



Annual Comprehensive Financial Report

of the
City of Ruston, Louisiana

For the Year Ended September 30, 2023

Mayor
Ronny Walker

Prepared by the Finance Department
Julie Keen
Finance Director

CITY OF RUSTON, LOUISIANA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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INTRODUCTORY SECTION



March 30, 2024

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 Annual Comprehensive Financial Report for the year ended September 30, 2023. 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 2023 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 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, 2023, 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, 2023, 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 2023 with approximately 22,000 City residents and 48,000 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. Sales tax revenue of the City has continued to increase as well.

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.

Long-term financial planning

Sales taxes revenues have increased over the past few years representing 54% of the revenues of governmental activities. 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 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 (FRS), 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.

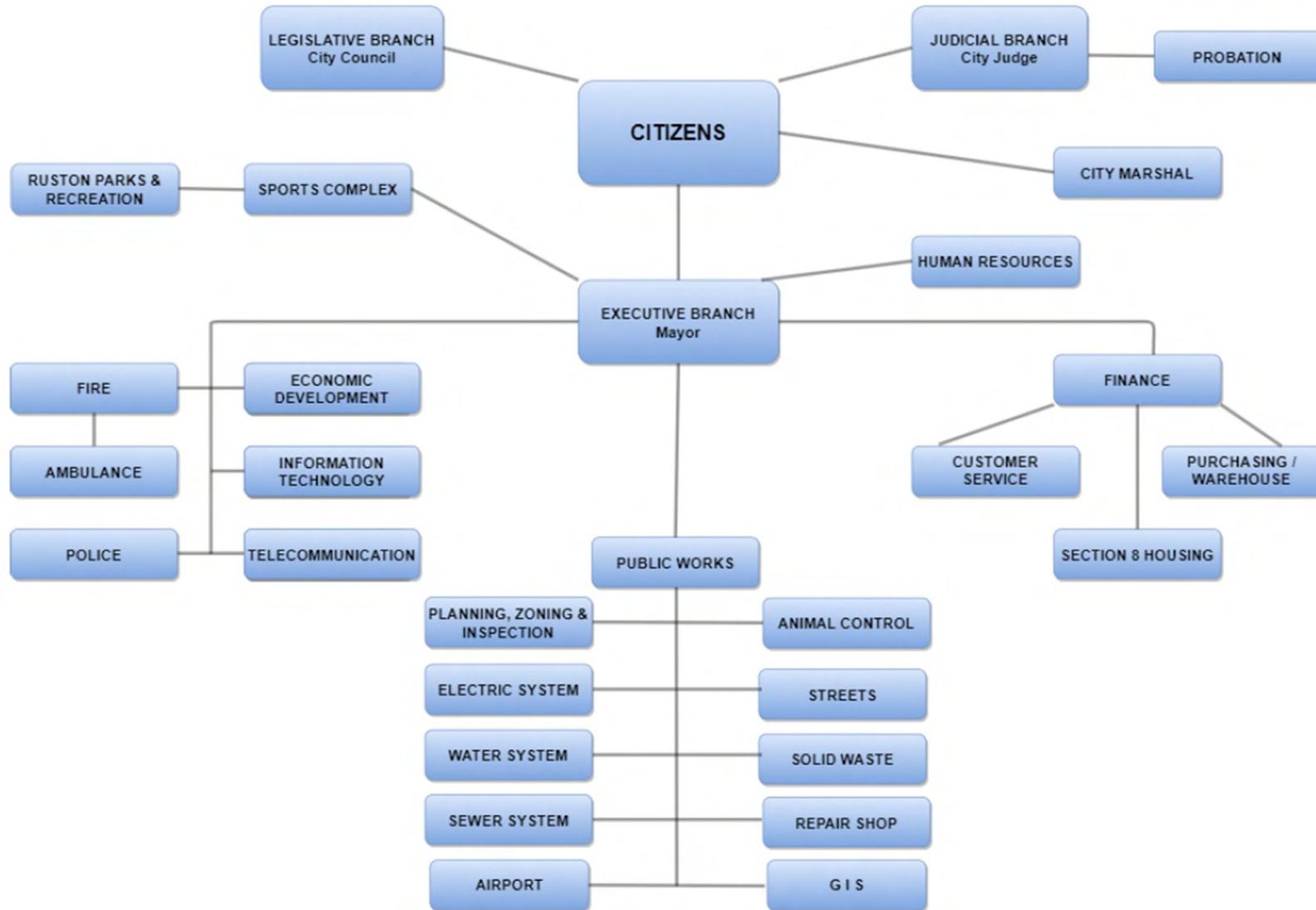
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also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

Sincerely,



Julie Keen
Finance Director

CITY OF RUSTON, LOUISIANA
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
John Denny	Ward 4
Bruce Siegmund	Ward 5

FINANCIAL SECTION



REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
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March 28, 2024

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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, 2023, 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.

Basis for Opinions

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 Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Ruston, Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Ruston, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Ruston, Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Ruston, Louisiana's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the 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.

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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual fund schedules, schedule of compensation, benefits, and other payments to elected officials, and justice system funding schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund schedules, schedule of compensation, benefits and other payments to elected officials, and justice 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report, dated March 28, 2024, on our consideration of the City of Ruston, Louisiana'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 the City of Ruston, Louisiana's 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 of Ruston, Louisiana's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor we have issued a report dated March 28, 2024 on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

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

Shreveport, Louisiana

March 28, 2024

CITY OF RUSTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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, 2023. 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, 2023, include the following:

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$213.4 million (net position).
- The City's total net position increased by \$24.3 million. Net position of governmental activities increased by \$26.1 million and net position of business-type activities decreased by \$1.8 million.
- Total net position of governmental activities was \$93.7 million and included unrestricted net position of (\$34) million which was primarily a result of GASB 68 *Accounting and Financial Reporting for Pensions* that requires recognizing the actuarial determined pension liability of \$26.9 million. Also required to be reported by GASB 75 *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions* (OPEB) was the City's post-employment benefit obligation of \$15.8 million.
- The City's governmental funds reported combined ending fund balances of \$30.1 million, a decrease of \$689,000 from what was reported in prior year. This decrease is a result of (\$307,000) current year operations and (\$382,000) prior period adjustment. Of this amount (\$9) million was unassigned; \$14.3 million was assigned for subsequent years' expenditures; \$24.7 million was restricted. This restricted amount includes \$5 million restricted to fund ongoing construction projects, \$12.6 million restricted by sales tax ordinances, \$4 million for debt covenants, \$168,000 restricted for Section 8 housing, \$2.7 million restricted by ordinance for use by RPAR; \$165,000 assigned for inventories and prepaid items.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was (\$1.2) million.

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 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.

CITY OF RUSTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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 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, 2023

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, and Moving Ruston Forward (MRF) Capital Project Fund, all of which are considered to be major funds. Data for the other 6 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 and sports complex, which are considered 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, 2023

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 \$213.4 million at the close of the most recent fiscal year.

The largest portion of the City of Ruston's net position, totaling approximately \$223 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.

Net Position
September 30, 2023 and 2022

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current & other assets	\$43,353,366	\$45,818,597	\$12,911,846	\$10,167,135	\$56,265,212	\$55,985,732
Capital assets	167,735,191	146,408,283	129,112,118	133,132,024	296,847,309	279,540,307
Total assets	211,088,557	192,226,880	142,023,964	143,299,159	353,112,521	335,526,039
Deferred outflows of resources	6,183,558	8,206,641	-	-	6,183,558	8,206,641
Total assets & deferred outflows of resources	217,272,115	200,433,521	142,023,964	143,299,159	359,296,079	343,732,680
Current & other liabilities	17,782,034	18,444,440	13,889,899	11,946,745	31,671,933	30,391,185
Long-term liabilities	104,643,172	112,932,822	8,450,402	9,864,044	113,093,574	122,796,866
Total liabilities	122,425,206	131,377,262	22,340,301	21,810,789	144,765,507	153,188,051
Deferred inflows of resources	1,099,616	1,063,481	-	-	1,099,616	1,063,481
Total liabilities & deferred inflows of resources	123,524,822	132,440,743	22,340,301	21,810,789	145,865,123	154,251,532
Net position:						
Net investment in capital assets	103,160,191	75,723,283	119,800,433	122,511,025	222,960,624	198,234,308
Restricted	24,546,534	24,582,122	-	-	24,546,534	24,582,122
Unrestricted	(33,959,432)	(32,312,627)	(116,774)	(1,022,656)	(34,076,205)	(33,335,283)
Total net position	<u>\$93,747,293</u>	<u>\$67,992,778</u>	<u>\$119,683,660</u>	<u>\$121,488,369</u>	<u>\$213,430,951</u>	<u>\$189,481,148</u>

12% 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. With the exception of the deficit in the unrestricted net position of the governmental-type activities, at the end of the current fiscal year, 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 activities. The City of Ruston's net position increased by \$24 million during the current fiscal year. This increase is primarily related to increases in capital assets.

CITY OF RUSTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Change in Net Position
For the Years Ended September 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<u>Program revenues:</u>						
Charges for services	\$2,720,471	\$2,644,841	\$36,755,863	\$31,496,440	\$39,476,334	\$34,141,281
Operating grants & contributions	-	9,071	-	-	-	9,071
Capital grants & contributions	11,986,354	4,228,227	1,268,487	885,112	13,254,841	5,113,339
<u>General revenues:</u>						
Property tax	1,204,955	1,151,491	-	-	1,204,955	1,151,491
Sales tax	29,665,167	27,618,864	-	-	29,665,167	27,618,864
Other tax	998,650	997,982	-	-	998,650	997,982
Other	8,009,528	5,497,484	613,913	57,996	8,623,441	5,555,480
Total revenues	<u>54,585,125</u>	<u>42,147,960</u>	<u>38,638,263</u>	<u>32,439,548</u>	<u>93,223,388</u>	<u>74,587,508</u>
<u>Expenses:</u>						
General government	10,469,562	15,263,606	-	-	10,469,562	15,263,606
Public safety	6,222,712	8,987,434	-	-	6,222,712	8,987,434
Public works	13,017,233	1,584,828	-	-	13,017,233	1,584,828
Cultural & recreation	655,782	804,578	-	-	655,782	804,578
Ruston City Judge & Ruston City Marshal	615,874	579,592	-	-	615,874	579,592
Interest on debt	2,387,085	2,792,067	-	-	2,387,085	2,792,067
Bond issuance cost	-	439,695	-	-	-	439,695
Electric System	-	-	20,461,636	19,039,077	20,461,636	19,039,077
Water System	-	-	2,298,260	2,114,362	2,298,260	2,114,362
Sewer System	-	-	4,031,690	3,767,916	4,031,690	3,767,916
Sports Complex	-	-	5,129,229	4,603,141	5,129,229	4,603,141
Telecommunication	-	-	579,521	659,196	579,521	659,196
Airport	-	-	497,188	312,237	497,188	312,237
Ambulance service	-	-	2,526,181	1,249,152	2,526,181	1,249,152
Total expenses	<u>33,368,248</u>	<u>30,451,800</u>	<u>35,523,704</u>	<u>31,745,081</u>	<u>68,891,952</u>	<u>62,196,881</u>
Excess before transfers	21,216,877	11,696,160	3,114,559	694,467	24,331,435	12,390,627
Transfers	<u>4,919,268</u>	<u>5,552,996</u>	<u>(4,919,268)</u>	<u>(5,552,996)</u>	-	-
Change in net position	<u>26,136,146</u>	<u>17,249,157</u>	<u>(1,804,709)</u>	<u>(4,858,529)</u>	<u>24,331,435</u>	<u>12,390,627</u>
Net position beginning of year	67,992,778	65,378,181	121,488,369	111,712,340	189,481,148	177,090,521
Prior period adjustment	<u>(381,631)</u>	<u>(14,634,560)</u>	-	14,634,560	<u>(381,631)</u>	-
Net position beginning of year as restated	<u>67,611,147</u>	<u>50,743,621</u>	<u>121,488,369</u>	<u>126,346,900</u>	<u>189,099,516</u>	<u>177,090,521</u>
Net position end of year	<u>\$93,747,293</u>	<u>\$67,992,778</u>	<u>\$119,683,660</u>	<u>\$121,488,369</u>	<u>\$213,430,951</u>	<u>\$189,481,148</u>

CITY OF RUSTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

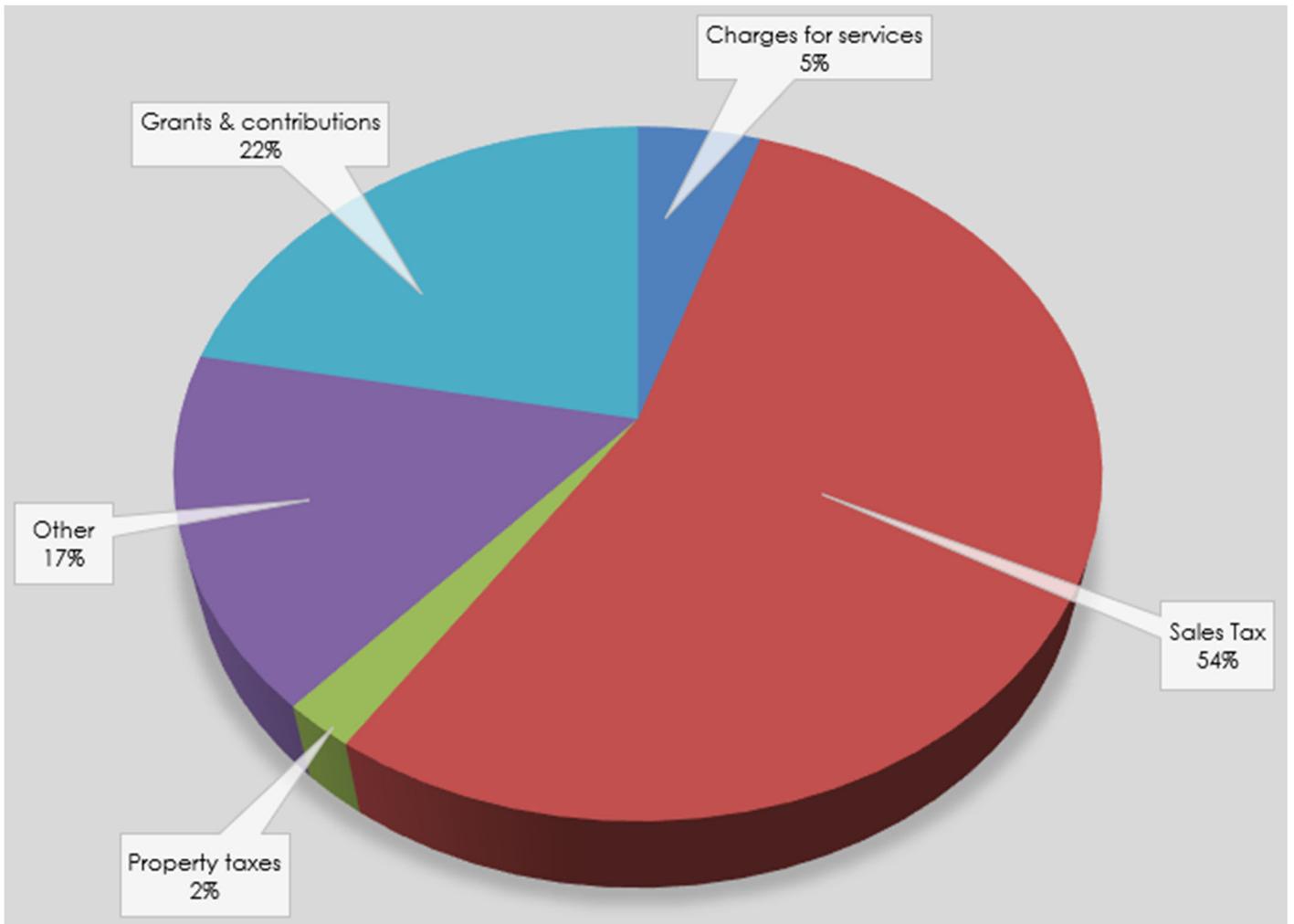
Governmental Activities

Revenues for the City's governmental activities for the year ended September 30, 2023, were \$54.6 million compared to \$42.1 million in 2022.

Program revenues for governmental activities increased by \$7.8 million in 2023. The increase is attributable an increase in capital grant revenue received in 2023.

Overall, general revenues increased \$4.6 million. The net increase is primarily attributable to an increase in sales tax and other revenues compared to 2022.

Revenue by Source – Governmental Activities

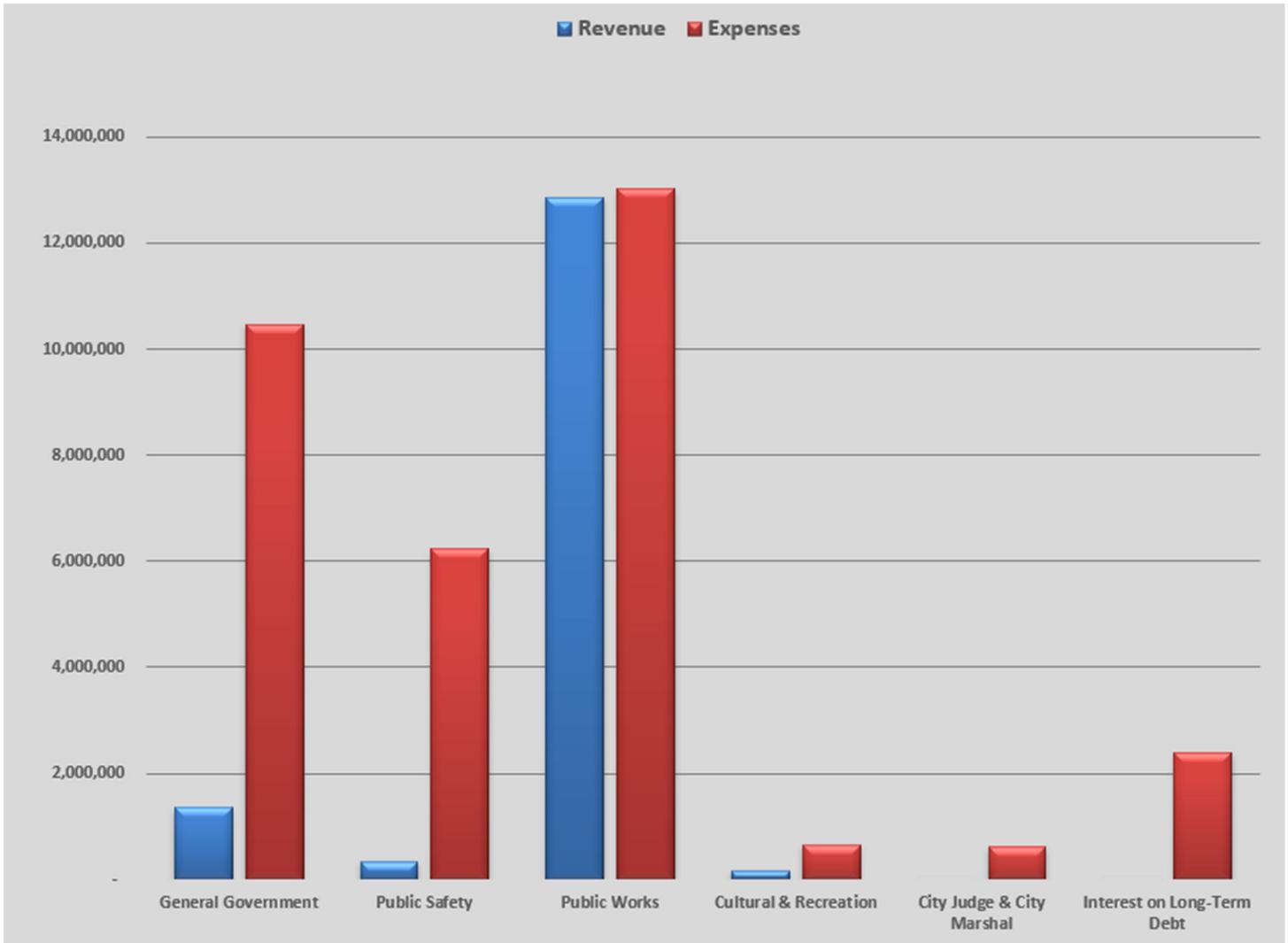


CITY OF RUSTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

The cost of all governmental activities this year was \$33.4 million, an increase of \$2.9 million from 2022. This increase is predominantly due to costs related to capital projects beginning in 2023 as well as changes in pension liability and related deferred outflows/inflows.

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

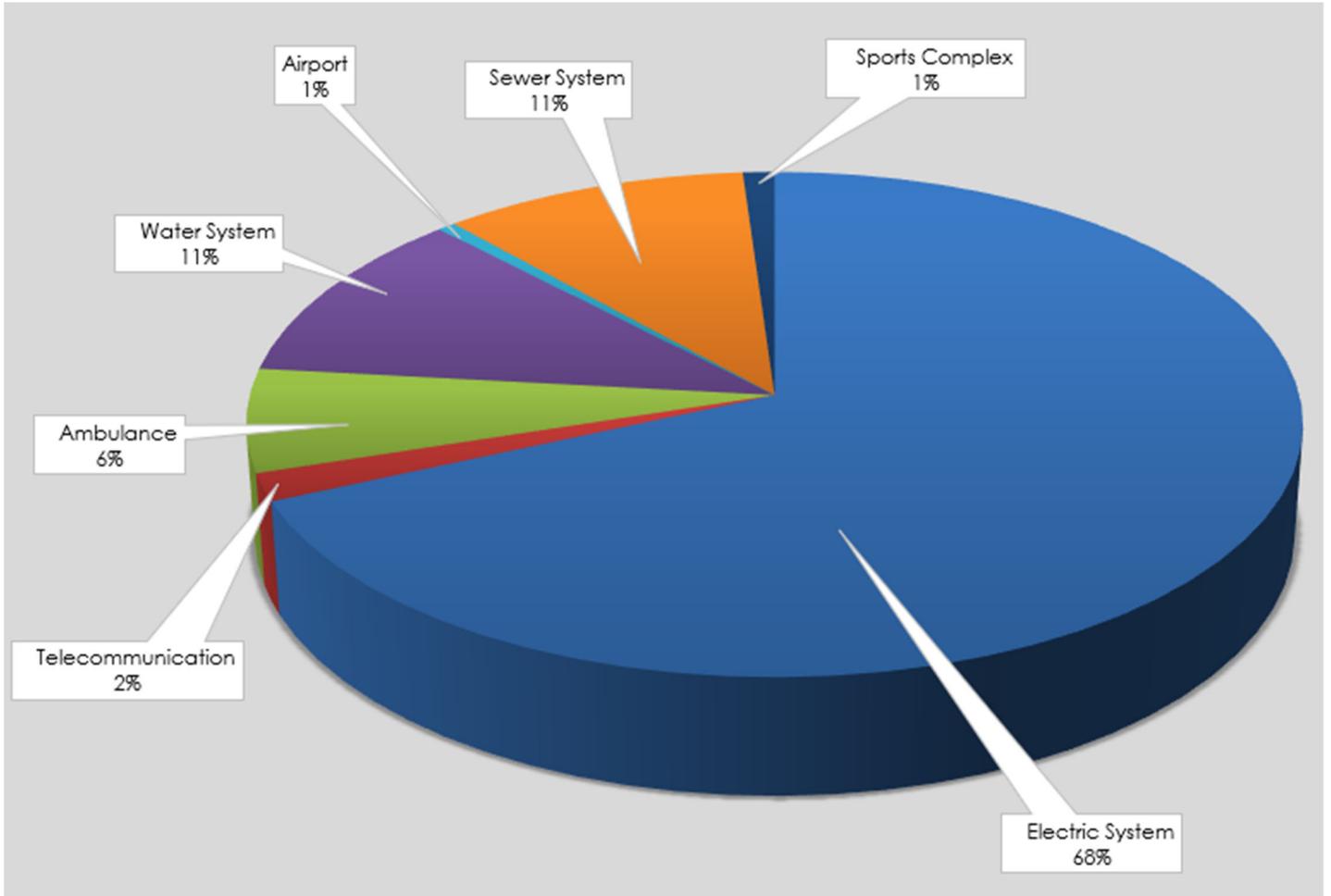


CITY OF RUSTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Business-Type Activities

Total revenues for the City's business-type activities were \$38 million in 2023, an increase of \$6.2 million. This increase is primarily due to increases in electric and water utility rates as well as grant revenue.

Revenue by Source – Business-Type Activities

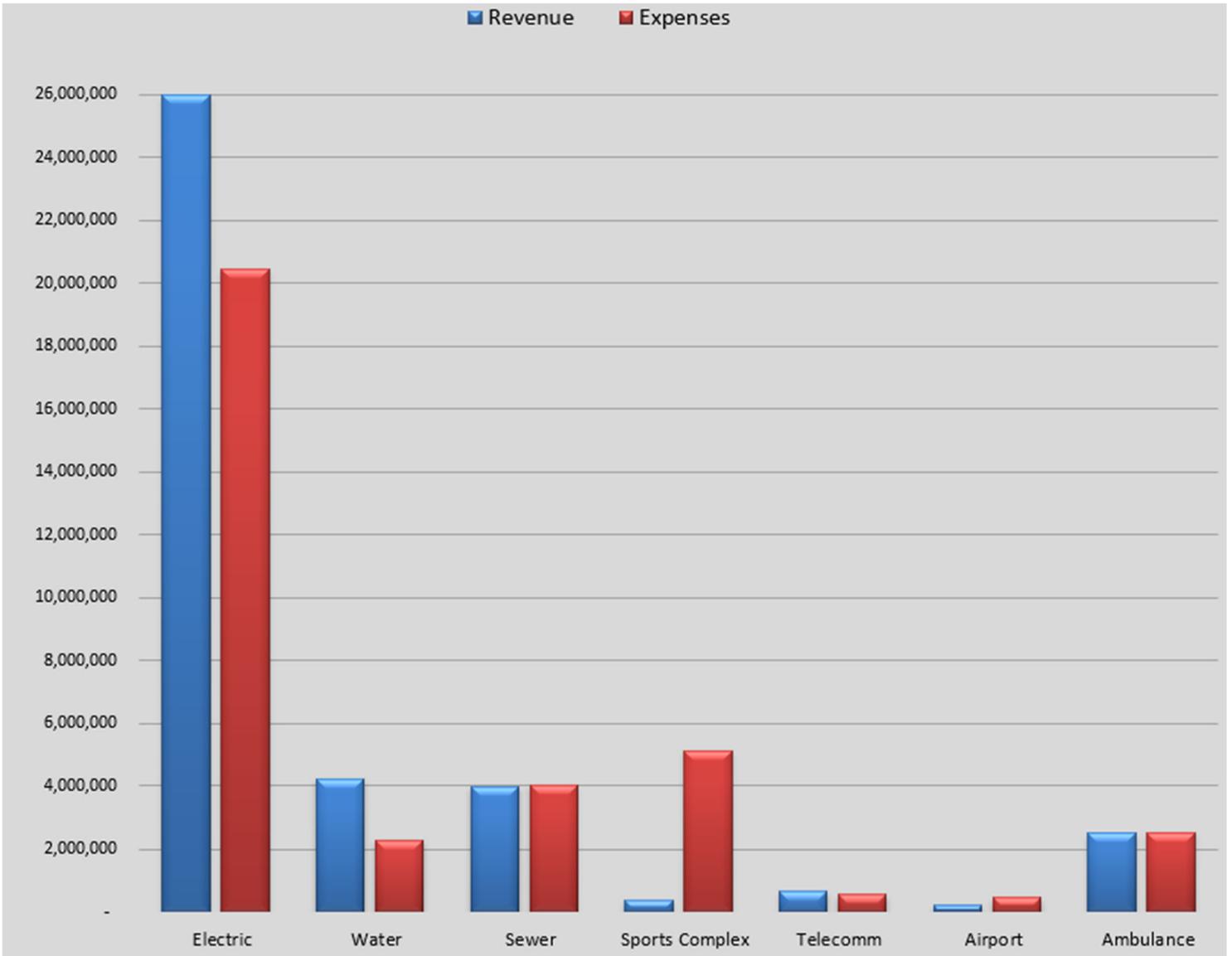


CITY OF RUSTON, LOUISIANA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 SEPTEMBER 30, 2023

Expenses and Program Revenues – Business-Type Activities

The costs of these activities were \$35.5 million, an increase of \$3.7 million from 2022. This increase is primarily related to increases in energy costs. The Ambulance Fund and Fire Department have shared expenses that are allocated between the funds on the General Ledger. During this fiscal year, the City increased the allocation of expenses to the Ambulance Fund to better mirror actual costs.

Expenses and Program Revenues – Business-Type Activities



CITY OF RUSTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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 (\$1.2) million. The fund balance of the General Fund decreased by \$646,000.
- The 1968 Sales Tax Fund had a total fund balance of \$372,176 all of which was restricted for its specified purposes. Fund balance decreased \$2,908 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 (\$44,904). Fund balance decreased \$3,691 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 \$868,655 all of which was restricted for its specified purpose. Fund balance decreased \$2,763 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 \$8.3 million all of which was restricted for its specified purpose. Fund balance increased \$133,620 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 \$3.1 million all of which was restricted for its specific purpose. Fund balance decreased \$380,832 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 \$2,062 all of which was restricted for its specific purpose. Fund balance increased \$452 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 TID Fund had an unassigned total fund balance of (\$137,983). Fund balance increased \$1,286,847 as a result of decreased spending towards I-20 Service Road construction projects.
- The Moving Ruston Forward Fund had an unassigned total fund balance of (\$7.8) million. Fund balance decreased \$6,403 as a result of spending towards the animal shelter.

CITY OF RUSTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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 was (\$22) million. Total net position for the Electric System decreased \$7.2 million primarily as a result of transfers out to other funds.
- The unrestricted net position for the Water System was \$13.2 million. Total net position for the Water System increased \$5.0 million.
- The unrestricted net position for the Sewer System was \$14.3 million. Total net position for the Sewer System increased \$4.9 million.
- The unrestricted net position for the Sports Complex was (\$867,397). Total net position for the Sports Complex decreased \$4.8 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 12, 2022. During the year, the City Council revised the City's budget three times. The major differences between the original budget and the final budget were adjustments related to the timing of grant-related capital projects.

Capital Assets and Debt Administration

Capital Assets

The City of Ruston's gross investment in capital assets as of September 30, 2023, was \$296.8 million, net of depreciation. This investment in capital assets includes land, buildings, improvements, streets, drainage, furniture and equipment, and construction in progress.

CITY OF RUSTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

The following table shows capital assets at September 30, 2023 and 2022:

Capital Assets
(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 17,433,745	\$ 18,442,510	\$ 12,507,562	\$ 12,507,562	\$ 29,941,307	\$ 30,950,072
Buildings & structures	7,895,042	8,248,396	29,456,367	31,534,848	37,351,409	39,783,244
Improvements other than buildings	35,342,594	36,268,424	62,098,677	63,916,282	97,441,271	100,184,706
Equipment	48,901,858	38,605,705	22,431,417	23,874,184	71,333,275	62,479,889
Infrastructure	11,669,834	12,140,098	-	-	11,669,834	12,140,098
Construction in progress	46,492,118	32,703,150	2,618,095	1,299,148	49,110,213	34,002,298
Total capital assets	\$167,735,191	\$146,408,283	\$129,112,118	\$133,132,024	\$296,847,309	\$279,540,307

Long-Term Debt

At the end of the current fiscal year, the City of Ruston had total debt outstanding of \$73.9 million. The following table summarizes bonds outstanding at September 30, 2023 and 2022:

Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue bonds	\$64,575,000	\$70,685,000	\$ -	\$ -	\$64,575,000	\$70,685,000
Refunding sewer bonds	-	-	3,600,000	4,785,000	3,600,000	4,785,000
Revolving loans	-	-	5,711,683	6,110,683	5,711,683	6,110,683
Total outstanding debt	\$64,575,000	\$70,685,000	\$9,311,683	\$10,895,683	\$73,886,683	\$81,580,683

For additional information regarding capital assets and long-term debt, see Notes 6 and 8, 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 2023 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 fiscal year 2023, the City budgeted a 5.00% increase in sales tax dollars compared to 2022.

Total expenditures were budgeted to be up \$13.5 million from prior year primarily due to several large capital projects beginning in fiscal year 2023 as well as the continued rising

CITY OF RUSTON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

cost of materials and supplies. Health insurance costs increased slightly from 2022. 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 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 Keen, City of Ruston Treasurer's Office, 401 North Trenton Street, Ruston, LA 71270 or by calling (318) 251-8651.

BASIC FINANCIAL STATEMENTS

CITY OF RUSTON, LOUISIANA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	\$ 20,353,283	\$ 2,966,838	\$ 23,320,121	\$ 2,391,450
Investments	5,434,952	855,083	6,290,035	-
Receivables, net	5,528,789	2,911,720	8,440,509	720
Unbilled revenues	65,384	1,366,917	1,432,301	-
Due from other governments	-	-	-	19,167
Internal balances, net	8,765,440	-	8,765,440	-
Inventories	156,700	4,298,505	4,455,205	-
Prepaid items	13,126	6,954	20,080	1,156
Right to use leased assets, net of amortization	3,035,692	505,829	3,541,521	-
Capital assets:				
Land and construction in progress	63,925,863	15,125,657	79,051,520	-
Other capital assets, net of depreciation	103,809,328	113,986,461	217,795,789	330,132
Total assets	<u>211,088,557</u>	<u>142,023,964</u>	<u>353,112,521</u>	<u>2,742,625</u>
Deferred outflow of resources	6,183,558	-	6,183,558	23,319
LIABILITIES				
Accounts payable	2,709,362	1,588,409	4,297,771	12,224
Accrued liabilities	1,700,082	135,666	1,835,748	7,187
Internal balances, net	-	8,765,440	8,765,440	-
Claims	1,197,088	-	1,197,088	-
Deposits	87,152	1,413,637	1,500,789	-
Accrued interest payable	586,458	44,645	631,103	-
Unearned revenue (ARPA)	3,469,435	19,206	3,488,641	-
Non-current liabilities:				
Due within one year	8,032,458	1,922,897	9,955,355	-
Due in more than one year	61,979,540	8,450,402	70,429,942	-
Net pension liability	26,905,262	-	26,905,262	292,039
Post employment benefit obligation	15,758,370	-	15,758,370	-
Total liabilities	<u>122,425,206</u>	<u>22,340,301</u>	<u>144,765,507</u>	<u>311,450</u>
Deferred inflow of resources	1,099,616	-	1,099,616	13,744
NET POSITION				
Invested in capital assets, net of related debt	103,160,191	119,800,433	222,960,624	330,132
Restricted for:				108,224
Sales Tax Funds	12,622,481	-	12,622,481	-
I-20 TID Fund	3,897,580	-	3,897,580	-
Sports Complex Phase II Fund	5,152,584	-	5,152,584	-
Ruston Parks and Recreation Fund	2,705,994	-	2,705,994	-
Section 8 Housing Voucher Fund	167,893	-	167,893	-
Unrestricted	(33,959,431)	(116,774)	(34,076,204)	2,002,394
Total net position	<u>\$ 93,747,293</u>	<u>\$ 119,683,660</u>	<u>\$ 213,430,951</u>	<u>\$ 2,440,750</u>

CITY OF RUSTON, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023

	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	
Primary Government:								
Governmental activities:								
General government	\$ 10,469,562	\$ 445,676	\$ -	\$ 903,222	\$ (9,120,664)	\$ -	\$ (9,120,664)	
Public safety	6,222,712	330,225	-	7,500	(5,884,987)	-	(5,884,987)	
Public works	13,017,233	1,781,851	-	11,075,632	(159,750)	-	(159,750)	
Cultural and recreation	655,782	162,719	-	-	(493,063)	-	(493,063)	
Ruston City Court and City Marshal	615,874	-	-	-	(615,874)	-	(615,874)	
Interest on long-term debt	2,387,085	-	-	-	(2,387,085)	-	(2,387,085)	
Total governmental activities	<u>33,368,248</u>	<u>2,720,471</u>	<u>-</u>	<u>11,986,354</u>	<u>(18,661,423)</u>	<u>-</u>	<u>(18,661,423)</u>	
Business-type activities:								
Electric System	20,461,636	25,982,221	-	-	-	5,520,585	5,520,585	
Water System	2,298,260	3,165,359	-	1,057,352	-	1,924,451	1,924,451	
Sewer System	4,031,690	3,988,404	-	-	-	(43,286)	(43,286)	
Sports Complex	5,129,229	410,776	-	-	-	(4,718,453)	(4,718,453)	
Telecommunication	579,521	672,829	-	-	-	93,308	93,308	
Airport	497,188	23,066	-	211,135	-	(262,987)	(262,987)	
Ambulance	2,526,181	2,513,208	-	-	-	(12,973)	(12,973)	
Total business-type activities	<u>35,523,704</u>	<u>36,755,863</u>	<u>-</u>	<u>1,268,487</u>	<u>-</u>	<u>2,500,646</u>	<u>2,500,646</u>	
Total primary government	<u>68,891,952</u>	<u>39,476,334</u>	<u>-</u>	<u>13,254,841</u>	<u>(18,661,423)</u>	<u>2,500,646</u>	<u>(16,160,777)</u>	
Component units:								
Ruston City Judge	840,287	356,224	563,242					\$ 79,179
Ruston City Marshal	1,912,284	1,476,453	439,076					3,245
Total component units	<u>\$ 2,752,571</u>	<u>\$ 1,832,677</u>	<u>\$ 1,002,318</u>					<u>82,424</u>
General revenues:								
Taxes:								
Property taxes					1,204,955	-	1,204,955	-
Sales taxes - general purpose					18,440,191	-	18,440,191	-
Sales taxes - recreation facilities and programs					437,465	-	437,465	-
Sales taxes - street and drainage facilities					600,000	-	600,000	-
Sales taxes - fire protection					2,238,167	-	2,238,167	-
Sales taxes - police protection					2,238,167	-	2,238,167	-
Sales taxes - drug prevention programs					50,000	-	50,000	-
Sales taxes - debt service					5,661,177	-	5,661,177	-
Other					998,650	-	998,650	-
Intergovernmental					6,482,812	-	6,482,812	-
Investment earnings					397,097	48,491	445,588	31,203
Rent					14,931	86,193	101,124	-
Miscellaneous					211,062	424,171	635,233	2,263
Proceeds from sale of capital assets					903,626	55,058	958,684	-
Transfers					4,919,268	(4,919,268)	-	-
Total general revenues and transfers					<u>44,797,568</u>	<u>(4,305,355)</u>	<u>\$40,492,213</u>	<u>33,466</u>
Change in net position					26,136,146	(1,804,709)	24,331,435	115,890
Net position - beginning					67,992,778	121,488,369	189,481,148	2,324,860
Prior period adjustment					(381,631)	-	(381,631)	-
Net position - ending					<u>\$ 93,747,293</u>	<u>\$ 119,683,660</u>	<u>\$ 213,430,951</u>	<u>\$ 2,440,750</u>

CITY OF RUSTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	<u>General</u>	<u>1968 Sales Tax</u>	<u>1985 Sales Tax</u>	<u>1990 Sales Tax</u>
ASSETS				
Cash and cash equivalents	\$ 8,110,491	\$ 11,985	\$ -	\$ -
Investments	700,078	-	-	-
Receivables, net	2,006,543	349,853	524,778	349,853
Unbilled revenues	65,384	-	-	-
Due from other funds	14,082,683	569,736	-	518,803
Inventories, at cost	156,700	-	-	-
Prepaid items	8,135	-	-	-
Total assets	<u>\$ 25,130,014</u>	<u>\$ 931,573</u>	<u>\$ 524,778</u>	<u>\$ 868,655</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,253,567	\$ -	\$ -	\$ -
Accrued liabilities	1,075,608	-	-	-
Due to other funds	4,877,431	559,397	569,682	-
Unearned revenue	3,469,435	-	-	-
Deposits and deferred charges	70,440	-	-	-
Total liabilities	<u>11,746,480</u>	<u>559,397</u>	<u>569,682</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Inventories	156,700	-	-	-
Prepaid items	8,135	-	-	-
Spendable:				
Restricted	-	372,176	(44,904)	868,655
Assigned	14,382,128	-	-	-
Unassigned	(1,163,428)	-	-	-
Total fund balances	<u>13,383,534</u>	<u>372,176</u>	<u>(44,904)</u>	<u>868,655</u>
Total liabilities and fund balances	<u>\$ 25,130,014</u>	<u>\$ 931,573</u>	<u>\$ 524,778</u>	<u>\$ 868,655</u>

See accompanying notes to basic financial statements.

CITY OF RUSTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

<u>2016</u> <u>Sales Tax</u>	<u>Ruston EDD#1</u> <u>Sales Tax</u>	<u>Cooktown</u> <u>EDD Sales Tax</u>	<u>I-20 TID</u>	<u>Ruston</u> <u>Forward</u>	<u>Nonmajor</u> <u>Governmental</u>	<u>Total</u> <u>Governmental</u>
\$ 6,976,899	\$ 3,166,022	\$ 40,621	\$ 1,008,368	\$ -	\$ 418,330	\$ 19,732,715
-	-	-	-	-	4,007,268	4,707,346
524,777	201,778	9,132	-	-	1,556,134	5,522,848
-	-	-	-	-	-	65,384
1,469,863	-	-	1,766,264	72,191	6,959,454	25,438,994
-	-	-	-	-	-	156,700
-	-	-	-	-	-	8,135
<u>\$ 8,971,540</u>	<u>\$ 3,367,800</u>	<u>\$ 49,753</u>	<u>\$ 2,774,632</u>	<u>\$ 72,191</u>	<u>\$ 12,941,185</u>	<u>\$ 55,632,122</u>
\$ -	\$ -	\$ 25,260	\$ 359,144	\$ -	\$ 70,348	\$ 2,708,319
490,749	95,707	-	30,928	-	3,862	1,696,854
158,884	169,508	22,432	2,522,542	7,843,482	789,346	17,512,704
-	-	-	-	-	-	3,469,435
-	-	-	-	-	16,712	87,152
<u>649,633</u>	<u>265,215</u>	<u>47,692</u>	<u>2,912,615</u>	<u>7,843,482</u>	<u>880,269</u>	<u>25,474,464</u>
-	-	-	-	-	-	156,700
-	-	-	-	-	-	8,135
8,321,907	3,102,585	2,062	-	-	12,060,916	24,683,397
-	-	-	-	-	-	14,382,128
-	-	-	(137,983)	(7,771,291)	-	(9,072,702)
<u>8,321,907</u>	<u>3,102,585</u>	<u>2,062</u>	<u>(137,983)</u>	<u>(7,771,291)</u>	<u>12,060,916</u>	<u>30,157,657</u>
<u>\$ 8,971,540</u>	<u>\$ 3,367,800</u>	<u>\$ 49,753</u>	<u>\$ 2,774,632</u>	<u>\$ 72,191</u>	<u>\$ 12,941,185</u>	<u>\$ 55,632,122</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, 2023

Fund balance - governmental funds		\$ 30,157,657
<p>Amounts reported for governmental activities in the statement of net assets are different because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	\$ 214,248,517	
Accumulated depreciation	<u>(46,513,326)</u>	167,735,191
<p>Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Right to use assets at historical cost	5,073,122	
Accumulated amortization	<u>(2,037,429)</u>	3,035,692
<p>Deferred outflows and inflows of resources are not available to pay current period expenditures and therefore are not reported in governmental funds.</p>		
Deferred outflow of resources related to pensions	6,183,558	
Deferred inflow of resources related to pensions	<u>(1,099,616)</u>	5,083,942
Net pension liability in MERS, FRS and MPERS		(26,905,262)
<p>Unfunded post employment benefit obligations are not financial resources and therefore are not reported in the funds</p>		
		(15,758,370)
<p>Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Accrued interest payable	(586,459)	
Bonds, notes and loans payable	(64,575,000)	
Lease liability	(3,827,894)	
Compensated absences	<u>(1,609,104)</u>	(70,598,457)
<p>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.</p>		
		<u>996,897</u>
Net position - governmental activities		<u><u>\$ 93,747,293</u></u>

CITY OF RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	General	1968 Sales Tax	1985 Sales Tax	1990 Sales Tax
REVENUES				
Taxes:				
Property	\$ 1,204,955	\$ -	\$ -	\$ -
Sales	-	4,164,480	6,246,719	4,164,479
Other	998,650	-	-	-
Licenses and permits	404,274	-	-	-
Intergovernmental	5,605,499	-	-	-
Charges for services	1,813,526	-	-	-
Fines and forfeitures	339,953	-	-	-
Investment earnings	85,190	98	-	-
Rent	14,201	-	-	-
Miscellaneous	210,062	-	-	-
Grants	11,945,254	-	-	-
Total revenues	<u>22,621,565</u>	<u>4,164,578</u>	<u>6,246,719</u>	<u>4,164,479</u>
EXPENDITURES				
Current:				
General government	7,158,406	1,147	910	910
Public safety	9,475,394	-	-	-
Public works	29,561,847	-	-	-
Culture and recreation	-	-	-	-
City Judge and Marshal	620,908	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>46,816,555</u>	<u>1,147</u>	<u>910</u>	<u>910</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,194,990)</u>	<u>4,163,431</u>	<u>6,245,809</u>	<u>4,163,569</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	903,626	-	-	-
Transfers in	27,771,205	-	-	-
Transfers (out)	(4,744,256)	(4,166,339)	(6,249,500)	(4,166,333)
Total other financing sources (uses)	<u>23,930,575</u>	<u>(4,166,339)</u>	<u>(6,249,500)</u>	<u>(4,166,333)</u>
Net change in fund balances	<u>(264,415)</u>	<u>(2,908)</u>	<u>(3,691)</u>	<u>(2,763)</u>
Fund balances - beginning as previously reported	14,029,580	375,084	(41,213)	871,418
Prior period adjustment (Note 13)	(381,631)	-	-	-
Adjusted fund balance - beginning	<u>13,647,949</u>	<u>375,084</u>	<u>(41,213)</u>	<u>871,418</u>
Fund balances - ending	<u>\$ 13,383,534</u>	<u>\$ 372,176</u>	<u>\$ (44,904)</u>	<u>\$ 868,655</u>

CITY OF RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023

2016 Sales Tax	Ruston EDD#1 Sales Tax	Cooktown EDD Sales Tax	I-20 TID	Moving Ruston Forward	Nonmajor Governmental	Total Governmental
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,204,955
6,246,719	2,398,485	112,142	-	-	6,332,143	29,665,167
-	-	-	-	-	-	998,650
-	-	-	-	-	-	404,274
-	-	-	-	-	877,313	6,482,812
-	-	-	-	-	162,718	1,976,244
-	-	-	-	-	-	339,953
34,571	10,926	190	2,524	8	250,935	384,442
-	-	-	-	-	730	14,931
-	-	-	-	-	1,000	211,062
-	-	-	-	-	41,100	11,986,354
<u>6,281,290</u>	<u>2,409,411</u>	<u>112,332</u>	<u>2,524</u>	<u>8</u>	<u>7,665,939</u>	<u>53,668,846</u>
665	430	111,880	-	-	1,243,244	8,517,592
-	-	-	-	-	-	9,475,394
-	-	-	-	-	-	29,561,847
-	-	-	-	-	487,235	487,235
-	-	-	-	-	-	620,908
1,585,000	2,495,000	-	-	-	2,030,000	6,110,000
1,525,083	294,813	-	-	173	450,112	2,270,181
-	-	-	1,986,603	37,924	72,255	2,096,782
<u>3,110,748</u>	<u>2,790,243</u>	<u>111,880</u>	<u>1,986,603</u>	<u>38,097</u>	<u>4,282,846</u>	<u>59,139,939</u>
3,170,542	(380,832)	452	(1,984,079)	(38,089)	3,383,093	(5,471,093)
-	-	-	-	-	-	903,626
-	-	-	4,832,900	31,686	574,878	33,210,669
(3,036,922)	-	-	(1,561,974)	-	(5,025,404)	(28,950,728)
<u>(3,036,922)</u>	<u>-</u>	<u>-</u>	<u>3,270,926</u>	<u>31,686</u>	<u>(4,450,526)</u>	<u>5,163,567</u>
133,620	(380,832)	452	1,286,847	(6,403)	(1,067,433)	(307,526)
8,188,287	3,483,417	1,610	(1,424,830)	(7,764,888)	13,128,349	30,846,814
-	-	-	-	-	-	(381,631)
<u>8,188,287</u>	<u>3,483,417</u>	<u>1,610</u>	<u>(1,424,830)</u>	<u>(7,764,888)</u>	<u>13,128,349</u>	<u>30,465,183</u>
<u>\$ 8,321,907</u>	<u>\$ 3,102,585</u>	<u>\$ 2,062</u>	<u>\$ (137,983)</u>	<u>\$ (7,771,291)</u>	<u>\$ 12,060,916</u>	<u>\$ 30,157,657</u>

CITY OF RUSTON, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balance - governmental funds \$ (307,526)

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	\$ 24,204,407	
Depreciation expense	<u>(3,037,084)</u>	21,167,323
Right to use assets	5,073,122	
Amortization expense for intangible assets	<u>(1,350,751)</u>	3,722,371

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. Neither transaction, however, has any effect on net position. 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>6,110,000</u>	6,110,000
--------------------	------------------	-----------

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 lease liability	(3,827,894)	
Net pension liability	639,718	
Net post employment benefit liability	<u>(448,508)</u>	(3,636,684)

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

Increase in compensated absences	(130,374)	
Increase in accrued interest	<u>(41,803)</u>	(172,177)

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.

(747,162)

Change in net position - governmental activities \$ 26,136,146

CITY OF RUSTON, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities Enterprise Funds							Governmental Activities	
	Major Funds				Nonmajor Funds			Internal Service	
	Electric System	Water System	Sewer System	Sports Complex	Telecom	Airport	Ambulance		Total
ASSETS									
Current assets:									
Cash and cash equivalents	\$ 534,857	\$ 1,115	\$ 112,914	\$ 816,485	\$ 15,669	\$ 4,594	\$ 426,663	\$ 1,912,297	\$ 620,568
Investments	320,091	277,998	-	-	-	-	-	598,089	727,606
Receivables, net	1,345,909	918,391	174,343	78,250	87,327	101,521	205,979	2,911,720	5,941
Unbilled revenue	963,960	208,688	163,880	-	-	-	30,389	1,366,917	-
Due from other funds	6,497,306	15,049,725	16,621,410	61,266	157,557	177,191	1,646,153	40,210,608	1,625,806
Inventories	3,912,332	264,046	34,486	-	87,642	-	-	4,298,505	-
Prepaid items	-	-	1,096	-	-	-	5,858	6,954	4,991
Total current assets	<u>13,574,454</u>	<u>16,719,962</u>	<u>17,108,129</u>	<u>956,001</u>	<u>348,195</u>	<u>283,306</u>	<u>2,315,043</u>	<u>51,305,090</u>	<u>2,984,912</u>
Noncurrent assets:									
Restricted:									
Cash and cash equivalents	68,574	129,758	856,209	-	-	-	-	1,054,541	-
Investments	24,656	113,516	118,823	-	-	-	-	256,994	-
Right to use leased assets, net of amortization	60,846	86,389	358,594	-	-	-	-	505,829	-
Capital assets:									
Land	627,501	75,070	209,801	10,505,995	-	1,089,195	-	12,507,562	-
Construction in progress	325,293	1,587,792	324,956	102,665	65,392	211,997	-	2,618,095	-
Buildings	7,323,840	133,783	1,271,653	27,393,558	-	1,096,051	-	37,218,884	8,580
Land improvements	-	-	-	16,454,744	-	-	-	16,454,744	-
Improvements other than buildings	-	-	-	-	-	15,839,270	-	15,839,270	-
Equipment	21,446,605	886,126	36,763,953	11,963,770	4,744,082	427,063	1,671,203	77,902,801	79,930
Distribution and collection systems	49,837,150	17,687,091	19,709,601	-	-	-	-	87,233,842	-
Less accumulated depreciation	<u>(55,506,701)</u>	<u>(13,391,156)</u>	<u>(33,885,251)</u>	<u>(7,688,731)</u>	<u>(1,352,969)</u>	<u>(7,498,632)</u>	<u>(1,339,639)</u>	<u>(120,663,079)</u>	<u>(88,409)</u>
Total capital assets (net of accumulated depreciation)	<u>24,053,688</u>	<u>6,978,705</u>	<u>24,394,712</u>	<u>58,731,999</u>	<u>3,456,503</u>	<u>11,164,944</u>	<u>331,564</u>	<u>129,112,118</u>	<u>101</u>
Total noncurrent assets	<u>24,207,764</u>	<u>7,308,367</u>	<u>25,728,337</u>	<u>58,731,999</u>	<u>3,456,503</u>	<u>11,164,944</u>	<u>331,564</u>	<u>130,929,482</u>	<u>101</u>
Total assets	<u>\$ 37,782,218</u>	<u>\$ 24,028,329</u>	<u>\$ 42,836,467</u>	<u>\$ 59,688,000</u>	<u>\$ 3,804,698</u>	<u>\$ 11,448,249</u>	<u>\$ 2,646,606</u>	<u>\$ 182,234,572</u>	<u>\$ 2,985,014</u>

CITY OF RUSTON, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities Enterprise Funds							Governmental Activities	
	Major Funds				Nonmajor Funds			Internal Service	
	Electric System	Water System	Sewer System	Sports Complex	Telecom	Airport	Ambulance		Total
LIABILITIES									
Current liabilities:									
Accounts payable	\$ 1,367,773	\$ 88,052	\$ 34,223	\$ 18,959	\$ 43,208	\$ 24,326	\$ 11,868	\$ 1,588,409	\$ 1,043
Accrued liabilities	40,968	46,678	11,138	6,053	729	272	29,828	135,666	3,228
Due to other funds	32,601,485	3,572,185	3,596,125	1,754,232	3,179,032	2,273,075	1,999,915	48,976,048	786,656
Claims and judgments	-	-	-	-	-	-	-	-	1,197,088
Lease liability	62,187	36,612	70,692	-	-	-	-	169,491	-
Compensated absences	45,961	5,759	29,257	11,039	362	-	52,028	144,406	-
Total current liabilities	<u>34,118,374</u>	<u>3,749,285</u>	<u>3,741,435</u>	<u>1,790,283</u>	<u>3,223,331</u>	<u>2,297,674</u>	<u>2,093,639</u>	<u>51,014,020</u>	<u>1,988,015</u>
Current liabilities payable from restricted assets:									
Customer deposits	1,410,062	-	-	-	-	3,575	-	1,413,637	-
Bonds payable	-	-	1,205,000	-	-	-	-	1,205,000	-
DEQ Clean Drinking Water revolving loan	-	-	277,000	-	-	-	-	277,000	-
DHH revolving loan	-	127,000	-	-	-	-	-	127,000	-
Accrued interest	44,553	92	-	-	-	-	-	44,645	-
Total current liabilities payable from restricted assets	<u>1,454,615</u>	<u>127,092</u>	<u>1,482,000</u>	<u>-</u>	<u>-</u>	<u>3,575</u>	<u>-</u>	<u>3,067,282</u>	<u>-</u>
Noncurrent liabilities:									
Compensated absences	137,884	17,276	87,772	33,116	1,084	-	156,083	433,215	38,059
Unearned revenue (ARPA)	-	-	-	-	-	-	19,206	19,206	-
Bonds payable	-	-	2,395,000	-	-	-	-	2,395,000	-
DEQ Clean Drinking Water revolving loan	-	-	4,479,683	-	-	-	-	4,479,683	-
DHH revolving loan	-	828,000	-	-	-	-	-	828,000	-
Lease liability	-	50,411	264,094	-	-	-	-	314,505	-
Total noncurrent liabilities	<u>137,884</u>	<u>895,686</u>	<u>7,226,548</u>	<u>33,116</u>	<u>1,084</u>	<u>-</u>	<u>175,289</u>	<u>8,469,608</u>	<u>38,059</u>
Total liabilities	<u>35,710,873</u>	<u>4,772,064</u>	<u>12,449,983</u>	<u>1,823,398</u>	<u>3,224,415</u>	<u>2,301,249</u>	<u>2,268,927</u>	<u>62,550,909</u>	<u>2,026,074</u>
NET POSITION									
Net investment in capital assets	24,053,688	6,023,705	16,038,030	58,731,999	3,456,503	11,164,944	331,564	119,800,433	101
Unrestricted	(21,982,343)	13,232,560	14,348,454	(867,397)	(2,876,221)	(2,017,944)	46,116	(116,774)	958,839
Total net position	<u>\$ 2,071,345</u>	<u>\$ 19,256,265</u>	<u>\$ 30,386,484</u>	<u>\$ 57,864,602</u>	<u>\$ 580,282</u>	<u>\$ 9,147,000</u>	<u>\$ 377,680</u>	<u>\$ 119,683,660</u>	<u>\$ 958,940</u>

CITY OF RUSTON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	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
OPERATING REVENUES									
Charges for services	\$ 25,982,221	\$ 3,165,359	\$ 3,988,404	\$ 410,776	\$ 672,829	\$ 23,066	\$ 2,513,208	\$ 36,755,863	\$ 4,725,164
Premiums paid by retired employees	-	-	-	-	-	-	-	-	237,639
Rent income	-	-	-	-	-	86,193	-	86,193	-
Miscellaneous	(79,274)	491,653	6,291	2,785	-	416	2,300	424,171	-
Total operating revenues	<u>25,902,947</u>	<u>3,657,012</u>	<u>3,994,695</u>	<u>413,561</u>	<u>672,829</u>	<u>109,675</u>	<u>2,515,508</u>	<u>37,266,227</u>	<u>4,962,803</u>
OPERATING EXPENSES									
Personnel services	3,021,038	545,107	1,055,168	647,541	7,387	18,609	2,169,087	7,463,937	238,034
Operating services	4,018,873	1,129,792	1,017,538	544,395	340,820	94,774	106,617	7,252,809	26,839
Materials and supplies	11,901,309	124,365	72,540	56,701	(8,940)	8,250	151,759	12,305,984	7,996
Travel and other	9,234	3,223	7,557	-	-	-	59,005	79,019	3,589
Depreciation	1,379,925	405,611	1,709,299	3,880,592	240,254	375,555	39,713	8,030,949	-
Claims	-	-	-	-	-	-	-	-	2,755,928
Insurance premiums	-	-	-	-	-	-	-	-	3,349,561
Total operating expenses	<u>20,330,378</u>	<u>2,208,098</u>	<u>3,862,103</u>	<u>5,129,229</u>	<u>579,521</u>	<u>497,188</u>	<u>2,526,181</u>	<u>35,132,698</u>	<u>6,381,947</u>
Operating income (loss)	<u>5,572,569</u>	<u>1,448,914</u>	<u>132,592</u>	<u>(4,715,668)</u>	<u>93,308</u>	<u>(387,513)</u>	<u>(10,673)</u>	<u>2,133,529</u>	<u>(1,419,144)</u>
NONOPERATING REVENUES (EXPENSES)									
Investment earnings	24,348	7,960	8,067	5,052	71	133	2,860	48,491	12,655
Capital grants	-	1,057,352	-	-	-	211,135	-	1,268,487	-
Interest expense	(2,929)	(37,966)	(114,419)	-	-	-	-	(155,314)	-
Amortization	(128,329)	(52,196)	(55,168)	-	-	-	-	(235,693)	-
Gain (loss) on disposal of fixed assets	55,058	-	-	-	-	-	-	55,058	-
Total nonoperating revenues (expenses)	<u>(51,852)</u>	<u>975,150</u>	<u>(161,520)</u>	<u>5,052</u>	<u>71</u>	<u>211,268</u>	<u>2,860</u>	<u>981,030</u>	<u>12,655</u>
Income (loss) before transfers	<u>5,520,717</u>	<u>2,424,064</u>	<u>(28,928)</u>	<u>(4,710,616)</u>	<u>93,379</u>	<u>(176,246)</u>	<u>(7,813)</u>	<u>3,114,559</u>	<u>(1,406,489)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	826,195	3,573,812	5,227,008	455,758	285,306	165,471	1,973,682	12,507,232	659,327
Transfers (out)	(13,513,880)	(1,011,604)	(345,000)	(531,073)	(124,398)	(149,545)	(1,751,000)	(17,426,500)	-
Total other financing sources (uses)	<u>(12,687,685)</u>	<u>2,562,208</u>	<u>4,882,008</u>	<u>(75,315)</u>	<u>160,908</u>	<u>15,926</u>	<u>222,682</u>	<u>(4,919,268)</u>	<u>659,327</u>
Change in net position	<u>(7,166,968)</u>	<u>4,986,272</u>	<u>4,853,080</u>	<u>(4,785,931)</u>	<u>254,287</u>	<u>(160,320)</u>	<u>214,869</u>	<u>(1,804,709)</u>	<u>(747,162)</u>
Total net position - beginning	<u>9,238,313</u>	<u>14,269,993</u>	<u>25,533,404</u>	<u>62,650,533</u>	<u>325,995</u>	<u>9,307,320</u>	<u>162,811</u>	<u>121,488,369</u>	<u>1,706,102</u>
Total net position - ending	<u>\$ 2,071,345</u>	<u>\$ 19,256,265</u>	<u>\$ 30,386,484</u>	<u>\$ 57,864,602</u>	<u>\$ 580,282</u>	<u>\$ 9,147,000</u>	<u>\$ 377,680</u>	<u>\$ 119,683,660</u>	<u>\$ 958,940</u>

CITY OF RUSTON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities Enterprise Funds							Governmental Activities	
	Major Funds				Nonmajor Funds				
	Electric System	Water System	Sewer System	Sports Complex	Telecom	Airport	Ambulance		Total
CASH FLOWS FROM OPERATING ACTIVITIES:									
Receipts from operations	\$ 34,563,015	\$ (832,605)	\$ 150,063	\$ 1,286,156	\$ 637,985	\$ 16,049	\$ 1,802,564	\$ 37,623,227	\$ 4,988,125
Payments to suppliers	(17,500,423)	(1,255,085)	(1,446,477)	(610,903)	(277,893)	(82,545)	(333,902)	(21,507,228)	(2,456,095)
Payments to employees	(3,027,845)	(496,553)	(1,073,573)	(653,726)	(6,394)	(18,609)	(2,125,081)	(7,401,781)	(212,519)
Claim payments	-	-	-	-	-	-	-	-	(3,042,033)
Other receipts	(79,274)	491,653	6,291	2,785	-	416	2,300	424,171	-
Net cash provided (used) by operating activities	<u>13,955,473</u>	<u>(2,092,590)</u>	<u>(2,363,696)</u>	<u>24,312</u>	<u>353,698</u>	<u>(84,689)</u>	<u>(654,119)</u>	<u>9,138,389</u>	<u>(722,522)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:									
Transfers in	826,195	3,573,812	5,227,008	455,758	285,306	165,471	1,973,682	12,507,232	659,327
Transfers (out)	(13,513,880)	(1,011,604)	(345,000)	(531,073)	(124,398)	(149,545)	(1,751,000)	(17,426,500)	-
Net cash provided (used) by noncapital financing activities	<u>(12,687,685)</u>	<u>2,562,208</u>	<u>4,882,008</u>	<u>(75,315)</u>	<u>160,908</u>	<u>15,926</u>	<u>222,682</u>	<u>(4,919,268)</u>	<u>659,327</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:									
Proceeds from sale of capital assets	55,058	-	-	-	-	-	-	55,058	-
Acquisition and construction of capital assets	(1,311,602)	(1,319,230)	(578,584)	(89,466)	(510,613)	(198,142)	(3,406)	(4,011,043)	-
Capital grants	-	1,057,352	-	-	-	211,135	-	1,268,487	-
Principal paid on debt	(127,720)	(176,132)	(1,538,976)	-	-	-	-	(1,842,828)	-
Interest paid on debt	(2,929)	(37,966)	(114,419)	-	-	-	-	(155,314)	-
Net cash provided (used) by capital and related financing activities	<u>(1,387,193)</u>	<u>(475,976)</u>	<u>(2,231,979)</u>	<u>(89,466)</u>	<u>(510,613)</u>	<u>12,993</u>	<u>(3,406)</u>	<u>(4,685,640)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:									
Purchase of investments	(12,959)	(7,395)	(2,245)	-	-	-	-	(22,599)	(12,116)
Interest and dividends received	24,348	7,960	8,067	5,052	71	133	2,860	48,491	12,655
Net cash provided by investing activities	<u>11,389</u>	<u>565</u>	<u>5,822</u>	<u>5,052</u>	<u>71</u>	<u>133</u>	<u>2,860</u>	<u>25,892</u>	<u>541</u>
Net increase (decrease) in cash and cash equivalents	(108,016)	(5,793)	292,155	(135,417)	4,064	(55,637)	(431,983)	(440,627)	(62,653)
Cash and cash equivalents, beginning of year	711,447	136,666	676,968	951,902	11,605	60,231	858,646	3,407,465	683,221
Cash and cash equivalents, end of year	<u>\$ 603,431</u>	<u>\$ 130,873</u>	<u>\$ 969,123</u>	<u>\$ 816,485</u>	<u>\$ 15,669</u>	<u>\$ 4,594</u>	<u>\$ 426,663</u>	<u>\$ 2,966,838</u>	<u>\$ 620,568</u>
Noncash item: Amortization	128,329	52,196	55,168	-	-	-	-	235,693	-

See accompanying notes to basic financial statements.

CITY OF RUSTON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities Enterprise Funds							Governmental Activities	
	Major Funds				Nonmajor Funds				
	Electric System	Water System	Sewer System	Sports Complex	Telecom	Airport	Ambulance		Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities									
Operating income (loss)	\$ 5,572,569	\$ 1,448,914	\$ 132,592	\$ (4,715,668)	\$ 93,308	\$ (387,513)	\$ (10,673)	\$ 2,133,529	\$ (1,419,144)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities									
Depreciation	1,379,925	405,611	1,709,299	3,880,592	240,254	375,555	39,713	8,030,949	-
(Increase) decrease in assets:									
Receivables	(563,526)	(863,140)	(8,506)	(13,869)	16,197	(65,182)	(83,065)	(1,581,091)	(2,667)
Due from other funds / governments	270,587	(3,064,884)	(3,975,588)	(1,608)	(25,600)	(481)	(757,811)	(7,555,385)	6,684
Inventories	(1,287,092)	(41,314)	(3,153)	-	16,855	-	-	(1,314,704)	9
Prepaid items	-	-	-	-	-	-	(5,858)	(5,858)	-
Increase (decrease) in liabilities:									
Accounts payable	(283,916)	43,609	(345,686)	(9,807)	37,134	20,479	(16,521)	(554,708)	105
Accrued liabilities	10,742	41,366	860	1,174	127	-	19,538	73,807	864
Due to other funds	8,808,248	(69,940)	144,655	890,855	(25,443)	(27,547)	136,090	9,856,918	39,980
Customers' deposits	65,485	-	-	-	-	-	-	65,485	-
Claims and judgments	-	-	-	-	-	-	-	-	626,996
Compensated absences	(17,549)	7,188	(18,169)	(7,357)	866	-	24,468	(10,553)	24,651
Total adjustments	8,382,904	(3,541,504)	(2,496,288)	4,739,980	260,390	302,824	(643,446)	7,004,860	696,622
Net cash provided (used) by operating activities	\$ 13,955,473	\$ (2,092,590)	\$ (2,363,696)	\$ 24,312	\$ 353,698	\$ (84,689)	\$ (654,119)	\$ 9,138,389	\$ (722,522)

See accompanying notes to basic financial statements.

CITY OF RUSTON, LOUISIANA
STATEMENT OF NET POSITION
COMPONENT UNITS
SEPTEMBER 30, 2023

	<u>Ruston City Judge</u>	<u>Ruston City Marshal</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,113,630	\$ 277,820	\$ 2,391,450
Receivables	-	720	720
Prepaid items	1,156	-	1,156
Due from governmental units	19,167	-	19,167
Capital assets, net of depreciation	281,430	48,702	330,132
Total assets	<u>2,415,383</u>	<u>327,242</u>	<u>2,742,625</u>
Deferred outflow of resources	23,319	-	23,319
LIABILITIES			
Accounts payable	6,452	5,772	12,224
Accrued liabilities	7,187	-	7,187
Non-current liabilities:			
Net pension liability	292,039	-	292,039
Total liabilities	<u>305,678</u>	<u>5,772</u>	<u>311,450</u>
Deferred inflow of resources	13,744	-	13,744
NET POSITION			
Net investment in capital assets	281,430	48,702	330,132
Restricted	-	108,224	108,224
Unrestricted	1,837,850	164,544	2,002,394
Total net position	<u>\$ 2,119,280</u>	<u>\$ 321,470</u>	<u>\$ 2,440,750</u>

See accompanying notes to basic financial statements.

CITY OF RUSTON, LOUISIANA
STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEAR ENDED SEPTEMBER 30, 2023

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	On-Behalf Revenues	Ruston City Judge	Ruston City Marshal	Total
Ruston City Judge: Judicial	\$ 840,287	\$ 356,224	\$ 563,242	\$ 79,179	\$ -	\$ 79,179
Ruston City Marshal: Judicial	<u>1,912,284</u>	<u>1,476,453</u>	<u>439,076</u>	<u>-</u>	<u>3,245</u>	<u>3,245</u>
	<u>\$ 2,752,571</u>	<u>\$ 1,832,677</u>	<u>\$ 1,002,318</u>	<u>79,179</u>	<u>3,245</u>	<u>82,424</u>
General revenues:						
Interest earnings				29,013	2,190	31,203
Miscellaneous				1,997	266	2,263
Total general revenues				<u>31,010</u>	<u>2,456</u>	<u>33,466</u>
Change in net position				110,189	5,701	115,890
Net position - beginning				<u>2,009,091</u>	<u>315,769</u>	<u>2,324,860</u>
Net position - ending				<u>\$ 2,119,280</u>	<u>\$ 321,470</u>	<u>\$ 2,440,750</u>

See accompanying notes to basic financial statements.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 public works, utility services, police and fire protection, parks and recreation, 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

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. 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 Ruston City Judge, pursuant to state statute, which are under the control of the Judge. Ruston City Judge serves the citizenry of the City. The financial statements of Ruston City Judge included in the accompanying financial statements are as of and for the fiscal year ended September 30, 2023.

Ruston City Marshal

The Ruston City Marshal is an elected official. 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. Ruston City Marshal serves the citizenry of the Parish. The financial statements of Ruston City Marshal included in the accompanying financial statements are as of and for the fiscal year ended September 30, 2023.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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.

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

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:

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.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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.

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.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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.

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-quarter 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 to police and fire departments and drug prevention.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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-quarter cent sales tax is dedicated to 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. A one and three-quarter cent sales tax is assessed in the Economic Development District created to fund economic development 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. A one-half cent sales tax is assessed within the Cooktown Economic Development District 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.

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.

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:

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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, 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 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 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 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 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 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.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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:

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

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 as of September 30, 2023, 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.

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 are 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

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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 9 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 non-spendable 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 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 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 non-spendable and are neither restricted nor committed.

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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.

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.

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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.

s. Right to Use Assets

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement date of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease

2. Cash and Investments

Cash and cash equivalents at September 30, 2023 for the City are summarized as follows:

<u>Carrying Amount</u>	<u>Bank Balance</u>
\$23,320,121	\$24,562,103

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 \$24,562,103 bank balance held in the name of the City at September 30, 2023, \$2,593,925 was insured by FDIC insurance and \$21,968,178 was covered by letters of credit purchased by 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, 2023. 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	\$5,969,944	\$ -	\$ -	\$ 5,969,944
Louisiana Asset Management Pool				320,091
Total investments				6,290,035
Total cash and cash equivalents				23,320,121
Total cash, cash equivalents & investments, including restricted cash and investments				\$29,610,156

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 \$2,391,450 at September 30, 2023.

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 Tax Assessor and approved by the State of Louisiana Tax Commission. Total assessed value was \$242,972,459 in 2023. The distribution of the City's 2023 levy (tax rate per \$1,000 assessed value) was as follows:

General alimony	5.19
Recreation purposes	2.89
Total	8.08

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4. Receivables

Receivables as of September 30, 2023, for the City's 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>
Governmental funds:					
General	\$284,858	\$ -	\$2,097,259	(\$375,574)	\$2,006,543
1968 Sales Tax	-	349,853	-	-	349,853
1985 Sales Tax	-	524,778	-	-	524,778
1990 Sales Tax	-	349,853	-	-	349,853
2016 Sales Tax	-	524,777	-	-	524,777
Ruston EDD #1	-	201,778	-	-	201,778
Cooktown EDD	-	9,132	-	-	9,132
Nonmajor	-	1,556,134	-	-	1,556,134
Internal Service	-	-	5,941	-	5,941
Total governmental funds	<u>\$284,858</u>	<u>\$3,516,305</u>	<u>\$2,103,200</u>	<u>(\$375,574)</u>	<u>\$5,528,789</u>
Business-type funds:					
Electric System	\$3,595,707	\$ -	\$ -	(\$2,249,798)	\$1,345,909
Water System	602,596	-	696,310	(380,515)	918,391
Sewer System	851,073	-	-	(676,730)	174,343
Sports Complex	78,250	-	-	-	78,250
Nonmajor	518,598	-	-	(123,771)	394,827
Total business-type funds	<u>\$5,646,224</u>	<u>\$ -</u>	<u>\$696,310</u>	<u>(\$3,430,814)</u>	<u>\$2,911,720</u>

5. Right to Use Leased Assets

The City has recorded right to use leased assets for equipment and leased vehicles. The related leases are discussed in Note 15 Leases. The right to use assets are amortized on a straight-line basis over the terms of each related lease. Right to use asset activity for the City for the year ended September 30, 2023 is as follows:

	<u>September 30, 2022</u>	<u>Additions</u>	<u>Subtraction</u>	<u>September 30, 2023</u>
Lease Assets				
Vehicles	\$1,248,693	\$1,353,210	(\$322,398)	\$2,279,505
Equipment	2,866,666	800,380	(148,401)	3,518,645
	<u>4,115,359</u>	<u>2,153,590</u>	<u>(470,799)</u>	<u>5,798,150</u>
Less: Accumulated Amortization				
Vehicles	(336,183)	(528,637)	322,398	(542,421)
Equipment	(804,802)	(1,057,806)	148,401	(1,714,207)
	<u>(1,140,985)</u>	<u>(1,586,443)</u>	<u>470,799</u>	<u>(2,256,628)</u>
Total Lease Assets, net	<u>\$2,974,374</u>	<u>\$567,147</u>	<u>\$ -</u>	<u>\$3,541,521</u>

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6. Capital Assets

A summary of changes in capital assets is as follows:

Governmental activities	Balance September 30, 2022	Additions	Retirements	Balance September 30, 2023
Capital assets not being depreciated:				
Land	\$ 18,442,510	\$ -	\$ (1,008,765)	\$ 17,433,745
Construction in progress	32,703,150	24,776,429	(10,987,461)	46,492,118
Total capital assets not being depreciated	<u>51,145,660</u>	<u>24,776,429</u>	<u>(11,996,226)</u>	<u>63,925,863</u>
Capital assets being depreciated:				
Buildings	13,866,797	8,542	(104,977)	13,770,362
Improvements other than buildings	45,824,612	-	-	45,824,612
Equipment	55,931,079	11,658,932	(138,293)	67,451,718
Infrastructure	23,275,962	-	-	23,275,962
Total capital assets being depreciated	<u>138,898,450</u>	<u>11,667,474</u>	<u>(243,270)</u>	<u>150,322,654</u>
Less accumulated depreciation:				
Buildings	(5,618,401)	(278,213)	21,294	(5,875,320)
Improvements other than buildings	(9,556,188)	(925,830)	-	(10,482,018)
Equipment	(17,325,374)	(1,362,779)	138,293	(18,549,860)
Infrastructure	(11,135,866)	(470,262)	-	(11,606,128)
Total accumulated depreciation	<u>(43,635,829)</u>	<u>(3,037,085)</u>	<u>159,587</u>	<u>(46,513,326)</u>
Total capital assets being depreciated, net	<u>95,262,621</u>	<u>8,630,389</u>	<u>(83,682)</u>	<u>103,809,328</u>
Governmental activities capital assets, net	<u>\$ 146,408,281</u>	<u>\$ 33,406,818</u>	<u>\$ (12,079,909)</u>	<u>\$ 167,735,191</u>

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 \$4,200,000 for Ruston Animal Shelter construction; \$34,600,000 for street projects; and \$6,700,000 for water system improvements.

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	Balance September 30, 2022	Additions	Retirements	Balance September 30, 2023
Business activities - Electric System				
Capital assets not being depreciated:				
Land	\$ 627,501	\$ -	\$ -	\$ 627,501
Construction in progress	199,246	274,947	(148,900)	325,293
Total capital assets not being depreciated	<u>826,747</u>	<u>274,947</u>	<u>(148,900)</u>	<u>952,794</u>
Capital assets being depreciated:				
Buildings	7,320,340	3,500	-	7,323,840
Equipment	21,246,474	200,131	-	21,446,605
System Improvements	48,855,226	981,922	-	49,837,150
Total capital assets being depreciated	<u>77,422,041</u>	<u>1,185,553</u>	<u>-</u>	<u>78,607,596</u>
Less accumulated depreciation:				
Buildings	(3,181,322)	(128,567)	-	(3,309,889)
Equipment	(27,534,288)	(376,487)	-	(27,910,775)
System Improvements	(23,411,167)	(874,871)	-	(24,286,038)
Total accumulated depreciation	<u>(54,126,777)</u>	<u>(1,379,925)</u>	<u>-</u>	<u>(55,506,701)</u>
Total capital assets being depreciated, net	23,295,264	(194,371)	-	23,100,895
Electric System capital assets, net	<u>\$ 24,122,010</u>	<u>\$ 80,575</u>	<u>\$ (148,900)</u>	<u>\$ 24,053,688</u>

	Balance September 30, 2022	Additions	Retirements	Balance September 30, 2023
Business activities - Water System				
Capital assets not being depreciated:				
Land	\$ 75,070	\$ -	\$ -	\$ 75,070
Construction in progress	346,683	1,241,109	-	1,587,792
Total capital assets not being depreciated	<u>421,753</u>	<u>1,241,109</u>	<u>-</u>	<u>1,662,862</u>
Capital assets being depreciated:				
Buildings	133,783	-	-	133,783
Equipment	877,585	8,541	-	886,126
System Improvements	17,617,511	69,580	-	17,687,091
Total capital assets being depreciated	<u>18,628,879</u>	<u>78,121</u>	<u>-</u>	<u>18,707,000</u>
Less accumulated depreciation:				
Buildings	(153,530)	(2,901)	-	(156,431)
System Improvements	(11,848,611)	(383,497)	-	(12,232,108)
Equipment	(983,405)	(19,213)	-	(1,002,618)
Total accumulated depreciation	<u>(12,985,546)</u>	<u>(405,611)</u>	<u>-</u>	<u>(13,391,156)</u>
Total capital assets being depreciated, net	5,643,332	(327,489)	-	5,315,844
Water System capital assets, net	<u>\$ 6,065,085</u>	<u>\$ 913,620</u>	<u>\$ -</u>	<u>\$ 6,978,705</u>

Water System construction in progress consisted of various Water Sector Program grant projects.

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	Balance September 30, 2022	Additions	Retirements	Balance September 30, 2023
Business activities - Sewer System				
Capital assets not being depreciated:				
Land	\$ 209,801	\$ -	\$ -	\$ 209,801
Construction in progress	506,978	452,576	(634,597)	324,956
Total capital assets not being depreciated	<u>716,779</u>	<u>452,576</u>	<u>(634,597)</u>	<u>534,757</u>
Capital assets being depreciated:				
Buildings	1,271,653	-	-	1,271,653
Equipment	36,129,356	634,597	-	36,763,953
System Improvements	19,583,593	126,008	-	19,709,601
Total capital assets being depreciated	<u>56,984,601</u>	<u>760,605</u>	<u>-</u>	<u>57,745,207</u>
Less accumulated depreciation:				
Buildings	(173,180)	(37,642)	-	(210,822)
System Improvements	(17,695,651)	(583,418)	-	(18,279,069)
Equipment	(14,307,120)	(1,088,239)	-	(15,395,359)
Total accumulated depreciation	<u>(32,175,952)</u>	<u>(1,709,299)</u>	<u>-</u>	<u>(33,885,251)</u>
Total capital assets being depreciated, net	24,808,650	(948,694)	-	23,859,955
Sewer System capital assets, net	<u>\$ 25,525,428</u>	<u>\$ (496,118)</u>	<u>\$ (634,597)</u>	<u>\$ 24,394,712</u>

Sewer System construction in progress consisted primarily of infrastructure preparation for street overlay projects.

	Balance September 30, 2022	Additions	Retirements	Balance September 30, 2023
Business activities - Sports Complex				
Capital assets not being depreciated:				
Land	\$ 10,505,995	\$ -	\$ -	\$ 10,505,995
Construction in progress	28,700	102,665	(28,700)	102,665
Total capital assets not being depreciated	<u>10,534,695</u>	<u>102,665</u>	<u>(28,700)</u>	<u>10,608,660</u>
Capital assets being depreciated:				
Building	27,378,058	15,500	-	27,393,558
Land Improvements	16,454,744	-	-	16,454,744
Equipment	11,963,770	-	-	11,963,770
Total capital assets being depreciated	<u>55,796,571</u>	<u>15,500</u>	<u>-</u>	<u>55,812,071</u>
Less accumulated depreciation:				
Buildings	(1,809,899)	(1,904,664)	-	(3,714,563)
Improvements	(1,155,657)	(1,144,092)	-	(2,299,749)
Equipment	(842,584)	(831,836)	-	(1,674,420)
Total accumulated depreciation	<u>(3,808,140)</u>	<u>(3,880,592)</u>	<u>-</u>	<u>(7,688,731)</u>
Total capital assets being depreciated, net	51,988,431	(3,865,092)	-	48,123,339
Sports Complex capital assets, net	<u>\$ 62,523,127</u>	<u>\$ (3,762,427)</u>	<u>\$ (28,700)</u>	<u>\$ 58,731,999</u>

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	Balance September 30, 2022	Additions	Retirements	Balance September 30, 2023
Business activities - Telecommunications				
Capital assets not being depreciated:				
Construction in progress	\$ 65,392	\$ -	\$ -	\$ 65,392
Capital assets being depreciated:				
Equipment	4,233,469	510,613	-	4,744,082
Less accumulated depreciation:				
Equipment	(1,112,716)	(240,254)	-	(1,352,969)
Total capital assets being depreciated, net	3,120,752	270,359	-	3,391,113
Telecommunications capital assets, net	<u>\$ 3,186,144</u>	<u>\$ 270,359</u>	<u>\$ -</u>	<u>\$ 3,456,503</u>

	Balance September 30, 2022	Additions	Retirements	Balance September 30, 2023
Business activities - Airport				
Capital assets not being depreciated:				
Land	\$ 1,089,195	\$ -	\$ -	\$ 1,089,195
Construction in progress	152,149	198,142	(138,294)	211,997
Total capital assets not being depreciated	1,241,344	198,142	(138,294)	1,301,192
Capital assets being depreciated:				
Buildings	1,096,051	-	-	1,096,051
Runways, aprons, and taxiways	15,839,270	-	-	15,839,270
Equipment	288,769	138,294	-	427,063
Total capital assets being depreciated	17,224,091	138,294	-	17,362,385
Less accumulated depreciation:				
Buildings	(347,106)	(23,708)	-	(370,814)
Runways, aprons, and taxiways	(322,977)	(9,238)	-	(332,215)
Equipment	(6,452,994)	(342,609)	-	(6,795,603)
Total accumulated depreciation	(7,123,076)	(375,555)	-	(7,498,632)
Total capital assets being depreciated, net	10,101,015	(237,261)	-	9,863,753
Airport capital assets, net	<u>\$ 11,342,358</u>	<u>\$ (39,119)</u>	<u>\$ (138,294)</u>	<u>\$ 11,164,944</u>

	Balance September 30, 2022	Additions	Retirements	Balance September 30, 2023
Business activities - Ambulance				
Capital assets being depreciated:				
Equipment	\$ 1,667,797	\$ 3,406	\$ -	\$ 1,671,203
Less accumulated depreciation:	(1,299,926)	(39,713)	-	(1,339,639)
Ambulance capital assets, net	<u>\$ 367,871</u>	<u>\$ (36,307)</u>	<u>\$ -</u>	<u>\$ 331,564</u>

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	Balance September 30, 2022	Additions	Retirements	Balance September 30, 2023
Total Business-type activities capital assets				
Capital assets not being depreciated:				
Land	\$ 12,507,562	\$ -	\$ -	\$ 12,507,562
Construction in progress	1,299,148	2,269,438	(950,491)	2,618,095
Total capital assets not being depreciated	<u>13,806,710</u>	<u>2,269,438</u>	<u>(950,491)</u>	<u>15,125,657</u>
Capital assets being depreciated:				
Buildings	37,199,884	19,000	-	37,218,884
Land Improvements	16,454,744	-	-	16,454,744
Runways, aprons, and taxiways	15,839,270	-	-	15,839,270
Equipment	76,407,219	1,495,582	-	77,902,801
Improvements	86,056,331	1,177,510	-	87,233,842
Total capital assets being depreciated	<u>231,957,448</u>	<u>2,692,092</u>	<u>-</u>	<u>234,649,541</u>
Less accumulated depreciation:				
Buildings	(5,665,036)	(2,097,481)	-	(7,762,517)
Runways, aprons, and taxiways	(322,977)	(9,238)	-	(332,215)
Equipment	(52,533,033)	(2,938,351)	-	(55,471,384)
Improvements	(54,111,086)	(2,985,878)	-	(57,096,964)
Total accumulated depreciation	<u>(112,632,132)</u>	<u>(8,030,948)</u>	<u>-</u>	<u>(120,663,079)</u>
Total capital assets being depreciated, net	119,325,316	(5,338,856)	-	113,986,462
Business-type activities capital assets, net	<u>\$ 133,132,024</u>	<u>\$ (3,069,417)</u>	<u>\$ (950,491)</u>	<u>\$ 129,112,118</u>

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

Governmental activities:	
General government	\$ 172,362
Public safety	377,257
Public works	2,368,168
Recreation	119,297
Total depreciation expense - governmental activities	<u>\$3,037,085</u>
Business-type activities:	
Electric System	\$1,379,925
Water System	405,611
Sewer System	1,709,299
Sports Complex	3,880,592
Telecommunications	240,254
Airport	375,555
Ambulance	39,713
Total depreciation expense - business-type activities	<u>\$8,030,948</u>

CITY OF RUSTON, LOUISIANA
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7. 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 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 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.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

8. Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Revenue bonds payable	\$70,685,000	\$ -	(\$6,110,000)	\$64,575,000	\$6,195,000
Compensated absences	1,503,203	105,901	-	1,609,104	402,276
Lease liabilities	3,123,057	2,705,892	(2,001,055)	3,827,894	1,435,182
Net pension liability	29,604,198	-	(2,698,936)	26,905,262	-
Post-employment benefit obligation	15,309,862	1,039,178	(590,670)	15,758,370	-
Total governmental activities	<u>120,225,320</u>	<u>3,850,971</u>	<u>(11,400,661)</u>	<u>112,675,630</u>	<u>8,032,458</u>
Business-type activities:					
Electric System					
Compensated absences	<u>201,394</u>	<u>-</u>	<u>(17,549)</u>	<u>183,845</u>	<u>45,961</u>
Water System					
DHH revolving loan	1,079,000	-	(124,000)	955,000	127,000
Compensated absences	15,844	7,191	-	23,035	5,759
Total Water System	<u>1,094,844</u>	<u>7,191</u>	<u>(124,000)</u>	<u>978,035</u>	<u>132,759</u>
Sewer System					
Refunding bonds	4,785,000	-	(1,185,000)	3,600,000	1,205,000
DEQ Clean Water State Revolving Fund	5,031,683	-	(275,000)	4,756,683	277,000
Compensated absences	135,198	-	(18,169)	117,029	29,257
Total Sewer System	<u>9,951,881</u>	<u>-</u>	<u>(1,478,169)</u>	<u>8,473,712</u>	<u>1,511,257</u>
Sports Complex					
Compensated absences	<u>51,514</u>	<u>-</u>	<u>(7,359)</u>	<u>44,155</u>	<u>11,039</u>
Telecommunications					
Compensated absences	<u>580</u>	<u>866</u>	<u>-</u>	<u>1,446</u>	<u>362</u>
Ambulance					
Compensated absences	<u>183,643</u>	<u>24,468</u>	<u>-</u>	<u>208,111</u>	<u>52,028</u>
Business-type activities:					
Compensated absences	588,173	32,525	(43,077)	577,621	144,406
DHH revolving loan	1,079,000	-	(124,000)	955,000	127,000
Refunding bonds	4,785,000	-	(1,185,000)	3,600,000	1,205,000
DEQ revolving loan	5,031,683	-	(275,000)	4,756,683	277,000
Total business-type activities	<u>11,483,856</u>	<u>32,525</u>	<u>(1,627,077)</u>	<u>9,889,304</u>	<u>1,753,406</u>

CITY OF RUSTON, LOUISIANA
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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, 2023, are comprised of the following issuances:

Governmental activities:

<u>2016 Sales & Use Tax Revenue Bonds</u> - \$38,995,000 – 2016 Sales & Use Tax Revenue Bonds dated September 13, 2016, interest at 5.00% payable in annual installments of \$1,660,000 to \$2,985,000 through June 1, 2036.	\$29,445,000
<u>2021 Tax Increment Revenue Bonds</u> - \$23,760,000 – 2021 Sales Tax Increment Revenue Bonds dated December 9, 2021, interest at 2.08% payable in annual installments of \$1,750,000 to \$2,200,000 through September 1, 2033.	19,610,000
<u>2022 Sales & Use Tax Revenue Bonds</u> - \$18,015,000 – 2022 Sales & Use Tax Revenue Bonds dated February 17, 2022, interest 1.85% payable in annual installments of \$2,520,000 to \$2,705,000 through December 1, 2028.	15,520,000

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 \$125,000 to \$146,000 through October 1, 2030.	955,000
<u>Refunding Bonds</u> - \$7,470,000 2020 Utility Refunding Bonds dated August 19, 2020, interest at 1.39%, due in annual installments of \$1,185,000 to \$1,210,000 through October 1, 2026.	3,600,000
<u>DEQ Clean Water State Revolving Fund</u> - \$6,000,000 2018 Utility Revenue Bonds dated October 18, 2018, interest at 0.95%, due in annual installments of \$277,000 to \$319,000 through October 1, 2039.	4,756,683

The annual requirements to amortize all debt outstanding as of September 30, 2023, including interest requirements are as follows:

Year(s) ending September 30	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2024	\$6,195,000	\$2,144,457	\$1,609,000	\$119,885	\$10,068,342
2025	6,375,000	1,972,290	1,594,000	97,226	10,038,516
2026	6,550,000	1,794,162	1,625,000	74,753	10,043,915
2027	6,735,000	1,609,765	421,000	51,816	8,817,581
2028	6,430,000	1,419,008	427,000	45,597	8,321,604
2029-2033	23,750,000	4,565,305	1,767,000	142,364	30,224,669
2034-2038	8,540,000	867,750	1,550,000	59,598	11,017,348
2039	-	-	318,683	3,028	321,711
	\$64,575,000	\$14,372,737	\$9,311,683	\$594,266	\$88,853,686

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, 2023, was \$242,972,459. The maximum debt allowable for any one purpose and total general obligation debt allowable by state law as of December 31, 2023, is \$24,297,246 and \$85,040,361, respectively. The City currently has no general bonded debt outstanding.

9. 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, ("MERS") a cost-sharing multiple-employer public employee retirement system, controlled and administered by the Board of Trustees of the System. MERS 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. MERS 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, 2023, 2022, and 2021 were \$2,272,207, \$2,139,118, and \$2,163,254, 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, 2023, the City reported a liability of \$14,006,416 for its proportionate share of the net pension liability for the MERS plan. The net pension liability was measured as of June 30, 2023, 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, 2023, the City's proportion was 3.8323%, which was an increase of 0.0487% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the City recognized net pension expense of \$1,925,857 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$76,434.)

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,399	\$128,079
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,609,489	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	258,884	-
Employer contributions subsequent to the measurement date	616,981	-
Total	<u>\$2,494,753</u>	<u>\$128,079</u>

The City reported a total of \$616,981 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2023, which will be recognized as a reduction in the net pension liability in the year ended September 30, 2024.

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:

Year	MERS
2024	\$541,778
2025	142,750
2026	1,167,617
2027	(102,450)
Total	<u>\$1,749,695</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2023 is as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry age normal
Expected Remaining Service Lives	3 years
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation

CITY OF RUSTON, LOUISIANA
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Inflation Rate	2.5%
Projected Salary Increases	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)
Mortality	PubG-2010(B) – Employee Table for active members PubG-2010(B) - Healthy Retiree Table for healthy annuitants PubNS-2010(B) - Disabled Retiree Table for disabled annuitants <i>Each set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales</i>
Cost of Living Adjustments	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, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. 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 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.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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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 6.85% 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 discount rate:

<u>MERS</u>	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Rates	5.85%	6.85%	7.85%
City's Share - NPL	\$19,418,100	\$14,006,416	\$9,435,159

Firefighters' Retirement System (FRS)

Plan Description - The City of Ruston contributes to the Firefighters' Retirement System, a cost-sharing multiple-employer defined benefit pension established to provide retirement, disability and survivor benefits to firefighters in Louisiana. FRS 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. FRS 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, 2023, the City is 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 FRS for the year ended September 30, 2023, 2022, and 2021 were \$879,691, \$835,639, and \$811,583, 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, 2023, the City reported a liability of \$6,432,599 for its proportionate share of the net pension liability for the FRS plan. The net pension liability was measured as of June 30, 2023, 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, 2023, the City's proportion was 0.9856%, which was an increase of 0.0245% from its proportion measured as of June 30, 2022.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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For the year ended September 30, 2023, the City recognized pension expense of \$1,273,427 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$1,743.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 200,832	\$220,384
Changes of assumptions	389,233	-
Net differences between projected and actual earnings on pension plan investments	871,859	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	203,323	174,116
Employer contributions subsequent to the measurement date	281,503	-
Total	\$1,946,750	\$394,500

The City reported a total of \$281,503 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2023, which will be recognized as a reduction in net pension liability in the year ended September 30, 2024.

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:

Year	FRS
2024	\$285,270
2025	156,085
2026	804,655
2027	(45,727)
2028	24,441
2029	46,023
Total	\$1,270,747

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2023, is as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	7 years, closed period

CITY OF RUSTON, LOUISIANA
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Inflation Rate	2.50% per annum
Investment Rate of Return	6.90% per annum (net of investment expense, including inflation)
Salary Increases	14.10% in the first two years of service 5.20% with 3 or more years of service (including inflation and merit increases)
Mortality	Active members - Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employee Disabled retirees - Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees Healthy retirees and beneficiaries - Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees
Cost of Living Adjustments	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.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current 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.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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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 6.90% 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 as of June 30, 2023:

<u>FRS</u>	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Rates	5.90%	6.90%	7.90%
City's Share – NPL	\$9,923,569	\$6,432,599	\$3,520,973

Municipal Police Employees' Retirement System (MPERS)

Plan Description – The City of Ruston contributes to the Municipal Police Employees' Retirement System (MPERS), a cost-sharing multiple-employer defined benefit pension plan. Membership in MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria and 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. 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 10.0% of their annual compensation. For the year ended September 30, 2023, 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, 2023, 2022, and 2021 were \$647,934, \$639,177, and \$627,231, 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, 2023, the City reported a liability of \$6,466,247 for its proportionate share of the net pension liability for the MPERS plan. The net pension liability was measured as of June 30, 2023, 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, 2023, the City's proportion was 0.6120%, which was an decrease of 0.084% from its proportion measured as of June 30, 2022.

CITY OF RUSTON, LOUISIANA
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For the year ended September 30, 2023, the City recognized pension expense of \$1,007,610 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$184,816.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 455,483	\$ 2,710
Changes of assumptions	107,902	-
Net differences between projected and actual earnings on pension plan investments	698,069	-
Change in proportion and differences between employer contributions and proportionate share of contributions	276,028	574,327
Employer contributions subsequent to the measurement date	204,573	-
Total	<u>\$1,742,055</u>	<u>\$577,037</u>

The City reported a total of \$204,573 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2023, which will be recognized as a reduction in the net pension liability in the year ended September 30, 2024.

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:

Year	MPERS
2024	\$ 321,414
2025	148,599
2026	525,127
2027	(34,695)
Total	<u>\$960,445</u>

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of September 30, 2023, is as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry age normal cost
Expected Remaining Service Lives	4 years

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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Investment Rate of Return	6.750%, net of investment expense
Inflation Rate	2.50%
Salary Increases	12.30% - first two years of service 4.70% - three or more years of service (including inflation & merit increases)
Mortality	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 6.75%, 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 as of June 30, 2023:

<u>MPERS</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Rates	5.75%	6.75%	7.75%
City's Share – NPL	\$9,098,520	\$6,466,247	\$4,267,330

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

10. Other Required Individual Fund Disclosures

a. Interfund Receivables and Payables

Interfund balances at September 30, 2023, are as follows:

DUE FROM	DUE TO											
	General Fund	Sales Tax Funds	I-20 TID Fund	Moving Ruston Forward	Nonmajor Gov Funds	Electric System	Water System	Sewer System	Sports Complex	Nonmajor Enterprise Funds	Internal Service Funds	Total
General Fd	\$ -	\$ 334,956	\$ 879,090	\$ 903,106	\$ 218,277	\$ 1,135,752	\$ 3,239,767	\$ 2,762,861	\$ 1,724,650	\$ 2,803,330	\$ 80,894	\$ 14,082,683
Sales Tax Fds	-	1,110,970	-	1,447,432	-	-	-	-	-	-	-	2,558,402
I-20 TID Fund	916,763	-	-	817,380	9,913	-	-	-	-	22,209	-	1,766,264
Moving Ruston Forward	17,791	-	-	-	54,400	-	-	-	-	-	-	72,191
Nonmajor Gov Fds	2,444,877	33,977	-	4,085,092	13,672	538	5,348	375,000	-	-	950	6,959,454
Electric System	212,716	-	696,171	551,130	397,748	-	-	-	15,503	3,931,039	692,999	6,497,306
Water System	15,732	-	57,580	1,836	-	14,974,365	-	-	-	-	213	15,049,725
Sewer System	16,776	-	765,355	506	-	15,766,210	72,563	-	-	-	-	16,621,410
Sports Complex	19,766	-	-	-	19,000	-	22,499	-	-	-	-	61,266
Nonmajor Enterprise Fds	15,435	-	124,347	37,000	23,029	714,146	178,853	371,005	-	517,086	-	1,980,901
Internal Service Fds	1,217,575	-	-	-	53,307	10,475	53,154	87,259	14,078	178,358	11,600	1,625,806
Total	\$4,877,431	\$1,479,903	\$2,522,542	\$7,843,482	\$ 789,346	\$32,601,485	\$3,572,185	\$3,596,125	\$1,754,232	\$7,452,022	\$ 786,656	\$67,275,408

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, 2023, are as follows:

TRANSFERS IN	TRANSFERS OUT									
	General Fund	Sales Tax Funds	I20 TID	Nonmajor Gov Funds	Electric System	Water System	Sewer System	Sports Complex	Nonmajor Enterprise Funds	Total
General Fund		\$ 17,181,629	\$ 1,561,974	\$ 107,127	\$ 6,370,979	\$ 826,148	\$ 345,000	\$ 208,750	\$ 1,169,598	\$ 27,771,205
Moving Ruston Forward	\$ 26,886								4,800	31,686
I-20 TID	38,400			4,750,000	44,500					4,832,900
Nonmajor Governmental	60,136	437,465			43,514	6,764		27,000		574,878
Electric System	495,507			33,514				290,957	6,218	826,195
Water System	1,051,709			1,764	2,170,148			4,366	345,827	3,573,812
Sewer System	1,015,508			32,000	3,741,500	75,000			363,000	5,227,008
Sports Complex	46,435			55,000	349,957	4,366				455,758
Nonmajor Enterprise Fds	1,976,914			45,000	176,218	96,327			130,000	2,424,459
Internal Service Fds	32,762			1,000	617,065	3,000			5,500	659,327
Total transfers	\$ 4,744,256	\$ 17,619,094	\$ 1,561,974	\$ 5,025,404	\$ 13,513,880	\$ 1,011,604	\$ 345,000	\$ 531,073	\$ 2,024,943	\$ 46,377,229

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.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

c. On Behalf Payments

The City makes certain payments on behalf of Ruston City Judge and Ruston City Marshal as part of normal operations and considered in the annual budget process. On behalf of payments as of September 30, 2023, are shown below:

Payee	Amount
Ruston City Judge	\$485,908
Ruston City Marshal	278,187
Total On Behalf Payments	\$764,095

11. 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)*.

12. 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 employer pays a percentage of the cost of the medical insurance for the retiree and dependents according to a formula based on service at time of actual retirement. The percentage is 50% for at least 30 years of service; 40% for 25 but less than 30 years of service; 25% for at least 20 but less than 25 years of service; and, zero for less than 20 years of service.

Life insurance coverage in varying amounts is provided to retirees. Retiree insurance coverage amounts are \$20,000, reduced to \$10,000 at age 70 and to \$1,000 at age 75. Retirees pay a portion of the premiums depending on years of service at retirement.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

Employees covered by benefit terms – As of the measurement date September 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	95
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>287</u>
Total	<u><u>382</u></u>

Total OPEB Liability

The City's total OPEB liability is \$15,758,370 as of the measurement date September 30, 2023, the end of the fiscal year.

Actuarial assumptions and other inputs – The total OPEB liability in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	As assumed in the 2023 MERS Report
Prior Discount rate	4.02%
Discount rate	4.09%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	5.5% for 3 years decreasing to an ultimate rate of 4.1% in 2075
Mortality	PubG.H-2010(B), mortality rates increased by 20%. MP-2018 Projection table

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of September 30, 2023, the end of the applicable measurement period. The actuarial assumptions used in the September 30, 2023 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2009 to September 30, 2023.

Changes in the Total OPEB Liability

Balance, September 30, 2022	<u>\$15,309,862</u>
Changes for the year:	
Service cost	416,004
Interest	623,174
Differences between expected and actual experience	-
Changes in assumptions	(142,642)
Benefit payments and net transfers	<u>(448,028)</u>
Net changes	448,508
Balance, September 30, 2023	<u><u>\$15,758,370</u></u>

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Rates	3.09%	4.09%	5.09%
Total OPEB liability	\$18,314,529	\$15,758,370	\$13,712,822

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:

	1.0% Decrease	Current Trend	1.0% Increase
Rates	4.50%	5.50%	6.50%
Total OPEB liability	\$13,353,533	\$15,758,370	\$18,866,618

OPEB Expense and Deferred Outflows of Resources/Deferred Inflows of Resources – For the year ended September 30, 2023, the City recognized OPEB expense of (\$32,572). At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 794,545	(\$1,615,486)
Changes in assumptions	3,122,734	(2,806,359)
Total	\$3,917,279	(\$4,421,845)

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

Year ending September 30:	Amount
2024	(\$1,071,750)
2025	(1,071,750)
2026	438,838
2027	438,838
2028	438,838
Thereafter	322,421

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Fiscal year ended 9/30

OPEB EXPENSES	2018	2019	2020	2021	2022	2023
Service cost	\$ 253,617	\$ 221,500	\$ 220,421	\$ 301,702	\$ 328,022	\$ 416,004
Interest	615,554	665,023	590,701	285,595	308,181	623,174
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actu	(292,278)	332,256	(4,408,039)	417,717	624,717	-
Changes of assumptions	(1,685,835)	5,251,800	(5,523,531)	305,653	190,196	(142,642)
Benefit payments	(170,940)	(180,342)	(166,476)	(160,566)	(294,491)	(448,028)
Net change in total OPEB liability	(1,279,882)	6,290,237	(9,286,924)	1,150,101	1,156,625	448,508
Total OPEB liability - beginning	17,279,705	15,999,823	22,290,060	13,003,136	14,153,237	15,309,862
Total OPEB liability - ending (a)	\$ 15,999,823	\$ 22,290,060	\$ 13,003,136	\$ 14,153,237	\$ 15,309,862	\$ 15,758,370
Covered-employee payroll	\$ 10,721,510	\$ 11,150,370	\$ 10,817,631	\$ 11,250,336	\$ 12,231,716	\$ 12,598,667
Net OPEB liability as a percentage of covered-employee payroll	149.23%	199.90%	120.20%	125.80%	125.17%	125.08%

Notes to Schedule:

<i>Benefit Change:</i>	None	None	None	None	None	None
<i>Changes of Assumptions:</i>						
<i>Discount Rate:</i>	4.18%	2.66%	2.21%	2.15%	4.02%	4.09%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2000	RP-2000	Pub G.H - 2010(B), mortality rates incr by 20% MP-2018 Proj table	Pub G.H - 2010(B), mortality rates incr by 20% MP-2018 Proj table
<i>Trend:</i>	5.5%	5.5%	Variable	Variable	Variable	Variable

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

13. Adjustments to Net Position

During fiscal year 2023, certain accounting adjustments were made that required the restatement of net position of the General Fund. The restatement resulted in a decrease in net position of \$381,631. The City was made aware by the Lincoln Parish Tax Commission that a taxpayer had overstated their taxable sales resulting in a sales tax overpayment. All sales tax assessing entities within the Parish were responsible for repaying the overage back to the Tax Commission who in turn refunded the sales tax to the taxpayer.

14. Commitments and Contingencies

a. Construction Projects

There are certain infrastructure and construction projects in progress at September 30, 2023, including the street overlay infrastructure project and Water Sector Program system

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

improvements along with various smaller projects. Some of these projects are funded with grant revenue.

There are several transportation and recreation improvement projects under way, funded primarily from grant revenue, including Downtown Revitalization projects, and BUILD Monroe Street corridor projects.

The City has contractual commitments of approximately \$11,200,000 in governmental activities and approximately \$640,000 in business-type activities related to these construction projects.

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 \$84.8 million in City property, subject to a \$100,000 per occurrence retention for property claims. The property insurance is with Travelers Indemnity 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 \$800,381 has 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 (\$222,102) at September 30, 2023. 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, 2023, a total of \$4,437,511 was paid in benefits and administrative costs. The insurance fund has a net position of \$1,152,646 at September 30, 2023. An excess coverage co-insurance policy covers individual claims in excess of \$75,000 per calendar year. Incurred but not reported claims of \$296,707 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

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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 five fiscal years.

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

	Accrued Claims October 1	Claims Incurred	Claims Paid	Accrued Claims September 30
Worker's Compensation				
2023	\$259,635	\$1,453,856	(\$913,110)	\$800,381
2022	145,939	608,165	(495,069)	259,635
Health Insurance				
2023	210,457	2,803,641	(2,717,391)	296,707
2022	260,916	2,201,435	(2,251,894)	210,457

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.

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 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. ARPA funds are reflected as General Fund Unearned 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.

15. Leases

The City has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

On June 21, 2017, the City agreed to lease equipment from Southland Paclease for the sum of \$4,143 payable monthly on the 21st day of each month for 60 consecutive months. The lease term commenced on June 21, 2017 and ended on July 21, 2022. This lease was extended twice under the same terms for an additional twelve months now expiring June 22, 2024. Annual lease payments totaled \$49,711 for the current fiscal year.

On January 12, 2018, the City agreed to lease equipment from Southland Paclease for the sum of \$4,241 payable monthly on the 12th day of each month for 60 consecutive months. The lease term commenced on January 12, 2018 and ended on April 30, 2023. Annual lease payments totaled \$29,687 for the current fiscal year.

On February 28, 2019, the City agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$4,967 payable monthly on the last day of each month for 48 consecutive months with a 49th final payment of \$70,000. The lease term commenced on March 31, 2019 and ended on March 31, 2023. Annual lease payments totaled \$29,804 for the current fiscal year.

On February 20, 2020, the City agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$2,849 payable monthly on the 20th day of each month for 48 consecutive months with a 49th final payment of \$34,875. The lease term commenced on February 20, 2020 and will end on March 20, 2024. Annual lease payments totaled \$34,184 for the current fiscal year.

On September 3, 2020, the City agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$2,062 payable monthly on the 3rd day of each month for 36 consecutive months with a 37th final payment of \$62,535. The lease term commenced on September 3, 2020 and will end on October 3, 2023. Annual lease payments totaled \$22,677 for the current fiscal year.

On September 23, 2020 the City agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$2,896 payable monthly on the 23rd day of each month for 48 consecutive months with a 49th 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 February 3, 2021, the City agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$8,286 payable monthly on the 29th day of each month for 36 consecutive months with a 37th final payment of \$319,954. The lease term commenced on February 3, 2021 and will end on May 29, 2024. Annual lease payments totaled \$99,432 for the current fiscal year.

On June 29, 2021, the City agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$5,433 payable monthly on the 21st day of each month for 36 consecutive months with a 37th final payment of \$130,000. The lease term commenced on July 21, 2021 and will end on August 21, 2024. Annual lease payments totaled \$65,199 for the current fiscal year.

On August 5, 2021, the City agreed to lease equipment from Jim Taylor Ford for the sum of \$250 payable monthly on the 5th day of each month for 12 consecutive months. The lease term commenced on August 5, 2021 and ended on August 5, 2022. This lease was renewed under the same terms on September 23, 2022 and will now expire September 22, 2023. Annual lease payments totaled \$3,000 for the current fiscal year.

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

On February 2, 2022, the City agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$14,217 payable monthly on the 16th day of each month for 36 consecutive months with a 37th final payment of \$450,000. The lease term commenced on February 2, 2022 and will end on March 16, 2025. Annual lease payments totaled \$156,391 for the current fiscal year.

On June 3, 2022, the City agreed to lease equipment from BancorpSouth Equipment Finance for the sum of \$9,016 payable monthly on the 23rd day of each month for 36 consecutive months with a 37th final payment of \$298,556. The lease term commenced on June 3, 2022 and will end on July 23, 2025. Annual lease payments totaled \$108,191 for the current fiscal year.

On January 19, 2023, the City agreed to lease equipment from Cadence Bank for the sum of \$7,208 payable monthly on the 19th day of each month for 60 consecutive months with a 61st final payment of \$34,000. The lease term commenced on February 19, 2023 and will end on February 19, 2028. Annual lease payments totaled \$64,869 for the current fiscal year.

On August 11, 2023, the City agreed to lease equipment from Cadence Bank for the sum of \$6,441 payable monthly on the 11th day of each month for 48 consecutive months with a 49th final payment of \$70,000. The lease term commenced on September 11, 2023 and will end on September 11, 2027. Annual lease payments totaled \$6,441 for the current fiscal year.

The City also has an open-ended lease with Enterprise FM Trust for passenger vehicles for various departments with monthly payments varying from \$35,773 to \$87,188 due on the 20th day of each month for terms varying from 48 to 60 consecutive months. The lease terms commenced on March 13, 2020 with various end dates through May 31, 2028. Annual lease payments totaled \$803,737.

Future minimum lease payments to be paid are:

Year ending September 30	Principal Payments	Interest Payments	Total
2024	\$1,604,672	\$94,125	\$1,698,797
2025	1,513,798	57,048	1,570,846
2026	507,256	27,281	534,537
2027	549,006	13,997	563,003
2028	137,156	747	137,903
Total	<u>\$4,311,888</u>	<u>\$193,198</u>	<u>\$4,505,086</u>

16. 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, 2023:

Carolyn E. Cage	\$11,540
Melanie Lewis	11,540
Angela R. Mayfield	11,540
John Denny	9,235
Jim C. Pearce	2,305
Bruce E. Siegmund	11,540

CITY OF RUSTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

17. Subsequent Events

The City has evaluated events subsequent to September 30, 2023 to assess the need for potential recognition or disclosure in this report. Such events were evaluated through March 31, 2024. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)

CITY OF RUSTON, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023
(unaudited)

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 1,180,000	\$ 1,180,000	\$ 1,204,955	\$ 24,955
Licenses and permits	1,664,000	1,664,000	1,402,924	(261,076)
Intergovernmental	10,583,000	10,583,000	5,605,499	(4,977,501)
Charges for services	1,838,000	1,838,000	1,813,526	(24,474)
Fines and forfeitures	353,000	353,000	339,953	(13,047)
Investment earnings	8,000	8,000	85,190	77,190
Miscellaneous	433,000	433,000	224,263	(208,737)
Grants	23,453,500	7,518,500	11,945,254	4,426,754
Total revenues	<u>39,512,500</u>	<u>23,577,500</u>	<u>22,621,565</u>	<u>(955,936)</u>
EXPENDITURES				
General government:				
Executive:				
Regular salaries	707,622	707,622	739,407	(31,785)
Overtime salaries	1,000	1,000	2,624	(1,624)
Other employee benefits	381,022	381,022	409,915	(28,893)
Total salaries, wages, and employee benefits	<u>1,089,644</u>	<u>1,089,644</u>	<u>1,151,946</u>	<u>(62,302)</u>
Operating services	1,459,000	1,459,000	1,952,408	(493,408)
Materials and supplies	172,000	172,000	143,765	28,235
Travel and other	8,000	8,000	12,205	(4,205)
Improvements and equipment	250,000	250,000	235,869	14,131
Total Executive	<u>2,978,644</u>	<u>2,978,644</u>	<u>3,496,193</u>	<u>(517,549)</u>
Information Technology:				
Regular salaries	178,021	178,021	250,800	(72,779)
Overtime salaries	4,000	4,000	6,739	(2,739)
Other employee benefits	81,705	81,705	114,282	(32,577)
Total salaries, wages, and employee benefits	<u>263,726</u>	<u>263,726</u>	<u>371,821</u>	<u>(108,095)</u>
Operating services	462,250	462,250	407,621	54,629
Materials and supplies	8,275	8,275	13,222	(4,947)
Travel and other	5,000	5,000	-	5,000
Improvements and equipment	57,000	57,000	207,412	(150,412)
Total Information Technology	<u>796,251</u>	<u>796,251</u>	<u>1,000,076</u>	<u>(203,825)</u>
Economic Development:				
Regular salaries	60,923	60,923	68,557	(7,634)
Overtime salaries	-	-	(844)	844
Other employee benefits	26,508	26,508	30,477	(3,969)
Total salaries, wages, and employee benefits	<u>87,431</u>	<u>87,431</u>	<u>98,190</u>	<u>(10,759)</u>
Operating services	68,520	68,520	880,240	(811,720)
Materials and supplies	3,600	3,600	2,331	1,269
Travel and other	5,000	5,000	80	4,920
Total Economic Development	<u>164,551</u>	<u>164,551</u>	<u>980,841</u>	<u>(816,290)</u>
Military Museum:				
Regular salaries	20,644	20,644	35,893	(15,249)
Other employee benefits	20,401	20,401	18,307	2,094
Total salaries, wages, and employee benefits	<u>41,045</u>	<u>41,045</u>	<u>54,200</u>	<u>(13,155)</u>
Operating services	1,825	1,825	29,836	(28,011)
Materials and supplies	12,150	12,150	78	12,072
Total Military Museum	<u>55,020</u>	<u>55,020</u>	<u>84,114</u>	<u>(29,094)</u>

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

CITY OF RUSTON, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023
(unaudited)

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
City Hall/Civic Center:				
Regular salaries	\$ 156,748	\$ 156,748	\$ 164,284	\$ (7,536)
Overtime salaries	12,000	12,000	21,848	(9,848)
Contract labor	25,000	25,000	84,409	(59,409)
Other employee benefits	64,791	64,791	64,555	236
Total salaries, wages, and employee benefits	258,539	258,539	335,096	(76,557)
Operating services	243,050	243,050	195,746	47,304
Materials and supplies	20,300	20,300	26,376	(6,076)
Travel and other	500	500	-	500
Improvements and equipment	328,000	328,000	229,261	98,739
Total City Hall/Civic Center	850,389	850,389	786,479	63,910
Planning, Zoning and Inspection:				
Regular salaries	387,153	387,153	341,130	46,023
Overtime salaries	500	500	575	(75)
Other employee benefits	201,992	201,992	183,194	18,798
Total salaries, wages, and employee benefits	589,645	589,645	524,899	64,746
Operating services	622,500	622,500	241,682	380,818
Materials and supplies	37,000	37,000	38,578	(1,578)
Travel and other	5,000	5,000	5,544	(544)
Total Planning, Zoning and Inspection	1,254,145	1,254,145	810,703	443,442
Total General Government	6,099,000	6,099,000	7,158,406	(1,059,406)
Public Safety:				
Police:				
Regular salaries	2,274,239	2,274,239	2,347,766	(73,527)
Overtime salaries	245,000	245,000	273,051	(28,051)
Other employee benefits	1,551,833	1,551,833	1,277,398	274,435
Total salaries, wages, and employee benefits	4,071,072	4,071,072	3,898,215	172,857
Operating services	617,750	617,750	775,180	(157,430)
Materials and supplies	348,000	348,000	342,140	5,860
Travel and other	90,000	90,000	71,787	18,213
Improvements and equipment	529,000	529,000	325,926	203,074
Total Police	5,655,822	5,655,822	5,413,248	242,574
Fire:				
Regular salaries	1,795,584	1,795,584	1,747,237	48,347
Overtime salaries	240,000	240,000	215,994	24,006
Other employee benefits	1,301,814	1,251,814	986,959	264,855
Total salaries, wages, and employee benefits	3,337,398	3,287,398	2,950,190	337,208
Operating services	301,500	301,500	340,354	(38,854)
Materials and supplies	153,500	153,500	174,245	(20,745)
Travel and other	50,000	50,000	136,388	(86,388)
Improvements and equipment	4,168,000	318,000	317,782	218
Total Fire	8,010,398	4,110,398	3,918,959	191,439
Probation	143,924	143,924	143,187	737
Total Public Safety	13,810,144	9,910,144	9,475,394	434,750

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

CITY OF RUSTON, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023
(unaudited)

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Public Works:				
Administration:				
Regular salaries	\$ 418,606	\$ 418,606	\$ 456,357	\$ (37,751)
Overtime salaries	1,000	1,000	3,162	(2,162)
Other employee benefits	199,221	199,221	193,526	5,695
Total salaries, wages, and employee benefits	<u>618,827</u>	<u>618,827</u>	<u>653,045</u>	<u>(34,218)</u>
Operating services	178,750	178,750	146,065	32,685
Materials and supplies	22,500	22,500	14,936	7,564
Travel and other	3,000	3,000	778	2,222
Total Administration	<u>823,077</u>	<u>823,077</u>	<u>814,824</u>	<u>8,253</u>
Streets:				
Regular salaries	865,315	865,315	843,415	21,900
Overtime salaries	20,000	20,000	43,430	(23,430)
Contract labor	75,000	75,000	296,998	(221,998)
Other employee benefits	566,864	566,864	489,918	76,946
Total salaries, wages, and employee benefits	<u>1,527,179</u>	<u>1,527,179</u>	<u>1,673,761</u>	<u>(146,582)</u>
Operating services	1,408,150	1,408,150	1,026,613	381,537
Materials and supplies	165,000	165,000	164,764	236
Travel and other	1,000	1,000	1,663	(663)
Improvements and equipment	33,235,000	19,365,000	19,414,481	(49,481)
Total Streets	<u>36,336,329</u>	<u>22,466,329</u>	<u>22,281,282</u>	<u>185,047</u>
Solid Waste:				
Regular salaries	699,228	699,228	655,226	44,002
Overtime salaries	120,000	120,000	192,669	(72,669)
Contract labor	40,000	40,000	61,816	(21,816)
Other employee benefits	390,422	390,422	307,711	82,711
Total salaries, wages, and employee benefits	<u>1,249,650</u>	<u>1,249,650</u>	<u>1,217,422</u>	<u>32,228</u>
Operating services	853,000	853,000	669,543	183,457
Materials and supplies	320,000	320,000	305,416	14,584
Total Solid Waste	<u>2,422,650</u>	<u>2,422,650</u>	<u>2,192,381</u>	<u>230,269</u>
Repair Shop:				
Regular salaries	350,822	350,822	338,388	12,434
Overtime salaries	13,000	13,000	10,408	2,592
Other employee benefits	193,473	193,473	184,351	9,122
Total salaries, wages, and employee benefits	<u>557,295</u>	<u>557,295</u>	<u>533,147</u>	<u>24,148</u>
Operating services	45,300	45,300	31,954	13,346
Materials and supplies	41,250	41,250	35,165	6,085
Travel and other	1,000	1,000	1,673	(673)
Total Repair Shop	<u>644,846</u>	<u>644,846</u>	<u>601,939</u>	<u>42,906</u>
Animal Control:				
Regular salaries	140,856	140,856	133,284	7,572
Overtime salaries	5,000	5,000	5,792	(792)
Other employee benefits	86,828	86,828	77,061	9,767
Total salaries, wages, and employee benefits	<u>232,684</u>	<u>232,684</u>	<u>216,137</u>	<u>16,547</u>
Operating services	43,000	43,000	27,713	15,287
Materials and supplies	21,500	21,500	14,524	6,976
Travel and other	4,000	4,000	170	3,830
Improvements and equipment	3,700,000	3,100,000	3,122,608	(22,608)
Total Animal Control	<u>4,001,184</u>	<u>3,401,184</u>	<u>3,381,152</u>	<u>20,032</u>

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

CITY OF RUSTON, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023
(unaudited)

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
Geographic Information System (GIS)				
Regular salaries	\$ 115,608	\$ 115,608	\$ 139,088	\$ (23,480)
Overtime salaries	-	-	13,651	(13,651)
Other employee benefits	75,164	75,164	70,525	4,639
Total salaries, wages, and employee benefits	<u>190,772</u>	<u>190,772</u>	<u>223,264</u>	<u>(32,492)</u>
Operating services	36,250	36,250	29,316	6,934
Materials and supplies	6,500	6,500	6,605	(105)
Travel and other	1,000	1,000	-	1,000
Improvements and equipment	-	-	31,084	(31,084)
Total GIS	<u>234,522</u>	<u>234,522</u>	<u>290,269</u>	<u>(55,747)</u>
Total Public Works	<u>44,462,608</u>	<u>29,992,608</u>	<u>29,561,847</u>	<u>430,760</u>
Ruston City Judge	336,685	336,685	342,721	(6,036)
Ruston City Marshal	<u>272,296</u>	<u>272,296</u>	<u>278,187</u>	<u>(5,891)</u>
Total expenditures	<u>64,980,733</u>	<u>46,610,733</u>	<u>46,816,555</u>	<u>(205,823)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,468,233)</u>	<u>(23,033,233)</u>	<u>(24,194,990)</u>	<u>(1,161,759)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of land/equipment	-	-	903,626	903,626
Transfers in	22,690,355	27,260,355	27,771,205	510,850
Transfers (out)	<u>(525,000)</u>	<u>(2,000,000)</u>	<u>(4,744,256)</u>	<u>(2,744,256)</u>
Total other financing sources (uses)	<u>22,165,355</u>	<u>25,260,355</u>	<u>23,930,575</u>	<u>(1,329,780)</u>
Net change in fund balance	(3,302,878)	2,227,122	(264,415)	(2,491,539)
Fund balances - beginning as previously reported	14,029,580	14,029,580	14,029,580	-
Prior period adjustment (Note 13)	-	-	(381,631)	(381,631)
Adjusted fund balance - beginning	<u>14,029,580</u>	<u>14,029,580</u>	<u>13,647,949</u>	<u>(381,631)</u>
Fund balances - ending	<u>\$ 10,726,702</u>	<u>\$ 16,256,702</u>	<u>\$ 13,383,534</u>	<u>\$ (2,873,170)</u>

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

CITY OF RUSTON, LOUISIANA
 1968 SALES TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 YEAR ENDED SEPTEMBER 30, 2023
 (unaudited)

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 4,194,081	\$ 4,194,081	\$ 4,164,480	\$ (29,601)
Investment earnings	-	-	98	98
Total revenues	<u>4,194,081</u>	<u>4,194,081</u>	<u>4,164,578</u>	<u>(29,503)</u>
EXPENDITURES				
Collection and administrative	1,350	1,350	1,147	203
Total expenditures	<u>1,350</u>	<u>1,350</u>	<u>1,147</u>	<u>203</u>
Excess of revenues over expenditures	4,192,731	4,192,731	4,163,431	(29,300)
OTHER FINANCING (USES)				
Transfers (out)	(4,192,731)	(4,192,731)	(4,166,339)	26,392
Total other financing (uses)	<u>(4,192,731)</u>	<u>(4,192,731)</u>	<u>(4,166,339)</u>	<u>26,392</u>
Net change in fund balance	-	-	(2,908)	(2,908)
Fund balances - beginning	375,084	375,084	375,084	-
Fund balances - ending	<u>\$ 375,084</u>	<u>\$ 375,084</u>	<u>\$ 372,176</u>	<u>\$ (2,908)</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, 2023
(unaudited)

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 6,291,121	\$ 6,291,121	\$ 6,246,719	\$ (44,402)
Total revenues	<u>6,291,121</u>	<u>6,291,121</u>	<u>6,246,719</u>	<u>(44,402)</u>
EXPENDITURES				
Collection and administrative	1,100	1,100	910	190
Total expenditures	<u>1,100</u>	<u>1,100</u>	<u>910</u>	<u>190</u>
Excess of revenues over expenditures	6,290,021	6,290,021	6,245,809	(44,212)
OTHER FINANCING (USES)				
Transfers (out)	(6,290,021)	(6,290,021)	(6,249,500)	40,521
Total other financing (uses)	<u>(6,290,021)</u>	<u>(6,290,021)</u>	<u>(6,249,500)</u>	<u>40,521</u>
Net change in fund balance	-	-	(3,691)	(3,691)
Fund balances - beginning	<u>(41,213)</u>	<u>(41,213)</u>	<u>(41,213)</u>	<u>-</u>
Fund balances - ending	<u>\$ (41,213)</u>	<u>\$ (41,213)</u>	<u>\$ (44,904)</u>	<u>\$ (3,691)</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, 2023
(unaudited)

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 4,194,081	\$ 4,194,081	\$ 4,164,479	\$ (29,602)
Total revenues	<u>4,194,081</u>	<u>4,194,081</u>	<u>4,164,479</u>	<u>(29,602)</u>
EXPENDITURES				
Collection and administrative	1,100	1,100	910	190
Total expenditures	<u>1,100</u>	<u>1,100</u>	<u>910</u>	<u>190</u>
Excess of revenues over expenditures	4,192,981	4,192,981	4,163,569	(29,412)
OTHER FINANCING (USES)				
Transfers (out)	(4,192,981)	(4,192,981)	(4,166,333)	26,648
Total other financing (uses)	<u>(4,192,981)</u>	<u>(4,192,981)</u>	<u>(4,166,333)</u>	<u>26,648</u>
Net change in fund balance	-	-	(2,763)	(2,763)
Fund balances - beginning	<u>871,418</u>	<u>871,418</u>	<u>871,418</u>	-
Fund balances - ending	<u><u>\$ 871,418</u></u>	<u><u>\$ 871,418</u></u>	<u><u>\$ 868,655</u></u>	<u><u>\$ (2,763)</u></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, 2023
(unaudited)

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 6,291,121	\$ 6,291,121	\$ 6,246,719	\$ (44,402)
Investment earnings	1,700	1,700	34,571	32,871
Total revenues	<u>6,292,821</u>	<u>6,292,821</u>	<u>6,281,290</u>	<u>(11,531)</u>
EXPENDITURES				
Collection and administrative	800	800	665	135
Debt service	3,136,500	3,136,500	3,110,083	26,417
Total expenditures	<u>3,137,300</u>	<u>3,137,300</u>	<u>3,110,748</u>	<u>26,552</u>
Excess of revenues over expenditures	3,155,521	3,155,521	3,170,542	15,021
OTHER FINANCING (USES)				
Transfers (out)	-	(2,750,000)	(3,036,922)	(286,922)
Total other financing (uses)	<u>-</u>	<u>(2,750,000)</u>	<u>(3,036,922)</u>	<u>(286,922)</u>
Net change in fund balance	3,155,521	405,521	133,620	(271,901)
Fund balances - beginning	<u>8,188,287</u>	<u>8,188,287</u>	<u>8,188,287</u>	<u>-</u>
Fund balances - ending	<u>\$ 11,343,808</u>	<u>\$ 8,593,808</u>	<u>\$ 8,321,907</u>	<u>\$ (271,901)</u>

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

CITY OF RUSTON, LOUISIANA
RUSTON EDD#1 SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023
(unaudited)

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 2,337,767	\$ 2,337,767	\$ 2,398,485	\$ 60,718
Investment earnings	1,000	1,000	10,926	9,926
Total revenues	<u>2,338,767</u>	<u>2,338,767</u>	<u>2,409,411</u>	<u>70,644</u>
EXPENDITURES				
Collection and administrative	1,500	1,500	430	1,070
Debt service	2,757,919	2,757,919	2,789,813	(31,894)
Total expenditures	<u>2,759,419</u>	<u>2,759,419</u>	<u>2,790,243</u>	<u>(30,824)</u>
Excess of revenues over expenditures	(420,652)	(420,652)	(380,832)	39,820
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(420,652)	(420,652)	(380,832)	39,820
Fund balances - beginning	<u>3,483,417</u>	<u>3,483,417</u>	<u>3,483,417</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,062,765</u>	<u>\$ 3,062,765</u>	<u>\$ 3,102,585</u>	<u>\$ 39,820</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, 2023
(unaudited)

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 112,205	\$ 112,205	\$ 112,142	\$ (63)
Investment earnings	-	-	190	189
Total revenues	<u>112,205</u>	<u>112,205</u>	<u>112,332</u>	<u>126</u>
EXPENDITURES				
Developer fee	106,594	106,594	111,880	(5,286)
Total expenditures	<u>106,594</u>	<u>106,594</u>	<u>111,880</u>	<u>(5,286)</u>
Excess of revenues over expenditures	5,611	5,611	452	(5,159)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	5,611	5,611	452	(5,159)
Fund balances - beginning	<u>1,610</u>	<u>1,610</u>	<u>1,610</u>	<u>-</u>
Fund balances - ending	<u>\$ 7,221</u>	<u>\$ 7,221</u>	<u>\$ 2,062</u>	<u>\$ (5,159)</u>

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

CITY OF RUSTON, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2023
(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 a proposed operating budget to the City Council 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 the 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, 2023, forty-six amendments were made to the budget.
- (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 Housing). Annual operating budgets are not prepared for the D.A.R.T. Grant Program, I-20 TID Debt Service or Sewer LCDBG, 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 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, 2023
 (unaudited)

Excess of Expenditures over Budget

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:

Fund	Budget	Actual	Negative Variance
General Fund:	\$46,610,733	\$46,816,555	\$205,823
Ruston EDD#1 Sales Tax Fund	2,759,419	2,790,243	30,824
Cooktown EDD Sales Tax Fund	106,594	111,880	5,286
Section 8 Housing Program	1,176,848	1,230,744	53,896

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, 2023. 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, 2023
(unaudited)

SCHEDULE OF FUNDING PROGRESS

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll (b-a)/c
9/30/2023	10/1/2022	\$ -	\$ 15,758,370	\$ 15,758,370	0.00%	\$ 12,598,667	125.08%
9/30/2022	10/1/2021	-	15,309,862	15,309,862	0.00%	12,231,716	125.17%
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

Fiscal Year	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
9/30/2023	\$ 896,536	\$ 448,028	49.97%	\$ 15,758,370
9/30/2022	1,451,116	294,491	20.29%	15,309,862
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

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, 2023
 (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>
MERS:					
2023	3.832268%	\$ 14,006,416	\$ 7,702,397	181.8%	72.46%
2022	3.783502%	15,713,769	7,251,247	216.7%	67.87%
2021	3.657100%	10,172,124	7,333,064	138.7%	77.82%
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%
FRS:					
2023	0.985566%	6,432,599	2,727,724	235.8%	77.69%
2022	0.961040%	6,776,574	2,591,129	261.5%	74.68%
2021	0.965000%	3,419,916	2,516,536	135.9%	86.78%
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%
MPERS:					
2023	0.612046%	6,466,247	1,919,804	336.8%	71.30%
2022	0.695951%	7,113,855	1,893,858	375.6%	70.80%
2021	0.622800%	3,319,790	1,858,462	178.6%	84.09%
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, 2023
 (unaudited)

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as % of Covered Employee Payroll
MERS:					
2023	\$ 2,272,207	\$ 2,272,207	\$ -	\$ 7,702,397	29.50%
2022	2,139,118	2,139,118	-	7,251,247	29.50%
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%
FRS:					
2023	879,691	879,691	-	2,727,724	32.25%
2022	835,639	835,639	-	2,591,129	32.25%
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%
MPERS:					
2023	647,934	647,934	-	1,919,804	33.75%
2022	639,177	639,177	-	1,893,858	33.75%
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.

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

CITY OF RUSTON, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
 PAYMENTS TO THE ELECTED OFFICIAL
 YEAR ENDED SEPTEMBER 30, 2023

Mayor Ronny Walker	Amount
Salary	\$ 100,000
Benefits	
Medicare	1,427
Health insurance	13,707
Life insurance	112
Retirement/457 plan	29,502
Reimbursements - cell phone	1,800
Total	\$ 146,547

See accompanying independent auditor's report.

Justice System Funding Schedule - Receiving Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information	
Entity Name	CITY OF RUSTON
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2198
Date that reporting period ended (mm/dd/yyyy)	9/30/2023

If legally separate court funds are required to be reported, a separate receiving schedule should be prepared for each fund.

	First Six Month Period Ended 03/31/2023	Second Six Month Period Ended 09/30/2023
Cash Basis Presentation		
Receipts From: (Must include one agency name and one collection type - see below - Example - Livingston Parish Sheriff, Criminal Court Costs/Fees Example - Livingston Parish Sheriff, Criminal Fines - Other RUSTON CITY MARSHAL CRIMINAL COURT COSTS/FEES	-	-
Subtotal Receipts	159,796	150,230
Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)	-	-

COMBINING FUND STATEMENTS

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 – 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.

Sports Complex Phase II – This fund accounts for the construction of the Ruston Sports Complex.

CITY OF RUSTON, LOUISIANA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2023

	Special Revenue Funds							
	Ruston Parks & Recreation	D.A.R.T. Grant Program	Section 8 Housing Program	Total	I-20 TID Debt Service	Sewer LCDBG	Sports Complex Phase II	Total Nonmajor Governmental
ASSETS								
Cash and cash equivalents	\$ 28,267	\$ -	\$ 243,497	\$ 271,764	\$ -	\$ 85,961	\$ 60,605	\$ 418,330
Investments	-	-	-	-	2,520,530	-	1,486,738	4,007,268
Accounts receivable, net	41,100	-	-	41,100	1,515,034	-	-	1,556,134
Due from other funds	2,858,851	-	15,511	2,874,362	-	-	4,085,092	6,959,454
Total assets	<u>\$ 2,928,218</u>	<u>\$ -</u>	<u>\$ 259,008</u>	<u>\$ 3,187,226</u>	<u>\$ 4,035,563</u>	<u>\$ 85,961</u>	<u>5,632,435</u>	<u>\$ 12,941,185</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 27,441	\$ -	\$ 42,906	\$ 70,348	\$ -	\$ -	\$ -	\$ 70,348
Unearned revenue	-	-	16,712	16,712	-	-	-	16,712
Accrued salaries	1,684	-	2,178	3,862	-	-	-	3,862
Due to other funds	193,098	-	29,318	222,417	-	87,078	479,851	789,346
Total liabilities	<u>222,224</u>	<u>-</u>	<u>91,115</u>	<u>313,339</u>	<u>-</u>	<u>87,078</u>	<u>479,851</u>	<u>880,269</u>
Fund balances:								
Spendable:								
Restricted	2,705,994	-	167,893	2,873,888	4,035,563	(1,118)	5,152,584	12,060,916
Total fund balances	<u>2,705,994</u>	<u>-</u>	<u>167,893</u>	<u>2,873,888</u>	<u>4,035,563</u>	<u>(1,118)</u>	<u>5,152,584</u>	<u>12,060,916</u>
Total liabilities and fund balances	<u>\$ 2,928,218</u>	<u>\$ -</u>	<u>\$ 259,008</u>	<u>\$ 3,187,226</u>	<u>\$ 4,035,563</u>	<u>\$ 85,961</u>	<u>\$ 5,632,435</u>	<u>\$ 12,941,185</u>

CITY OF RUSTON, LOUISIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2023

Special Revenue Funds

	Ruston Parks & Recreation	D.A.R.T. Grant Program	Section 8 Housing Program	Total	I-20 TID Debt Service	Sewer LCDBG	Sports Complex Phase II	Total Nonmajor Governmental
REVENUES								
Taxes	\$ 670,966	\$ -	\$ -	\$ 670,966	\$ 5,661,177	\$ -	\$ -	\$ 6,332,143
Intergovernmental	-	17,261	860,052	877,313	-	-	-	877,313
Charges for services	162,718	-	-	162,718	-	-	-	162,718
Investment earnings	93	-	1,636	1,729	187,613	-	61,593	250,935
Rent	730	-	-	730	-	-	-	730
Miscellaneous	1,000	-	-	1,000	-	-	-	1,000
Grants	41,100	-	-	41,100	-	-	-	41,100
Total revenues	<u>876,607</u>	<u>17,261</u>	<u>861,688</u>	<u>1,755,556</u>	<u>5,848,790</u>	<u>-</u>	<u>61,593</u>	<u>7,665,939</u>
EXPENDITURES								
Current:								
General government	-	17,261	1,224,865	1,242,126	-	1,118	-	1,243,244
Recreation	487,235	-	-	487,235	-	-	-	487,235
Bond principal	-	-	-	-	2,030,000	-	-	2,030,000
Bond interest	-	-	-	-	450,112	-	-	450,112
Capital outlay	66,376	-	5,879	72,255	-	-	-	72,255
Total expenditures	<u>553,611</u>	<u>17,261</u>	<u>1,230,744</u>	<u>1,801,616</u>	<u>2,480,112</u>	<u>1,118</u>	<u>-</u>	<u>4,282,846</u>
Excess (deficiency) of revenues over (under) expenditures	<u>322,996</u>	<u>-</u>	<u>(369,056)</u>	<u>(46,060)</u>	<u>3,368,678</u>	<u>(1,118)</u>	<u>61,593</u>	<u>3,383,093</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	568,403	-	6,475	574,878	-	-	-	574,878
Transfers (out)	(207,688)	-	(67,716)	(275,404)	(4,750,000)	-	-	(5,025,404)
Total other financing sources (uses)	<u>360,715</u>	<u>-</u>	<u>(61,241)</u>	<u>299,474</u>	<u>(4,750,000)</u>	<u>-</u>	<u>-</u>	<u>(4,450,526)</u>
Net change in fund balances	683,711	-	(430,297)	253,414	(1,381,322)	(1,118)	61,593	(1,067,433)
Fund balances - beginning	2,022,283	-	598,190	2,620,473	5,416,885	-	5,090,991	13,128,349
Fund balances - ending	<u>\$ 2,705,994</u>	<u>\$ -</u>	<u>\$ 167,893</u>	<u>\$ 2,873,888</u>	<u>\$ 4,035,563</u>	<u>\$ (1,118)</u>	<u>\$ 5,152,584</u>	<u>\$ 12,060,916</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, 2023

	<u>Workmen's Compensation</u>	<u>Health Insurance</u>	<u>Purchasing / Warehouse</u>	<u>General & Auto Liability</u>	<u>Total Internal Service</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 156,749	\$ 283,603	\$ 574	\$ 179,642	\$ 620,568
Investments	322,137	405,469	-	-	727,606
Receivables, net	-	5,941	-	-	5,941
Due from other funds	141,997	1,123,120	152,011	208,677	1,625,806
Prepaid items	-	-	-	4,991	4,991
Total current assets	<u>620,884</u>	<u>1,818,133</u>	<u>152,585</u>	<u>393,311</u>	<u>2,984,912</u>
Noncurrent assets:					
Capital assets:					
Buildings	-	-	8,580	-	8,580
Equipment	-	-	79,930	-	79,930
Less accumulated depreciation	-	-	(88,409)	-	(88,409)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>101</u>	<u>-</u>	<u>101</u>
Total assets	<u>620,884</u>	<u>1,818,133</u>	<u>152,686</u>	<u>393,311</u>	<u>2,985,014</u>
LIABILITIES					
Current liabilities:					
Accounts payable	-	375	232	436	1,043
Accrued salaries	-	-	3,228	-	3,228
Due to other funds	42,605	368,406	230,688	144,957	786,656
Claims and judgments	800,381	296,707	-	100,000	1,197,088
Total current liabilities	<u>842,986</u>	<u>665,487</u>	<u>234,148</u>	<u>245,393</u>	<u>1,988,015</u>
Noncurrent liabilities:					
Compensated absences	-	-	38,059	-	38,059
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>38,059</u>	<u>-</u>	<u>38,059</u>
Total liabilities	<u>842,986</u>	<u>665,487</u>	<u>272,207</u>	<u>245,393</u>	<u>2,026,074</u>
NET POSITION					
Net investments in capital assets	-	-	101	-	101
Unrestricted	<u>(222,102)</u>	<u>1,152,646</u>	<u>(119,622)</u>	<u>147,918</u>	<u>958,839</u>
Total net position	<u>\$ (222,102)</u>	<u>\$ 1,152,646</u>	<u>\$ (119,520)</u>	<u>\$ 147,918</u>	<u>\$ 958,940</u>

CITY OF RUSTON, LOUISIANA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED SEPTEMBER 30, 2023

	<u>Workmen's Compensation</u>	<u>Health Insurance</u>	<u>Purchasing / Warehouse</u>	<u>General & Auto Liability</u>	<u>Total Internal Service</u>
OPERATING REVENUES					
Charges for services	\$ 212,355	\$ 3,778,798	\$ -	\$ 734,011	\$ 4,725,164
Premiums paid by retired employees	-	237,639	-	-	237,639
Total operating revenues	<u>212,355</u>	<u>4,016,437</u>	<u>-</u>	<u>734,011</u>	<u>4,962,803</u>
OPERATING EXPENSES					
Cost of services:					
Salaries, wages and employee benefits	-	-	238,034	-	238,034
Operating services	102	4,545	21,948	244	26,839
Materials and supplies	-	-	7,996	-	7,996
Travel and other	-	-	3,589	-	3,589
Total cost of services	<u>102</u>	<u>4,545</u>	<u>271,567</u>	<u>244</u>	<u>276,458</u>
Claims	-	2,717,391	-	38,537	2,755,928
Insurance premiums	913,110	1,715,575	-	720,876	3,349,561
Total operating expenses	<u>913,212</u>	<u>4,437,511</u>	<u>271,567</u>	<u>759,657</u>	<u>6,381,947</u>
Operating income (loss)	<u>(700,857)</u>	<u>(421,074)</u>	<u>(271,567)</u>	<u>(25,646)</u>	<u>(1,419,144)</u>
NONOPERATING REVENUES					
Investment earnings	11,408	1,168	23	58	12,655
Total nonoperating revenues	<u>11,408</u>	<u>1,168</u>	<u>23</u>	<u>58</u>	<u>12,655</u>
Income (loss) before transfers	(689,449)	(419,906)	(271,544)	(25,588)	(1,406,489)
OTHER FINANCING SOURCES					
Transfers in	-	424,065	232,262	3,000	659,327
Total other financing sources	<u>-</u>	<u>424,065</u>	<u>232,262</u>	<u>3,000</u>	<u>659,327</u>
Change in net position	(689,449)	4,159	(39,282)	(22,588)	(747,162)
Total net position - beginning	467,347	1,148,487	(80,238)	170,506	1,706,102
Total net position - ending	<u>\$ (222,102)</u>	<u>\$ 1,152,646</u>	<u>\$ (119,520)</u>	<u>\$ 147,918</u>	<u>\$ 958,940</u>

See accompanying independent auditor's report.

CITY OF RUSTON, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED SEPTEMBER 30, 2023

	<u>Workmen's Compensation</u>	<u>Health Insurance</u>	<u>Purchasing / Warehouse</u>	<u>General & Auto Liability</u>	<u>Total Internal Service</u>
Cash flows from operating activities:					
Receipts from operations	\$ 244,758	\$ 3,988,595	\$ 1,360	\$ 753,412	\$ 4,988,125
Payments to suppliers	(102)	(1,731,864)	(33,983)	(690,146)	(2,456,095)
Payments to employees	-	-	(212,519)	-	(212,519)
Claims	(372,364)	(2,631,141)	-	(38,528)	(3,042,033)
Net cash provided by (used in) operating activities	<u>(127,708)</u>	<u>(374,410)</u>	<u>(245,142)</u>	<u>24,738</u>	<u>(722,522)</u>
Cash flows from noncapital financing activities:					
Transfers in	-	424,065	232,262	3,000	659,327
Net cash provided by noncapital activities	<u>-</u>	<u>424,065</u>	<u>232,262</u>	<u>3,000</u>	<u>659,327</u>
Cash flows from investing activities:					
Purchases of investments	(11,307)	(809)	-	-	(12,116)
Interest on investments	11,408	1,168	23	58	12,655
Net cash provided by investing activities	<u>101</u>	<u>359</u>	<u>23</u>	<u>58</u>	<u>541</u>
Net increase (decrease) in cash and cash equivalents	(127,606)	50,014	(12,857)	27,796	(62,653)
Cash and cash equivalents - beginning of year	284,355	233,589	13,431	151,846	683,221
Cash and cash equivalents - end of year	<u>\$ 156,749</u>	<u>\$ 283,603</u>	<u>\$ 574</u>	<u>\$ 179,642</u>	<u>\$ 620,568</u>
Reconciliation of operating income (loss) to net cash (used in) operating activities:					
Operating income (loss)	\$ (700,857)	\$ (421,074)	\$ (271,567)	\$ (25,646)	\$ (1,419,144)
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:					
(Increase) decrease in assets:					
Receivables	-	(2,667)	-	-	(2,667)
Due from other funds	-	(11,924)	(793)	19,401	6,684
Prepaid items	-	-	-	9	9
Increase (decrease) in liabilities:					
Accounts payable	-	180	(450)	375	105
Accrued liabilities	-	-	864	-	864
Due to other funds	32,403	(25,175)	2,153	30,599	39,980
Claims and judgments	540,746	86,250	-	-	626,996
Compensated absences	-	-	24,651	-	24,651
Total adjustments	<u>573,149</u>	<u>46,664</u>	<u>26,425</u>	<u>50,384</u>	<u>696,622</u>
Net cash provided by (used in) operating activities	<u>\$ (127,708)</u>	<u>\$ (374,410)</u>	<u>\$ (245,142)</u>	<u>\$ 24,738</u>	<u>\$ (722,522)</u>

INDIVIDUAL FUND SCHEDULES

CITY OF RUSTON, LOUISIANA
RUSTON PARKS AND RECREATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023
(unaudited)

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes	\$ 655,000	\$ 655,000	\$ 670,966	\$ 15,966
Charges for services	150,000	150,000	162,718	12,718
Investment earnings	-	-	93	93
Rent	5,000	5,000	730	(4,270)
Miscellaneous	-	-	1,000	1,000
Grants	-	-	41,100	41,100
Total revenues	<u>810,000</u>	<u>810,000</u>	<u>876,607</u>	<u>66,607</u>
EXPENDITURES				
Salaries, wages and employee benefits	354,922	354,922	222,955	131,967
Operating services	248,500	248,500	236,882	11,618
Materials and supplies	27,950	27,950	27,397	553
Travel and other	1,000	1,000	-	1,000
Improvements and equipment	992,000	67,000	66,376	624
Total expenditures	<u>1,624,372</u>	<u>699,372</u>	<u>553,611</u>	<u>145,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(814,372)</u>	<u>110,628</u>	<u>322,996</u>	<u>212,369</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,020,378	495,378	568,403	73,025
Transfers (out)	-	-	(207,688)	(207,688)
Total other financing sources (uses)	<u>1,020,378</u>	<u>495,378</u>	<u>360,715</u>	<u>(134,663)</u>
Net change in fund balance	206,006	606,006	683,711	77,706
Fund balances - beginning	<u>2,022,283</u>	<u>2,022,283</u>	<u>2,022,283</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 2,228,289</u></u>	<u><u>\$ 2,628,289</u></u>	<u><u>\$ 2,705,994</u></u>	<u><u>\$ 77,706</u></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, 2023
(unaudited)

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,084,000	\$ 809,000	\$ 860,052	\$ 51,052
Investment earnings	250	250	1,636	1,386
Total revenues	<u>1,084,250</u>	<u>809,250</u>	<u>861,688</u>	<u>52,438</u>
EXPENDITURES				
Housing assistance	758,750	708,750	735,453	(26,703)
Salaries, wages and employee benefits	403,148	403,148	383,054	20,094
Operating services	29,150	29,150	46,892	(17,742)
Materials and supplies	28,000	28,000	57,600	(29,600)
Travel and other	2,000	2,000	1,866	134
Improvements and equipment	-	5,800	5,879	(79)
Total expenditures	<u>1,221,048</u>	<u>1,176,848</u>	<u>1,230,744</u>	<u>(53,896)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(136,798)</u>	<u>(367,598)</u>	<u>(369,056)</u>	<u>(1,458)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,100	1,100	6,475	5,375
Transfers (out)	-	-	(67,716)	(67,716)
Total other financing sources (uses)	<u>1,100</u>	<u>1,100</u>	<u>(61,241)</u>	<u>(62,341)</u>
Net change in fund balance	(135,698)	(366,498)	(430,297)	(63,799)
Fund balances - beginning	<u>671,916</u>	<u>671,916</u>	<u>598,190</u>	<u>(73,726)</u>
Fund balances - ending	<u>\$ 536,218</u>	<u>\$ 305,418</u>	<u>\$ 167,893</u>	<u>\$ (137,525)</u>

See accompanying independent auditor's report.

CITY OF RUSTON, LOUISIANA

UNIFORM GUIDANCE
SUPPLEMENTARY REPORTS

YEAR ENDED SEPTEMBER 30, 2023

CITY OF RUSTON
RUSTON, LOUISIANA

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March 28, 2024

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, 2023, 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 28, 2024. 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 28, 2024

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

Opinion on 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Ruston, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Ruston's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Ruston's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Ruston's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Ruston's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Ruston's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Ruston's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City of Ruston's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

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

Shreveport, Louisiana

CITY OF RUSTON, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

<u>Federal Grantor / Pass-Through Grantor Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Pass-Through Number</u>	<u>Federal Expenditures</u>
United States Department of Housing and Urban Development:			
Section 8 - Housing Choice Vouchers	14.871	LA232	\$ 710,836
Emergency Shelter Grants Program	14.231		<u>17,261</u>
Total United States Department of Housing and Urban Development			<u>728,097</u>
United States Department of Transportation:			
FAA - Airport Improvement Program	20.106	H.015168	161,680
FAA - Airport Improvement Program	20.106	H.014727	32,582
FHWA Transportation Alternatives Program	20.205	H.009746	1,729,897
FHWA BUILD Transportation Grant Program	20.933	H.014354	2,995,012
FHWA BUILD Transportation Grant Program	20.933	H.014355	5,316,122
FHWA BUILD Transportation Grant Program	20.933	H.014356	<u>4,046,254</u>
Total United States Department of Transportation			<u>14,281,547</u>
Department of Homeland Security:			
Disaster Grants – Public Assistance (Presidentially Declared Disaster)	97.036	FEMA-4590-PA-LA	6,000*
Homeland Security Grant Program	97.067		<u>5,000</u>
Total Department of Homeland Security			<u>11,000</u>
Department of Health and Human Services:			
American Rescue Plan	93.498		<u>3,187,432</u>
Total Department of Homeland Security			<u>3,187,432</u>
Total Federal Awards			<u><u>\$18,208,076</u></u>

*These funds were shown as expenditures in the 2020-21 fiscal year audit report and were related to Winter Storm Uri that hit the City in February 2021. The reimbursement for these expenditures was not received until the 2022-23 fiscal year by the City so they are being shown in this year's Schedule of Expenditures of Federal Awards (SEFA).

CITY OF RUSTON, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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 Assistance Listing (AL) 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 \$17,261 to D.A.R.T. CDBG Program. These awards were received from Emergency Shelter 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 28, 2024, 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, 2023

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>
American Rescue Plan Act	93.498
FHWA BUILD Transportation Grant Program	20.933

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 PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

No findings were reported in the prior year.

CITY OF RUSTON, LOUISIANA
STATEWIDE AGREED-UPON
PROCEDURES REPORT
YEAR ENDED SEPTEMBER 30, 2023



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March 28, 2024

The Honorable Ronny Walker, Mayor
And Members for the Ruston City Council
Ruston, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2022 through September 30, 2023. City of Ruston's (City's) management is responsible for those C/C areas identified in the SAUPs.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2022, through September 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with

outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: Six exceptions noted where the City did not have written policies and procedures in the areas required.

Management's Response: Management will update the purchasing policy to address the documentation kept for all bids and price quotes. Management will update current processes to address the determination of the completeness of collections. Management will update the current policy to include the monitoring process of contracts. Management will update the IT Disaster Recovery Policy to include periodic testing/verification for backups, the use of antivirus software and the timely application of available systems and software patches/updates.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- d) Observe whether the board or finance committee received written updates of the progress of resolving audit finding(s), according to management’s corrective action plan at each meeting until the findings are considered fully resolved.

Findings: *No exceptions noted.*

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management’s representation that the listing is complete. Ask management to identify the entity’s main operating account. Select the entity’s main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: *No exceptions noted.*

Collections (excluding electronic funds transfers)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management’s representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management’s representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Findings: *Two items were noted as not having documentation of the date they were received. Therefore, we could not test to see if the deposit was made within one business day of receipt.*

Management's Response: *The City will include date stamps of receipts on collections.*

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

- b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
10. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3 above, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g. sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Findings: *No exceptions noted.*

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card, obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the

business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Findings: *One exception noted where the monthly, combined statement was reviewed and approved by someone who was the authorized cardholder.*

Management’s Response: *The City’s policy has been updated to state that the Finance Director will review/approve all activity other than her own charges. All charges incurred by the Finance Director must be approved by the Mayor.*

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

- c) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: *One exception noted where an employee was reimbursed used a per diem amount that was more than those rates established either by the State of Louisiana.*

Management’s Response: *The City will adhere to per diem rates established by the State of Louisiana.*

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Findings: *No exceptions noted.*

Payroll and Personnel

- 16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- 19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings: *No exceptions noted.*

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the entity maintains documentation which demonstrates each employee and official was notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
21. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings: No exceptions noted.

Debt Service

22. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
23. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: No exceptions noted.

Fraud Notice

24. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
25. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings: No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

26. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
27. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 18. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Findings: *We performed the procedure and discussed the results with management.*

Prevention of Sexual Harassment

28. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year, as required by R.S 42:343.
29. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
30. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
1. Number and percentage of public servants in the agency who have completed the training requirements;
 2. Number of sexual harassment complaints received by the agency;
 3. Number of complaints which resulted in a finding that sexual harassment occurred;
 4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 5. Amount of time it took to resolve each complaint.

Findings: *No exceptions noted.*

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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