



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

CERTIFIED PUBLIC ACCOUNTANTS
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STATE OF NEW MEXICO

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

**(A COMPONENT UNIT OF THE
VILLAGE OF WAGON MOUND)**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2016

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

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VILLAGE OF WAGON MOUND HOUSING AUTHORITY

OFFICIAL ROSTER

JUNE 30, 2016

Board of Directors

<u>Name</u>	<u>Title</u>
<i>Laudente Quintana</i>	<i>Mayor</i>
<i>Esther Mondragon</i>	<i>Chair</i>
<i>Angie Romero</i>	<i>Board Member</i>
<i>Norma Jean Vasquez</i>	<i>Board Member</i>
<i>Claudia Martinez</i>	<i>Board Member</i>

Administrative Officials

<i>Theresa Carmody</i>	<i>Executive Director</i>
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INDEPENDENT AUDITORS' REPORT

Mr. Tim Keller, State Auditor and
To the Board of Directors
Village of Wagon Mound Housing Authority
(A Component Unit of the Village of Wagon Mound)
Wagon Mound, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Village of Wagon Mound Housing Authority (Authority), a component unit of the Village of Wagon Mound (Village), as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents. We also have audited the budgetary comparisons presented as supplementary information, as defined by the Government Accounting Standards Board for the year ended June 30, 2016 as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Mr. Tim Keller, State Auditor and
To the Board of Directors
Village of Wagon Mound Housing Authority
(A Component Unit of the Village of Wagon Mound)
Wagon Mound, New Mexico
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Village of Wagon Mound Housing Authority, as of June 30, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective budgetary comparisons for the year then ended in conformity with budgetary basis required by the U.S. Department of Housing and Urban Development that is more fully described in Note 8 which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Other Matters

Reporting Entity

As discussed in Note 1, the financial statements of the Authority are intended to present the financial position and changes in its financial position and cash flows of only that portion of the Village that is attributable to the Authority. They do not purport to, and do not present fairly the financial position of the Village as of June 30, 2016, and the changes in its financial position or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 8 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.

Mr. Tim Keller, State Auditor and
To the Board of Directors
Village of Wagon Mound Housing Authority
(A Component Unit of the Village of Wagon Mound)
Wagon Mound, New Mexico
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Other Information

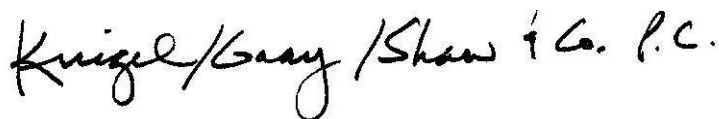
Our audit was conducted for the purpose of forming opinions on the Authority's financial statements and the budgetary comparisons. The Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Financial Data Schedule and *other schedules required by 2.2.2 NMAC* are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule and *other schedules required by 2.2.2 NMAC* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of vendor information on page 26 has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2016 on our consideration of the 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* in considering the Authority's internal control over financial reporting and compliance.



Kriegel/Gray/Shaw & Co., P.C.
Las Cruces, New Mexico
November 26, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

The following is an analysis for the Wagon Mound 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, 2016. The information contained here in this MD&A should be considered in conjunction with the Authority's basic financial statements.

Financial Highlights

- The Wagon Mound Housing Authority's total assets decreased from \$128,695 to \$109,620 a decrease of \$19,075 or 14.8%.
- The net position balance decreased from \$115,246 to \$99,486 at June 30, 2016. This represents a decrease of \$15,760 or 13.7% from the previous year. The unrestricted net position balance decreased from \$29,849 to \$28,051, a decrease of \$1,798 or 6.0%.
- Revenues increased from \$86,601 to \$113,435 an increase of \$26,834 or 30.9% from the previous year.
- Total expenses increased from \$111,285 to \$129,195 an increase of \$17,910 for the current year. This represents a decrease of 16.1%.

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, 2016. 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 Position provides information on all the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Authority is improving.
2. The Statement of Revenue, Expenses, and Changes in Fund Net Position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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 WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

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 19 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 years ended June 30, 2016 and June 30, 2015.

Statement of Net Position-Condensed June 30, 2016

	2016	2015
ASSETS		
Current assets	\$32,849	\$40,090
Noncurrent assets	5,336	3,208
Capital assets (net of depreciation)	71,435	85,397
<i>Total assets</i>	109,620	128,695
Deferred outflows of resources	0	0
<i>Total assets and deferred outflows of resources</i>	\$109,620	\$128,695
LIABILITIES		
Current liabilities	6,623	9,602
Long-term liabilities	3,511	3,847
Net pension liability	0	0
<i>Total liabilities</i>	10,134	13,449
Deferred inflows of resources	0	0
NET POSITION		
Unrestricted net position	28,051	28,849
Net investment in capital assets	71,435	86,397
<i>Total net position</i>	99,486	115,246
<i>Total liabilities, net position, and deferred outflows of resources</i>	\$109,620	\$128,695

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

Cash and Investments

Unrestricted cash and investments totaled \$4,201, a decrease of \$13,056 from the previous year.

Current Assets

Current assets decreased 18.1%, from \$40,090 to \$32,849 due primarily to a decrease in cash at year end.

Current Liabilities

Current liabilities decreased from \$9,602 to \$6,623 or 31.1%. This decrease was due to a variety of factors.

Net Position

The total net position balance decreased from \$115,246 to \$99,486 at June 30, 2016. Unrestricted net position is the amount of available funds for future appropriations. These funds are reserved for expenditures of the actual program. The Authority's unrestricted net position total of \$28,051 is a decrease of \$798 from the previous year.

Statement of Revenues & Expenses For the Year Ended June 30, 2016

	<u>2016</u>	<u>2015</u>
REVENUES		
Rental revenue	\$38,450	\$30,395
HUD operating grants	59,803	54,910
Capital grants	14,618	449
Interest income	16	35
Other revenue	548	812
<i>Total revenue</i>	<u>113,435</u>	<u>86,601</u>
EXPENSES		
Personnel	44,197	38,594
Operating	71,036	58,729
Depreciation	13,962	13,962
<i>Total expenses</i>	<u>129,195</u>	<u>111,285</u>
<i>Excess of revenue over expenses</i>	<u>(\$15,760)</u>	<u>(\$24,684)</u>

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

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 increased by \$26,834. Total expenses increased by \$17,910 from the previous year. Revenues increased from the previous year principally due to the increase in activity noted in the CFP Program and HUD operating subsidies. Expenses increased from the previous year principally due to an increase in operating expenses due to the increase in CFP grant revenue.

Budgetary Highlights

The Authority prepares its budgets in accordance with HUD requirements. The budgets are utilized only as guidelines and have not been amended during the fiscal year.

Capital Assets

As of June 30, 2016, the Wagon Mound Housing Authority's net investment in capital assets was \$71,435. This investment includes land, building, building improvements, office equipment, maintenance equipment, and construction in process.

Category	2016	2015
Construction in process	\$2,140	\$2,140
Land	7,227	7,227
Buildings	838,245	838,245
Equipment	15,774	15,774
Non-dwelling Structures	20,865	20,865
Accumulated Depreciation	(812,816)	(798,854)
Total Net Fixed Assets	\$71,435	\$85,397

No significant changes in financial position or results of operations are anticipated for the fiscal year ending June 30, 2016.

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:

Wagon Mound Housing Authority
Theresa Carmody, Executive Director
P.O. Box 311
Wagon Mound, New Mexico 87752

BASIC FINANCIAL STATEMENTS

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

PROPRIETARY FUNDS

STATEMENTS OF NET POSITION

JUNE 30, 2016

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$4,201	\$0	\$4,201
Prepaid insurance	895	0	895
Tenant receivable - net of allowance of \$1,861	1,240	0	1,240
Due from CFP	0	0	0
HUD receivable	17,787	0	17,787
Interest receivable	0	0	0
Inventory	8,726	0	8,726
<i>Total current assets</i>	32,849	0	32,849
Noncurrent Assets:			
Restricted cash - tenant security deposit	5,336	0	5,336
Net capital assets	71,435	0	71,435
<i>Total noncurrent assets</i>	76,771	0	76,771
<i>Total assets</i>	109,620	0	109,620
 LIABILITIES AND NET POSITION			
Current Liabilities:			
Accounts payable	2,091	0	2,091
Wages payable and accrued payroll liabilities	3,785	0	3,785
Accrued compensation	0	0	0
Prepaid rent	747	0	747
Due to LR	0	0	0
<i>Total current liabilities</i>	6,623	0	6,623
Long-term Liabilities:			
Accrued compensated absences	0	0	0
Tenant security deposits	3,511	0	3,511
<i>Total long-term liabilities</i>	3,511	0	3,511
<i>Total liabilities</i>	10,134	0	10,134
Net Position:			
Net investment in capital assets	71,435	0	71,435
Unrestricted	28,051	0	28,051
<i>Total net position</i>	\$99,486	\$0	\$99,486

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

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

PROPRIETARY FUNDS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
OPERATING REVENUES:			
Rental income	\$38,450	\$0	\$38,450
HUD operating subsidy	59,803	0	59,803
Other revenue	548	0	548
<i>Total operating revenues</i>	98,801	0	98,801
OPERATING EXPENSES:			
Personnel	44,197	0	44,197
Operating	58,278	12,758	71,036
Depreciation	13,962	0	13,962
<i>Total operating expenses</i>	116,437	12,758	129,195
<i>Net operating income (loss)</i>	(17,636)	(12,758)	(30,394)
NON-OPERATING REVENUE AND (EXPENSES)			
HUD capital grants	0	14,618	14,618
Interest	16	0	16
<i>Total non-operating revenue and (expenses)</i>	16	14,618	14,634
<i>Income (loss) before transfers</i>	(17,620)	1,860	(15,760)
Transfers in (out)	4,000	(4,000)	0
Capital transfers in (out)	0	0	0
	4,000	(4,000)	0
<i>Change in net position</i>	(13,620)	(2,140)	(15,760)
Total net position - beginning of year	113,106	2,140	115,246
Total net position, end of year	\$99,486	\$0	\$99,486

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

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

PROPRIETARY FUNDS

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$36,787	\$0	\$36,787
Grants - subsidies	51,346	0	51,346
Cash paid to suppliers	(59,296)	(12,758)	(72,054)
Cash paid to employees	(43,781)	0	(43,781)
<i>Net cash provided (used) by operating activities</i>	<u>(14,944)</u>	<u>(12,758)</u>	<u>(27,702)</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES			
Transfers in (out)	4,000	(4,000)	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital lease payments - due from HUD	0	2,140	2,140
Capital grant	0	14,618	14,618
Purchase of capital assets	0	0	0
<i>Net cash provided (used) by capital and related financing activities</i>	<u>0</u>	<u>16,758</u>	<u>16,758</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	16	0	16
<i>Net increase (decrease) in pooled cash and investments</i>	<u>(10,928)</u>	<u>0</u>	<u>(10,928)</u>
Cash and investments, beginning of year	20,465	0	20,465
<i>Cash and investments, end of year</i>	<u>\$9,537</u>	<u>\$0</u>	<u>\$9,537</u>

Non Cash Transactions:

Capital transfers in (out)	\$0	\$0	\$0
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The Notes to Financial Statements are an integral part of these statements.

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

PROPRIETARY FUNDS

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (loss)	(\$17,636)	(\$12,758)	(\$30,394)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	13,962	0	13,962
Change in assets and liabilities:			
Accounts receivable	(8,688)	0	(8,688)
Inventory	(2,060)	0	(2,060)
Prepaid expenses	653	0	653
Tenants prepaid rent	416	0	416
Accounts and contracts payable	(1,671)	0	(1,671)
Accrued payroll	416	0	416
Customer deposits	(336)	0	(336)
<i>Total adjustments</i>	2,692	0	2,692
<i>Net cash provided (used) by operating activities</i>	(\$14,944)	(\$12,758)	(\$27,702)

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

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

This funding is provided through various grant programs.

The financial statements of the Village of Wagon Mound Housing Authority (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 Village of Wagon Mound Housing Authority's most significant accounting policies are described below.

Reporting Entity

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

The Village of Wagon Mound 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 Village of Wagon Mound Housing Authority has no component units.

Basis of Presentation

For financial reporting purposes, the accounts of the Village of Wagon Mound 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, deferred outflows, liabilities, deferred inflows, 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.

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 Village of Wagon Mound Housing Authority are recorded using the economic resources measurement focus and the accrual basis of accounting. All assets, all liabilities and deferred outflows and inflows of resources associated with the operations are included on the statement of net position.

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. Grants are recognized as revenue when all eligibility requirements imposed by the provider have been met. It is the Housing Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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.

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2016 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.

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$1,000 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 WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 2. CASH

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, 2016, the Housing Authority held only short term certificates of deposit and therefore, they were shown as cash equivalents.

Restricted cash is cash from tenants being 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>1st Community Bank</u>		
Public Fund – regular checking	\$5,419	\$3,073
CFP	0	0
Tenant security deposits – business checking	5,336	5,336
Savings	1,128	1,1258
Total cash	\$11,883	\$9,537

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Housing Authority’s deposits may not be returned to it.

There were no uninsured bank deposits (not covered by F.D.I.C).

	First Community Bank
Amount held in bank	\$11,883
Less F.D.I.C.	11,883
Amount uninsured	\$0
100% Collateral requirement	\$0

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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 \$1,861.

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, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Non Depreciable Assets:					
Construction in process	\$2,140	\$0	\$0	\$0	\$2,140
Land	7,227	0	0	0	7,227
Depreciable Assets:					
Buildings	838,245	0	0	0	838,245
Non dwelling structures	20,865	0	0	0	20,865
Machinery and equipment	15,774	0	0	0	15,774
<i>Total</i>	<u>884,251</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>884,251</u>
Less Accumulated Depreciation:					
Buildings	(765,551)	(13,575)	0	0	(779,126)
Non dwelling structures	(17,529)	(387)	0	0	(17,916)
Machinery and equipment	(15,774)	0	0	0	(15,774)
<i>Total accumulated depreciation</i>	<u>(798,854)</u>	<u>(13,962)</u>	<u>0</u>	<u>0</u>	<u>(812,816)</u>
<i>Total net position</i>	<u>\$85,397</u>	<u>(\$13,962)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$71,435</u>

Depreciation uses the straight-line method. Depreciation expense for the year was \$13,962.

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 5. NET POSITION

The unrestricted net position represent the amounts available for budgeting future operations (i.e., current).

Net Position

Net position is displayed in three components:

Net Investment in Capital Assets – 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 Position – Net position is reported as restricted when constraints placed on net position 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 Position – Net position that does not meet the definition of “restricted” and “Net investment in capital assets.”

NOTE 6. PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Village is a member of the New Mexico Self-Insurers’ Fund (the “Fund”). The Fund was created to formulate, develop, and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for insurance coverage, and develop a comprehensive loss control program. The Village pays an annual premium to the Fund for its workers’ compensation liability, general liability, auto liability, auto physical damage, and property coverage. The Village’s agreement with the Fund provides that the Fund will be self-sustaining through member premiums, and will provide, through commercial companies reinsurance contracts, individual stop loss coverage for member cities.

NOTE 7. 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	\$26,226

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 8. TRANSFERS

Transfers between funds were as follows:

	<u>Operating Transfers Out</u>		
	Low Rent	CFP	Totals
Operating Transfers In:			
Low Rent	\$0	\$4,000	\$4,000
CFP	0	0	0
<i>Total</i>	\$0	\$4,000	\$4,000

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

	<u>Capital Transfers Out</u>		
	Low Rent	CFP	Totals
Capital Transfers In:			
Low Rent	\$0	\$0	\$0
CFP	0	0	0
<i>Total</i>	\$0	\$0	\$0

Capital transfers arose from the purchase or construction of capital assets in one fund, which were then transferred to another fund where they are being utilized.

NOTE 9. RETIREMENT AND POST EMPLOYMENT BENEFITS

The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. Eligibility for membership in the PERA fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The employees are part-time and therefore, do not qualify to participate.

The Retiree Health Care Act, Chapter IV, Article 7C, NMSA 1978 provides a comprehensive care group health insurance for persons who have retired from certain public service in New Mexico. The Authority has elected not to participate in the post-employment health insurance plan.

SUPPLEMENTARY INFORMATION

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

LOW RENT

PROPRIETARY FUND

STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
REVENUES:				
Rental income	\$37,460	\$37,460	\$39,098	\$1,638
HUD operating subsidy	59,803	59,803	59,803	0
Other	220	220	547	327
<i>Total revenues</i>	97,483	97,483	99,448	1,965
OPERATING EXPENSES:				
Tenant services	50	50	0	50
Personnel	41,170	41,170	43,781	(2,611)
Admin expenses	17,990	17,990	15,774	2,216
Operating and maintenance	48,410	48,410	21,850	26,560
Capital outlay	0	0	0	0
Utilities	22,820	22,820	22,324	496
<i>Total operating expenses</i>	130,440	130,440	103,729	26,711
<i>Operating income (loss)</i>	(32,957)	(32,957)	(4,281)	28,676
NON-OPERATING REVENUE (EXPENSES):				
HUD grants	0	0	0	0
Interest	20	20	17	(3)
Transfers in	4,000	4,000	4,000	0
<i>Total non-operating revenue (expenses)</i>	4,020	4,020	4,017	(3)
<i>Net income</i>	(28,937)	(28,937)	(\$264)	(\$3)
<i>Budgeted cash and investment carryover</i>	28,937	28,937		
	\$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, 2016, is presented below:

Net income (budgetary basis)	(\$264)
Adjustments for revenue accruals, transfers, earnings on investments	(648)
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	(12,708)
<i>Change in net position (GAAP basis)</i>	(\$13,620)

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

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

CFP FUND - 2012

PROPRIETARY FUND

STATEMENT OF REVENUES AND EXPENSES
BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	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:				
Operations	10,618	10,618	10,618	0
Audit costs	0	0	0	0
Capital outlay	0	0	0	0
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	10,618	10,618	10,618	0
<i>Operating income (loss)</i>	(10,618)	(10,618)	(10,618)	0
NON-OPERATING REVENUE (EXPENSES):				
HUD grants	10,618	10,618	10,618	0
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	10,618	10,618	10,618	0
<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, 2016, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	0
Change in net position (GAAP basis)	\$0

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

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

CFP FUND - 2013

PROPRIETARY FUND

STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	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:				
Operations	4,000	4,000	4,000	0
Audit costs	2,000	2,000	0	2,000
Capital outlay	13,000	13,000	0	13,000
Management improvements	1,000	1,000	0	1,000
Administration	(288)	(288)	0	(288)
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	19,712	19,712	4,000	15,712
<i>Operating income (loss)</i>	(19,712)	(19,712)	(4,000)	15,712
NON-OPERATING REVENUE (EXPENSES):				
HUD grants	19,712	19,712	4,000	(15,712)
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	19,712	19,712	4,000	(15,712)
<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, 2016, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	0
Change in net position (GAAP basis)	\$0

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

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

CFP FUND - 2014

PROPRIETARY FUND

STATEMENT OF REVENUES AND EXPENSES
BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	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:				
Operations	0	0	0	0
Audit costs	0	0	0	0
Capital outlay	23,435	23,435	0	23,435
Management improvements	500	500	0	500
Administration	0	0	0	0
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	23,935	23,935	0	23,935
<i>Operating income (loss)</i>	(23,935)	(23,935)	0	23,935
NON-OPERATING REVENUE (EXPENSES):				
HUD grants	23,935	23,935	0	(23,935)
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	23,935	23,935	0	(23,935)
<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, 2016, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	0
Change in net position (GAAP basis)	\$0

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

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

CFP FUND - 2015

PROPRIETARY FUND

STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	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:				
Operations	1,757	1,757	0	1,757
Audit costs	0	0	0	0
Capital outlay	22,853	22,853	0	22,853
Management improvements	0	0	0	0
Administration	0	0	0	0
Fees and costs	0	0	0	0
<i>Total operating expenses</i>	24,610	24,610	0	24,610
<i>Operating income (loss)</i>	(24,610)	(24,610)	0	24,610
NON-OPERATING REVENUE (EXPENSES):				
HUD grants	24,610	24,610	0	(24,610)
Interest	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	24,610	24,610	0	(24,610)
<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, 2016, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, capital outlay, capital transfers and depreciation	0
Change in net position (GAAP basis)	\$0

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

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

SCHEDULE OF VENDOR INFORMATION

for Purchases Exceeding \$60,000 (excluding GRT)

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by Agency Staff Name: Theresa Carmody

Title: Executive Director

Date: November 14, 2016

Agency Number	Agency Name	Agency Type	RFB#/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor win contract?
6184-A	Village of Wagon Mound	Municipalities	None			

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF WAGON MOUND HOUSING AUTHORITY
(A Component Unit of the Town of Clayton)
Financial Data Schedule
June 30, 2016

Line Item #	Account Description	Public Housing Low Rent 14,850	Public Housing Capital Fund Program 14,872	Total
111	Cash - Unrestricted	4,201	-	4,201
114	Cash - Tenant Security Deposits	5,336	-	5,336
100	Total Cash	9,537	-	9,537
122	Accounts Receivable - HUD Other Projects	17,787	-	17,787
124	Accounts Receivable - Other Government	-	-	-
126	Accounts Receivable - Tenants	3,101	-	3,101
126.1	Allowance for Doubtful Accts - Tenants	(1,861)	-	(1,861)
129	Accrued Interest Receivable	-	-	-
120	Total Receivables, Net of Allowance for Doubtfull Accts	19,027	-	19,027
131	Investments - Unrestricted	-	-	-
132	Investments - Restricted	-	-	-
142	Prepaid Expenses and Other Assets	895	-	895
143	Inventories	9,695	-	9,695
143.1	Allowance for Obsolete Inventories	(969)	-	(969)
144	Inter-program - due from	-	-	-
150	Total Current Assets	38,185	-	38,185
161	Land	7,227	-	7,227
162	Buildings	859,110	-	859,110
163	Furniture, Equipment & Machinery - Dwellings	-	-	-
164	Furniture, Equipment & Machinery - Administration	15,774	-	15,774
165	Leasehold Improvements	-	-	-
166	Accumulated Depreciation	(812,816)	-	(812,816)
167	Construction in Progress	2,140	-	2,140
160	Total Capital Assets, Net of Accumulated Depreciation	71,435	-	71,435
180	Total Non-Current Assets	71,435	-	71,435
190	Total Assets	109,620	-	109,620
200	Deferred Outflow of Resources	-	-	-
290	Total Assets and Deferred Outflow of Resources	109,620	-	109,620
312	Accounts Payable <= 90 Days	2,091	-	2,091
321	Accrued Wage/Payroll Taxes Payable	3,785	-	3,785
322	Accrued Compensated Absences - Current Portion	-	-	-
341	Tenant Security Deposits	3,511	-	3,511
342	Deferred Revenue	747	-	747
347	Inter-Program - Due To	-	-	-
310	Total Current Liabilities	10,134	-	10,134
354	Accrued Compensated Absences - Non-Current	-	-	-
357	Accrued Pension and OPEB Liabilities	-	-	-
350	Total Noncurrent Liabilities	-	-	-
300	Total Liabilities	10,134	-	10,134
400	Deferred Inflow of Resources	-	-	-
508.1	Net Investment of Capital Assets	71,435	-	71,435
511.4	Restricted Net Position	-	-	-
512.4	Unrestricted Net Position	28,051	-	28,051
513	Total Equity - Net Position	99,486	-	99,486
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net Assets/Position	109,620	-	109,620
70300	Net Tenant Rental Revenue	38,450	-	38,450
70400	Tenant Revenue - Other	548	-	548
70500	Total Tenant Revenue	38,998	-	38,998
70600	HUD PHA Operating Grants	59,803	-	59,803
70610	Capital Grants	-	14,618	14,618
70700	Total Fee Revenue	59,803	14,618	74,421

VILLAGE OF WAGON MOUND HOUSING AUTHORITY
(A Component Unit of the Town of Clayton)
Financial Data Schedule
June 30, 2016

Line Item #	Account Description	Public Housing Low Rent 14.850	Public Housing Capital Fund Program 14.872	Total
71100	Investment Income - Unrestricted	16		16
71500	Other Revenue	-		-
70000	Total Revenue	<u>98,817</u>	<u>14,618</u>	<u>113,435</u>
91100	Administrative Salaries	22,743	-	22,743
91200	Auditing Fees	6,439	-	6,439
91400	Advertising & Marketing	-	-	-
91500	Employee Benefit Contributions - Administrative	3,070	-	3,070
91600	Office Expenses	4,196	-	4,196
91700	Legal Expenses	-	-	-
91800	Travel	540	-	540
91900	Other	3,413	-	3,413
91000	Total Operating - Administrative	<u>40,401</u>	<u>-</u>	<u>40,401</u>
92400	Tenant Services - Other	-	-	-
92500	Total Tenant Services	<u>-</u>	<u>-</u>	<u>-</u>
93100	Water	3,240	-	3,240
93200	Electricity	2,339	-	2,339
93300	Gas	12,011	-	12,011
93600	Sewer	4,722	-	4,722
93800	Other Utilities	-	-	-
93000	Total Utilities	<u>22,312</u>	<u>-</u>	<u>22,312</u>
94100	Ordinary Maintenance and Operations - Labor	16,067	-	16,067
94200	Ordinary Maintenance and Operations - Materials & Other	4,507	10,349	14,856
94300	Ordinary Maintenance and Operations Contracts	7,538	269	7,807
94500	Employee Benefit Contributions - Ordinary Maintenance	2,317	-	2,317
94000	Total Maintenance	<u>30,429</u>	<u>10,618</u>	<u>41,047</u>
96110	Property Insurance	4,580	-	4,580
96120	Liability Insurance	663	-	663
96130	Workmen's Compensation	1,587	-	1,587
96140	All Other Insurance	921	-	921
96100	Total Insurance Premiums	<u>7,751</u>	<u>-</u>	<u>7,751</u>
96200	Other General Expenses	-	-	-
96210	Compensated Absences	-	-	-
96600	Bad Debt - Other	1,582	2,140	3,722
96000	Total Other General Expenses	<u>1,582</u>	<u>2,140</u>	<u>3,722</u>
96900	Total Operating Expenses	<u>102,475</u>	<u>12,758</u>	<u>115,233</u>
97000	Excess Revenue over Operating Expenses	(3,658)	1,860	(1,798)
97400	Depreciation Expense	13,962	-	13,962
90000	Total Expenses	<u>116,437</u>	<u>12,758</u>	<u>129,195</u>
10010	Operating Transfers In	4,000	-	4,000
10020	Operating Transfers Out	-	(4,000)	(4,000)
10100	Total Other Financing Sources (Uses)	<u>4,000</u>	<u>(4,000)</u>	<u>-</u>
10000	Excess (Deficiency) of Total Rev Over (Under) Total Exp	<u>(13,620)</u>	<u>(2,140)</u>	<u>(15,760)</u>
11030	Beginning Equity	\$ 113,106	\$ 2,140	\$ 115,246
11040	Prior Period Adj, Equity Transfers, Correction of Errors	\$ -	\$ -	\$ -
11190	Unit Months Available	228	-	228
11210	Number of Unit Months Leased	219	-	219

**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***

Independent Auditor's Report

Mr. Tim Keller, State Auditor and
To the Board of Directors
Village of Wagon Mound Housing Authority
(A Component Unit of the Village of Wagon Mound)
Wagon Mound, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the Village of Wagon Mound Housing Authority, a component unit of the Village of Wagon Mound as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and the related budgetary comparisons of the Authority, presented as supplemental information, and have issued our report thereon dated November 26, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Mr. Tim Keller, State Auditor and
To the Board of Directors
Village of Wagon Mound Housing Authority
(A Component Unit of the Village of Wagon Mound)
Wagon Mound, New Mexico
Page Two

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

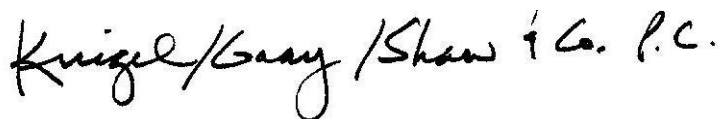
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2016-001.

The Authority's Responses to Findings

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Authority's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kriegel/Gray/Shaw & Co., P.C.
Las Cruces, New Mexico
November 26, 2016

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2016

CURRENT YEAR FINDINGS:

2016-001 Missing Forms I-9 – Non Compliance

Statement of Condition – The employee files did not include completed Employment Eligibility Verification Form I-9.

Criteria – Form I-9 is used for verifying the identify and employment authorization of individuals hired for employment in the United States. All U.S. employers must ensure proper completion of Form I-9 for each individual they hire for employment,

Effect – Form I-9 were not completed for either of the two employees of the Housing Authority.

Cause – The Board of Commissioners were unaware that the forms were not completed and the current Executive Director was unaware of the requirement.

Recommendation – We recommend that the Housing Authority’s Executive Director complete and certify the I-9s for both current employees and follow U.S. Department of Homeland Security for all future new employees.

Management’s Response – The Wagon Mound Housing Authority’s Executive Director and the Wagon Mound Housing Authority’s Board of Commissioners assures that the Forms I-9 for current employees will be completed and certified and that the I-9s will be completed by March 31, 2017 as instructed by the Department of Homeland Security for all new employees.

CURRENT STATUS ON PRIOR YEAR FINDINGS:

2015-001 Security Deposits Not Matching the Restricted Cash Accounts – Non Compliance

Resolved and not repeated.

VILLAGE OF WAGON MOUND HOUSING AUTHORITY

(A Component Unit of the Village of Wagon Mound)

EXIT CONFERENCE

JUNE 30, 2016

EXIT CONFERENCE:

The exit conference was held November 14, 2016 and was attended by the following:

From the Village of Wagon Mound Housing Authority:

Theresa Carmody, Executive Director
Claudia Martinez, Board Member

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

Ken Shaw, CPA/Shareholder

FINANCIAL STATEMENTS PREPARATION

Preparation of financial statements is the responsibility of management. Although, the Village of Wagon Mound Housing Authority's personnel provided significant assistance in the preparation, the statements and related footnotes were prepared by Kriegel/Gray/Shaw & Co., P.C.