

OFFICIAL
FILE COPY
DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

99700832
4110

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

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 4-14-99

Financial Statements and Supplemental Financial Information
Year Ended September 30, 1998
with
Reports of Certified Public Accountants
on Financial and Compliance Examination

VanRheenen & Miller, Ltd.
Certified Public Accountants
1309 East Race Avenue
Searcy, Arkansas 72143

Receipt Acknowledged
Legislative Auditor

By J. J. [Signature]

TABLE OF CONTENTS

	PAGE
<u>Financial Section</u>	
Independent Auditors' Report	4
<u>General Purpose Financial Statements</u>	
Combined Balance Sheet - All Fund Types and Account Groups	6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	8
Notes to the Financial Statements	9
<u>Supplemental Financial Information - Statutory Basis</u>	
Balance Sheet - Statutory Basis	15
Statement of Income and Expenses - Statutory Basis - Owned Housing Program	16
Analysis of Surplus - Statutory Basis	17
Computation of Residual Receipts and Accruing Annual Contributions - Owned Housing Program	18
Schedule of Modernization Costs - Uncompleted	19
Schedule and Certification of Actual Modernization Costs	20
Analysis of General Fund Cash Balance	21
Adjusting Journal Entries	22
<u>Non-Financial Section</u>	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	25

FINANCIAL SECTION

Independent Auditors' Report

Board of Commissioners
Housing Authority of the Town of Winnfield
901 Neil Wagoner Drive
Winnfield, LA 71483

We have audited the accompanying general purpose financial statements of Housing Authority of the Town of Winnfield as of September 30, 1998, and for the year then ended, as listed in the table of contents. These general purpose financial statements and the supplemental financial information - statutory basis referred to below are the responsibility of the authority's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

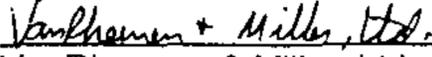
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Housing Authority of the Town of Winnfield as of September 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 19, 1999 on our consideration of Housing Authority of the Town of Winnfield's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying financial information listed as supplemental financial information - statutory basis in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Housing Authority of the Town of Winnfield. As described in Note 1, the supplemental financial information - statutory basis was prepared in conformity with the accounting practices prescribed by the U.S. Department of Housing and Urban Development, which is a comprehensive basis of accounting other than generally accepted accounting principles. Such supplemental financial information - statutory basis has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in conformity with the comprehensive basis of accounting described in Note 1.

February 19, 1999



VanRheenen & Miller, Ltd.
Certified Public Accountants

GENERAL PURPOSE FINANCIAL STATEMENTS

Housing Authority of the Town of Winnfield
Winnfield, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
September 30, 1998

	Governmental Fund Types		Account Groups		Memo Totals 1998
	Special Revenue	Capital Projects	General Fixed Assets	General Long-term Debt	
Assets and Other Debits					
Assets:					
Cash	\$ 63,773.61	\$ -	\$ -	\$ -	\$ 63,773.61
Accounts	11,441.84	-	-	-	11,441.84
Other governments	-	7,637.31	-	-	7,637.31
Due from other funds	7,637.31	-	-	-	7,637.31
Prepaid items	9,032.50	-	-	-	9,032.50
Fixed assets	-	-	3,696,450.44	-	3,696,450.44
Other debits:					
Amount to be provided for retirement of general long term debt	-	-	-	7,332.00	7,332.00
Total Assets and Other Debits	\$ 91,885.26	\$ 7,637.31	\$ 3,696,450.44	\$ 7,332.00	\$ 3,803,305.01
Liabilities, Equity, and Other Credits					
Liabilities:					
Accounts payable:					
Trade	\$ 1,936.04	\$ -	\$ -	\$ -	\$ 1,936.04
Other governments	15,475.57	-	-	-	15,475.57
Payroll taxes withheld and accrued	364.62	-	-	-	364.62
Security deposits	8,258.00	-	-	-	8,258.00
Due to other funds	-	7,637.31	-	-	7,637.31
Deferred revenue	7,675.89	-	-	-	7,675.89
Fixed liabilities	-	-	-	7,332.00	7,332.00
Total liabilities	33,710.12	7,637.31	-	7,332.00	48,679.43
Equity and Other Credits:					
Investment in general fixed assets	-	-	3,696,450.44	-	3,696,450.44
Fund balances:					
Reserved for prepaids	9,032.50	-	-	-	9,032.50
Unreserved, undesignated	49,142.64	-	-	-	49,142.64
Total Equity and Other Credits	58,175.14	-	3,696,450.44	-	3,754,625.58
Total Liabilities, Equity and Other Credits	\$ 91,885.26	\$ 7,637.31	\$ 3,696,450.44	\$ 7,332.00	\$ 3,803,305.01

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

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

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended September 30, 1998**

	Governmental Fund Types		
	Special Revenue	Capital Projects	Memo Totals 1998
Revenues:			
Rents	\$ 77,989.00	\$ -	\$ 77,989.00
Charges for services	12,526.31	-	12,526.31
Operational subsidies/grants	59,659.00	82,447.86	142,106.86
Interest	212.48	-	212.48
Miscellaneous	18,021.16	-	18,021.16
Total Revenues	<u>168,407.95</u>	<u>82,447.86</u>	<u>250,855.81</u>
Expenditures			
Current:			
Housing operations	136,949.41	-	136,949.41
Capital outlay	530.00	82,447.86	82,977.86
Total Expenditures	<u>137,479.41</u>	<u>82,447.86</u>	<u>219,927.27</u>
Excess of Revenues over (under) Expenditures	30,928.54	-	30,928.54
Fund balances, beginning of period	<u>27,246.60</u>	<u>-</u>	<u>27,246.60</u>
Fund Balance, end of period	<u>\$ 58,175.14</u>	<u>\$ -</u>	<u>\$ 58,175.14</u>

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

Housing Authority of the Town of Winnfield
Winnfield, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - All Governmental Fund Types
Year Ended September 30, 1998

	Special Revenue Funds		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Rents	\$ 113,990.00	\$ 77,989.00	\$ (36,001.00)
Charges for services	14,520.00	12,526.31	(1,993.69)
Operational subsidies/grants	59,659.00	59,659.00	-
Interest	2,290.00	212.48	(2,077.52)
Miscellaneous	18,020.00	18,021.16	1.16
	<u>208,479.00</u>	<u>168,407.95</u>	<u>(40,071.05)</u>
Total Revenues			
Expenditures			
Current:			
Administrative salaries	26,390.00	27,121.87	(731.87)
Professional fees	6,110.00	5,647.00	463.00
Travel	6,000.00	1,604.17	4,395.83
Sundry administration	5,900.00	6,376.27	(476.27)
Tenant services	350.00	-	350.00
Utilities	1,830.00	2,669.33	(839.33)
Maintenance salaries	39,470.00	34,129.48	5,340.52
Maintenance materials	14,000.00	8,151.60	5,848.40
Other maintenance costs	7,250.00	10,042.48	(2,792.48)
Insurance	22,950.00	24,311.41	(1,361.41)
PILOT	11,220.00	-	11,220.00
Employee benefits	19,450.00	12,762.40	6,687.60
Collection losses	-	3,710.40	(3,710.40)
Miscellaneous	-	423.00	(423.00)
Capital expenditures	3,600.00	530.00	3,070.00
	<u>164,520.00</u>	<u>137,479.41</u>	<u>27,040.59</u>
Total Expenditures			
Excess of Revenues over (under) Expenditures	<u>\$ 43,959.00</u>	30,928.54	<u>\$ (13,030.46)</u>
Fund balances, beginning of period		<u>27,246.60</u>	
Fund Balance, end of period		<u>\$ 58,175.14</u>	

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

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

**Notes to the Financial Statements
September 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction.

The financial statements of the entity have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. 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.

The following is a summary of significant accounting policies:

A. Reporting Entity.

The entity is a public corporation, legally separate, fiscally independent and governed by Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of Housing Authority of the Town of Winnfield, a primary government. There are no component units to be included herewith, but this report does include all funds, account groups, and programs which are controlled by the entity's governing body.

B. Basis of Presentation.

1. **Funds and Account Groups.** 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 accounts are grouped, in the financial statements in this report, into the following 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.

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.

Account Groups

The account groups are used to account for fixed assets and long-term liabilities which are not reported in the respective governmental funds.

2. **Comparative Data.** Comparative total data for the prior year has not been presented in some accompanying financial statements.
3. **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.

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

**Notes to the Financial Statements (Continued)
September 30, 1998**

4. Land, Structures, and Equipment. Land, structures and equipment used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. No depreciation has been provided on such assets. 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 capitalize any "infrastructure" assets (streets, curbs, sidewalks, drainage system, and similar assets that are immovable) which are paid for by the entity.
5. Capitalized Interest. 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.
6. Long-term Liabilities. 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.
7. Fund Balance Reservations. 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.

C. Basis of Accounting.

1. Modified Accrual Basis of Accounting. All governmental fund types are accounted for using the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. 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 reported as expenditures in the year due.

The entity does not utilize encumbrance accounting.

2. 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. The cost of accumulated unpaid vacation and sick leave is not accrued.
 - f. Financial statement formats vary from GAAP.
 - g. The entity does not utilize encumbrance accounting.
 - h. Expenditures under HUD's Comprehensive Improvements Assistance Program (CIAP) 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 Town of Winnfield
Winnfield, Louisiana**

**Notes to the Financial Statements (Continued)
September 30, 1998**

D. Budgetary Data.

1. Budget Policy and Practice. The entity follows these procedures in establishing the budgetary data reflected in the financial statements:
 - a. 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.
 - b. 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.
2. Encumbrances. Encumbrance accounting is not utilized by the entity.
3. Budget Basis of Accounting. The budgets are prepared on the statutory basis of accounting as prescribed by HUD.

E. Assets, Liabilities and Fund Equity.

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

F. Revenue, Expenditures and Expenses.

1. Compensated Absences. 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.
2. Income Taxes. The entity is not subject to federal or state income taxes.

NOTE 2 - DEPOSITS

Deposits

The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at September 30, 1998. The categories are described as follows:

- Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.
Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
Category 3 - Uncollateralized. (This includes bank balances that are collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name.)

Cash Deposits, categorized by level of risk, are:

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

**Notes to the Financial Statements (Continued)
September 30, 1998**

Total Bank Balances	Category		
	1	2	3
\$ 66,962.73	\$ 66,962.73	\$.00	\$.00

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

The following schedule as of September 30, 1998 represents interfund receivables and payables:

Fund Type	Interfund Receivables	Interfund Payables
Special Revenue:		
Owned Housing	\$ 7,637.31	\$.00
Capital Projects	.00	7,637.31
Total	\$ 7,637.31	\$ 7,637.31

NOTE 4 - FIXED ASSETS

Changes in fixed assets are as follows:

	Beg. of Period	Additions	Deletions	End of Period
Land, land impvts.	\$ 526,738.39	\$ 108,293.00	\$.00	\$ 635,031.39
Building	2,297,302.93	21,767.00	.00	2,319,069.93
Equipment	155,929.81	530.00	.00	156,459.81
Const. in progress	633,501.45	82,447.86	(130,060.00)	585,889.31
Total	\$ 3,613,472.58	\$ 213,037.86	\$ (130,060.00)	\$ 3,696,450.44

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 \$652,296.00 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		\$ 7,332.00

Changes in fixed liabilities are as follows:

	Payroll Related Costs
Balance, beginning of period	\$ 6,780.00
Net Change	552.00
Balance, end of period	\$ 7,332.00

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

**Notes to the Financial Statements (Continued)
September 30, 1998**

NOTE 6 - COMMITMENTS

Commitments arise primarily from construction in progress. Commitments at September 30, 1998 are composed of the following:

	Project Authorization	Expended to September 30, 1998	Commitment
CIAP 906-97	\$ 652,296.00	\$ 78,397.31	\$ 573,898.69
CIAP 907-98	923,263.00	.00	923,263.00
Total	<u>\$ 1,575,559.00</u>	<u>\$ 78,397.31</u>	<u>\$ 1,497,161.69</u>

All project funds are provided by grant from HUD, therefore no additional funding is required to satisfy outstanding commitments at September 30, 1998.

NOTE 7 - LOW Y2K RISK

It appears that the Housing Authority of the Town of Winnfield has addressed the potential impact of the Year 2000 (Y2K) on the processing of date-dependent information by the computerized information systems being utilized. The entity is in the implementation stage of compliance. All application software, operating systems, and computer hardware appear to be Y2K compliant. The Y2K Issue is the result of computer programs being written using two digit (rather than four) to define a year. This could result in miscalculations or system failures. The costs needed to reach full compliance is not expected to have a material impact on the Authority's financial operations.

NOTE 8 - 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 - STATUTORY BASIS

Housing Authority of the Town of Winnfield
Winnfield, Louisiana

Balance Sheet - Statutory Basis
September 30, 1998

Annual Contributions Contract FW-2205

Assets

Cash-checking and on hand	\$ 63,773.61
Accounts receivable-tenants	11,441.84
Prepaid insurance	9,032.50
Fixed assets	<u>3,696,450.44</u>
Total Assets	<u>\$ 3,780,698.39</u>

Liabilities and Surplus

Tenants' security deposits	\$ 8,258.00
Accounts payable-HUD	15,475.57
Accounts payable-other	1,936.04
Accrued and withheld payroll taxes	364.62
Tenants' prepaid rents	592.48
Deferred credits	<u>7,083.41</u>
Total liabilities	33,710.12
Surplus	<u>3,746,988.27</u>
Total Liabilities and Surplus	<u>\$ 3,780,698.39</u>

Housing Authority of the Town of Winnfield
Winnfield, Louisiana

Statement of Income and Expenses - Statutory Basis
Owned Housing Program
Year Ended September 30, 1998

Annual Contributions Contract FW-2205

Operating income	\$ 77,989.00
Dwelling rental	212.48
Interest on general fund investments	<u>12,526.31</u>
Other Income	
	<u>90,727.79</u>
Total operating income	
Operating Expenses	40,749.31
Administration	2,669.33
Utilities	52,323.56
Ordinary maintenance and operations	<u>40,784.21</u>
General expense	
	<u>136,526.41</u>
Total operating expenses	
	(45,798.62)
Net operating income (loss) before other items	
Other charges (credits)	(18,021.16)
Prior year adjustments affecting residual receipts	<u>423.00</u>
Prior year adjustments not affecting residual receipts	
	<u>(17,598.16)</u>
Total other charges (credits)	
	<u>\$ (28,200.46)</u>
Net Income (Loss)	

Housing Authority of the Town of Winnfield
Winnfield, Louisiana

Analysis of Surplus - Statutory Basis
September 30, 1998

Annual Contributions Contract FW-2205

Unreserved surplus	
Balance at 9-30-97	\$ (2,268,362.73)
Net income (loss) FYE 9-30-98	(28,200.46)
OR provision FYE 9-30-98	<u>(36,607.52)</u>
Balance at 9-30-98	<u>(2,333,170.71)</u>
Reserved Surplus	
Balance at 9-30-97	26,823.60
OR provision FYE 9-30-98	<u>36,607.52</u>
Balance at 9-30-98	<u>63,431.12</u>
Cumulative contributions from HUD	
Balance at 9-30-97	5,378,816.86
Operating subsidy FYE 9-30-98	<u>59,659.00</u>
Balance at 9-30-98	<u>5,438,475.86</u>
Grants from HUD	
Balance at 9-30-97	507,492.00
Grants FYE 9-30-98	<u>70,760.00</u>
Balance at 9-30-98	<u>578,252.00</u>
Total Surplus	<u>\$ 3,746,988.27</u>

Housing Authority of the Town of Winnfield
Winnfield, Louisiana

Schedule and Certification of Actual Modernization Costs
September 30, 1998

Annual Contributions Contract FW-2205

	<u>LA-48P123905-95</u>	<u>LA-48P123904-94</u>
1. Funds approved	\$ 241,000.00	\$ 266,492.00
Funds expended	<u>241,000.00</u>	<u>266,492.00</u>
Excess of funds approved	<u>\$ -</u>	<u>\$ -</u>
2. Funds advanced	\$ 241,000.00	\$ 266,492.00
Funds expended	<u>241,000.00</u>	<u>266,492.00</u>
Excess (deficiency) of funds advanced	<u>\$ -</u>	<u>\$ -</u>

3. The distribution of costs by project as shown on the Final Statement of Modernization Cost accompanying the Actual Cost Certificate submitted to HUD for approval is in agreement with the PHA records.
4. All modernization costs have been paid and all related liabilities have been discharged through payment.

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

Owned Housing Program

**Adjusting Journal Entries
September 30, 1998**

Annual Contributions Contract FW-2205

	Acct. # for audit report	Acct. # for posting by PHA	Debit	Credit
(1)				
Prior Year Adj. Aff. R.R.	6010	6010		\$ 423.00
Prior Year Adj. Not Aff. R.R.	6020	6020	\$ 423.00	
To adjust accounts in order to reconcile the balance sheet analysis (BSA).				
(2)				
Tenant's Accounts Receivable	1122	DO NOT	592.48	
Tenant's Prepaid Rents	2240	BOOK		592.48
To reclass prepaid rents at September 30, 1998.				
(3)				
Equipment	7520	6010	60.00	
Equipment-Contra	7590	6020		60.00
To adjust property acquisition accounts for the fiscal year ending September 30, 1998.				
(4)				
Accounts Receivable - Other	1128/1129	1128/1129	3,040.51	
Other Income	3690	6010		3,040.51
To reclass bank transfers at September 30, 1998.				
(5)				
Other Income	3690	DO NOT	7,568.65	
PILOT	4520	BOOK		7,568.65
To reclass waiver of PILOT for report purposes only.				
(6)				
Water	4310	DO	22.60	
Electricity	4320		302.56	
Gas	4330		10.85	
Other Utilities	4390	NOT	30.77	
Maintenance Contract	4430		549.00	
Sundry Administrative	4190		231.05	
Maintenance Materials	4420		429.25	
Accounts Payable	2119	BOOK		1,576.08
To record accounts payable at September 30, 1998.				

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of
General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

Board of Commissioners
Housing Authority of the Town of Winnfield
901 Neil Wagoner Drive
Winnfield, LA 71483

We have audited the general purpose financial statements of Housing Authority of the Town of Winnfield as of and for the year ended September 30, 1998, and have issued our report thereon dated February 19, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Housing Authority of the Town of Winnfield's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Housing Authority of the Town of Winnfield's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be 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.

February 19, 1999

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