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**Housing Authority of the City of Bunkie
Bunkie, Louisiana**

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Financial Statements and Supplemental Financial Information
Year Ended December 31, 1995
with
Reports of Certified Public Accountants
on Financial and Compliance Examination

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-21-96

VanRheenen & Miller, Ltd.
Certified Public Accountants
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FINANCIAL SECTION

GENERAL PURPOSE FINANCIAL STATEMENTS

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1995

	Governmental Fund Types			Account Groups		Memo Totals 1995
	Special Revenue	Debt Service	Capital Projects	General Fixed Assets	General Long-term Debt	
ASSETS AND OTHER DEBITS						
Assets:						
Cash	\$ 101,740.77	\$.00	\$.00	\$.00	\$.00	\$ 101,740.77
Receivables:						
Other governments	.00	20,231.77	4,174.00	.00	.00	24,405.77
Other	250.00	.00	.00	.00	.00	250.00
Due from other funds	4,174.00	.00	.00	.00	.00	4,174.00
Prepaid items	6,440.71	.00	.00	.00	.00	6,440.71
Restricted assets:						
Cash	.00	41.66	.00	.00	.00	41.66
Fixed assets	.00	.00	.00	2,021,543.35	.00	2,021,543.35
Other debits:						
Amount avail. in debt service fund	.00	.00	.00	.00	20,273.43	20,273.43
Amt. to be provided for retirement of general long term debt	.00	.00	.00	.00	256,782.04	256,782.04
TOTAL ASSETS AND OTHER DEBITS	\$ 112,605.48	\$ 20,273.43	\$ 4,174.00	\$ 2,021,543.35	\$ 277,055.47	\$ 2,435,651.73
LIABILITIES, EQUITY, AND OTHER CREDITS						
Liabilities:						
Accounts payable:						
Trade	\$ 3,776.29	\$.00	\$.00	\$.00	\$.00	\$ 3,776.29
Security deposits	4,590.00	.00	.00	.00	.00	4,590.00
Due to other funds	.00	.00	4,174.00	.00	.00	4,174.00
Accrued PILOT	12,159.60	.00	.00	.00	.00	12,159.60
Deferred revenue	450.00	.00	.00	.00	.00	450.00
Fixed liabilities	.00	.00	.00	.00	277,055.47	277,055.47
Total liabilities	\$ 20,975.89	\$.00	\$ 4,174.00	\$.00	\$ 277,055.47	\$ 302,205.36
Equity and Other Credits:						
Investment in general fixed assets	\$.00	\$.00	\$.00	\$ 2,021,543.35	\$.00	\$ 2,021,543.35
Fund balances:						
Reserved for debt service	.00	20,273.43	.00	.00	.00	20,273.43
Reserved for prepaids	6,440.71	.00	.00	.00	.00	6,440.71
Unreserved, undesignated	85,188.88	.00	.00	.00	.00	85,188.88
Total Equity and Other Credits	\$ 91,629.59	\$ 20,273.43	\$.00	\$ 2,021,543.35	\$.00	\$ 2,133,446.37
TOT. LIAB., EQUITY AND OTHER CREDITS	\$ 112,605.48	\$ 20,273.43	\$ 4,174.00	\$ 2,021,543.35	\$ 277,055.47	\$ 2,435,651.73

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

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-
All Governmental Fund Types
Year Ended December 31, 1995

	Governmental Fund Types			
	Special Revenue	Debt Service	Capital Projects	Memo Totals 1995
Revenues:				
Rents	\$ 126,423.73	\$.00	\$.00	\$ 126,423.73
Operational subsidies/grants	63,629.00	55,257.47	4,174.00	123,060.47
Interest	4,080.38	.00	.00	4,080.38
Miscellaneous	439.72	.00	.00	439.72
Total Revenues	\$ 194,572.83	\$ 55,257.47	\$ 4,174.00	\$ 254,004.30
Expenditures				
Current:				
Housing operations	\$ 170,149.96	\$.00	\$.00	\$ 170,149.96
Capital outlay	10,361.28	.00	4,174.00	14,535.28
Debt service:				
Principal	.00	40,213.05	.00	40,213.05
Interest	.00	15,253.44	.00	15,253.44
Total Expenditures	\$ 180,511.24	\$ 55,466.49	\$ 4,174.00	\$ 240,151.73
Excess of Revenues over Expenditures	\$ 14,061.59	\$ (209.02)	\$.00	\$ 13,852.57
Fund Balance, beginning of period	77,568.00	20,482.45	.00	98,050.45
Fund Balance, end of period	\$ 91,629.59	\$ 20,273.43	\$.00	\$ 111,903.02

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

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-
Budget and Actual - All Governmental Fund Types
Year Ended December 31, 1995

Special Revenue Funds			
	Budget	Actual	Variance Favorable <Unfavorable>
Revenues:			
Rents	\$ 119,600.00	\$ 126,423.73	\$ 6,823.73
Operational subsidies/grants	63,629.00	63,629.00	.00
Interest	2,400.00	4,080.38	1,680.38
Miscellaneous	340.00	439.72	99.72
	\$ 185,969.00	\$ 194,572.83	\$ 8,603.83
Total Revenues			
Expenditures			
Current:			
Administrative salaries	\$ 38,390.00	\$ 38,385.00	\$ 5.00
Professional fees	3,910.00	4,150.00	(240.00)
Travel	2,500.00	1,429.96	1,070.04
Sundry administration	7,220.00	5,203.73	2,016.27
Utilities	4,140.00	4,742.27	(602.27)
Maintenance salaries	38,860.00	38,855.00	5.00
Maintenance materials	11,500.00	7,688.04	3,811.96
Other maintenance costs	17,260.00	11,594.91	5,665.09
Insurance	24,470.00	18,278.91	6,191.09
PILOT	11,580.00	12,159.60	(579.60)
Employee benefits	29,380.00	27,662.54	1,717.46
Capital expenditures	14,300.00	10,361.28	3,938.72
	\$ 203,510.00	\$ 180,511.24	\$ 22,998.76
Total Expenditures			
Excess of Revenues over Expenditures	\$ (17,541.00)	\$ 14,061.59	\$ 31,602.59
Fund Balance, beginning of period		77,568.00	
Fund Balance, end of period		\$ 91,629.59	

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

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Notes to the Financial Statements
December 31, 1995

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Organization. The entity is chartered as a public corporation for the purpose of administering housing programs for low income families.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low income housing programs in the United States. Accordingly, HUD has contracted with the entity to administer certain HUD funds.

- B. Financial reporting. The financial reporting policies of the entity conform to generally accepted accounting principles. During the current year, the authority implemented financial reporting under generally accepted accounting principles and discontinued regulatory basis financial reporting.

Specific accounting policies. The following is a summary of significant accounting policies:

1. Financial reporting entity. The entity is a public corporation, legally separate and fiscally independent. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of Housing Authority of the City of Bunkie, a primary government. There are no component units to be included herewith, but this report does include all funds, accounts groups, and programs which are controlled by the entity's governing body.
2. Fund accounting. The accounts of the entity are organized on the basis of funds or account groups, each of which is considered to be a separate accounting unit. The operations of each fund are reported as a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into one generic fund type (governmental) and the following broad fund categories:

Governmental Fund Types

Special revenue fund - The special revenue funds are used to account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt service fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term principal, interest, and related costs.

Capital projects fund - The capital projects fund is used to account for financial resources to be used for the acquisition, construction, and major renovation of major capital facilities.

Special reporting treatment is also applied in governmental funds when prepaid items are present to indicate that they do not represent "available spendable resources", even though they are a component of net current assets. Such amounts are offset by fund balance reserve accounts.

3. Fixed assets and long-term liabilities. The accounting and reporting treatment applied to fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spending resources" during a period.

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. No depreciation has been provided on such assets.

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Notes to the Financial Statements (Continued)
December 31, 1995

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. The entity does not capitalize any "infrastructure" assets (streets, curbs, sidewalks, drainage system, and similar assets that are immovable) which are paid for by the entity. During project development, interest expenditures were capitalized under pre-1987 financing arrangements. Post-1986 capital projects are being financed by grants from HUD. Consequently, there are no interest expenditures to capitalize. Subsequent to financed developments, interest expenditures are not accrued but are recorded when paid.

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-Term Debt Account Group. Expenditures related to such debt are reflected in the Debt Service Fund.

The two above-named account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.

4. Basis of accounting. All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. All significant revenue sources are susceptible to accrual.

Expenditures in governmental fund types are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation and sick pay which are not accrued, and (2) principal and interest on general long-term debt which is recognized when due.

Vested and earned vacation and sick leave that are not accrued are reported in the general long-term debt account group. No expenditure is reported for those amounts. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

The entity does not utilize encumbrance accounting.

5. Supplemental financial information - statutory basis. The supplemental financial information - statutory basis has been prepared in conformity with the accounting practices prescribed by HUD, which differ from generally accepted accounting principles as follows:

- a. Governmental fund accounting principles are not utilized.
- b. Accounts receivable are stated without an allowance for doubtful accounts. Accounts are written off as collection losses only after the tenant has vacated the unit and the entity has taken reasonable actions to collect.
- c. Annual Contributions and subsidies earned and/or received from HUD are recorded as contributions to surplus and are not included in the Statement of Income and Expenses.
- d. Items of routinely recurring expenses are recognized when paid and are therefore not accrued.
- e. Premiums and/or discounts on bonds are recognized in income or expense in the year bonds are sold.
- f. The cost of accumulated unpaid vacation and sick leave is not accrued.
- g. Financial statement formats vary from GAAP.
- h. The Statement of Cash Flows has not been presented.
- i. The entity does not utilize encumbrance accounting.
- j. Expenditures under HUD's Comprehensive Improvements Assistance Program (CIAP) and Comprehensive Grant Program (CGP) and similar forerunner programs are fully capitalized, notwithstanding the fact that expenditures are normally a mixture of repairs, replacements and improvements. Consequently, some amounts represented as Fixed Assets may include costs substantially in excess of value.

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Notes to the Financial Statements (Continued)
December 31, 1995

k. During project development, interest expenditures are capitalized under pre-1987 financing agreements. Post-1986 capital projects are being financed by grants from HUD. Consequently, there are no interest expenditures to capitalize. Subsequent to completion of Pre-1987 financed developments, interest expenditures are not accrued but are recognized when paid.

6. Total columns on combined statements. Total columns on the combined statements are captioned Memo Totals to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Budget. The entity follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The entity prepares annual budgets for each fund (except Debt Service Fund and the Capital Projects Fund). Prior to the beginning of each budget year, the entity's annual budget is approved by the entity's governing body. Budgetary amendments require approval by the governing body. Budget amounts shown in the financial statements are the final authorized amounts for the year. All budgetary appropriations lapse at the end of each fiscal year.
2. Budgets for the Capital Projects Fund are prepared on a project-life basis rather than on an annual basis and, therefore, have been omitted from the accompanying financial statements.
3. Budgets for the Debt Service Fund are not prepared inasmuch as all revenues and expenditures of this fund are controlled by and processed by HUD. The entity records Debt Service Fund transactions from documents supplied by HUD.

D. Income taxes. The entity is not subject to federal or state income taxes.

E. Cash and cash equivalents. The entity defines cash to include certificates of deposit, money market funds, savings accounts, and demand deposits, and other short-term securities with maturities of three months or less. Consequently, the cost, carrying value, and market value are equivalent.

NOTE 2 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

Cash in bank, fully insured by FDIC	<u>\$ 108,648.90</u>
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NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

The following schedule as of December 31, 1995, represents interfund receivables and payables:

Fund Type	Interfund Receivables	Interfund Payables
Special Revenue:		
Owned Housing	\$ 4,174.00	\$.00
Capital Projects	.00	4,174.00
Total	\$ 4,174.00	\$ 4,174.00

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Notes to the Financial Statements (Continued)
December 31, 1995

NOTE 4 - FIXED ASSETS

Changes in fixed assets are as follows:

	Beg. of Period	Additions	Deletions	End of Period
Land, land impvts.	\$ 239,351.39	\$.00	\$.00	\$ 239,351.39
Building	1,684,310.89	.00	.00	1,684,310.89
Equipment	88,337.39	10,361.28	(4,991.60)	93,707.07
Const. in progress	.00	4,174.00	.00	4,174.00
Total	<u>\$ 2,011,999.67</u>	<u>\$ 14,535.28</u>	<u>\$ (4,991.60)</u>	<u>\$ 2,021,543.35</u>

Construction in progress is composed of expenditures related to major renovation of certain buildings owned by the entity, said renovation having a planned total cost of \$ 200,000.00 to be fully financed by grants from HUD.

All land and buildings are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the federal government and to protect other interests of the federal government.

NOTE 5 - FIXED LIABILITIES

Fixed liabilities consist of the following:

	Interest Rate	Principal Balance
Payroll related costs		\$ 7,606.04
FFB note dated September 4, 1981	6.60%	35,224.48
FFB note dated September 1, 1981	6.60%	94,881.46
Bonds payable, December 1, 1962, series	3.25%	139,343.49
Total		<u>\$ 277,055.47</u>

The Federal Financing Bank notes are payable in annual installments of \$35,025.70, including principal and interest. All annual installments to maturity are payable by HUD. The notes mature November 1, 2003.

The bonds mature in series annually in varying amounts with the final maturity date in 2003. All required debt service to maturity on the bonds, including principal and interest, is payable by HUD under a debt service contract with the entity.

Changes in fixed liabilities are as follows:

	FFB Notes	Bonds	Payroll Related Costs
Balance, beginning of period	\$ 154,907.73	\$ 154,754.75	\$ 7,178.67
Principal retirement	(24,801.79)	(15,411.26)	.00
Net Change	.00	.00	427.37
Balance, end of period	<u>\$ 130,105.94</u>	<u>\$ 139,343.49</u>	<u>\$ 7,606.04</u>

Scheduled retirements of fixed liabilities are as follows:

	FFB Notes	Bonds	Interest	Total
Within one year	\$ 26,415.18	\$ 15,411.26	\$ 13,180.92	\$ 55,007.36
Within second year	28,182.08	16,053.39	10,871.41	55,106.88
Within third year	10,664.41	16,695.53	8,489.63	35,849.57
Within fourth year	11,368.26	17,337.66	7,243.17	35,949.09
Within fifth year	12,108.89	17,979.80	5,939.07	36,027.76
Thereafter	41,367.12	55,865.85	9,166.35	106,399.32

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Notes to the Financial Statements (Continued)
December 31, 1995

NOTE 6 - RETIREMENT PLAN

The entity provides pension benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six month exclusionary period. The entity contributes 8% of the employee's base salary each month. The entity's contributions for each employee (and interest allocated to the employee's account) are vested immediately.

The entity's total payroll in fiscal year ended December 31, 1995, was \$77,240.00. The entity's contributions were calculated using the base salary amount of \$77,240.00. Contributions to the plan were \$6,179.16.

NOTE 7 - CONTINGENCIES

The entity is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the entity to federal grantors and/or program beneficiaries.

SUPPLEMENTAL FINANCIAL INFORMATION

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Schedule of Federal Financial Assistance
Year Ended December 31, 1995

Federal Grantor/ Program Title	Grant ID Number	Federal CFDA Number	Current Year Program or Award Amount	Balance Beginning of Year - Cash/ Receivable/ (Payable)	Grant Receipts or Revenue Recognized	Grant Disbursements/ Expenditures	Balance End of Year Cash/Receivable (Payable)
U.S. Department of Housing & Urban Development							
Direct Programs:							
Low-Income Housing							
Annual Contribution	FW-586	14.850	\$ 55,257.47	\$ 20,191.77	\$ 55,257.47	\$ 55,297.47	\$ 20,231.77
Operating Subsidies	FW-586	14.850	63,629.00	.00	63,629.00	63,629.00	.00
Total Low-Income Housing*			\$ 118,886.47	\$ 20,191.77	\$ 118,886.47	\$ 118,926.47	\$ 20,231.77
CIAP			\$ 200,000.00	.00	.00	\$ 4,174.00	\$ 4,174.00
Total HUD and Grand Total			\$ 318,886.47	\$ 20,191.77	\$ 118,886.47	\$ 123,100.47	\$ 24,405.77

*Major Program as defined by OMB Circular A-128.

As specified in OMB Q & A, Federal Register Vol. 52, No. 219, 11-13-87, Q.7 and Q.33, the following outstanding governmental guaranteed loan balances were used in determining major program status:

\$ 269,449.43

See Notes to Financial Statements.

SUPPLEMENTAL FINANCIAL INFORMATION - STATUTORY BASIS

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Balance Sheet - Statutory Basis
December 31, 1995

Annual Contributions Contract FW-586

Assets	
Cash-checking and on hand	\$ 1,910.63
Cash-savings and CDs	99,830.14
Accounts receivable-other	250.00
Prepaid insurance	6,040.71
Debt amortization funds	20,273.43
Deferred charges	400.00
Fixed assets	2,021,543.35
	<hr/>
Total Assets	\$ 2,150,248.26
	<hr/> <hr/>
Liabilities and Surplus	
Tenants' security deposits	\$ 4,590.00
Accounts payable-other	3,776.00
Accrued and withheld payroll taxes	.29
Accrued PILOT	12,159.60
Tenants' prepaid rents	450.00
Fixed liabilities	269,449.43
	<hr/>
Total liabilities	\$ 290,425.32
Surplus	1,859,822.94
	<hr/>
Total Liabilities and Surplus	\$ 2,150,248.26
	<hr/> <hr/>

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Statement of Income and Expenses - Statutory Basis
Owned Housing Program
Year Ended December 31, 1995

Annual Contributions Contract FW-586

Operating income	
Dwelling rental	\$ 126,338.49
Interest on general fund investments	4,080.38
Other income	439.72
	<hr/>
Total operating income	\$ 130,858.59
	<hr/>
Operating Expenses	
Administration	\$ 49,168.69
Utilities	4,742.27
Ordinary maintenance and operation	56,687.95
General expense	58,015.81
Nonroutine maintenance	1,450.00
	<hr/>
Total operating expenses	\$ 170,064.72
	<hr/>
Net operating income (loss) before other items	\$ (39,206.13)
	<hr/>
Other charges (credits)	
Interest expense	\$ 15,253.44
Prior year adjustments not affecting RR	(1,480.50)
Loss from disposition of equipment	4,991.60
	<hr/>
Total other charges (credits)	\$ 18,764.54
	<hr/>
Net Income (Loss)	\$ (57,970.67)
	<hr/>

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Analysis of Surplus - Statutory Basis
Year Ended December 31, 1995

Annual Contributions Contract FW-586

Unreserved surplus	
Balance per 12-31-94 audit	\$ (1,584,073.74)
Prior audit AJEs subsequently booked	(1,440.50)
Net income (loss) FYE 12-31-95	(57,970.67)
OR provision FYE 12-31-95	(8,020.88)
	<hr/>
Balance at 12-31-95	\$ (1,651,505.79)
	<hr/>
Reserved surplus	
Balance per 12-31-94 audit	\$ 77,568.00
OR provision FYE 12-31-95	8,020.88
	<hr/>
Balance at 12-31-95	\$ 85,588.88
	<hr/>
Cumulative contributions from HUD	
Balance per 12-31-94 audit	\$ 3,306,853.38
Contribution FYE 12-31-95	55,257.47
Operating subsidy FYE 12-31-95	63,629.00
	<hr/>
Balance at 12-31-95	\$ 3,425,739.85
	<hr/>
Total Surplus	\$ 1,859,822.94
	<hr/> <hr/>

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Computation of Residual Receipts and Accruing Annual Contributions
Owned Housing Program
Year Ended December 31, 1995

Annual Contributions Contract FW-586

Computation of Residual Receipts

Operating receipts		\$ 130,858.59
Operating income		63,629.00
HUD operating subsidy		63,629.00
		\$ 194,487.59
Operating expenditures		
Operating expenses		\$ 170,064.72
Capital expenditures		10,361.28
		\$ 180,426.00
RR before provision for reserve, per audit		
Audit adjustments (backed out)		\$ 14,061.59
		(6,040.71)
RR before provision for reserve, per PHA		
Provision for operating reserve		\$ 8,020.88
		(8,020.88)
		\$.00

Computation of Accruing Annual Contribution

Fixed annual contribution		\$ 55,299.21 *
Less interest savings		41.74
		\$ 55,257.47
Total annual contribution accrued		\$ 55,257.47
Less amount available for reduction of annual contribution - RR, above		.00
		\$ 55,257.47

*Subject to adjustment by HUD.

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Schedule of Modernization Costs - Uncompleted
December 31, 1995

Annual Contributions Contract FW-586

	CIAP 901-95
1. Funds approved	\$ 200,000.00
Funds expended	4,174.00
Excess of funds approved	<u>\$ 195,826.00</u>
2. Funds advanced	\$.00
Funds expended	4,174.00
Excess (deficiency) of funds advanced	<u>\$ (4,174.00)</u>

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Analysis of General Fund Cash Balance
December 31, 1995

Annual Contributions Contract FW-586

Assets and Other Items	
Cash-checking and on hand	\$ 1,910.63
Cash-savings and CDs	99,830.14
Adjustment for CIAP/CGP funding	4,174.00
Prepaid insurance	6,040.71
Accounts receivable-other	250.00
Prepaid insurance	.00
Deferred charges	400.00
Total	<u>\$ 112,605.48</u>

Liabilities, Reserves, and Other Items	
Tenants' security deposits	\$ 4,590.00
Accounts payable-other	3,776.00
Accrued and withheld payroll taxes	.29
Accrued PILOT	12,159.60
Tenants' prepaid rents	450.00
Operating reserve per PHA	85,588.88
	6,040.71
Total	<u>\$ 112,605.48</u>

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Adjusting Journal Entries
December 31, 1995

Annual Contributions Contract FW-586

	Acct. # for audit report	Acct. # for posting by PHA	Debit	Credit
(1)				
Cumulative HUD Annual Contr.	2840	2840	\$ 35,067.50	
Permanent Notes - FFB	2312	2312	1,535.57	
HUD Annual Contr. Receivable	1176	1176		\$ 35,027.50
Interest Expense	5610	6020		1,535.57
Prior Year Adjust. Not Affect. RR	6020	6020		40.00
To adjust debt related accounts to HUD schedules at 12/31/95.				
(2)				
Unreserved Surplus	2810	2810	.30	
Operating Reserve	2820	2820		.30
To correct provision for operating reserve for error on line 440 of HUD 52599 FYE12/31/95. This entry is required to furnish a balanced "Balance Sheet Analysis" at 12/31/95.				
(3)				
Modernization Costs	951430	Do Not	3,776.00	
Accounts Payable	2111	Book		3,776.00
To accrue architect services rendered through 11/30/95. These were recorded when subsequently paid by the Housing Authority.				
(4)				
Prepaid Insurance	1211	1211	6,040.71	
Insurance Expense	4510	6010		6,040.71
To accrue prepaid insurance at 12/31/95.				

NON-FINANCIAL SECTION

Independent Auditors' Report on Compliance Based on an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards

Board of Commissioners
Housing Authority of the City of Bunkie
712 Keller
Bunkie, LA 71322

We have audited the general purpose financial statements of Housing Authority of the City of Bunkie as of and for the year ended December 31, 1995, and have issued our report thereon dated March 30, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Housing Authority of the City of Bunkie is the responsibility of the authority's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.

March 30, 1996

Van Rheenen & Miller, Ltd.
VanRheenen & Miller, Ltd.
Certified Public Accountants

Independent Auditors' Report on Compliance with Specific Requirements
Applicable to Major Federal Financial Assistance Programs

Board of Commissioners
Housing Authority of the City of Bunkie
712 Keller
Bunkie, LA 71322

We have audited the general purpose financial statements of Housing Authority of the City of Bunkie as of and for the year ended December 31, 1995, and have issued our report thereon dated March 30, 1996.

We have also audited Housing Authority of the City of Bunkie compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; cost allocation and claims for advances or reimbursements that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance for the year ended December 31, 1995. The management of Housing Authority of the City of Bunkie is responsible for the authority's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Housing Authority of the City of Bunkie complied, in all material respects, with the requirements referred to in the second paragraph that are applicable to each of its major federal financial assistance programs for the year ended December 31, 1995.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.

March 30, 1996

Van Rheenen & Miller, Ltd.
VanRheenen & Miller, Ltd.
Certified Public Accountants

Independent Auditors' Report on Compliance with the General Requirements
Applicable to Federal Financial Assistance Programs

Board of Commissioners
Housing Authority of the City of Bunkie
712 Keller
Bunkie, LA 71322

We have audited the general purpose financial statements of Housing Authority of the City of Bunkie as of and for the year ended December 31, 1995, and have issued our report thereon dated March 30, 1996.

We have applied procedures to test Housing Authority of the City of Bunkie compliance with the following requirements applicable to each of its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended December 31, 1995:

- Political Activity
- Civil Rights
- Cash Management
- Federal Financial Reports (Claims for Advances and Reimbursements)
- Allowable costs/Cost principles
- Drug-Free Workplace Act
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the authority's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Housing Authority of the City of Bunkie had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.

March 30, 1996

Van Rheenen & Miller, Ltd.
VanRheenen & Miller, Ltd.
Certified Public Accountants

Independent Auditors' Report on Compliance with Specific Requirements
Applicable to NonMajor Federal Financial Assistance Program Transactions

Board of Commissioners
Housing Authority of the City of Bunkie
712 Keller
Bunkie, LA 71322

We have audited the general purpose financial statements of Housing Authority of the City of Bunkie as of and for the year ended December 31, 1995, and have issued our report thereon dated March 30, 1996.

In connection with our audit of the general purpose financial statements of Housing Authority of the City of Bunkie as of and for the year ended December 31, 1995, and with our consideration of the authority's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended December 31, 1995. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the authority's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Housing Authority of the City of Bunkie had not complied, in all material respects, with those requirements.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing and Urban Development. However, this report is a matter of public record, and its distribution is not limited.

March 30, 1996

Van Rheenen & Miller, Ltd.
VanRheenen & Miller, Ltd.
Certified Public Accountants

Independent Auditors' Report on the Internal Control Structure Based on an Audit of
General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

Board of Commissioners
Housing Authority of the City of Bunkie
712 Keller
Bunkie, LA 71322

We have audited the general purpose financial statements of Housing Authority of the City of Bunkie as of and for the year ended December 31, 1995, and have issued our report thereon dated March 30, 1996.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

The management of Housing Authority of the City of Bunkie is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Housing Authority of the City of Bunkie for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Our study of the authority's internal control structure disclosed a reportable condition in internal controls relating to segregation of duties. Due to its limited size, the entity does not have the personnel to adequately separate the internal accounting control duties. The segregation of duties is a decision that must be made by management on a cost-benefit basis. Management must determine if the costs of implementing an adequate internal control system will outweigh the benefits derived from such a system. This reportable condition is inherent in all small entities, and should not be construed as a failure in proper management. We concur with management's opinion that the costs incurred to implement an adequate internal control system would exceed the benefits derived from such a system. Consequently, this should not be considered a controlled audit finding.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Commissioners, management, and U.S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

March 30, 1996

Van Rheenen & Miller, Ltd.
VanRheenen & Miller, Ltd.
Certified Public Accountants

Independent Auditors' Report on the Internal Control Structure Used in
Administering Federal Financial Assistance Programs

Board of Commissioners
Housing Authority of the City of Bunkie
712 Keller
Bunkie, LA 71322

We have audited the general purpose financial statements of Housing Authority of the City of Bunkie for the year ended December 31, 1995, and have issued our report thereon dated March 30, 1996. We have also audited Housing Authority of the City of Bunkie's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated March 30, 1996.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether Housing Authority of the City of Bunkie complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended December 31, 1995, we considered the authority's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the authority's general purpose financial statements and on its compliance with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated March 30, 1996.

The management of Housing Authority of the City of Bunkie is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Activity Cycles

- Treasury or financing
- Revenue/receipts
- Purchases/disbursements
- External financial reporting
- Payroll/personnel

General Requirements

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-free workplace
- Administrative requirements

Specific Requirements

- Types of services allowed or unallowed
- Eligibility
- Reporting
- Special tests and provisions

Claims for Advances and Reimbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1995, Housing Authority of the City of Bunkie expended 97 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the authority's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the authority's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Our study of the authority's internal control structure disclosed a reportable condition in internal controls relating to segregation of duties. Due to its limited size, the entity does not have the personnel to adequately separate the internal accounting control duties. The segregation of duties is a decision that must be made by management on a cost-benefit basis. Management must determine if the costs of implementing an adequate internal control system will outweigh the benefits derived from such a system. This reportable condition is inherent in all small entities, and should not be construed as a failure in proper management. We concur with management's opinion that the costs incurred to implement an adequate internal control system would exceed the benefits derived from such a system. Consequently, this should not be considered a controlled audit finding.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above are material weaknesses.

This report is intended for the information of the Board of Commissioners, management and U.S. Department of Housing and Urban Development. However, this report is a matter of public record and its distribution is not limited.

March 30, 1996

VanRheenen & Miller, Ltd.
VanRheenen & Miller, Ltd.
Certified Public Accountants

Housing Authority of the City of Bunkie
Bunkie, Louisiana

Independent Auditors' General Comments
December 31, 1995

1. There are no audit findings.
2. There were no findings in the next preceding audit.
3. The PHA administers 106 units of public housing.