



KRIEGEL/GRAY/SHAW & CO., P.C.

2452 Missouri Ave., P.O. Box 2707, Las Cruces, New Mexico 88004 • Phone: (575) 523-7444, Fax: (575) 527-0872

STATE OF NEW MEXICO

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A COMPONENT UNIT OF THE VILLAGE OF CIMARRON)

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2012

VILLAGE OF CIMARRON HOUSING AUTHORITY

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VILLAGE OF CIMARRON HOUSING AUTHORITY

OFFICIAL ROSTER
JUNE 30, 2012

Board of Commissioners

<u>Name</u>	<u>Title</u>
<i>Sherry Bennett</i>	<i>Chairperson</i>
<i>Michael Johnson</i>	<i>Vice-Chairperson</i>
<i>Nicole Duran</i>	<i>Commissioner</i>
<i>Karen Levi</i>	<i>Commissioner</i>
<i>Joe Wojtowicz</i>	<i>Commissioner</i>

Administrative Officials

<i>Theresita Gruver</i>	<i>Executive Director</i>
<i>Melissa Cruz</i>	<i>Management Analyst</i>



INDEPENDENT AUDITORS' REPORT

Mr. Hector H. Balderas, State Auditor and
To the Board of Directors
Village of Cimarron Housing Authority
(A Component Unit of the Village of Cimarron)
Cimarron, New Mexico

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Village of Cimarron Housing Authority (a component unit of the Village of Cimarron), as of and for the year ended June 30, 2012, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. We have also audited the financial statements of the nonmajor enterprise fund and the budgetary comparisons of the Housing Authority presented as supplementary information in the individual fund financial statements as of and for the year ended June 30, 2012 as listed in the table of contents. These financial statements are the responsibility of Village of Cimarron Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Cimarron Housing Authority, as of June 30, 2012, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly the budgetary comparisons for the major and nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2012 on our consideration of the Village of Cimarron Housing Authority'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

To the Board of Directors
Village of Cimarron Housing Authority
(A Component Unit of the Village of Cimarron)
Cimarron, New Mexico
Page Two

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements and the budgetary comparisons. The Financial Data Schedule listed as "other supplementary information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kriegel/Gray/Shaw & Co., P.C.

Kriegel/Gray/Shaw & Co., P.C.

November 30, 2012

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

The following is an analysis for the Cimarron Housing Authority's financial performance. It is to provide the reader with an overview to the Authority's financial activities for the fiscal year ended June 30, 2012. The information contained herein this MD&A should be considered in conjunction with the Authority's basic financial statements.

Financial Highlights

- The Cimarron Housing Authority's total assets decreased from \$545,609 to \$539,167, a decrease of \$6,442 or 1.18%.
- The net assets balance decreased from \$538,345 to \$508,663 at June 30, 2012. This represents a decrease of \$29,682 or 5.51% from the previous year. The unrestricted net asset balance decreased from \$73,127 to \$68,912, a decrease of \$4,215 or 5.76%.
- Revenues decreased from \$144,054 to \$105,220, a decrease of \$38,834 or 26.96% from the previous year.
- Total expenses increased by \$19,636, from \$115,266 to \$134,902 for the current year. This represents an increase of 17.04%.

Using this Annual Report

This annual report consists of basic financial statements and notes to the financial statements. Management's Discussion and Analysis provides a narrative of the Authority's financial performance and activities for the year ended June 30, 2012. The basic statements provide readers with a broad overview of the Authority's finances. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

1. The Statement of Net Assets provides information on all the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial situation of the Authority is improving.
2. The Statement of Activities presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.
3. The Statement of Cash Flows presents information showing how the Authority's cash changed during the most recent fiscal year. It shows the sources and uses of cash.

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

The agency has two individual programs. These include the Low Rent Housing Program and the Capital Fund Program.

- The Low Rent Housing Program consists of the 16 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula. Tenants typically pay dwelling rent, which is based on a formula that equates to 30 percent of the tenant's adjusted gross income.
- The Capital Fund program is also funded from HUD based on a formula. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations.

Housing Authority Activities & Highlights

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the year ended June 30, 2012 and June 30, 2011.

Statement of Net Assets-Condensed FYE June 30

<u>Category</u>	<u>FYE 2012</u>	<u>FYE 2011</u>	<u>Dollar Change</u>
Current Assets	\$96,671	\$77,430	\$19,241
Noncurrent Assets	2,745	2,961	(216)
Capital Assets (Net of Depreciation)	439,751	465,218	(25,467)
<i>Total Assets</i>	<i>539,167</i>	<i>545,609</i>	<i>(6,442)</i>
Current Liabilities	5,291	4,303	988
Long Term Liabilities	25,213	2,961	22,252
<i>Total Liabilities</i>	<i>30,504</i>	<i>7,264</i>	<i>23,240</i>
Unrestricted Net Assets	68,912	73,127	(4,215)
Investment in Net Capital Assets	439,751	465,218	(25,467)
<i>Total Net Assets</i>	<i>\$508,663</i>	<i>\$538,345</i>	<i>(29,682)</i>

Cash & Investments

Unrestricted cash and investments totaled \$93,108, an increase of \$19,932 from the previous year.

Current Assets and Liabilities

Current assets increased by \$19,241 due primarily to an increase in cash resulting from the increase in HUD Subsidies and a decrease in amounts paid for operating costs. Current liabilities increased as a result of increased higher wages payable and recognition of the amount due to the Village in the subsequent year.

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

Net Assets

The total net asset balance decreased from \$538,345 to \$508,663 at June 30, 2012. Unrestricted net assets are the amount of available funds for future appropriations. These funds are reserved for expenditures of the actual program. The Authority's unrestricted net assets total \$68,912, a decrease of \$4,215 from the previous year.

Statement of Revenues & Expenses FYE June 30

<u>Category</u>	<u>FYE 2012</u>	<u>FYE 2011</u>	<u>Dollar Change</u>
Rental Revenue	\$32,028	\$27,452	\$4,576
HUD Operating Grants	51,989	37,186	14,803
Capital Grants	20,006	78,132	(58,126)
Interest Income	141	273	(132)
Other Revenue	1,056	1,011	45
<i>Total Revenue</i>	<u>105,220</u>	<u>144,054</u>	<u>(38,834)</u>
Personnel	36,443	44,279	(7,836)
Operating	66,754	40,360	26,394
Depreciation	31,705	30,627	1,078
<i>Total Expenses</i>	<u>134,902</u>	<u>115,266</u>	<u>19,636</u>
<i>Excess of Revenue over Expenses</i>	<u>(29,682)</u>	<u>\$28,788</u>	<u>(58,470)</u>

Results of Operations

Operating revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenues decreased by \$38,834. Total expenses increased by \$19,636 from the previous year. Revenues decreased from the previous year principally due to a decrease in HUD Capital Grants. Expenses increased from the previous year as a result of the increase in costs in other operating expenses.

Budgets

There were no budget adjustments. The actual varied from budget due to a decrease in operating and maintenance costs.

VILLAGE OF CIMARRON HOUSING AUTHORITY
(A Component Unit of the Village of Cimarron)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

Capital Assets

As of June 30, 2012, the Cimarron Housing Authority's investment in capital assets was \$465,218. This investment includes land, building, building improvements, office equipment, and maintenance equipment.

<u>Category</u>	<u>FYE 2012</u>	<u>FYE 2011</u>	<u>Dollar Change</u>
Land	\$18,600	\$18,600	\$0
Construction in Process	1,000	1,000	0
Buildings	668,754	668,754	0
Equipment	72,542	72,542	0
Nondwelling Structures	173,106	166,868	6,238
Accumulated Depreciation	(494,251)	(462,546)	(31,705)
<i>Total Net Capital Assets</i>	<i>\$439,751</i>	<i>\$465,218</i>	<i>(\$25,467)</i>

The change in accumulated depreciation is current year depreciation expense of \$31,705.

No significant changes in financial position or results of operations are anticipated for the fiscal year ending June 30, 2012.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Cimarron Housing Authority
Theresita Gruver, Executive Director
P.O. Box 188
Cimarron, New Mexico 87728

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

PROPRIETARY FUNDS

STATEMENTS OF NET ASSETS

JUNE 30, 2012

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$79,959	\$0	\$79,959
Investments	13,149	0	13,149
Prepaid insurance	2,512	0	2,512
Tenant receivable - net of allowance	829	0	829
Interest receivable	4	0	4
HUD receivable	0	218	218
Due from other funds	0	0	0
Inventory - maintenance materials - net of obsolete inventory	0	0	0
<i>Total current assets</i>	96,453	218	96,671
Noncurrent Assets:			
Restricted cash for security deposits	2,745	0	2,745
Net capital assets	433,756	5,995	439,751
<i>Total noncurrent assets</i>	436,501	5,995	442,496
<i>Total assets</i>	\$532,954	\$6,213	\$539,167
 LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	\$944	\$218	\$1,162
Wages payable	1,126	0	1,126
Tenants prepaid rent	3	0	3
Accrued compensated absences	0	0	0
Current portion of long-term liability	3,000	0	3,000
Deferred revenue	0	0	0
<i>Total current liabilities</i>	5,073	218	5,291
Long-term Liabilities:			
Payable to Village of Cimarron	22,468	0	22,468
Tenant security deposits	2,745	0	2,745
<i>Total liabilities</i>	30,286	218	30,504
Net Assets:			
Invested in capital assets	433,756	5,995	439,751
Unrestricted	68,912	0	68,912
<i>Total net assets</i>	502,668	5,995	508,663
<i>Total liabilities and net assets</i>	\$532,954	\$6,213	\$539,167

The Notes to Financial Statements are an integral part of these statements.

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

PROPRIETARY FUNDS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
OPERATING REVENUES:			
Rental income	\$32,028	\$0	\$32,028
Other revenue	1,056	0	1,056
<i>Total operating revenues</i>	33,084	0	33,084
OPERATING EXPENSES:			
Personnel	36,443	0	36,443
Operating	60,486	6,268	66,754
Depreciation	31,462	243	31,705
<i>Total operating expenses</i>	128,391	6,511	134,902
<i>Net operating income (loss)</i>	(95,307)	(6,511)	(101,818)
NON-OPERATING REVENUE AND (EXPENSES)			
HUD operating subsidy/capital grants	51,989	20,006	71,995
Interest	141	0	141
<i>Total non-operating revenue and (expenses)</i>	52,130	20,006	72,136
<i>Income (loss) before transfers</i>	(43,177)	13,495	(29,682)
Operating transfers in (out)	7,500	(7,500)	0
Capital transfers in (out)	14,742	(14,742)	0
<i>Change in net assets</i>	(20,935)	(8,747)	(29,682)
Total net assets - beginning	523,603	14,742	538,345
<i>Total net assets, June 30, 2012</i>	\$502,668	\$5,995	\$508,663

The Notes to Financial Statements are an integral part of these statements.

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

PROPRIETARY FUNDS

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers (including other funds)	\$32,025	\$0	\$32,025
Cash paid to suppliers	(34,322)	(6,050)	(40,372)
Cash paid to employees	(37,646)	0	(37,646)
<i>Net cash provided (used) by operating activities</i>	<u>(39,943)</u>	<u>(6,050)</u>	<u>(45,993)</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES			
Grants - subsidies	51,989	19,788	71,777
Operating transfers in (out)	7,500	(7,500)	0
Purchase of capital assets	0	(6,238)	(6,238)
<i>Net cash provided (used) by non capital financing activities</i>	<u>59,489</u>	<u>6,050</u>	<u>65,539</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of certificate of deposit	(15,894)	0	(15,894)
Interest received	170	0	170
<i>Net cash provided (used) by investing activities</i>	<u>(15,724)</u>	<u>0</u>	<u>(15,724)</u>
<i>Net increase (decrease) in pooled cash and investments</i>	3,822	0	3,822
Pooled cash and investments, beginning of year	76,137	0	76,137
<i>Pooled cash and investments, end of year</i>	<u>\$79,959</u>	<u>\$0</u>	<u>\$79,959</u>
Non Cash Transactions:			
Capital transfers in (out)	\$14,742	(\$14,742)	\$0

The Notes to Financial Statements are an integral part of these statements.

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

PROPRIETARY FUNDS

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-Type Activities		
	Low Rent	Nonmajor Fund	
		CFP	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	(\$95,307)	(\$6,511)	(\$101,818)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	31,462	243	31,705
Change in assets and liabilities:			
Accounts receivable	(140)	0	(140)
Prepaid expenses	75	0	75
Inventory	946	0	946
Tenants prepaid rent	(238)	0	(238)
Accounts and contracts payable	24,678	218	24,896
Accrued payroll	356	0	356
Customer deposits	(216)	0	(216)
Accrued employee leave	(1,559)	0	(1,559)
Total adjustments	55,364	461	55,825
Net cash provided (used) by operating activities	(\$39,943)	(\$6,050)	(\$45,993)

The Notes to Financial Statements are an integral part of these statements.

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The function of the Village of Cimarron Housing Authority (Housing Authority) is to administer the Housing and Urban Development (HUD) programs to provide housing for qualified individuals in the Village of Cimarron area.

This funding is provided through various grant programs.

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Housing Authority's most significant accounting policies are described below.

Reporting Entity

The Housing Authority is a component unit of the Village of Cimarron. The accompanying financial statements present only the Housing Authority's financial information.

The Housing Authority is a Village organization created by Village Ordinance to provide housing for qualified Village residents. The Village has the ability to appoint management; influence operations, and influence the disposition of funds.

The Housing Authority has no component units.

Basis of Presentation

For financial reporting purposes, the accounts of the Housing Authority are organized into funds each of which is considered to be 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, retained earnings, revenues and expenses as appropriate. The various funds are summarized by type in the financial statements. All programs have been accounted for as proprietary funds under the HUD UFRS guidelines.

Proprietary Fund Type

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including amortization and depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary activities have applied all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: FASB statements and Interpretations, APB opinions, and ARB's of Committee on Accounting Procedure. FASB statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements, have also been applied.

The Proprietary Funds are as follows:

Low Income Housing Project – To account for the rental activities of the Village-owned low income housing project.

Public Housing Capital Fund Program – To account for HUD's new Public Housing Capital Fund Program, which replaces CIAP and CGP. Provides funds for capital improvements for Housing Authority-owned housing.

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The financial statements of the Housing Authority are reported using the economic resources measurement focus and the accrual basis of accounting.

Proprietary fund types are reported on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Grant revenue is recognized as soon as all eligibility requirements imposed by the provider have been met.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Budgets and Budgetary Accounting

The Housing Authority adopts budgets for Proprietary Funds in accordance with the Housing and Urban Development program agreements.

Budgetary Compliance – Budgetary control is required to be maintained at the individual fund level.

Actual fund revenues may be either over or under the budgeted amounts; however, the variance is required to be reasonable, particularly in the case of over-budgeted revenues. Major over-budgeted revenues require a budget amendment as soon as the extent of the shortage is reasonably ascertainable.

Budget Amendments – Budget increases and decreases can only be accomplished by Commission resolution, followed by DFA approval. Similarly, budget transfers must follow the same procedure.

Budgetary Basis – State law prescribes that the Village's budget be prepared on the basis of cash receipts and cash expenses. Therefore, budgetary comparisons shown in exhibits are prepared on a cash basis to compare actual revenues and expenses with a cash basis budget as amended.

Income Taxes

As a local government entity, the Village is not subject to federal or state income taxes.

Use of Estimates

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

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Village allows employees to accrue annual leave based on years of service. Upon termination, accrued annual leave is paid in full. Employees are eligible to be paid half of their accrued sick leave up to 240 hours upon termination.

The accrual for compensated absences made as of June 30, 2012 is \$0.

Cash and Cash Equivalents

For the purpose of the statement of cash flows the proprietary fund considers all highly liquid investments to be cash equivalents.

Interfund Transactions

There are transactions that constitute reimbursements to a fund for expenditures initially expended from one fund that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

Interfund payables and receivables are reflected in the appropriate fund.

Capital Assets

Purchase or constructed capital assets are reported at cost or estimated historical cost. The Housing Authority defines capital assets as assets with lives of greater than one-year and a cost or donated value of \$5,000 or greater.

Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40
Non Dwelling Structures	15
Machinery and Equipment	5 -7

Software is capitalized in the machinery and equipment category.

Inventory

Inventory is valued at cost, which approximates market using the first-in/first-out (FIFO) method. Inventory is recorded as expenditures when consumed rather than when purchased.

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets are displayed in three components:

Invested in Capital Assets, net of related debt – This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any related debt attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets – Net assets are reported as restricted when constraints placed on net asset use are either (1) externally imposed by creditors, grantors, contributions or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – Net assets that do not meet the definition of “restricted” and “Invested in capital assets, net of related debt.”

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 2. CASH AND INVESTMENTS

Cash consists of United States currency and financial institution checking accounts. The Housing Authority follows state law in regard to deposits and investments. At June 30, 2012, the Housing Authority held only short term certificates of deposit and therefore, they were shown as cash equivalents.

Restricted cash is cash from tenants held as security deposits.

All financial institutions in which the Housing Authority has an account are covered by Federal Deposit Insurance Corporation (FDIC) insurance.

Cash on Deposit

	Bank Balance	Carrying Amounts
<u>International Bank</u>		
Public Fund – regular checking	\$79,698	\$79,698
Public Fund – interest checking	0	0
Public Fund – regular checking	2,745	2,745
Public Fund – regular checking	261	261
Certificate of deposit	2,600	2,600
Certificate of deposit	10,549	10,549
Less investments	(13,149)	(13,149)
<i>Total cash on deposit</i>	\$82,704	\$82,704

<u>Investments</u>	WAM	Cost	Market Value
Certificates of deposit		\$2,600	\$2,600
Certificates of deposit		10,549	10,549
<i>Total investments</i>	360 days	\$13,149	\$13,149

	International Bank
Amount held in bank	\$95,853
Less F.D.I.C.	(95,853)
<i>Amount uninsured</i>	\$0

100% Collateral requirement	\$0
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VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 3. ACCOUNTS RECEIVABLE AND MORTGAGES RECEIVABLE

Accounts receivable are reported at their gross value. Those amounts considered doubtful have been recorded as allowance for doubtful accounts in the amount of \$2,543.

NOTE 4. CHANGES IN CAPITAL ASSETS

Capital Assets are stated at historical cost. The following is a summary of changes in Capital Assets for the fiscal year in the proprietary funds:

	Balance June 30, 2011	Additions	Transfers	Balance June 30, 2012
Non Depreciable Assets:				
Land	\$18,600	\$0	\$0	\$18,600
Construction in progress	1,000	0	0	1,000
Depreciable Assets:				
Buildings	668,754	0	0	668,754
Non dwelling structures	166,868	6,238	0	173,106
Machinery and equipment	72,542	0	0	72,542
<i>Total</i>	<u>927,764</u>	<u>6,238</u>	<u>0</u>	<u>934,002</u>
Less Accumulated Depreciation:				
Buildings	(296,015)	(28,554)	0	(324,569)
Non dwelling structures	(99,767)	0	0	(99,767)
Machinery and equipment	(66,764)	(3,151)	0	(69,915)
<i>Total accumulated depreciation</i>	<u>(462,546)</u>	<u>(31,705)</u>	<u>0</u>	<u>(494,251)</u>
<i>Net capital assets</i>	<u>\$465,218</u>	<u>(\$25,467)</u>	<u>\$0</u>	<u>\$439,751</u>

Depreciation expense for the year was \$31,705.

NOTE 5. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the basic financial statements, of certain information concerning individual funds including:

A.	Net Working Capital:	
	Proprietary Funds	\$91,380

NOTE 6. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

The Housing Authority employees participate in a public employee retirement system through the Village of Cimarron. For further disclosures, see the Village of Cimarron's financial statements.

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 7. TRANSFERS AND DUE FROM/TO OTHER FUNDS

Transfers between funds were as follows:

	Operating Transfers Out		Totals
	Low Rent	CFP	
Operating Transfers In:			
Low Rent	\$0	\$7,500	\$7,500
CFP	0	0	0
Total	\$0	\$7,500	\$7,500

Transfers are used to move the portion of CFP funding allotted for operating expenditures to the Low Rent Fund.

	Capital Transfers Out		Totals
	Low Rent	CFP	
Capital Transfers In:			
Low Rent	\$0	\$14,742	\$14,742
CFP	0	0	0
Total	\$0	\$14,742	\$14,742

Transfers are used to move capital assets purchased in the CFP fund to the Low Rent Fund.

NOTE 8. CHANGES IN ACCRUED COMPENSATED ABSENCES

The following summarizes the changes in accrued compensated absences during 2012:

	Balance	Additions	Deletions	Balance	Amount Due Within One Year
	June 30, 2011			June 30, 2012	
Accrued compensated absences	\$1,559	\$0	\$1,559	\$0	\$0

NOTE 9. RISK MANAGEMENT

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters for which the Housing Authority carries commercial insurance. Premiums paid for the year were \$8,211.

NOTE 10. COMMITMENTS AND CONTINGENCIES

During fiscal year 2011, The Village of Cimarron presented an invoice to the Housing Authority requesting reimbursement of \$62,437 in legal fees in connection to the Gruver Settlement. The Board agreed to reimburse the Village for \$32,000 of this amount, in a minimum annual payment of \$3,000 without interest, until paid in full. The balance due to the Village at June 30, 2012 is \$25,468.

SUPPLEMENTARY INFORMATION

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

LOW RENT

PROPRIETARY FUND

STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (HUD BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
REVENUES:				
Rental income	\$32,380	\$32,380	\$32,028	(\$352)
Other	1,300	1,300	1,056	(244)
<i>Total revenues</i>	<u>33,680</u>	<u>33,680</u>	<u>33,084</u>	<u>(596)</u>
OPERATING EXPENSES:				
Personnel	41,560	41,560	36,443	5,117
Admin expense	17,250	17,250	14,873	2,377
Operating and maintenance	14,350	14,350	13,403	947
Tenant services	200	200	0	200
Utilities	2,480	2,480	2,743	(263)
<i>Total operating expenses</i>	<u>75,840</u>	<u>75,840</u>	<u>67,462</u>	<u>8,378</u>
<i>Operating income (loss)</i>	<u>(42,160)</u>	<u>(42,160)</u>	<u>(34,378)</u>	<u>7,782</u>
NON-OPERATING REVENUE (EXPENSES):				
HUD grants and subsidy	51,989	51,989	51,989	0
Interest	470	470	141	(329)
Transfers in	5,500	5,500	7,500	2,000
<i>Total non-operating revenue (expenses)</i>	<u>57,959</u>	<u>57,959</u>	<u>59,630</u>	<u>1,671</u>
<i>Net income</i>	<u>\$15,799</u>	<u>\$15,799</u>	<u>\$25,252</u>	<u>\$9,453</u>

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2012, is presented below:

Net income (budgetary basis)	\$25,252
Adjustments for capital transfers in	14,742
Adjustments for expenditures for depreciation, legal expense	(60,929)
<u>Change in net assets (GAAP basis)</u>	<u>(\$20,935)</u>

The Notes to Financial Statements are an integral part of these statements.

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

CFP FUND - 2011

PROPRIETARY FUND

STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (HUD BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
REVENUES:				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
OPERATING EXPENSES:				
Personnel	0	0	0	0
Administration	1,000	1,000	0	1,000
Audit cost	1,500	1,500	0	1,500
Capital outlay	13,194	13,194	11,506	1,688
Fees and costs	2,000	2,000	0	2,000
Management improvements	1,000	1,000	1,000	0
Operations	0	0	0	0
<i>Total operating expenses</i>	18,694	18,694	12,506	6,188
<i>Operating income (loss)</i>	(18,694)	(18,694)	(12,506)	6,188
NON-OPERATING REVENUE (EXPENSES):				
HUD grants and subsidy	21,694	21,694	20,006	(1,688)
Transfers (out)	(3,000)	(3,000)	(7,500)	(4,500)
<i>Total non-operating revenue (expenses)</i>	18,694	18,694	12,506	(6,188)
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2012, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, expenditure accruals, and capital transfers	5,995
Change in net assets (GAAP basis)	\$5,995

The Notes to Financial Statements are an integral part of these statements.

OTHER SUPPLEMENTARY INFORMATION

Housing Authority of the Village of Cimarron (NM048)
Cimarron, NM
Financial Data Schedule
6/30/2012

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	79,959	-	79,959
113	Cash - Other Restricted	-	-	-
114	Cash - Tenant Security Deposits	2,745	-	2,745
100	Total Cash	82,704	-	82,704
121	Accounts Receivable - PHA Projects	-	218	218
125	Accounts Receivable - Miscellaneous	-	-	-
126	Accounts Receivable - Tenants	774	-	774
126.1	Allowance for Doubtful Accts - Tenants	(464)	-	(464)
126.2	Allowance for Doubtful Accts - Other	-	-	-
128	Fraud Recovery	2,598	-	2,598
128.1	Allowance for Doubtful Accts - Fraud	(2,078)	-	(2,078)
129	Accrued Interest Receivable	4	-	4
120	Total Receivables, Net of Allowance for Doubtfull Accts	834	218	1,052
131	Investments - Unrestricted	13,149	-	13,149
132	Investments - Restricted	-	-	-
142	Prepaid Expenses and Other Assets	2,511	-	2,511
143	Inventories	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-
150	Total Current Assets	99,198	218	99,416
161	Land	18,600	-	18,600
162	Buildings	768,521	-	768,521
163	Furniture, Equipment & Machinery - Dwellings	35,791	-	35,791
164	Furniture, Equipment & Machinery - Administration	53,801	-	53,801
165	Leasehold Improvements	50,053	6,238	56,291
166	Accumulated Depreciation	(494,010)	(243)	(494,253)
167	Construction in Progress	1,000	-	1,000
168	Infrastructure	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	433,756	5,995	439,751
180	Total Non-Current Assets	433,756	5,995	439,751
190	Total Assets	532,954	6,213	539,167
311	Bank Overdraft	-	-	-
312	Accounts Payable <= 90 Days	944	218	1,162
321	Accrued Wages / Payroll Taxes Payable	1,126	-	1,126
322	Accrued Compensated Absences - Current Portion	-	-	-
341	Tenant Security Deposits	2,745	-	2,745
342	Deferred Revenue	3	-	3
344	Current Portion of Long-Term Debt - Operating Borrowings	3,000	-	3,000
346	Accrued Liabilities - Other	-	-	-
310	Total Current Liabilities	7,818	218	8,036

Housing Authority of the Village of Cimarron (NM048)
Cimarron, NM
Financial Data Schedule
6/30/2012

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
352	Long-Term Debt, Net of Current - Operating Borrowings	22,468	-	22,468
354	Accrued Compensated Absences - Non Current	-	-	-
350	Total Noncurrent Liabilities	<u>22,468</u>	-	<u>22,468</u>
300	Total Liabilities	<u>30,286</u>	218	<u>30,504</u>
508.1	Invested in Capital Assets, Net of Related Debt	433,756	5,995	439,751
511.1	Restricted Net Assets	-	-	-
512.1	Unrestricted Net Assets	68,912	-	68,912
513	Total Equity/Net Assets	<u>502,668</u>	5,995	<u>508,663</u>
600	Total Liabilities and Equity/Net Assets	<u>532,954</u>	<u>6,213</u>	<u>539,167</u>
70300	Net Tenant Rental Revenue	32,028	-	32,028
70400	Tenant Revenue - Other	380	-	380
70500	Total Tenant Revenue	<u>32,408</u>	-	<u>32,408</u>
70600	HUD PHA Operating Grants	51,989	-	51,989
70610	Capital Grants	-	20,006	20,006
70700	Total Fee Revenue	<u>51,989</u>	<u>20,006</u>	<u>71,995</u>
71100	Investment Income - Unrestricted	141	-	141
71400	Fraud Recovery	-	-	-
71500	Other Revenue	676	-	676
70000	Total Revenue	<u>85,214</u>	<u>20,006</u>	<u>105,220</u>
91100	Administrative Salaries	23,817	-	23,817
91200	Auditing Fees	5,554	-	5,554
91300	Management Fees	-	-	-
91310	Bookkeeping Fee	3,567	-	3,567
91400	Advertising & Marketing	-	-	-
91500	Employee Benefit Contributions - Administrative	3,290	-	3,290
91600	Office Expenses	4,742	-	4,742
91700	Legal Expenses	-	-	-
91800	Travel	110	1,000	1,110
91900	Other	30,368	-	30,368
91000	Total Operating - Administrative	<u>71,448</u>	<u>1,000</u>	<u>72,448</u>
92400	Tenant Services - Other	-	-	-
92500	Total Tenant Services	<u>-</u>	<u>-</u>	<u>-</u>
93100	Water	492	-	492
93200	Electricity	1,567	-	1,567
93300	Gas	627	-	627
93600	Sewer	56	-	56
93800	Other Utilities	-	-	-
93000	Total Utilities	<u>2,742</u>	<u>-</u>	<u>2,742</u>

Housing Authority of the Village of Cimarron (NM048)
Cimarron, NM
Financial Data Schedule
6/30/2012

Line Item #	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
94100	Ordinary Maintenance and Operations - Labor	6,726	-	6,726
94200	Ordinary Maintenance and Operations - Materials & Other	3,563	5,268	8,831
94300	Ordinary Maint and Operations - Contract Costs	2,222	-	2,222
94500	Employee Benefit Contributions - Ordinary Maintenance	1,517	-	1,517
94000	Total Maintenance	<u>14,028</u>	<u>5,268</u>	<u>19,296</u>
96110	Property Insurance	2,131	-	2,131
96120	Liability Insurance	582	-	582
96130	Workmen's Compensation	1,851	-	1,851
96140	All Other Insurance	2,589	-	2,589
96100	Total Insurance Premiums	<u>7,153</u>	<u>-</u>	<u>7,153</u>
96200	Other General Expenses	-	-	-
96210	Compensated Absences	1,094	-	1,094
96300	Payments in Lieu of Taxes	-	-	-
96400	Bad debt - Tenant Rents	464	-	464
96000	Total Other General Expenses	<u>1,558</u>	<u>-</u>	<u>1,558</u>
96900	Total Operating Expenses	<u>96,929</u>	<u>6,268</u>	<u>103,197</u>
97000	Excess Operating Revenue over Operating Expenses	(11,715)	13,738	2,023
97400	Depreciation Expense	31,462	243	31,705
90000	Total Expenses	<u>128,391</u>	<u>6,511</u>	<u>134,902</u>
10010	Operating Transfers In	7,500	-	7,500
10020	Operating Transfers Out	-	(7,500)	(7,500)
10100	Total Other Financing Sources (Uses)	<u>7,500</u>	<u>(7,500)</u>	<u>-</u>
10000	Excess (Deficiency) of Total Rev Over (Under) Total Exp	<u>(35,677)</u>	<u>5,995</u>	<u>(29,682)</u>
11030	Beginning Equity	\$ 523,603	\$ 14,742	\$ 538,345
11040	Prior Period Adj, Equity Transfers, Correction of Errors	\$ 14,742	\$ (14,742)	\$ -
11050	Changes in Compensated Absence Balance	\$ (1,559)	\$ -	\$ (1,559)
11190	Unit Months Available	192	-	192
11210	Number of Unit Months Leased	187	-	187



**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***

Mr. Hector H. Balderas, State Auditor and
To the Board of Directors
Village of Cimarron Housing Authority
(A Component Unit of the Village of Cimarron)
Cimarron, New Mexico

We have audited the financial statements of the business-type activities, each major fund and the aggregate remaining fund information and the related budgetary comparisons presented as supplementary information of Village of Cimarron Housing Authority (a component unit of the Village of Cimarron), as of and for the year ended June 30, 2012, and have issued our report thereon dated November 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Village of Cimarron Housing Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Village of Cimarron Housing Authority's internal control over financial reporting as a basis for designating our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Cimarron Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Cimarron Housing Authority's internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. 2006-03. A *significant deficiency* is a deficiency, or 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.

Mr. Hector H. Balderas, State Auditor and
To the Board of Directors
Village of Cimarron Housing Authority
(A Component Unit of the Village of Cimarron)
Cimarron, New Mexico
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Cimarron Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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*.

Village of Cimarron Housing Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Village of Cimarron Housing Authority's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, the Village of Cimarron, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kriegel/Gray/Shaw & Co., P.C.

Kriegel/Gray/Shaw & Co., P.C.

November 30, 2012

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

CURRENT YEAR SIGNIFICANT DEFICIENCIES:

None.

CURRENT STATUS ON PRIOR YEAR FINDINGS:

2006-03 Lack of Complete Capital Assets Schedule – Significant Deficiency

Repeated.

Statement of Condition – Client does not maintain a detailed listing of capital asset schedules for assets purchased prior to July 1, 2005.

Criteria – Good internal controls require that subsidiary ledgers be maintained to support general ledger entries. New Mexico State Auditor Rule 2.2.2.10 NMAC requires a schedule of capital assets to be maintained.

Cause – Inconsistency of management personnel and fee accountant changes.

Effect – Although a summary depreciation schedule by asset type is maintained, there is no schedule to support capital asset balances recorded in the financial statements prior to July 1, 2005. Noncompliance with New Mexico State Auditor Rule 2.2.2.10 NMAC.

Recommendation – Detailed subsidiary ledgers should be kept to support general ledger entries.

Management's Response – The Cimarron Housing Authority (CHA) has purchased computer software to keep a current listing of its capital assets. The detail of fixed assets purchased prior to July 1, 2005 cannot be located in client records. Management of Cimarron Housing Authority will continue to explore resources to reconstruct the details of these fixed assets.

VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

EXIT CONFERENCE

JUNE 30, 2012

EXIT CONFERENCE:

The exit conference was held October 25, 2012 and was attended by the following:

From the Village of Cimarron Housing Authority:

Michael Johnson, Board Vice-Chairperson

Melissa Cruz, Management Analyst

Theresita Gruver, Executive Director

From Kriegel/Gray/Shaw & Co., P.C.:

Ken Shaw, CPA/Shareholder

Kristi Granados, CPA/Staff Auditor

FINANCIAL STATEMENTS PREPARATION

The financial statements were prepared by Kriegel/Gray/Shaw & Co., P.C.