buildings	7,320,340	-	-	7,320,340
Equipment	21,206,197	-	(2,100)	21,204,097
System Improvements	47,563,461	523,983	-	48,087,444
Total capital assets being depreciated	<u>76,089,998</u>	<u>523,983</u>	<u>(2,100)</u>	<u>76,611,881</u>
Less accumulated depreciation:				
Buildings	(2,928,907)	(129,448)	-	(3,058,355)
Equipment	(26,804,533)	(374,958)	-	(27,179,491)
System Improvements	(21,740,155)	(850,344)	2,100	(22,588,398)
Total accumulated depreciation	<u>(51,473,595)</u>	<u>(1,354,749)</u>	<u>2,100</u>	<u>(52,826,244)</u>
Total capital assets being depreciated, net	24,616,403	(830,766)	-	23,785,637
Electric System capital assets, net	<u>\$ 25,243,904</u>	<u>\$ (724,255)</u>	<u>\$ -</u>	<u>\$ 24,519,649</u>

	<b>Balance September 30, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance September 30, 2021</b>
<b>Business activities - Water System</b>				
Capital assets not being depreciated:				
Land	\$ 75,070	\$ -	\$ -	\$ 75,070
Construction in progress	-	18,045	-	18,045
Total capital assets not being depreciated	<u>75,070</u>	<u>18,045</u>	<u>-</u>	<u>93,115</u>
Capital assets being depreciated:				
Buildings	139,934	-	(6,152)	133,783
Equipment	839,988	-	-	839,988
System Improvements	17,537,619	6,152	-	17,543,771
Total capital assets being depreciated	<u>18,517,541</u>	<u>6,152</u>	<u>(6,152)</u>	<u>18,517,541</u>
Less accumulated depreciation:				
Buildings	(147,677)	(2,948)	-	(150,627)
System Improvements	(11,079,781)	(386,594)	-	(11,466,375)
Equipment	(945,855)	(18,510)	-	(964,365)
Total accumulated depreciation	<u>(12,173,313)</u>	<u>(408,052)</u>	<u>-</u>	<u>(12,581,367)</u>
Total capital assets being depreciated, net	6,344,228	(401,901)	(6,152)	5,936,174
Water System capital assets, net	<u>\$ 6,419,298</u>	<u>\$ (383,856)</u>	<u>\$ (6,152)</u>	<u>\$ 6,029,290</u>

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	<b>Balance September 30, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance September 30, 2021</b>
<b>Business activities - Sewer System</b>				
Capital assets not being depreciated:				
Land	\$ 218,801	\$ -	\$ (9,000)	\$ 209,801
Construction in progress	4,435,095	1,145,367	-	5,580,462
Total capital assets not being depreciated	<u>4,653,896</u>	<u>1,145,367</u>	<u>(9,000)</u>	<u>5,790,263</u>
Capital assets being depreciated:				
Buildings	151,353	1,120,300	-	1,271,653
Equipment	31,061,288	9,000	(1,120,300)	29,949,989
System Improvements	19,583,593	-	-	19,583,593
Total capital assets being depreciated	<u>50,796,234</u>	<u>1,129,300</u>	<u>(1,120,300)</u>	<u>50,805,234</u>
Less accumulated depreciation:				
Buildings	(103,084)	(37,616)	-	(140,700)
System Improvements	(16,616,163)	(579,289)	-	(17,195,452)
Equipment	(12,498,383)	(885,930)	-	(13,384,313)
Total accumulated depreciation	<u>(29,217,630)</u>	<u>(1,502,835)</u>	<u>-</u>	<u>(30,720,465)</u>
Total capital assets being depreciated, net	<u>21,578,604</u>	<u>(373,535)</u>	<u>(1,120,300)</u>	<u>20,084,769</u>
Sewer System capital assets, net	<u>\$ 26,232,500</u>	<u>\$ 771,832</u>	<u>\$ (1,129,300)</u>	<u>\$ 25,875,031</u>

Sewer System construction in progress consisted primarily of a North Plant sewer main improvement project.

	<b>Balance September 30, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance September 30, 2021</b>
<b>Business activities - Sports Complex</b>				
Capital assets not being depreciated:				
Land	\$ -	\$ 10,505,995	\$ -	\$ 10,505,995
Construction in progress	-	50,668,500	(50,668,500)	-
Total capital assets not being depreciated	<u>-</u>	<u>61,174,495</u>	<u>(50,668,500)</u>	<u>10,505,995</u>
Capital assets being depreciated:				
Building	\$ 11,150	\$ 11,905,693	\$ -	\$ 11,916,843
Improvements	-	16,454,744	-	16,454,744
Equipment	31,697	11,819,378	-	11,851,075
Total capital assets being depreciated	<u>42,847</u>	<u>40,179,815</u>	<u>-</u>	<u>40,222,662</u>
Less accumulated depreciation:				
Buildings	(1,022)	(87,829)	-	(88,851)
Improvements	-	(121,274)	-	(121,274)
Equipment	(3,170)	(87,344)	-	(90,514)
Total accumulated depreciation	<u>(4,192)</u>	<u>(296,447)</u>	<u>-</u>	<u>(300,639)</u>
Total capital assets being depreciated, net	<u>38,655</u>	<u>39,883,368</u>	<u>-</u>	<u>39,922,023</u>
Sports Complex capital assets, net	<u>\$ 38,655</u>	<u>\$ 101,057,864</u>	<u>\$ (50,668,500)</u>	<u>\$ 50,428,019</u>

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	<b>Balance September 30, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance September 30, 2021</b>
<b>Business activities - Telecommunications</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 211,770	\$ 303,373	\$ -	\$ 515,143
Capital assets being depreciated:				
Equipment	3,281,410	152,737	-	3,434,147
Less accumulated depreciation:				
Equipment	(704,900)	(180,499)	-	(885,399)
Total capital assets being depreciated, net	2,576,510	(27,761)	-	2,548,748
Telecommunications capital assets, net	<u>\$ 2,788,280</u>	<u>\$ 275,611</u>	<u>\$ -</u>	<u>\$ 3,063,891</u>

Telecommunications construction in progress consisted of work related to the installation and upgrade of fiber throughout the City.

	<b>Balance September 30, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance September 30, 2021</b>
<b>Business activities - Airport</b>				
Capital assets not being depreciated:				
Land	\$ 941,898	\$ -	\$ -	\$ 941,898
Construction in progress	2,395,498	4,086,041	-	6,481,539
Total capital assets not being depreciated	3,337,396	4,086,041	-	7,423,437
Capital assets being depreciated:				
Buildings	1,094,626	15,592	(14,166)	1,096,051
Runways, aprons, and taxiways	9,354,435	-	(15,592)	9,338,843
Equipment	231,239	-	-	231,239
Total capital assets being depreciated	10,680,300	15,592	(29,758)	10,666,134
Less accumulated depreciation:				
Buildings	(331,172)	(17,503)	14,166	(334,509)
Runways, aprons, and taxiways	(315,965)	(3,693)	-	(319,658)
Equipment	(6,121,797)	(149,134)	-	(6,270,931)
Total accumulated depreciation	(6,768,934)	(170,329)	14,166	(6,925,096)
Total capital assets being depreciated, net	3,911,366	(154,738)	(15,592)	3,741,038
Airport capital assets, net	<u>\$ 7,248,762</u>	<u>\$ 3,931,303</u>	<u>\$ (15,592)</u>	<u>\$ 11,164,474</u>

Airport construction in progress consisted primarily of \$4,000,000 for the runway and taxi extension project and \$2,300,000 for the Highway 146 relocation project.

	<b>Balance September 30, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance September 30, 2021</b>
<b>Business activities - Ambulance</b>				
Capital assets being depreciated:				
Equipment	\$ 1,657,454	\$ 10,343	\$ -	\$ 1,667,797
Less accumulated depreciation:	(1,218,672)	(41,655)	-	(1,260,327)
Ambulance capital assets, net	<u>\$ 438,782</u>	<u>\$ (31,312)</u>	<u>\$ -</u>	<u>\$ 407,470</u>

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	Balance September 30, 2020	Additions	Retirements	Balance September 30, 2021
<b>Total Business-type activities capital assets</b>				
Capital assets not being depreciated:				
Land	\$ 1,863,270	\$ 10,505,995	\$ (9,000)	\$ 12,360,265
Construction in progress	7,042,363	56,327,837	(50,668,500)	12,701,700
Total capital assets not being depreciated	<u>8,905,633</u>	<u>66,833,832</u>	<u>(50,677,500)</u>	<u>25,061,965</u>
Capital assets being depreciated:				
Buildings	8,717,403	13,041,584	(20,318)	21,738,669
Land Improvements	-	16,454,744	-	16,454,744
Runways, aprons, and taxiways	9,354,435	-	(15,592)	9,338,843
Equipment	58,309,274	11,991,459	(1,122,400)	69,178,333
Improvements	84,684,673	530,135	-	85,214,806
Total capital assets being depreciated	<u>161,065,785</u>	<u>42,017,922</u>	<u>(1,158,309)</u>	<u>201,925,396</u>
Less accumulated depreciation:				
Buildings	(3,511,862)	(275,343)	14,166	(3,773,040)
Runways, aprons, and taxiways	(315,965)	(3,693)	-	(319,658)
Equipment	(48,297,310)	(1,738,029)	-	(50,035,339)
Improvements	(49,436,099)	(1,937,501)	2,100	(51,371,500)
Total accumulated depreciation	<u>(101,561,236)</u>	<u>(3,954,566)</u>	<u>16,266</u>	<u>(105,499,536)</u>
Total capital assets being depreciated, net	59,504,549	38,063,355	(1,142,043)	96,425,860
Business-type activities capital assets, net	<u>\$ 68,410,182</u>	<u>\$104,897,187</u>	<u>\$ (51,819,544)</u>	<u>\$ 121,487,825</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 241,981
Public safety	418,545
Public works	1,294,044
Recreation	127,664
Total depreciation expense - governmental activities	<u>\$2,082,233</u>
Business-type activities:	
Electric System	\$1,354,749
Water System	408,052
Sewer System	1,502,835
Sports Complex	296,447
Telecommunications	180,499
Airport	170,329
Ambulance	41,655
Total depreciation expense - business-type activities	<u>\$3,954,566</u>

**CITY OF RUSTON, LOUISIANA**  
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**6. Sales Tax**

The various Sales Tax Funds account for the collection and distribution of City sales and use tax to other funds of the City. Sales tax rates for each fund are as follows:

<u>Fund</u>	<u>Rate</u>
1968 Sales Tax	One-half cent
1985 Sales Tax	Three-quarter cent
1990 Sales Tax	One-half cent
2016 Sales Tax	Three-quarter cent
Ruston EDD#1	One and three-quarter cent
Cooktown EDD	One-half cent

For financial reporting purposes, sales taxes are recorded as revenue in the individual funds which collect the sales tax and are recorded as transfers to and from the operations or projects for which the taxes were levied and as approved for expenditure by ordinance of the Council.

The 1968 Sales Tax is used initially to pay operating expenses incurred in the administration and collection of sales taxes. Certain contributions may be made from these funds. After these payments, the remaining amount is payable to the General Fund.

The 1985 Sales Tax is used initially to pay operating expenses incurred in the administration and collection of sales taxes. Payments are made on a monthly basis to the Ruston Parks and Recreation Fund of up to seven percent of the annual net proceeds for construction, acquiring, improving and/or operating recreation facilities and programs. After these payments, the remaining amount is payable to the General Fund for public works, fire protection, and police protection.

The 1990 Sales Tax is used initially to pay operating expenses incurred in the administration and collection of sales taxes. After these payments, the remaining amount is payable to the General Fund for fire protection and police protection.

The 2016 Sales Tax is used initially to pay operating expenses incurred in the administration and collection of sales taxes. After these payments, the remaining amount is dedicated and used to construct, improve, maintain, and/or repair public streets, related drainage, and facilities for the provision of water and sewer services; for economic development; and to acquire, construct, maintain, operate and/or equip a multi-sports recreation complex, an animal shelter and related property, facilities and utilities.

The Ruston EDD#1 Sales Tax collected in the Ruston Economic Development District #1 is used to retire the debt issuance that will fund the Sports Complex Phase II Capital Projects as well as other economic development projects.

The Cooktown EDD Sales Tax collected in the Cooktown Economic Development District is used to fund the costs of development of the Cooktown Shopping Center.

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**7. Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2021, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Revenue bonds payable	\$ 80,515,000	\$ -	(\$ 3,365,000)	\$ 77,150,000	\$5,720,000
Compensated absences	2,157,885	-	(289,283)	1,868,602	467,151
Net pension liability	29,243,307	-	(12,331,477)	16,911,830	-
Post-employment benefit obligation	13,003,136	1,310,667	(160,566)	14,153,237	-
Total governmental activities	<u>\$ 124,919,382</u>	<u>\$ 1,310,667</u>	<u>(\$ 16,146,326)</u>	<u>\$ 110,083,669</u>	<u>\$6,187,151</u>
Business-type activities:					
Electric System					
Compensated absences	<u>\$ 330,247</u>	<u>\$ -</u>	<u>(\$ 10,883)</u>	<u>\$ 319,364</u>	<u>\$ 79,841</u>
Water System					
DHH revolving loan	\$ 1,318,000	\$ -	(\$ 118,000)	\$ 1,200,000	\$ 121,000
Compensated absences	20,647	-	(4,006)	16,641	4,160
Total Water System	<u>\$ 1,338,647</u>	<u>\$ -</u>	<u>(\$ 122,006)</u>	<u>\$ 1,216,641</u>	<u>\$ 125,160</u>
Sewer System					
Refunding sewer bonds	\$ 7,195,000	\$ -	(\$ 1,200,000)	\$ 5,995,000	\$1,210,000
DEQ revolving loan	3,994,880	987,617	(238,000)	4,744,497	280,000
Compensated absences	145,887	-	(17,625)	128,262	32,065
Total Sewer System	<u>\$ 11,335,767</u>	<u>\$ 987,617</u>	<u>(\$ 1,455,625)</u>	<u>\$ 10,867,758</u>	<u>\$1,522,065</u>
Sports Complex					
Compensated absences	<u>\$ 2,108</u>	<u>\$ 1,283</u>	<u>\$ -</u>	<u>\$ 3,391</u>	<u>\$ 848</u>
Telecommunications					
Compensated absences	<u>\$ 300</u>	<u>\$ -</u>	<u>(\$ 92)</u>	<u>\$ 208</u>	<u>\$ 52</u>
Ambulance					
Compensated absences	<u>\$ 75,094</u>	<u>\$ 87,284</u>	<u>\$ -</u>	<u>\$ 162,378</u>	<u>\$ 40,595</u>
Business-type activities:					
Compensated absences	\$ 574,282	\$ 88,567	(\$ 32,606)	\$ 630,244	\$ 157,561
DHH revolving loan	1,318,000	-	(118,000)	1,200,000	121,000
Refunding sewer bonds	7,195,000	-	(1,200,000)	5,995,000	1,210,000
DEQ revolving loan	3,994,880	987,617	(238,000)	4,744,497	280,000
Total business-type activities	<u>\$ 13,082,162</u>	<u>\$ 1,076,184</u>	<u>(\$ 1,588,606)</u>	<u>\$ 12,569,741</u>	<u>\$1,768,561</u>

**CITY OF RUSTON, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
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Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. For the governmental activities, the balance of compensated absences is generally liquidated by the General Fund.

Bonds payable at September 30, 2021, were comprised of the following issuances:

Governmental activities:

<u>Tax Increment Revenue Bonds</u> - \$34,000,000 – 2017 Sales Tax Increment Revenue Bonds dated April 20, 2017, interest at 3.0% payable in annual installments of \$1,845,000 to \$2,205,000 through September 1, 2033.	\$24,610,000
<u>Sales &amp; Use Tax Revenue Bonds</u> - \$38,995,000 – 2016 Sales & Use Tax Revenue Bonds dated September 13, 2016, interest at 2.00% - 5.00% payable in annual installments of \$1,510,000 to \$2,985,000 through June 1, 2036.	\$32,540,000
<u>Sales &amp; Use Tax Revenue Bonds</u> - \$20,000,000 – 2019 Sales & Use Tax Revenue Bonds dated April 1 2019, interest 3.075% payable in annual installments of \$2,250,000 to \$2,770,000 through December 1, 2028.	\$20,000,000

Business-type activities:

<u>DHH Revolving Loan</u> - \$2,334,000 2009 Water Revenue Bonds dated October 29, 2009, interest at 3.45%, due in annual installments of \$121,000 to \$146,000 through October 1, 2030.	\$1,200,000
<u>Refunding Bonds</u> - \$7,470,000 2020 Utility Refunding Bonds dated August 19, 2020, interest at 1.39%, due in annual installments of \$1,083,000 to \$1,210,000 through October 1, 2026.	\$5,995,000
<u>DEQ Clean Drinking Water Revolving Loan</u> - \$6,000,000 2018 Utility Revenue Bonds dated October 18, 2018, interest at 0.95%, due in annual installments of \$280,000 to \$325,000 through October 1, 2039.	\$4,744,497

The annual requirements to amortize all debt outstanding as of September 30, 2021, including interest requirements were as follows:

Year(s) ending September 30	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2022	\$ 5,720,000	\$ 2,945,706	\$ 1,611,000	\$135,675	\$ 10,412,381
2023	5,915,000	2,741,296	1,589,000	114,464	10,359,760
2024	6,120,000	2,529,338	1,617,000	93,527	10,359,864
2025	6,345,000	2,309,523	1,600,000	72,217	10,326,739
2026-2030	30,905,000	8,035,350	3,581,112	139,853	42,661,315
2031-2035	19,160,000	3,126,550	1,550,000	34,211	23,870,761
2036-2040	2,985,000	149,250	391,385	3,820	3,529,455
	\$77,150,000	\$21,837,013	\$11,939,497	\$593,767	\$111,520,276

**CITY OF RUSTON, LOUISIANA**  
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There are a number of limitations and restrictions contained in the various bond indentures. Management believes that the City is in compliance with all significant limitations and restrictions.

The amount of long-term debt that can be incurred by the City is limited by state statute. State law allows a maximum of 10% of the assessed valuation of bonded debt for any one purpose or 35% of the total assessed value for general purposes. The City assessed property value at December 31, 2021, was \$217,916,714. The maximum debt allowable for any one purpose and total general obligation debt allowable by state law as of December 31, 2021, is \$21,791,671 and \$76,270,850, respectively. The City currently has no general bonded debt outstanding.

**8. Multiple-Employer Cost-Sharing Benefit Plans – Public Employee Retirement Systems**

*Municipal Employees' Retirement System (MERS)*

Plan Description – Substantially all full-time employees, except police and firemen of the City of Ruston, are covered under the Municipal Employees' Retirement System of Louisiana, (the "System") a cost sharing multiple employer public employee retirement system, controlled and administered by the Board of Trustees of the System. The System is mandatory for all employees who are employed on a permanent basis working at least 35 hours per week. Benefits are established by State statutes. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing the Board of Trustees, 7937 Office Park Boulevard., Baton Rouge, Louisiana 70809, or by calling (800) 820-1137.

Funding Policy – State statute requires covered employees to contribute 10.00% of their annual compensation. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The current actuarially determined rate is 29.5% of annual compensation. The City's contributions to the System for the years ended September 30, 2021, 2020, and 2019 were \$2,163,254, \$1,929,397, and \$1,851,265, respectively, equal to the required contribution for each year.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At September 30, 2021, the City reported a liability of \$10,172,124 for its proportionate share of the net pension liability for the MERS plan. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the MERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City's proportion was 3.6571%, which was a decrease of 0.0988% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the City recognized net pension expense of \$1,164,891 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$69,764.



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At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,666	\$ 116,320
Changes in assumptions	371,729	-
Net difference between projected and actual earnings on pension plan investments	-	2,866,010
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	363,647
Employer contributions subsequent to the measurement date	548,446	-
Total	<b>\$923,841</b>	<b>\$3,345,977</b>

The City reported a total of \$548,446 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2021, which will be recognized as a reduction in the net pension liability in the year ended September 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<b>Year</b>	<b>MERS</b>
2022	\$ 612,236
2023	649,313
2024	738,879
2025	970,151
Total	<b>\$2,970,579</b>

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2021 is as follows:

<b>Valuation Date</b>	June 30, 2021
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Expected Remaining Service Lives</b>	3 years
<b>Investment Rate of Return</b>	6.85%, net of investment expense, including inflation
<b>Inflation Rate</b>	2.5%
<b>Projected Salary Increases</b>	1 to 4 years of service - 6.4% (2.5% inflation, 3.9% merit) More than 4 years of service - 4.5% (2.5% inflation, 2.0% merit)

**CITY OF RUSTON, LOUISIANA**  
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<b>Mortality</b>	Pub G-2010(B) - Employee Table for active members
	Pub NS-2010(B) - Disabled Retiree Table for disabled annuitants
	Pub G-2010(B) - Healthy Retiree Table for healthy annuitants
	<i>Each set equal to 120% for males and females, each adjusted using their respective male and female MP 2018 scales</i>
<b>Cost of Living Adjustments</b>	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

<b>MERS</b>	<b>1.0% Decrease</b>	<b>Current Discount Rate</b>	<b>1.0% Increase</b>
Rates	5.85%	6.85%	7.85%
COR Share - NPL	\$15,065,435	\$10,172,124	\$6,039,045

**CITY OF RUSTON, LOUISIANA**  
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*Statewide Firefighter's Retirement System (SFRS)*

Plan Description - The City of Ruston contributes to the Statewide Firefighter's Retirement System of Louisiana, a cost sharing multiple employer defined benefit pension plan administered by the Firefighter's Retirement System. SFRS covers firefighters employed by any municipality, parish, or fire protection district of the State of Louisiana under the provisions of Louisiana Revised Statutes 11:2251 through 2269 effective January 1, 1980. Benefits are established by State statutes. The SFRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing the Board of Trustees, Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809 or by calling (225) 925-4060.

Funding Policy - State statute requires covered employees to contribute 10% of their annual compensation. For the year ended September 30, 2021, The City is required to contribute 32.25% of annual compensation excluding overtime but including State supplemental pay. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to SFRS for the year ended September 30, 2021, 2020, and 2019 was \$811,583, \$653,547, and \$626,153, respectively, equal to the required contribution for the year.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At September 30, 2021, the City reported a liability of \$3,419,916 for its proportionate share of the net pension liability for the FRS plan. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the FRS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City's proportion was 0.9650%, which was a decrease of 0.0419% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the City recognized pension expense of \$336,895 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$25,076.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 48,805	\$ 307,116
Changes of assumptions	741,071	-
Net differences between projected and actual earnings on pension plan investments	-	2,075,405
Changes in proportion and differences between employer contributions and proportionate share of contributions	183,693	271,759
Employer contributions subsequent to the measurement date	217,029	-
<b>Total</b>	<b>\$1,190,598</b>	<b>\$2,654,280</b>

**CITY OF RUSTON, LOUISIANA**  
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The City reported a total of \$217,029 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2021, which will be recognized as a reduction in net pension liability in the year ended September 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year</u>	<u>SFRS</u>
2022	\$ 330,180
2023	357,643
2024	462,695
2025	588,863
2026	(45,707)
2027	<u>(12,963)</u>
Total	<u>\$1,680,711</u>

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2021, is as follows:

<b>Valuation Date</b>	June 30, 2021
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Expected Remaining Service Lives</b>	7 years
<b>Investment Rate of Return</b>	6.90%, net of investment expense, including inflation
<b>Projected Salary Increases</b>	5.20% – 14.10% per year based on years of service
<b>Mortality</b>	Pub-2010 Employee Table for active members Pub-2010 Disabled Lives Mortality Table for disabled annuitants Pub-2010 Healthy Annuitant Table for healthy annuitants
<b>Cost of Living Adjustments</b>	Only those previously granted

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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*Discount Rate*

The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

<b>SFRS</b>	<b>1.0% Decrease</b>	<b>Current Discount Rate</b>	<b>1.0% Increase</b>
Rates	5.9%	6.9%	7.9%
COR Share – NPL	\$6,560,858	\$3,419,916	\$800,405

*Municipal Police Employees' Retirement System (MPERS)*

Plan Description – The City of Ruston contributes to the Municipal Police Employees' Retirement System Pension Plan, a cost sharing multiple employer defined benefit pension plan administered by the Municipal Police Employees' Retirement System. MPERS covers any full-time police officer, empowered to make arrests, employed by any municipality of the State and engaged in law enforcement, earning at least \$375 per month excluding state supplemental pay, or an elected Chief of Police whose salary is at least \$100 per month, and any employee of this system may participate in the MPERS. Benefits are established by State statutes. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing the Board of Trustees of the Municipal Police Employees' Retirement System, 7722 Office Park Boulevard., Suite 200, Baton Rouge, Louisiana 70809 or by calling (800) 443-4248.

Funding Policy – State statute requires plan members to contribute 10% of their annual compensation. For the year ended September 30, 2021, the City was required to contribute 33.75% of annual compensation excluding overtime but including State supplemental pay. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City's contributions to MPERS for the years ended September 30, 2021, 2020, and 2019 were \$627,231, \$649,767, and \$695,315, respectively, equal to the required contribution for each year.

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*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At September 30, 2021, the City reported a liability of \$3,319,790 for its proportionate share of the net pension liability for the MPERS plan. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the MPERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City's proportion was 0.6228%, which was a decrease of 0.0288% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the City recognized pension expense of \$182,216 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$109,217.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 102,239
Changes of assumptions	367,649	94,700
Net differences between projected and actual earnings on pension plan investments	-	1,550,080
Change in proportion and differences between employer contributions and proportionate share of contributions	-	468,586
Employer contributions subsequent to the measurement date	143,221	-
<b>Total</b>	<b>\$510,870</b>	<b>\$2,215,605</b>

The City reported a total of \$143,221 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2021, which will be recognized as a reduction in the net pension liability in the year ended September 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<b>Year</b>	<b>MPERS</b>
2022	\$ 507,156
2023	449,645
2024	357,115
2025	534,040
<b>Total</b>	<b>\$1,847,956</b>

**CITY OF RUSTON, LOUISIANA**  
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*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2021, is as follows:

<b>Valuation Date</b>	June 30, 2021
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Expected Remaining Service Lives</b>	4 years
<b>Investment Rate of Return</b>	6.750%, net of investment expense
<b>Inflation Rate</b>	2.50%
<b>Projected Salary Increases</b>	4.70% - 12.30% based on years of service
<b>Mortality</b>	Pub-2010 Public Retirement Plan Mortality Table for active members Pub-2010 Public Retirement Plan Mortality Table for disabled annuitants Pub-2010 Public Retirement Plan Mortality Table for healthy annuitants

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following table presents the City's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the

**CITY OF RUSTON, LOUISIANA**  
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Retirement Systems:

<b>MPERS</b>	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1.0% Increase</b>
Rates	5.75%	6.75%	7.75%
COR Share – NPL	\$5,785,869	\$3,319,790	\$1,261,446

**9. Other Required Individual Fund Disclosures**

**a. Interfund Receivables and Payables**

Interfund balances at September 30, 2021, were as follows:

DUE TO OTHER FUNDS													
DUE FROM OTHER FUNDS	General Fund	Sales Tax Funds	I-20 TID Fund	Moving Ruston Forward	Sports Complex Phase II	Nonmajor Gov Funds	Electric System	Water System	Sewer System	Sports Complex	Nonmajor Enterprise Funds	Internal Service Funds	Total
General Fund	\$ -	\$ 334,956	\$1,152,137	\$ 813,626	\$ 179,851	\$ 21,574	\$ -	\$2,661,043	\$2,356,305	\$832,284	\$1,939,593	\$ 17,866	\$10,309,235
Sales Tax Funds	-	2,171,355	-	1,447,432	-	-	-	-	-	-	-	-	3,618,786
I-20 TID Fund	204,758	-	-	817,380	-	4,424	-	-	-	-	17,469	-	1,044,031
Moving Ruston Forward	12,170	-	-	-	-	124,290	-	-	-	-	-	-	136,460
Sports Complex Phase II	-	-	-	4,085,092	-	-	-	-	-	-	-	-	4,085,092
Nonmajor Gov Funds	1,141,711	33,977	-	-	-	6,490	171,745	5,287	375,000	-	-	-	1,734,210
Electric System	2,796,521	-	389,223	480,130	300,000	149,763	-	-	-	135,346	3,869,359	537,820	8,658,160
Water System	15,196	-	2,003	1,835	-	-	9,054,694	-	-	-	-	-	9,073,728
Sewer System	4,418	-	781,062	506	-	-	8,062,419	19,745	-	-	-	-	8,848,150
Sports Complex	288	-	-	-	-	19,000	-	16,170	-	-	-	-	35,458
Nonmajor Enterprise Funds	12,115	-	123,883	35,000	-	12,029	-	128,441	175,000	-	487,539	-	974,008
Internal Service Funds	924,746	-	-	-	-	45,707	-	43,458	72,306	11,560	169,240	8,556	1,275,572
	<b>\$5,111,922</b>	<b>\$2,540,287</b>	<b>\$2,448,308</b>	<b>\$7,681,001</b>	<b>\$ 479,851</b>	<b>\$ 383,276</b>	<b>\$17,288,858</b>	<b>\$2,874,143</b>	<b>\$2,978,611</b>	<b>\$979,189</b>	<b>\$6,483,201</b>	<b>\$ 564,242</b>	<b>\$49,812,891</b>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**b. Interfund Transfers**

Transfers for the year ended September 30, 2021, were as follows:

TRANSFERS OUT									
TRANSFERS IN	General Fund	Sales Tax Funds	Moving Ruston Forward	Nonmajor Gov Funds	Electric System	Water System	Sewer System	Nonmajor Enterprise Funds	Total
General Fund	\$ -	\$12,867,227	\$ -	\$ 27,147	\$4,980,583	\$ 622,136	\$ 345,000	\$ 440,000	\$19,282,093
I-20 TID	3,504	-	-	-	41,548	-	-	-	45,052
Nonmajor Governmental	40,000	397,955	-	-	250,463	1,340	-	60,000	749,758
Water System	310,000	-	-	-	1,195,000	-	-	15,000	1,520,000
Sewer System	753,000	-	-	-	2,385,000	-	-	15,000	3,153,000
Sports Complex	1,157,000	-	87,220	-	358,472	2,446	-	5,000	1,610,138
Nonmajor Enterprise Funds	-	-	-	-	228,985	210	-	-	229,195
Internal Service Funds	15,000	-	-	-	157,500	-	-	-	172,500
Total transfers	<b>\$2,278,504</b>	<b>\$13,265,182</b>	<b>\$ 87,220</b>	<b>\$ 27,147</b>	<b>\$9,597,551</b>	<b>\$ 626,132</b>	<b>\$ 345,000</b>	<b>\$ 535,000</b>	<b>\$26,761,736</b>



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Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenue collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) pay the General Fund in lieu of property and sales taxes and services performed by other departments.

**c. On Behalf Payments**

The City makes certain payments on behalf of the Ruston City Judge and the Ruston City Marshal as part of normal operations and considered in the annual budget process. The on behalf of payments are shown in detail below:

Payee	Amount
Salaries and Employee Benefits	
Ruston City Judge	\$461,601
Ruston City Marshal	276,391
Total On Behalf Payments	\$737,992

**10. Federal and State Financial Assistance**

Federal and State governmental units represent an important source of supplementary funding to finance housing, employment, construction programs, and other activities beneficial to the community. These funds, primarily in the form of grants, are recorded in the General, Special Revenue, and Enterprise Funds. A grant receivable is recorded when the City has a right to reimbursement under the related grant. The grants normally specify the purpose for which the funds may be used and are audited annually under the single audit as mandated by the Single Audit Act of 1996 and *Title 2 U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

**11. Postemployment Health Care and Life Insurance Benefits**

*General Information about the OPEB Plan*

Plan description – The City of Ruston (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of Ruston's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided – Medical benefits are provided through a self-insured medical plan and are made available to employees upon actual retirement. The employees are covered by one of

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three retirement systems: first, the Municipal Employees' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service; second, the Municipal Police Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service; and, third, the Firefighters' Retirement System of Louisiana, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service.

Life insurance coverage in varying amounts is provided to retirees based on a blended rate (for all retired combined). Retiree insurance coverage amounts are \$20,000, reduced to \$10,000 at age 70 and to \$1,000 at age 75.

Employees covered by benefit terms – At September 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	65
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>245</u>
Total	<u><u>310</u></u>

*Total OPEB Liability*

The City's total OPEB liability of \$14,153,237 was measured as of September 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<b>Inflation Rate</b>	2.5%
<b>Salary Increases</b>	4.0%, including inflation
<b>Prior Discount Rate</b>	2.21%
<b>Discount Rate</b>	2.15%, net of OPEB plan investment expense, including inflation
<b>Healthcare Cost Trend Rates</b>	5.5% annually for 10 years, 4.5% thereafter
<b>Mortality</b>	SOA RP-2000 Table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of September 30, 2021, the end of the applicable measurement period.

The actuarial assumptions used in the September 30, 2021 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2009 to September 30, 2021.

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*Changes in the Total OPEB Liability*

Balance at September 30, 2020	<u>\$13,003,136</u>
Changes for the year:	
Service cost	301,702
Interest	285,595
Difference between expected and actual experience	417,717
Change in assumptions	305,653
Benefit payments and net transfers	<u>(160,566)</u>
Net changes	<u>1,150,101</u>
Balance at September 30, 2021	<u>\$14,153,237</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.15%) or 1-percentage-point higher (3.15%) than the current discount rate:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Rates	1.15%	2.15%	3.15%
Total OPEB liability	\$17,104,941	\$14,153,237	\$11,874,902

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	<u>1.0% Decrease</u>	<u>Current Healthcare Cost Trend</u>	<u>1.0% Increase</u>
Rates	4.5%	5.5%	6.5%
Total OPEB liability	\$12,161,493	\$14,153,237	\$16,757,085

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended September 30, 2021, the City recognized OPEB expense of (\$590,491). At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 575,815	(\$3,133,547)
Changes in assumptions	4,064,014	(4,806,246)
Total	<u>\$4,639,829</u>	<u>(\$7,939,793)</u>

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Years ending September 30:</b>	
2022	(\$1,167,788)
2023	(1,167,788)
2024	(1,167,788)
2025	(1,167,788)
2026	326,799
Thereafter	1,028,397

**Schedule of Changes in Net OPEB Liability and Related Ratios  
For the Year Ended September 30, 2021**

<b>Total OPEB Liability</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Service cost	\$ 221,500	\$ 220,421	\$ 301,702
Interest	665,023	590,701	285,595
Changes of benefit terms	-	-	-
Differences between expected and actual experience	332,256	(4,408,039)	417,717
Changes of assumptions	5,251,800	(5,523,531)	305,653
Benefit payments	(180,342)	(166,476)	(160,566)
<b>Net change in total OPEB liability</b>	<u>6,290,237</u>	<u>(9,286,924)</u>	<u>1,150,101</u>
<b>Total OPEB liability - beginning</b>	15,999,823	22,290,060	13,003,136
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 22,290,060</u></u>	<u><u>\$ 13,003,136</u></u>	<u><u>\$ 14,153,237</u></u>
Covered-employee payroll	\$ 11,150,370	\$ 10,817,631	\$ 11,250,336
Net OPEB liability as a percentage of covered-employee payroll	199.90%	120.20%	125.80%
<b>Notes to Schedule:</b>			
Benefit Change:	None	None	None
Changes of Assumptions:			
Discount Rate:	2.66%	2.21%	2.15%
Mortality:	RP-2000	RP-2000	RP-2000
Trend:	5.5%	Variable	Variable

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**12. Adjustments to Net Position**

During fiscal year 2021, certain accounting adjustments were made that required the restatement of net position of the Sports Complex Fund. The restatement is presented below:

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<b>Net Position for Current Year</b>	<b>Sports Complex (Enterprise Fund)</b>
Net Position, October 1, 2020	(\$ 886,390)
Current Year Restatement	50,581,280
Net Position, October 1, 2020 as Restated	\$49,694,890

The restatement of \$50,581,280 in General Fixed Asset Account Group is to properly reflect assets constructed within General Government but transferred to Sports Complex Fund upon completion.

**13. Commitments and Contingencies**

**a. Construction Projects**

There are certain construction projects in progress at September 30, 2021. The City issued \$34,000,000 of Sales Tax Increment Revenue Bonds in 2017 for the purpose of providing engineering and construction expenditures related to I-20 Service Road projects. The City also issued \$38,995,000 of Sales and Use Tax Revenue Bonds in 2016 for the purpose of providing infrastructure improvements City wide. In 2019, the City issued \$20,000,000 in Sales Tax Revenue Bonds to fund the construction of Sports Complex Phase II capital projects. From these debt issuances, current year revenue and fund balances, the City has spent \$28,954,658 for I-20 Infrastructure projects; \$14,406,863 for Sports Complex projects; \$10,866,769 for streets and bridge projects; and \$6,967,762 for water system improvements included in construction in progress.

**b. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance for risks related to (1) Public Official Errors and Omissions Liability, (2) General Liability, (3) Business Auto Liability, (4) Law Enforcement Professional Liability, and (5) Fire and Extended coverage. Settled claims resulting from these risks did not exceed commercial insurance coverage in the current year. The General Liability and Business Auto Liability are subject to a \$1,000,000 per occurrence limit. The Public Official Errors and Omissions Liability and Law Enforcement Professional Liability are subject to a \$1,000,000 per occurrence limit with a \$100,000 deductible. The City maintained property insurance during the year on approximately \$54 million in City property, subject to a \$100,000 per occurrence retention for property claims. The property insurance is with Atlantic Specialty Insurance Company.

**c. Worker's Compensation**

The City established a limited risk management program for worker's compensation in 1988. Premiums are paid into the Workmen's Compensation Self-Insurance Fund by other funds and are available to pay claims, claim reserves, and administrative costs of the program. An excess coverage insurance policy covers individual claims in excess of \$175,000. Reported and an estimate of incurred, but not reported claims of \$145,939 have been accrued as a liability based upon the service company's loss reserve report. Interfund premiums are based upon the approximate premium. Payments to the worker's compensation fund are accounted for as an expenditure/expense of the paying fund. The Workmen's Compensation Self-Insurance Fund has a net position of \$678,268 at

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September 30, 2021. There was no increase in insurance coverage from the prior year. No claims exceeded the City's insurance coverage for each of the past five fiscal years.

**d. General Self-Insurance**

The City established a limited risk management program for employee medical coverage in 1988. Amounts paid into the General Self-Insurance Fund stem from employee contributions, payments by retired employees, and payments by other funds, and are available to pay claims, claim reserves and administrative costs of the program. During the year ended September 30, 2021, a total of \$4,997,020 was paid in benefits and administrative costs. The insurance fund has a net position of \$960,140 at September 30, 2021. An excess coverage co-insurance policy covers individual claims in excess of \$75,000 per calendar year. Incurred but not reported claims of \$260,916 have been accrued as a liability based upon information provided by the claims' administrators. Interfund payments are based on total operating expenses minus employee contributions and payments by retired employees. Payments to the Health Insurance Fund are accounted for as an expenditure/expense of the paying fund. There were no reductions in insurance coverage from the prior year. No claims exceeded the City's insurance coverage for each of the past four fiscal years.

A reconciliation of changes in the aggregate liabilities for claims for the self-insurance funds is as follows:

	<b>Accrued Claims October 1</b>	<b>Claims Incurred</b>	<b>Claims Paid</b>	<b>Accrued Claims September 30</b>
Worker's Compensation				
2021	\$146,283	\$ 407,018	(\$ 407,362)	\$145,939
2020	160,136	92,777	(106,630)	146,283
Health Insurance				
2021	506,875	2,170,859	(2,938,650)	260,916
2020	266,921	2,819,635	(2,579,681)	506,875

**e. Litigation**

The City is defendant in several lawsuits in which the outcome is uncertain at the present time. In the opinion of the City Attorney, the City's ultimate exposure will not have a material adverse effect on the financial condition of the City. The City believes that adequate provision has been made for any amounts not covered by insurance should the Court find in favor of the plaintiffs.

**f. Grant Disallowances**

The City participates in federally assisted grant programs. These programs are subject to program compliance audits under the Single Audit Act. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. City management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

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NOTES TO FINANCIAL STATEMENTS  
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**g. Revenues from the State of Louisiana**

The General Fund receives various revenues from the State of Louisiana. The continuation of these revenues at these amounts is contingent on a variety of factors at the state level.

**h. COVID-19**

The COVID-19 pandemic had financial impacts on fiscal year 2021 and the economic impacts will potentially continue for several more fiscal years. Many of these policies have impacted the City's revenue sources such as sales tax and revenue. For additional information on the COVID-19 impacts, refer to the MD&A. The recovery of the local economy and the return of City revenues to pre-COVID levels will depend on many factors that are still unknown.

The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021 providing additional financial relief to the effects of the COVID-19 pandemic. During the fiscal year, the City received \$4,041,377 of ARPA funds reflected as General Fund Deferred Revenue on the Balance Sheet. These funds may be used to cover qualifying costs obligated between March 31, 2021 and December 31, 2024 and expended by December 31, 2026.

**14. Leases**

The City has commitments under several operating lease agreements for equipment.

On June 21, 2017, the City of Ruston agreed to lease equipment from Southland Paclease for the sum of \$4,143 payable monthly on the 21<sup>st</sup> day of each month for 60 consecutive months. The lease term commenced on June 21, 2017, and will end on July 21, 2022. Annual lease payments totaled \$49,711 for the current fiscal year.

On January 9, 2018, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$6,648 payable monthly on the 26<sup>th</sup> day of each month for 36 consecutive months with a 37<sup>th</sup> final payment of \$203,392. The lease term commenced on January 26, 2018, and ended on April 23, 2021. Annual lease payments totaled \$39,887 for the current fiscal year.

On January 12, 2018, the City of Ruston agreed to lease equipment from Southland Paclease for the sum of \$4,241 payable monthly on the 12<sup>th</sup> day of each month for 60 consecutive months. The lease term commenced on January 12, 2018, and will end on February 12, 2023. Annual lease payments totaled \$50,891 for the current fiscal year.

On February 13, 2019, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$11,215 payable monthly on the 27<sup>th</sup> day of each month for 36 consecutive months with a 37<sup>th</sup> final payment of \$340,560. The lease term commenced on February 27, 2019, and will end on March 27, 2022. Annual lease payments total \$134,580 for the current fiscal year.

On February 28, 2019, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$4,967 payable monthly on the 5<sup>th</sup> day of each month for 48 consecutive months with a 49<sup>th</sup> final payment of \$70,000. The lease term commenced on

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April 5, 2019, and will end on May 5, 2023. Annual lease payments total \$59,607 for the current fiscal year.

On April 26, 2019, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$8,792 payable monthly on the 21<sup>st</sup> day of each month for 36 consecutive months with a 37<sup>th</sup> final payment of \$267,020. The lease term commenced on March 21, 2019, and will end on April 21, 2022. Annual lease payments total \$105,500 for the current fiscal year.

On August 5, 2020, the City of Ruston agreed to lease equipment from Jim Taylor Ford for the sum of \$250 payable monthly on the 5<sup>th</sup> day of each month for 12 consecutive months. The lease term commenced on August 5, 2020, and ended on August 5, 2021. Annual lease payments totaled \$3,000 for the current fiscal year. This lease was renewed under the same terms on September 23, 2021 and will now expire September 22, 2022.

On February 19, 2020, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$2,849 payable monthly on the 26<sup>th</sup> day of each month for 48 consecutive months with a 49<sup>th</sup> final payment of \$34,875. The lease term commenced on February 20, 2020, and will end on March 20, 2024. Annual lease payments totaled \$28,486 for the current fiscal year.

On February 1, 2021, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$8,286 payable monthly on the 29<sup>th</sup> day of each month for 36 consecutive months with a 37<sup>th</sup> final payment of \$319,954. The lease term commenced on February 1, 2021 and will end on May 29, 2024. Annual lease payments totaled \$41,430 for the current fiscal year.

On October 1, 2020 the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$2,896 payable monthly on the 23<sup>rd</sup> day of each month for 48 consecutive months with a 49<sup>th</sup> final payment of \$35,250. The lease term commenced on September 23, 2020 and will end on October 23, 2024. Annual lease payments totaled \$34,746 for the current fiscal year.

On September 3, 2020, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$2,062 payable monthly on the 3<sup>rd</sup> day of each month for 36 consecutive months with a 37<sup>th</sup> final payment of \$62,535. The lease term commenced on September 3, 2020 and will end on October 3, 2023. Annual lease payments totaled \$24,738 for the current fiscal year.

On July 21, 2021, the City of Ruston agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$5,433 payable monthly on the 21<sup>st</sup> day of each month for 36 consecutive months with a 37<sup>th</sup> final payment of \$130,000. The lease term commenced on July 21, 2021 and will end on August 21, 2024. Annual lease payments totaled \$21,733 for the current fiscal year.

The City also has an open-end lease with Enterprise FM Trust for passenger vehicles for various departments for the sum of \$25,513 payable monthly on the 20<sup>th</sup> day of each month for terms varying from 48 to 60 consecutive months. The lease terms commenced on March 13, 2020 and will end on February 13, 2025. Annual lease payments totaled \$306,450.



**CITY OF RUSTON, LOUISIANA**  
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Future minimum lease payments to be paid are:

<u>Year ending</u> <u>September 30,</u>	
2022	\$1,455,796
2023	675,446
2024	890,674
2025	142,455
Total	<u>\$3,164,371</u>

**14. Compensation Paid to Members of the Board of Aldermen**

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following schedule reflects compensation paid to members of the Board of Aldermen, City of Ruston for the fiscal year ended September 30, 2021:

Carolyn E. Cage	\$12,463
Jedd B. Lewis	10,155
Melanie Lewis	2,308
Angela R. Mayfield	12,463
Jim C. Pearce	12,463
Bruce E. Siegmund	12,463

**15. Subsequent Events**

The City has evaluated events subsequent to September 30, 2021 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through March 31, 2022. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or disclosure in the financial statements.

# REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF RUSTON, LOUISIANA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2021**  
(unaudited)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>
				<b>Favorable</b>
				<b>(Unfavorable)</b>
<b>REVENUES</b>				
Taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,132,461	\$ 32,461
Licenses and permits	1,472,000	1,472,000	1,225,219	(246,781)
Intergovernmental	5,770,527	2,770,527	2,424,740	(345,787)
Charges for services	2,990,000	2,990,000	1,685,485	(1,304,515)
Fines and forfeitures	350,000	350,000	278,352	(71,648)
Investment earnings	15,000	15,000	12,333	(2,667)
Miscellaneous	425,050	425,050	196,224	(228,826)
Grants	450,000	450,000	48,572	(401,428)
Total revenues	<u>12,572,577</u>	<u>9,572,577</u>	<u>7,003,387</u>	<u>(2,569,191)</u>
<b>EXPENDITURES</b>				
General government:				
Executive:				
Regular salaries	703,342	703,342	757,989	(54,647)
Overtime salaries	1,000	1,000	208	792
Other employee benefits	429,566	429,566	427,063	2,503
Total salaries, wages, and employee benefits	<u>1,133,908</u>	<u>1,133,908</u>	<u>1,185,260</u>	<u>(51,352)</u>
Operating services	1,512,200	1,512,200	1,662,985	(150,785)
Materials and supplies	164,250	164,250	155,643	8,607
Travel and other	15,000	15,000	2,313	12,687
Total Executive	<u>2,825,358</u>	<u>2,825,358</u>	<u>3,006,201</u>	<u>(180,843)</u>
Information Technology:				
Regular salaries	145,571	145,571	204,453	(58,882)
Overtime salaries	2,000	2,000	2,619	(619)
Other employee benefits	67,001	67,001	92,867	(25,866)
Total salaries, wages, and employee benefits	<u>214,572</u>	<u>214,572</u>	<u>299,939</u>	<u>(85,367)</u>
Operating services	307,300	307,300	371,134	(63,834)
Materials and supplies	16,000	16,000	12,180	3,820
Travel and other	8,000	8,000	3,244	4,756
Improvements and equipment	64,000	64,000	8,120	55,880
Total Information Technology	<u>609,872</u>	<u>609,872</u>	<u>694,617</u>	<u>(84,745)</u>
Economic Development:				
Regular salaries	109,135	109,135	96,861	12,274
Other employee benefits	41,405	41,405	31,364	10,041
Total salaries, wages, and employee benefits	<u>150,540</u>	<u>150,540</u>	<u>128,225</u>	<u>22,315</u>
Operating services	50,100	50,100	101,766	(51,666)
Materials and supplies	2,500	2,500	1,882	618
Travel and other	10,000	10,000	169	9,831
Total Economic Development	<u>213,140</u>	<u>213,140</u>	<u>232,042</u>	<u>(18,902)</u>
Military Museum				
Regular salaries	21,057	21,057	30,073	(9,016)
Other employee benefits	20,566	20,566	17,873	2,693
Total salaries, wages, and employee benefits	<u>41,623</u>	<u>41,623</u>	<u>47,946</u>	<u>(6,323)</u>
Operating services	1,600	1,600	6,396	(4,796)
Total Military Museum	<u>43,223</u>	<u>43,223</u>	<u>68,092</u>	<u>(24,869)</u>

**CITY OF RUSTON, LOUISIANA**  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2021  
(unaudited)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>
				<b>Favorable</b>
				<b>(Unfavorable)</b>
City Hall/Civic Center:				
Regular salaries	\$ 82,424	\$ 82,424	\$ 86,246	\$ (3,822)
Overtime salaries	10,000	10,000	4,721	5,279
Contract labor	25,000	25,000	32,286	(7,286)
Other employee benefits	39,583	39,583	36,427	3,156
Total salaries, wages, and employee benefits	<u>157,007</u>	<u>157,007</u>	<u>159,680</u>	<u>(2,673)</u>
Operating services	307,500	307,500	200,617	106,883
Materials and supplies	20,800	20,800	17,749	3,051
Travel and other	-	-	682	(682)
Improvements and equipment	17,000	17,000	8,426	8,574
Total City Hall/Civic Center	<u>502,307</u>	<u>502,307</u>	<u>387,154</u>	<u>115,153</u>
Planning, Zoning and Inspection				
Regular salaries	457,353	457,353	454,597	2,756
Overtime salaries	1,000	1,000	633	367
Other employee benefits	245,386	245,386	256,898	(11,512)
Total salaries, wages, and employee benefits	<u>703,739</u>	<u>703,739</u>	<u>712,128</u>	<u>(8,389)</u>
Operating services	403,900	403,900	31,700	372,200
Materials and supplies	40,000	40,000	33,034	6,966
Travel and other	3,000	3,000	1,164	1,836
Total Planning, Zoning and Inspection	<u>1,150,639</u>	<u>1,150,639</u>	<u>778,026</u>	<u>372,613</u>
Total General Government	<u>5,344,539</u>	<u>5,344,539</u>	<u>5,166,132</u>	<u>178,407</u>
Public Safety:				
Police:				
Regular salaries	2,184,415	2,184,415	2,367,864	(183,449)
Overtime salaries	220,000	220,000	219,983	17
Other employee benefits	1,641,850	1,641,850	1,362,891	278,959
Total salaries, wages, and employee benefits	<u>4,046,265</u>	<u>4,046,265</u>	<u>3,950,738</u>	<u>95,527</u>
Operating services	433,500	433,500	433,559	(59)
Materials and supplies	219,000	219,000	185,473	33,527
Travel and other	82,000	82,000	41,913	40,087
Improvements and equipment	40,000	40,000	14,765	25,235
Total Police	<u>4,820,765</u>	<u>4,820,765</u>	<u>4,626,448</u>	<u>194,317</u>
Fire:				
Regular salaries	2,054,551	2,054,551	1,957,299	97,252
Overtime salaries	360,000	360,000	228,411	131,589
Other employee benefits	1,644,377	1,644,377	1,420,245	224,132
Total salaries, wages, and employee benefits	<u>4,058,928</u>	<u>4,058,928</u>	<u>3,605,955</u>	<u>452,973</u>
Operating services	322,650	322,650	304,828	17,822
Materials and supplies	145,500	145,500	112,489	33,011
Travel and other	40,000	40,000	39,097	903
Improvements and equipment	1,050,000	1,050,000	25,901	1,024,099
Total Fire	<u>5,617,078</u>	<u>5,617,078</u>	<u>4,088,270</u>	<u>1,528,808</u>
Total Public Safety	<u>10,437,843</u>	<u>10,437,843</u>	<u>8,714,718</u>	<u>1,723,125</u>

**CITY OF RUSTON, LOUISIANA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2021**  
(unaudited)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>
				<b>Favorable</b>
				<b>(Unfavorable)</b>
<b>Public Works:</b>				
<b>Administration:</b>				
Regular salaries	\$ 330,079	\$ 330,079	\$ 317,231	\$ 12,848
Overtime salaries	-	-	501	(501)
Other employee benefits	154,439	154,439	155,870	(1,431)
Total salaries, wages, and employee benefits	484,518	484,518	473,602	10,916
Operating services	106,200	106,200	102,713	3,487
Materials and supplies	19,500	19,500	12,799	6,701
Travel and other	2,500	2,500	3,649	(1,149)
Total Administration	612,718	612,718	616,763	(4,045)
<b>Streets:</b>				
Regular salaries	622,414	622,414	697,311	(74,897)
Overtime salaries	30,000	30,000	19,015	10,985
Contract labor	25,000	25,000	103,705	(78,705)
Other employee benefits	463,959	463,959	473,726	(9,767)
Total salaries, wages, and employee benefits	1,141,373	1,141,373	1,293,757	(152,384)
Operating services	971,000	971,000	1,030,833	(59,833)
Materials and supplies	147,000	147,000	104,222	42,778
Travel and other	1,000	1,000	1,572	(572)
Improvements and equipment	3,460,000	3,460,000	858,532	2,601,468
Total Streets	5,720,373	5,720,373	3,288,916	2,431,457
<b>Solid Waste:</b>				
Regular salaries	639,355	639,355	544,115	95,240
Overtime salaries	60,000	60,000	96,447	(36,447)
Contract labor	30,000	30,000	58,004	(28,004)
Other employee benefits	495,736	495,736	350,599	145,137
Total salaries, wages, and employee benefits	1,225,091	1,225,091	1,049,165	175,926
Operating services	788,000	788,000	738,388	49,612
Materials and supplies	208,000	208,000	210,171	(2,171)
Total Solid Waste	2,221,091	2,221,091	1,998,051	223,040
<b>Repair Shop:</b>				
Regular salaries	287,837	287,837	306,319	(18,482)
Overtime salaries	3,000	3,000	22,035	(19,035)
Other employee benefits	165,719	165,719	168,141	(2,422)
Total salaries, wages, and employee benefits	456,557	456,556	496,495	(39,939)
Operating services	56,900	56,900	35,816	21,084
Materials and supplies	28,000	28,000	26,234	1,766
Travel and other	1,500	1,500	1,500	-
Total Repair Shop	542,957	542,957	560,045	(17,089)
<b>Animal Control:</b>				
Regular salaries	118,491	118,491	109,272	9,219
Overtime salaries	5,000	5,000	5,896	(896)
Other employee benefits	71,174	71,174	72,072	(898)
Total salaries, wages, and employee benefits	194,665	194,665	187,240	7,425
Operating services	35,900	35,900	34,281	1,619
Materials and supplies	17,500	17,500	14,846	2,654
Travel and other	2,000	2,000	1,288	712
Improvements and equipment	750,000	750,000	-	750,000
Total Animal Control	1,000,065	1,000,065	237,655	762,410

**CITY OF RUSTON, LOUISIANA**  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2021  
(unaudited)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
Geographic Information System (GIS)				
Regular salaries	-	-	1,447	(1,447)
Total salaries, wages, and employee benefits	-	-	1,447	(1,447)
Total GIS	-	-	1,447	(1,447)
Total Public Works	10,097,204	10,097,204	6,702,877	3,394,326
Ruston City Court	340,391	340,391	329,050	11,341
Probation	126,904	126,904	132,551	(5,647)
Ruston City Marshal	252,476	277,476	276,392	1,084
Total expenditures	26,599,359	26,624,359	21,321,722	5,302,638
Excess (deficiency) of revenues over (under) expenditures	(14,026,782)	(17,051,782)	(14,318,335)	2,733,447
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of land	-	-	1,069,524	1,069,524
Transfers in	14,000,500	17,110,500	19,282,093	2,171,593
Transfers (out)	(105,000)	(105,000)	(2,278,504)	(2,173,504)
Total other financing sources (uses)	13,895,500	17,005,500	18,073,113	1,067,613
Net change in fund balance	(131,282)	(46,282)	3,754,778	3,801,060
Fund balances - beginning	7,655,234	7,655,234	7,655,234	-
Fund balances - ending	<u>\$ 7,523,952</u>	<u>\$ 7,608,952</u>	<u>\$ 11,410,012</u>	<u>\$ 3,801,060</u>

**CITY OF RUSTON, LOUISIANA**  
1968 SALES TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2021  
(unaudited)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 3,125,000	\$ 3,125,000	\$ 3,821,165	\$ 696,165
Investment earnings	500	500	9	(491)
Total revenues	<u>3,125,500</u>	<u>3,125,500</u>	<u>3,821,174</u>	<u>695,674</u>
<b>EXPENDITURES</b>				
Collection and administrative	11,000	11,000	1,307	9,693
Total expenditures	<u>11,000</u>	<u>11,000</u>	<u>1,307</u>	<u>9,693</u>
Excess of revenues over expenditures	3,114,500	3,114,500	3,819,867	705,367
<b>OTHER FINANCING (USES)</b>				
Transfers (out)	(3,114,500)	(3,789,500)	(3,790,052)	(552)
Total other financing (uses)	<u>(3,114,500)</u>	<u>(3,789,500)</u>	<u>(3,790,052)</u>	<u>(552)</u>
Net change in fund balance	-	(675,000)	29,815	704,815
Fund balances - beginning	<u>358,675</u>	<u>358,675</u>	<u>358,675</u>	<u>-</u>
Fund balances - ending	<u>\$ 358,675</u>	<u>\$ (316,325)</u>	<u>\$ 388,490</u>	<u>\$ 704,815</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

**CITY OF RUSTON, LOUISIANA**  
 1985 SALES TAX FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 YEAR ENDED SEPTEMBER 30, 2021  
 (unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 4,375,000	\$ 4,375,000	\$ 5,731,748	\$ 1,356,748
Total revenues	<u>4,375,000</u>	<u>4,375,000</u>	<u>5,731,748</u>	<u>1,356,748</u>
<b>EXPENDITURES</b>				
Collection and administrative	1,000	1,100	1,086	14
Total expenditures	<u>1,000</u>	<u>1,100</u>	<u>1,086</u>	<u>14</u>
Excess of revenues over expenditures	4,374,000	4,373,900	5,730,662	1,356,762
<b>OTHER FINANCING (USES)</b>				
Transfers (out)	(4,374,000)	(5,699,000)	(5,685,078)	13,922
Total other financing (uses)	<u>(4,374,000)</u>	<u>(5,699,000)</u>	<u>(5,685,078)</u>	<u>13,922</u>
Net change in fund balance	-	(1,325,100)	45,584	1,370,684
Fund balances - beginning	<u>(67,561)</u>	<u>(67,561)</u>	<u>(67,561)</u>	<u>-</u>
Fund balances - ending	<u>\$ (67,561)</u>	<u>\$ (1,392,661)</u>	<u>\$ (21,977)</u>	<u>\$ 1,370,684</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.



**CITY OF RUSTON, LOUISIANA**  
**1990 SALES TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2021**  
(unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 3,125,000	\$ 3,125,000	\$ 3,821,165	\$ 696,165
Total revenues	<u>3,125,000</u>	<u>3,125,000</u>	<u>3,821,165</u>	<u>696,165</u>
<b>EXPENDITURES</b>				
Collection and administrative	1,000	1,100	1,086	14
Total expenditures	<u>1,000</u>	<u>1,100</u>	<u>1,086</u>	<u>14</u>
Excess of revenues over expenditures	3,124,000	3,123,900	3,820,079	696,179
<b>OTHER FINANCING (USES)</b>				
Transfers (out)	(3,124,000)	(3,794,000)	(3,790,052)	3,948
Total other financing (uses)	<u>(3,124,000)</u>	<u>(3,794,000)</u>	<u>(3,790,052)</u>	<u>3,948</u>
Net change in fund balance	-	(670,100)	30,027	700,127
Fund balances - beginning	<u>854,561</u>	<u>854,561</u>	<u>854,561</u>	<u>-</u>
Fund balances - ending	<u>\$ 854,561</u>	<u>\$ 184,461</u>	<u>\$ 884,588</u>	<u>\$ 700,127</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

**CITY OF RUSTON, LOUISIANA**  
2016 SALES TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2021  
(unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 4,700,000	\$ 4,700,000	\$ 5,731,748	\$ 1,031,748
Investment earnings	2,000	2,000	1,554	(446)
Total revenues	<u>4,702,000</u>	<u>4,702,000</u>	<u>5,733,302</u>	<u>1,031,302</u>
<b>EXPENDITURES</b>				
Collection and administrative	400	400	650	(250)
Debt service	3,135,950	3,135,950	3,121,300	14,650
Total expenditures	<u>3,136,350</u>	<u>3,136,350</u>	<u>3,121,950</u>	<u>14,400</u>
Excess of revenues over expenditures	1,565,650	1,565,650	2,611,352	1,045,702
<b>OTHER FINANCING (USES)</b>				
Transfers (out)	(1,565,650)	(1,565,650)	-	1,565,650
Total other financing (uses)	<u>(1,565,650)</u>	<u>(1,565,650)</u>	<u>-</u>	<u>1,565,650</u>
Net change in fund balance	-	-	2,611,352	2,611,352
Fund balances - beginning	<u>2,742,639</u>	<u>2,742,639</u>	<u>2,742,639</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,742,639</u>	<u>\$ 2,742,639</u>	<u>\$ 5,353,991</u>	<u>\$ 2,611,352</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

**CITY OF RUSTON, LOUISIANA**  
EDD#1 SALES TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2021  
(unaudited)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 1,600,000	\$ 1,600,000	\$ 2,029,565	\$ 429,565
Investment earnings	500	500	880	380
Total revenues	<u>1,600,500</u>	<u>1,600,500</u>	<u>2,030,445</u>	<u>429,945</u>
<b>EXPENDITURES</b>				
Collection and administrative	-	-	430	(430)
Debt service	615,000	615,000	615,000	-
Total expenditures	<u>615,000</u>	<u>615,000</u>	<u>615,430</u>	<u>(430)</u>
Excess of revenues over expenditures	985,500	985,500	1,415,015	429,515
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	985,500	985,500	1,415,015	429,515
Fund balances - beginning	<u>2,616,740</u>	<u>2,616,740</u>	<u>2,616,740</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 3,602,240</u></u>	<u><u>\$ 3,602,240</u></u>	<u><u>\$ 4,031,755</u></u>	<u><u>\$ 429,515</u></u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

**CITY OF RUSTON, LOUISIANA**  
**COOKTOWN EDD SALES TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2021**  
(unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 85,000	\$ 85,000	\$ 96,596	\$ 11,596
Investment earnings	-	-	16	15
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>96,612</u>	<u>11,611</u>
<b>EXPENDITURES</b>				
Developer fee	85,000	116,000	115,087	913
Total expenditures	<u>85,000</u>	<u>116,000</u>	<u>115,087</u>	<u>913</u>
Excess of revenues over expenditures	-	(31,000)	(18,475)	12,525
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(31,000)	(18,475)	12,525
Fund balances - beginning	<u>19,548</u>	<u>19,548</u>	<u>19,548</u>	<u>-</u>
Fund balances - ending	<u>\$ 19,548</u>	<u>\$ (11,452)</u>	<u>\$ 1,073</u>	<u>\$ 12,525</u>

See accompanying notes to budgetary comparison schedules and independent auditor's report.

**CITY OF RUSTON, LOUISIANA**  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
SEPTEMBER 30, 2021  
(unaudited)

**Budget and Budgetary Accounting**

The City of Ruston utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) During the month of August, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) A public hearing is then conducted, after proper official journal notification, to obtain taxpayer comments.
- (3) Prior to September 30, the budget is legally enacted through passage of an ordinance.
- (4) The budget ordinance is structured such that revenues are budgeted by source, and appropriations are budgeted by department and by principal object of expenditure. Budgetary control is exercised at the departmental code level, with the exception of salaries, regular and overtime, which are at the line item level or by project. City Court and Probation (total combined) and City Marshal departments are budgeted at the department level. The Council may revise or amend the budget at its discretion during legally convened sessions. For the year ended September 30, 2021, seventeen amendments were made to the budget. The effects of as well as the City's reaction to rising costs related to the COVID-19 pandemic were the primary cause of each amendment made.
- (5) Comparisons of budgeted and actual amounts as shown in the accompanying financial statements include the General Fund and those special revenue funds which are included in the annual operating budget. (1968 Sales Tax, 1985 Sales Tax, 1990 Sales Tax, 2016 Sales Tax, Ruston EDD#1 Sales Tax, Cooktown EDD Sales Tax, Parks and Recreation, and Section 8 Vouchers). Annual operating budgets are not prepared for the D.A.R.T. Grant Program, I-20 TID Debt Service Fund or Sewer LCDBG Fund, but rather these funds are budgeted on a project basis. The capital budget ordinances which encompass the capital projects funds present cumulative as opposed to annual budget amounts and thus budget and actual comparisons are not reported in the accompanying financial statements for these funds. Budgetary control for the debt service funds is achieved through general bond indenture provisions.
- (6) All budgets are adopted on a basis substantially consistent with U.S. generally accepted accounting principles (GAAP). Appropriations which are not expended lapse at year end.
- (7) The City is legally required to prepare annual operating budgets for the Electric System, Water System, Sewer System, Sports Complex, Telecommunication System, Airport, Ambulance, Workmen's Compensation, Health Insurance, Purchasing/Warehouse and General & Auto Liability funds. The City is not, however, required to present an actual-to-budget comparison for the enterprise and internal service funds.

**CITY OF RUSTON, LOUISIANA**  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
SEPTEMBER 30, 2021  
(unaudited)

**Excess of Expenditures over Budget – Major Funds**

For those funds for which a budget to actual comparison was made, actual expenditures on a budgetary basis exceeded budgeted expenditures on a code level basis as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Negative Variance</u>
General Fund:			
Total Revenues	\$9,572,577	\$7,003,387	\$2,569,190
Expenditures			
Executive	2,825,358	3,006,201	(180,843)
Information Technology	609,872	694,617	(84,745)
Economic Development	213,140	232,042	(18,902)
Military Museum	43,223	68,092	(24,869)
Public Works – Administration	612,718	616,763	(4,045)
Repair Shop	542,957	560,045	(17,089)
GIS	-	1,449	(1,449)
EDD #1 Sales Tax Fund	615,000	615,430	(430)

Despite these variances, the City complied with the Local Government Budget act in that no fund in total experienced a 5% negative variance in revenue or expense, respectively, for the year ended September 30, 2021. See additional analysis of budget variances within the MD&A section of this report.

**CITY OF RUSTON, LOUISIANA**  
**OTHER POST EMPLOYMENT BENEFITS**  
**YEAR ENDED SEPTEMBER 30, 2021**  
(unaudited)

**SCHEDULE OF FUNDING PROGRESS**

<b>Fiscal Year Ending</b>	<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as Percentage of Covered Payroll ((b-a)/c)</b>
9/30/2021	10/1/2020	\$ -	\$ 14,153,237	\$ 14,153,237	0.00%	\$ 11,250,336	125.80%
9/30/2020	10/1/2019	-	13,003,136	13,003,136	0.00%	10,817,631	120.20%
9/30/2019	10/1/2018	-	22,290,060	22,290,060	0.00%	11,150,370	199.90%
9/30/2018	10/1/2017	-	15,999,823	15,999,823	0.00%	10,721,510	149.23%
9/30/2017	10/1/2016	-	15,577,012	15,577,012	0.00%	11,760,657	132.45%
9/30/2016	10/1/2015	-	15,072,236	15,072,236	0.00%	11,108,063	135.69%
9/30/2015	10/1/2014	-	14,492,534	14,492,534	0.00%	10,307,549	140.60%
9/30/2014	10/1/2013	-	13,919,000	13,919,000	0.00%	10,529,588	132.19%
9/30/2013	10/1/2012	-	13,383,654	13,383,654	0.00%	10,712,853	124.93%
9/30/2012	10/1/2011	-	12,446,761	12,446,761	0.00%	10,304,287	120.79%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Amount Contributed</b>	<b>Percentage of Annual OPEB Costs Contributed</b>	<b>Net OPEB Obligation</b>
9/30/2021	\$ 1,310,667	\$ 160,566	12.25%	\$ 14,153,237
9/30/2020	(9,120,448)	166,476	-1.83%	13,003,136
9/30/2019	6,470,579	180,342	2.79%	22,290,060
9/30/2018	(1,108,942)	170,940	-15.41%	15,999,823
9/30/2017	1,224,879	185,024	15.11%	7,167,622
9/30/2016	1,101,447	368,572	33.46%	6,127,767
9/30/2015	1,068,348	341,270	31.94%	5,394,893
9/30/2014	1,086,160	300,647	27.68%	4,667,815
9/30/2013	1,055,580	278,377	26.37%	3,882,302
9/30/2012	1,032,285	261,883	25.37%	3,105,099

*This schedule will contain ten years of historical information once such information becomes available.*

See accompanying notes to required supplementary information and independent auditor's report.

**CITY OF RUSTON, LOUISIANA**  
 SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 YEARS ENDED SEPTEMBER 30, 2015 THROUGH SEPTEMBER 30, 2021  
 (unaudited)

<u>Fiscal Year</u>	<u>Employer Proportion of Net Pension Liability / (Asset)</u>	<u>Employer Proportionate Share of Net Pension Liability / (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of Net Pension Liability (Asset) as % of Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as % of Total Pension Liability</u>
<b><u>MERS:</u></b>					
2021	3.657100%	\$ 10,172,124	\$ 7,333,064	138.7%	73.60%
2020	3.755900%	16,238,547	6,540,329	248.3%	64.52%
2019	3.843900%	16,062,737	6,671,225	240.8%	64.68%
2018	3.583200%	14,836,848	6,032,030	246.0%	63.94%
2017	3.428600%	14,343,355	6,435,899	222.9%	63.49%
2016	3.404900%	13,955,737	5,701,761	244.8%	63.34%
2015	3.346300%	11,953,340	5,537,583	215.9%	68.71%
<b><u>SFRS:</u></b>					
2021	0.965000%	3,419,916	2,516,536	135.9%	60.54%
2020	1.007400%	6,982,531	2,026,502	344.6%	72.61%
2019	0.987600%	6,184,669	2,256,407	274.1%	73.96%
2018	0.957600%	5,508,282	2,243,550	245.5%	74.76%
2017	0.978200%	5,606,625	2,155,839	260.1%	73.55%
2016	0.984500%	6,439,468	1,990,089	323.6%	68.16%
2015	0.970200%	5,236,246	1,674,852	312.6%	72.45%
<b><u>MPERS:</u></b>					
2021	0.622800%	3,319,790	1,858,462	178.6%	58.07%
2020	0.651600%	6,022,229	1,925,236	312.8%	70.94%
2019	0.695500%	6,316,595	2,139,431	295.2%	71.01%
2018	0.748100%	6,324,576	2,121,341	298.1%	71.89%
2017	0.672500%	5,870,965	2,068,683	283.8%	70.08%
2016	0.663900%	6,222,388	2,789,026	223.1%	66.04%
2015	0.715300%	5,603,526	3,095,114	181.0%	70.73%

*This schedule will contain ten years of historical information once such information becomes available.*



**CITY OF RUSTON, LOUISIANA**  
**SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS**  
**YEARS ENDED SEPTEMBER 30, 2015 THROUGH SEPTEMBER 30, 2021**  
(unaudited)

<b>Fiscal Year</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractual Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Employee Payroll</b>	<b>Contributions as % of Covered Employee Payroll</b>
<b><u>MERS:</u></b>					
2021	\$ 2,163,254	\$ 2,163,254	\$ -	\$ 7,333,064	29.50%
2020	1,929,397	1,929,397	-	6,540,329	29.50%
2019	1,851,265	1,851,265	-	6,671,225	27.75%
2018	1,633,860	1,633,860	-	6,032,030	27.09%
2017	1,464,167	1,464,167	-	6,435,899	22.75%
2016	1,201,264	1,201,264	-	5,701,761	21.07%
2015	1,139,803	1,139,803	-	5,537,583	20.58%
<b><u>SFRS:</u></b>					
2021	811,583	811,583	-	2,516,536	32.25%
2020	653,547	653,547	-	2,026,502	32.25%
2019	626,153	626,153	-	2,256,407	27.75%
2018	537,893	537,893	-	2,243,550	23.98%
2017	587,466	587,466	-	2,155,839	27.25%
2016	604,899	604,899	-	1,990,089	30.40%
2015	603,089	603,089	-	1,674,852	36.01%
<b><u>MPERS:</u></b>					
2021	627,231	627,231	-	1,858,462	33.75%
2020	649,767	649,767	-	1,925,236	33.75%
2019	695,315	695,315	-	2,139,431	32.50%
2018	686,262	686,262	-	2,121,341	32.35%
2017	656,807	656,807	-	2,068,683	31.75%
2016	548,599	548,599	-	2,789,026	19.67%
2015	602,702	602,702	-	3,095,114	19.47%

*This schedule will contain ten years of historical information once such information becomes available.*

**CITY OF RUSTON, LOUISIANA**  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE AGENCY HEAD  
YEAR ENDED SEPTEMBER 30, 2021

<u>Mayor Ronny Walker</u>	<u>Amount</u>
Salary	\$ 103,846
Benefits	
Medicare	1,433
Health insurance	9,570
Life insurance	112
Retirement/457 plan	29,500
Reimbursements - cell phone	<u>1,869</u>
<b>Total</b>	<u><u>\$ 146,330</u></u>

See accompanying independent auditor's report.

**CITY OF RUSTON, LOUISIANA**  
**SCHEDULE OF JUSTICE SYSTEM FUNDING - RECEIVING ENTITY**  
**SEPTEMBER 30, 2021**

**Justice System Funding Schedule - Receiving Entity**  
**As Required by Act 87 of the 2020 Regular Legislative Session**

Identifying Information	
<b>Entity Name</b>	CITY OF RUSTON
<b>LLA Entity ID #</b> (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2198.00
<b>Date that reporting period ended</b> (mm/dd/yyyy)	9/30/2021

If legally separate court funds are required to be reported, a separate receiving schedule should be prepared for each fund. Examples include Judicial Expense Fund, Drug Court Fund, Veterans Treatment Court Fund, etc.

	First Six Month Period Ended	Second Six Month Period Ended
Cash Basis Presentation	03/31/2021	09/30/2021
<b>Receipts From: (Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)</b>		
10. <i>RUSTON CITY MARSHAL, CRIMINAL COURT COSTS/FEEES</i>	122,865	107,867
<b>Subtotal Receipts</b>	122,865	107,867
11. <b>Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)</b>	-	-

Collection Types to be used in the "Receipts From:" section above	
<b>a</b>	Civil Fees
<b>b</b>	Bond Fees
<b>c</b>	Asset Forfeiture/Sale
<b>d</b>	Pre-Trial Diversion Program Fees
<b>e</b>	Criminal Court Costs/Fees
<b>f</b>	Criminal Fines - Contempt
<b>g</b>	Criminal Fines - Other
<b>h</b>	Restitution
<b>i</b>	Probation/Parole/Supervision Fees
<b>j</b>	Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)
<b>k</b>	Interest Earnings on Collected Balances
<b>l</b>	Other (do not include collections that fit into more specific categories above)

# COMBINING FUND STATEMENTS

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## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special Revenue Funds are used for specific revenues that are legally restricted for expenditures of a particular purpose.

**Ruston Parks and Recreation Board** – This fund accounts for the receipts and expenditures of the City of Ruston Parks and Recreation Program.

**D.A.R.T. Grant Program** – This fund accounts for the receipt and expenditures of the State of Louisiana Emergency Shelter Grant Program.

**Section 8 Housing Choice Voucher Program** – This fund accounts for receipt of Federal Funds and the payment of Housing Assistance Payments to qualifying rental property owners.

### I-20 TID Debt Service Fund

The I-20 TID Debt Service Fund accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources.

### Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**Sewer LCDBG Grant** – This fund accounts for receipts and disbursements of a grant received from the Louisiana Community Block Grant for sewer improvements.

CITY OF RUSTON, LOUISIANA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2021

	<b>Special Revenue Funds</b>						<b>Total Nonmajor Governmental Funds</b>
	<b>Ruston Parks &amp; Recreation</b>	<b>D.A.R.T. Grant Program</b>	<b>Section 8 Housing Program</b>	<b>Total</b>	<b>I-20 TID Debt Service</b>	<b>Sewer LCDBG</b>	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 22,836	\$ -	\$ 684,162	\$ 706,998	\$ -	\$ 121,223	\$ 828,221
Investments	-	-	-	-	5,219,725	-	5,219,725
Accounts receivable, net	-	3,866	-	3,866	1,150,862	-	1,154,728
Due from landlords (HAP)	-	-	17,294	17,294	-	-	17,294
Due from other funds	1,543,600	-	187,544	1,731,143	-	3,067	1,734,210
Total assets	<u>\$ 1,566,436</u>	<u>\$ 3,866</u>	<u>\$ 888,999</u>	<u>\$ 2,459,301</u>	<u>\$ 6,370,588</u>	<u>\$ 124,290</u>	<u>\$ 8,954,179</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 25,645	\$ 3,866	\$ 11,135	\$ 40,646	\$ 61,525	\$ -	\$ 102,171
Accrued salaries	2,749	-	1,383	4,132	-	-	4,132
Due to other funds	223,479	-	35,508	258,986	-	124,290	383,276
Total liabilities	<u>251,874</u>	<u>3,866</u>	<u>48,026</u>	<u>303,765</u>	<u>61,525</u>	<u>124,290</u>	<u>489,580</u>
Fund balances:							
Spendable:							
Restricted	1,314,562	-	840,973	2,155,536	6,309,063	-	8,464,599
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>1,314,562</u>	<u>-</u>	<u>840,973</u>	<u>2,155,536</u>	<u>6,309,063</u>	<u>-</u>	<u>8,464,599</u>
Total liabilities and fund balances	<u>\$ 1,566,436</u>	<u>\$ 3,866</u>	<u>\$ 888,999</u>	<u>\$ 2,459,301</u>	<u>\$ 6,370,588</u>	<u>\$ 124,290</u>	<u>\$ 8,954,179</u>

**CITY OF RUSTON, LOUISIANA**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Special Revenue Funds</u>					<u>Total Nonmajor Governmental Funds</u>	
	<u>Ruston Parks &amp; Recreation</u>	<u>D.A.R.T. Grant Program</u>	<u>Section 8 Housing Program</u>	<u>Total</u>	<u>I-20 TID Debt Service</u>		<u>Sewer LCDBG</u>
<b>REVENUES</b>							
Taxes	\$ 630,165	\$ -	\$ -	\$ 630,165	\$ 4,254,565	\$ -	\$ 4,884,730
Intergovernmental	-	43,077	995,357	1,038,434	-	-	1,038,434
Charges for services	96,511	-	-	96,511	-	-	96,511
Investment earnings	8	-	360	368	897	-	1,265
Rent	3,075	-	-	3,075	-	-	3,075
Miscellaneous	289	-	-	289	-	-	289
Total revenues	<u>730,048</u>	<u>43,077</u>	<u>995,717</u>	<u>1,768,842</u>	<u>4,255,462</u>	<u>-</u>	<u>6,024,304</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	43,077	1,063,887	1,106,964	-	-	1,106,964
Recreation	918,476	-	-	918,476	-	-	918,476
Bond principal	-	-	-	-	1,900,000	-	1,900,000
Bond interest	-	-	-	-	790,550	-	790,550
Total expenditures	<u>918,476</u>	<u>43,077</u>	<u>1,063,887</u>	<u>2,025,440</u>	<u>2,690,550</u>	<u>-</u>	<u>4,715,990</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(188,428)</u>	<u>-</u>	<u>(68,170)</u>	<u>(256,598)</u>	<u>1,564,912</u>	<u>-</u>	<u>1,308,314</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	749,413	-	345	749,758	-	-	749,758
Transfers (out)	-	-	(27,147)	(27,147)	-	-	(27,147)
Total other financing sources (uses)	<u>749,413</u>	<u>-</u>	<u>(26,802)</u>	<u>722,611</u>	<u>-</u>	<u>-</u>	<u>722,611</u>
Net change in fund balances	560,985	-	(94,972)	466,014	1,564,912	-	2,030,926
Fund balances - beginning	753,577	-	935,945	1,689,522	4,744,151	-	6,433,674
Fund balances - ending	<u>\$ 1,314,562</u>	<u>\$ -</u>	<u>\$ 840,973</u>	<u>\$ 2,155,536</u>	<u>\$ 6,309,063</u>	<u>\$ -</u>	<u>\$ 8,464,599</u>

## INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the City on a cost reimbursement basis.

**Workmen's Compensation Fund** – This fund accumulates resources to finance employee workmen's compensation injuries and claims.

**Health Insurance Fund** – This fund accumulates resources to finance claims and judgments arising from employee health insurance and other exposures.

**Purchasing/Warehouse Fund** – This fund coordinates purchasing and warehousing operations for all applicable departments.

**General & Auto Liability Fund** – This fund accumulates resources to finance general and auto liability premiums and claims.



CITY OF RUSTON, LOUISIANA  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 SEPTEMBER 30, 2021

	<u>Workmen's Compensation</u>	<u>Health Insurance</u>	<u>Purchasing/ Warehouse</u>	<u>General &amp; Auto Liability</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 526,722	\$ 123,822	\$ 5,950	\$ 118,805	\$ 775,300
Investments	307,937	403,651	-	-	711,588
Receivables, net	-	3,275	-	-	3,275
Due from other funds	-	907,639	150,268	217,665	1,275,572
Prepaid items	-	-	-	5,000	5,000
Total current assets	<u>834,659</u>	<u>1,438,387</u>	<u>156,218</u>	<u>341,471</u>	<u>2,770,734</u>
Noncurrent assets:					
Capital assets:					
Buildings	-	-	8,580	-	8,580
Equipment	-	-	80,806	-	80,806
Less accumulated depreciation	-	-	(86,937)	-	(86,937)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>2,450</u>	<u>-</u>	<u>2,450</u>
Total assets	<u>834,659</u>	<u>1,438,387</u>	<u>158,668</u>	<u>341,471</u>	<u>2,773,185</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	-	-	443	600	1,043
Accrued salaries	-	-	1,880	-	1,880
Due to other funds	10,452	217,331	222,102	114,358	564,242
Claims and judgments	145,939	260,916	-	100,000	506,855
Total current liabilities	<u>156,391</u>	<u>478,247</u>	<u>224,425</u>	<u>214,958</u>	<u>1,074,021</u>
Noncurrent liabilities:					
Compensated absences	-	-	14,081	-	14,081
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>14,081</u>	<u>-</u>	<u>14,081</u>
Total liabilities	<u>156,391</u>	<u>478,247</u>	<u>238,505</u>	<u>214,958</u>	<u>1,088,101</u>
<b>NET POSITION</b>					
Net investments in capital assets	-	-	2,450	-	2,450
Unrestricted	678,268	960,140	(82,287)	126,513	1,682,633
Total net position	<u>\$ 678,268</u>	<u>\$ 960,140</u>	<u>\$ (79,837)</u>	<u>\$ 126,513</u>	<u>\$ 1,685,084</u>

**CITY OF RUSTON, LOUISIANA**  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 INTERNAL SERVICE FUNDS  
 YEAR ENDED SEPTEMBER 30, 2021

	<u>Workmen's Compensation</u>	<u>Health Insurance</u>	<u>Purchasing/ Warehouse</u>	<u>General &amp; Auto Liability</u>	<u>Total Internal Service Funds</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 250,220	\$ 4,222,757	\$ -	\$ 765,754	\$ 5,238,731
Premiums paid by retired employees	-	227,744	-	-	227,744
Stop loss coverage payments	-	284,051	-	-	284,051
Total operating revenues	<u>250,220</u>	<u>4,734,552</u>	<u>-</u>	<u>765,754</u>	<u>5,750,526</u>
<b>OPERATING EXPENSES</b>					
Cost of services:					
Salaries, wages and employee benefits	-	-	146,815	-	146,815
Operating services	-	8,310	24,052	-	32,362
Materials and supplies	-	-	10,163	-	10,163
Travel and other	-	-	1,051	-	1,051
Depreciation	-	-	5,885	-	5,885
Total cost of services	<u>-</u>	<u>8,310</u>	<u>187,966</u>	<u>-</u>	<u>196,276</u>
Claims	(11,466)	4,136,537	-	113,555	4,238,626
Insurance premiums	407,362	852,173	-	720,438	1,979,973
Total operating expenses	<u>395,896</u>	<u>4,997,020</u>	<u>187,966</u>	<u>833,993</u>	<u>6,414,875</u>
Operating income (loss)	<u>(145,676)</u>	<u>(262,468)</u>	<u>(187,966)</u>	<u>(68,239)</u>	<u>(664,349)</u>
<b>NONOPERATING REVENUES</b>					
Investment earnings	128,441	307	2	20	128,770
Total nonoperating revenues	<u>128,441</u>	<u>307</u>	<u>2</u>	<u>20</u>	<u>128,770</u>
Income (loss) before transfers	(17,235)	(262,161)	(187,964)	(68,219)	(535,579)
Transfers in	-	-	172,500	-	172,500
Change in net position	<u>(17,235)</u>	<u>(262,161)</u>	<u>(15,464)</u>	<u>(68,219)</u>	<u>(363,079)</u>
Total net position - beginning	695,503	1,222,301	(64,373)	194,732	2,048,163
Total net position - ending	<u>\$ 678,268</u>	<u>\$ 960,140</u>	<u>\$ (79,837)</u>	<u>\$ 126,513</u>	<u>\$ 1,685,084</u>

See accompanying independent auditor's report.

**CITY OF RUSTON, LOUISIANA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2021**

	<b>Workmen's Compensation</b>	<b>Health Insurance</b>	<b>Purchasing/ Warehouse</b>	<b>General &amp; Auto Liability</b>	<b>Total Internal Service Funds</b>
<b>Cash flows from operating activities:</b>					
Receipts from operations	\$ 250,220	\$ 4,951,883	\$ 12,735	\$ 924,905	\$ 6,139,743
Payments to suppliers	(407,362)	(922,532)	(36,434)	(833,977)	(2,200,305)
Payments to employees	-	-	(150,240)	-	(150,240)
Claims	56,122	(4,382,496)	-	(109,608)	(4,435,982)
Net cash (used in) operating activities	<u>(101,020)</u>	<u>(353,145)</u>	<u>(173,939)</u>	<u>(18,680)</u>	<u>(646,784)</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	-	-	172,500	-	172,500
Net cash provided by noncapital activities	<u>-</u>	<u>-</u>	<u>172,500</u>	<u>-</u>	<u>172,500</u>
<b>Cash flows from investing activities:</b>					
Purchases of investments	(822)	(247)	-	-	(1,069)
Interest on investments	128,441	307	2	20	128,770
Net cash provided by investing activities	<u>127,619</u>	<u>60</u>	<u>2</u>	<u>20</u>	<u>127,701</u>
Net increase (decrease) in cash and cash equivalents	26,600	(353,085)	(1,437)	(18,660)	(346,582)
Cash and cash equivalents - beginning of year	500,122	476,907	7,387	137,465	1,121,881
Cash and cash equivalents - end of year	<u>\$ 526,722</u>	<u>\$ 123,822</u>	<u>\$ 5,950</u>	<u>\$ 118,805</u>	<u>\$ 775,300</u>
<b>Reconciliation of operating income (loss) to net cash (used in) operating activities:</b>					
Operating income (loss)	\$ (145,676)	\$ (262,468)	\$ (187,966)	\$ (68,239)	\$ (664,349)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:					
Depreciation and amortization	-	-	5,885	-	5,885
(Increase) decrease in assets:					
Receivables	-	-	-	-	-
Due from other funds	-	(46,177)	5,115	159,151	118,089
Prepaid items	45,000	-	-	3,947	48,947
Increase (decrease) in liabilities:					
Accounts payable	(3,358)	(15,872)	(1,168)	(20,203)	(40,601)
Accrued liabilities	-	-	(1,741)	-	(1,741)
Due to other funds	3,358	217,331	7,620	(93,336)	134,973
Claims and judgments	(344)	(245,959)	-	-	(246,303)
Compensated absences	-	-	(1,684)	-	(1,684)
Total adjustments	<u>44,656</u>	<u>(90,677)</u>	<u>14,027</u>	<u>49,559</u>	<u>17,565</u>
Net cash (used in) operating activities	<u>\$ (101,020)</u>	<u>\$ (353,145)</u>	<u>\$ (173,939)</u>	<u>\$ (18,680)</u>	<u>\$ (646,784)</u>

# INDIVIDUAL FUND SCHEDULES

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**CITY OF RUSTON, LOUISIANA**  
RUSTON PARKS AND RECREATION BOARD  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2021  
(unaudited)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 620,000	\$ 620,000	\$ 630,165	\$ 10,165
Charges for services	40,000	40,000	96,511	56,511
Investment earnings	500	500	8	(492)
Rent	3,500	3,500	3,075	(425)
Miscellaneous	-	-	289	289
Total revenues	<u>664,000</u>	<u>664,000</u>	<u>730,048</u>	<u>66,048</u>
<b>EXPENDITURES</b>				
Salaries, wages and employee benefits	721,111	721,111	640,972	80,139
Operating services	255,795	255,795	248,310	7,485
Materials and supplies	24,500	24,500	28,036	(3,536)
Travel and other	5,000	5,000	1,157	3,843
Improvements and equipment	12,500	12,500	-	12,500
Total expenditures	<u>1,018,906</u>	<u>1,018,906</u>	<u>918,476</u>	<u>100,430</u>
(Deficiency) of revenues over expenditures	<u>(354,906)</u>	<u>(354,906)</u>	<u>(188,428)</u>	<u>166,479</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>396,750</u>	<u>396,750</u>	<u>749,413</u>	<u>352,663</u>
Total other financing sources	<u>396,750</u>	<u>396,750</u>	<u>749,413</u>	<u>352,663</u>
Net change in fund balance	41,844	41,844	560,985	519,142
Fund balances - beginning	<u>753,577</u>	<u>753,577</u>	<u>753,577</u>	<u>-</u>
Fund balances - ending	<u>\$ 795,421</u>	<u>\$ 795,421</u>	<u>\$ 1,314,562</u>	<u>\$ 519,142</u>

See accompanying independent auditor's report.

**CITY OF RUSTON, LOUISIANA**  
SECTION 8 HOUSING PROGRAM  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2021  
(unaudited)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,061,000	\$ 966,000	\$ 995,357	\$ 29,357
Investment earnings	3,000	3,000	360	(2,640)
Total revenues	<u>1,064,000</u>	<u>969,000</u>	<u>995,717</u>	<u>26,717</u>
<b>EXPENDITURES</b>				
Salaries, wages and employee benefits	252,179	252,179	205,488	46,691
Operating services	873,500	873,500	833,727	39,773
Materials and supplies	11,000	11,000	23,717	(12,717)
Travel and other	1,000	1,000	955	45
Total expenditures	<u>1,137,679</u>	<u>1,137,679</u>	<u>1,063,887</u>	<u>73,792</u>
(Deficiency) of revenues over expenditures	(73,679)	(168,679)	(68,170)	100,509
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	345	345
Transfers (out)	-	(27,500)	(27,147)	353
Total other financing sources (uses)	<u>-</u>	<u>(27,500)</u>	<u>(26,802)</u>	<u>698</u>
Net change in fund balance	(73,679)	(196,179)	(94,972)	101,207
Fund balances - beginning	<u>935,945</u>	<u>935,945</u>	<u>935,945</u>	<u>-</u>
Fund balances - ending	<u>\$ 862,266</u>	<u>\$ 739,766</u>	<u>\$ 840,973</u>	<u>\$ 101,207</u>

See accompanying independent auditor's report.

**CITY OF RUSTON, LOUISIANA**

UNIFORM GUIDANCE  
SUPPLEMENTARY REPORTS

YEAR ENDED SEPTEMBER 30, 2021

**CITY OF RUSTON**  
**RUSTON, LOUISIANA**

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REGIONS TOWER  
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March 31, 2022

Honorable Mayor Ronny Walker  
and Members of the City Council  
City of Ruston  
Ruston, Louisiana

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

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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ruston, Louisiana (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 31, 2022. Our report includes a reference to other auditors who audited the financial statements of the Ruston City Judge's Office and Ruston City Marshal's Office, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Ruston, Louisiana'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 organization'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 City'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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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.

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

HEARD, MELROY & VESTAL, L.L.C.

Shreveport, Louisiana



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March 31, 2022

Honorable Mayor Ronny Walker  
and Members of the City Council  
City of Ruston  
Ruston, Louisiana

Independent Auditor's Report on Compliance for Each Major Program and  
on Internal Control over Compliance Required by the Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited the City of Ruston, Louisiana's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal program for the year ended September 30, 2021. The City 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the City'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 of Federal Awards (Uniform Guidance)*. Those standards and the 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

City'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 City's compliance.

#### Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

#### Report on Internal Control over Compliance

Management of the City 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 the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the 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 City'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. This report is intended solely for the information and use of management, the City Council of the City of Ruston, Louisiana, others within the entity, the Louisiana Legislative Auditor, 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

#### Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 City of Ruston, Louisiana, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 31, 2022, which contained unmodified opinions on those financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the basic 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

HEARD, MELROY & VESTAL, L.L.C.

Shreveport, Louisiana

CITY OF RUSTON, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Federal Grantor / Pass-Through Grantor Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Pass-Through Number</u>	<u>Federal Expenditures</u>
<b>United States Department of Housing and Urban Development:</b>			
Section 8 - Housing Choice Vouchers	14.871	LA232	\$ 932,140
Emergency Shelter Grants Program	14.231		39,211
Total United States Department of Housing and Urban Development			<u>971,351</u>
<b>Environmental Protection Agency:</b>			
Capitalization Grant-Clean Water State Revolving Funds	66.458	CS221163-01	316,419
Total Environmental Protection Agency			<u>316,419</u>
<b>United States Department of Transportation: **</b>			
FAA - Airport Improvement Program	20.106	3-22-0082- 021-2020	2,638,562
FHWA Improvements	20.219	H.013524	49,890
FHWA Improvements	20.219	H.013045	20,000
Total United States Department of Transportation			<u>2,708,452</u>
<b>Department of Homeland Security:</b>			
Disaster Grants – Public Assistance (Presidentially Declared Disaster)	97.036	FEMA-4439- PA-LA	1,948,794
Disaster Grants – Public Assistance (Presidentially Declared Disaster)	97.036	FEMA-4559- PA-LA	126,616
Homeland Security Grant Program	97.067		5,892
Total Department of Homeland Security			<u>2,081,302</u>
<b>Total Federal Awards</b>			<u><b>\$ 6,077,524</b></u>

\*\* USDOTD FHWA Improvements (20.219) expenditures were \$65,705 and \$54,400 for fiscal years 2018 and 2019, respectively.

\*\* USDOTD Highway Safety Improvements (20.205) were \$211,435 and \$4,129 for fiscal years 2019 and 2020, respectively.

See accompanying notes to Schedule of Expenditures of Federal Awards.

CITY OF RUSTON, LOUISIANA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

1. Basis of Presentation

The audit was performed pursuant to the *Single Audit Act of 1996* and the *Uniform Guidance*. The Schedule of Expenditures of Federal Awards has been prepared on the modified accrual basis of accounting used by the City in preparation of the government wide financial statements that report these awards. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The preparation of the Schedule of Expenditures of Federal Awards in conformity with accounting principles generally accepted in the United States of America requires management to make certain assumptions that affect the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

2. Disbursements

Disbursements reported in the Schedule of Expenditures of Federal Awards cannot be traced, in every case, directly to the disbursements reported in the City's Comprehensive Annual Financial Report (CAFR). However, the detailed information regarding the disbursements reflected in both issued reports can be traced to the City's detailed general ledger with adjustments for any year-end financial statement accruals and reversals.

3. Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City that were received directly from federal agencies or passed through other entities and governmental agencies.

The City has prepared this Schedule of Expenditures of Federal Awards to comply with the provisions of the *Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations*. The *Uniform Guidance* stipulates that a Schedule of Expenditures of Federal Awards be prepared showing total expenditures of each federal award program as identified in the Catalog of Federal Domestic Assistance (CFDA) and for other federal financial awards that have not been assigned a catalog number.

4. Subrecipient Payments

The City's federal expenditures include subrecipient payments in the amount of \$39,211 to D.A.R.T. CDBG Program. These awards were received from Emergency Solutions Grant Program, CFDA 14.231.

5. Indirect Cost Rate

The City has elected to use the 10-percent de minimis cost rate allowed under the *Uniform Guidance*.

6. Subsequent Events

The City is required to evaluate events or transactions that may occur after the schedule of expenditures of federal awards date for potential recognition or disclosure in the notes to the schedule of expenditures of federal awards. The City performed such an evaluation through March 31, 2022, the date which the schedule of expenditures of federal awards was available to be issued, and noted no events or transactions that occurred after the schedule of expenditures of federal awards date requiring recognition or disclosure.



CITY OF RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the City of Ruston, Louisiana.
2. No material weaknesses or significant deficiencies relating to the audit of the basic financial statements are reported.
3. There are no findings of noncompliance relating to the basic financial statements of the City of Ruston, Louisiana disclosed during the audit.
4. The auditor's report on compliance for major federal award programs of the City of Ruston, Louisiana expresses an unmodified opinion.
5. There are no audit findings relative to major federal award programs of the City of Ruston, Louisiana.
6. The programs tested as major programs included:

<u>Program</u>	<u>CFDA No.</u>
Disaster Grants – Public Assistance (Presidentially Declared Disaster)	97.036
FAA – Airport Improvement Program	20.106

7. The threshold for distinguishing Types A and B programs was \$750,000.
8. The City of Ruston does qualify as a low-risk auditee.

B. Findings – Financial Statement Audit

No findings to report.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

No findings to report.

CITY OF RUSTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

No findings were reported in the prior year.