

State of New Mexico
Western Regional Housing Authority

FINANCIAL STATEMENTS
With Independent Auditor's Report Thereon

For The Fiscal Year Ended June 30, 2012

Western Regional Housing Authority
TABLE OF CONTENTS
June 30, 2012

	<u>Page</u>
INTRODUCTORY SECTION:	
Directory of officials	1
FINANCIAL SECTION:	
INDEPENDENT AUDITORS' REPORT	2-3
REQUIRED SUPPLEMENTARY INFORMATION:	
Management's Discussion and Analysis	4-10
BASIC FINANCIAL STATEMENTS:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Assets	11-12
Statement of Revenues, Expenses and Changes in Fund Net Assets	13-14
Statement of Cash Flows	15-18
Notes to Financial Statements	19-28
OTHER SUPPLEMENTARY INFORMATION:	
Statements of Revenues and Expenses - Budget and Actual:	
Low Rent Public Housing	29
Housing Choice Vouchers	30
Southwest Housing Assistance	31
State and Local	32
Tenanat Rental Assistance	33
Emergency Shelter Grant	34
OTHER SUPPLEMENTAL DATA:	
Financial Data Schedule	35-54
Schedule of Individual Deposit Accounts and Investments	55
Schedule of Depository Collateral	56
Schedule of Expenditures of Federal Awards	57
Notes to Schedule of Expenditures of Federal Awards	58

ADDITIONAL REPORTING REQUIREMENTS:

Summary Schedule of Prior Audit Findings	59
Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	60-61
Independent Auditor's Report on Compliance with Requirements That could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	62-63
Schedule of Findings and Questioned Costs	64-65

Western Regional Housing Authority
DIRECTORY OF OFFICIALS
June 30, 2012

COMMISSIONERS

Beverly Kostelnik
Vera Turner
Leo Cordova
Vincent Barrett
Patricia Lincoln
Carol Anaya
Awish Baechtle

Chairman
Vice-Chairman
Commissioner
Commissioner
Commissioner
Commissioner
Commissioner

ADMINISTRATIVE STAFF

Cathy DeMarco
Sonia Flores

Executive Director
Deputy Director

MIKE STONE, C.P.A.
LINDA STONE MCGEE, C.P.A.
KAY STONE, C.P.A.
JARROD MASON, C.P.A.
KELLEY WYATT, C.P.A.

RYAN MONTOYA, C.P.A.

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INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas, State Auditor
and
Board of Commissioners
Western Regional Housing Authority
Silver City, New Mexico

We have audited the accompanying financial statements of the business-type activities and each major fund of the Western Regional Housing Authority as of and for the year ended June 30, 2012, which collectively comprise the Authority's basic financial statements as listed in the table of contents. We have also audited the budgetary comparisons of each of the Authority's Enterprise funds presented as other supplementary information in the accompanying 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 the Western Regional 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 *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 of material misstatements. 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 above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Western Regional Housing Authority as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for individual enterprise funds presented as other supplementary information 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 September 20, 2012, on our consideration of the Western Regional 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 assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 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 a 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 consist of inquiries of management about the methods of preparing the information and comparing the information for inconsistency 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 financial statements that collectively comprise the Authority's basic financial statements, and the budgetary comparisons presented as other supplementary information. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. In addition, the accompanying financial information listed as other supplemental data in the table of contents is also 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.

Stone, McGee & Co CPAs

September 20, 2012

Stone, McGee & Co.
Certified Public Accountants

Western Regional Housing Authority Management's Discussion and Analysis

As management of the Western Regional Housing Authority, we offer the readers of the Western Regional Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Western Regional Housing Authority for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the financial statements of the Western Regional Housing Authority and additional information provided. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the Western Regional Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$4,095 (net Assets). Of this amount, \$588 (unrestricted net assets) may be used to meet the Authority's obligations to residents and creditors.
- The Authority's total net assets decreased by \$222. Of this amount, \$365 decrease was attributable to Housing Choice Voucher activities, Low Rent Public Housing generated an increase of \$43, and Southwest Housing Assistance activities generated a \$100 increase.
- At the end of the current fiscal year, unrestricted net assets for the Low-Rent Public Housing fund were \$339, or 94% of the total Low-Rent Public Housing fund expenses.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Western Regional Housing Authority's basic financial statements comprised of two components: 1) basic financial statements; and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements

The *basic financial statements* are designed to provide readers with a broad overview of the Western Regional Housing Authority's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Western Regional Housing 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 position of the Western Regional Housing Authority is improving or deteriorating.

The *statement of changes in net assets* 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. Thus, revenues and expenses are reported in this statement for some items that will only

result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Proprietary Funds

The Western Regional Housing Authority maintains six proprietary enterprise funds to account for: Low-Rent Public Housing, Housing Choice Voucher Program, Southwest Housing Assistance Program (SWHAP), Tenant Rental Assistance (TBRA), Emergency Shelter Grants (ESG), and State Programs (Linkages Program). The proprietary fund financial statements provide separate information for all Authority activities and programs.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Western Regional Housing Authority, assets exceeded liabilities by \$4,095 at the close of the most recent fiscal year.

By far the largest portion of the Housing Authority's assets (78%) reflect its investment in capital assets (e.g., land, buildings, furnishings, equipment), less any related debt used to acquire those assets that is still outstanding. Western Regional Housing Authority uses these capital assets to provide services to residents; consequently, these assets are not available for future spending.

Western Regional Housing Authority
Condensed Statement of Net Assets
(In Thousands)

	<u>June 30,</u> <u>2011</u>	<u>June 30,</u> <u>2012</u>
Assets		
Current Assets	692	646
Restricted Assets	601	277
Capital Assets, Net	<u>3079</u>	<u>3244</u>
Total Assets	<u><u>4372</u></u>	<u><u>4167</u></u>
Liabilities		
Current Liabilities	23	34
Noncurrent Liabilities	<u>32</u>	<u>38</u>
Total Liabilities	55	72
Net Assets		
Invested in Capital Assets, Net of Related Debt	3079	3244
Restricted	588	263
Unrestricted	<u>650</u>	<u>588</u>
Total Net Assets	<u>4317</u>	<u>4095</u>
 Total Liabilities and Net Assets	 <u><u>4372</u></u>	 <u><u>4167</u></u>

An additional portion of the Western Regional Housing Authority's net assets (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$588) may be used to meet the Authority's ongoing obligations to residents and creditors.

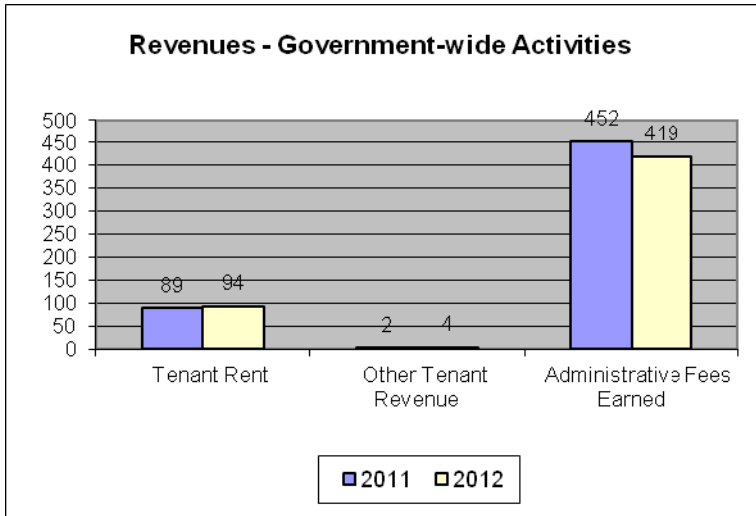
At the end of the current fiscal year, the Western Regional Housing Authority is able to report positive balances on all three categories of net assets, both for the government as a whole as well as for its enterprise activities. The same situation held true for the prior fiscal year.

There was a decrease of \$325 in restricted net assets reported by the Housing Authority as compared to the prior year. The decrease was due to the Housing Authority having to utilize their HAP Reserves due to an increase in our leasing and cutbacks in our HAP Subsidy.

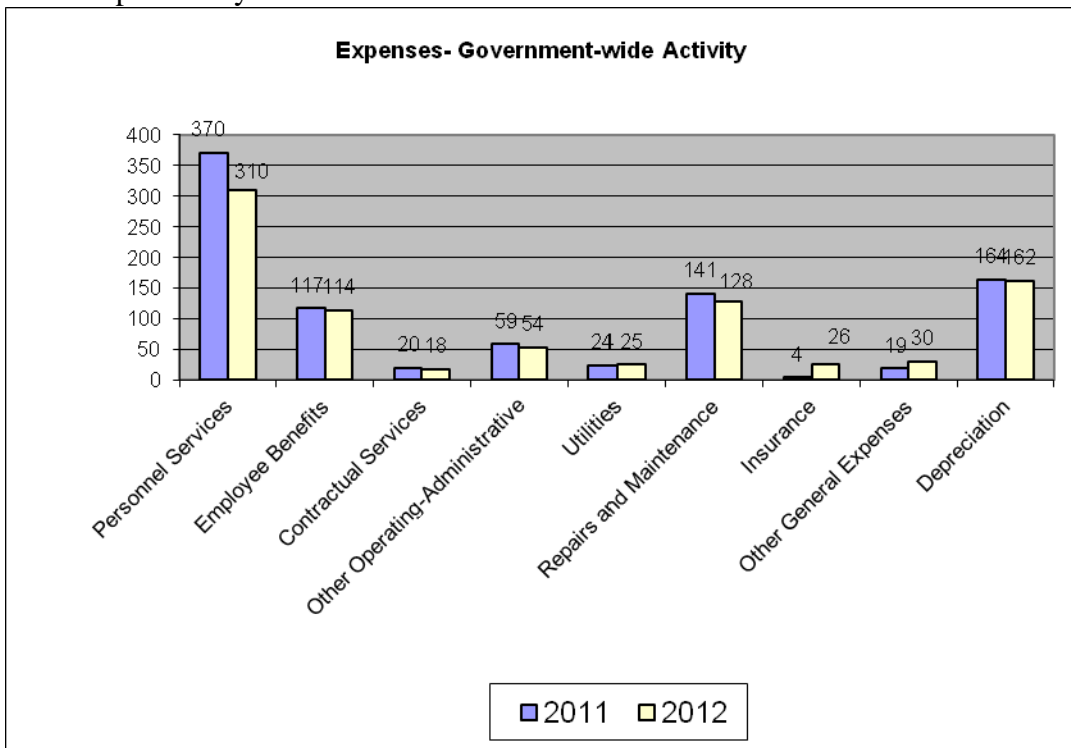
Western Regional Housing Authority
Condensed Statement of Changes in Net Assets
(In Thousands)

	June 30, 2011	June 30, 2012
Revenues:		
Tenant Rent	89	94
Other Tenant Revenue	2	4
Administrative Fees Earned	452	419
Total Revenue	543	517
Expenses:		
Personnel Services	370	310
Employee Benefits	117	114
Contractual Services	20	18
Other Operating-Administrative	59	54
Utilities	24	25
Repairs and Maintenance	141	128
Insurance	4	26
Other General Expenses	19	30
Depreciation	164	162
Total Expenses	918	867
Operating Income (Loss)	(375)	(350)
Non-Operating Revenues (Expenses):		
Intergovernmental Grants	4183	3977
Housing Assistance Payments	(3784)	(3875)
Other Non-Operating Revenue	16	26
Gain (Loss) on Sale of Fixed Assets		
Total Non-Operating Revenue (Expenses)	415	128
Income (Loss) before Capital Contributions & Transfers	40	(222)
Mod Grants	0	0
Change In Net Assets	40	(222)

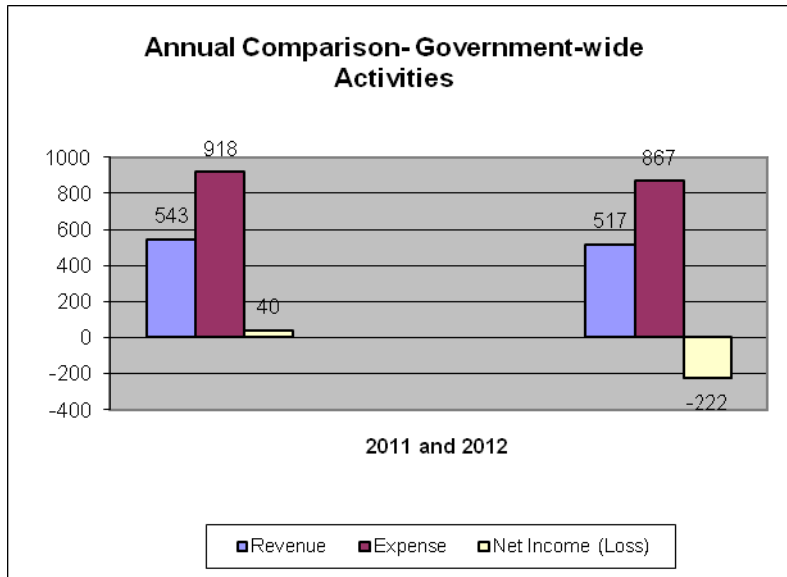
Total revenues decreased \$26 or 5% during the year. This is the result of a decrease in administrative fees earned.



Total expenses decreased \$51 or 6% as compared to the prior year. Personnel Services and Repairs and Maintenance decreased due to Extra-Meritorious Cash Awards were not awarded this year, where they were last year. Also, we had a staff person leave in April, who was not replaced. Our Insurance increased by \$22 due to payment of an unemployment claim in previous year.



For the most part, the Authority’s operating revenues seldom exceed operating expenses on an ongoing basis. Typically, deficit or unfavorable results from operations are subsidized by intergovernmental HUD assistance and Capital Fund grant programs.



Budgetary Highlights

During the year, the Authority’s operating revenues were over budgetary expectations by \$6; operating expenses remained under the budget plan by \$76 after adjusting for Depreciation Expenses of \$162, thereby eliminating the need to draw upon existing net assets.

Capital Asset and Debt Administration

The Western Regional Housing Authority’s investment in capital assets as of June 30, 2012, amounts to \$3244 (net of accumulated depreciation). This investment in capital assets included land, land improvements, buildings, furnishings and equipment.

Western Regional Housing Authority Capital Assets (Net of Depreciation)

	June 30, 2012
Land and Improvements	731,537
Buildings, Systems and Improvements	2,096,609
Furniture, Fixtures and Equipment	24,748
Construction in Progress	391,412
Total Fixed Assets, Net of Accumulated Depreciation	<u>3,244,306</u>

Long Term Debt:

At the end of the current fiscal year, the Housing Authority had estimated long-term compensated absences outstanding in the amount of \$38.

Economic Factors:

- The unemployment rate in Grant County as of June 2012, reported by the New Mexico Department of Workforce Solutions, is 6.8%, which is a decrease of about .9% from last year. This is slightly lower than the state's average unemployment rate of 7%. The unemployment rate in Luna County as of June 2012 increased from 15.8% last year to 16.6%, they are still ranked the highest in the state.

Requests for Information:

This financial report is designed to provide a general overview of the Western Regional Housing Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, 2545 North Silver Street, P.O. Box 3015, Silver City, NM 88062.

Western Regional Housing Authority
STATEMENT OF NET ASSETS
June 30, 2012

	<u>Low Rent Public Housing</u>	<u>Housing Choice Vouchers</u>	<u>Southwest Housing Assistance</u>
ASSETS			
Current assets:			
Cash	\$ 344,524	\$ 187,533	\$ 77,405
Interfund receivable			30,000
Prepaid expenses			
Accounts receivable (net)	877		971
Inventory	<u>3,974</u>		
 Total current assets	 <u>\$ 349,375</u>	 <u>\$ 187,533</u>	 <u>\$ 108,376</u>
Noncurrent assets:			
Restricted:			
Cash	\$ 12,021	\$ 262,455	\$ 2,328
Capital assets, net	<u>2,450,395</u>	<u>8,012</u>	<u>785,899</u>
 Total noncurrent assets	 <u>\$ 2,462,416</u>	 <u>\$ 270,467</u>	 <u>\$ 788,227</u>
 Total assets	 <u>\$ 2,811,791</u>	 <u>\$ 458,000</u>	 <u>\$ 896,603</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,609	\$ 13,885	\$ 1,444
Interfund payable			
Compensated absences	510	1,894	
Deferred revenue	403		
Tenant deposits (payable from restricted assets)	<u>12,021</u>		<u>2,328</u>
 Total current liabilities	 <u>\$ 14,543</u>	 <u>\$ 15,779</u>	 <u>\$ 3,772</u>
Noncurrent liabilities:			
Compensated absences	<u>7,986</u>	<u>29,682</u>	
 Total liabilities	 <u>\$ 22,529</u>	 <u>\$ 45,461</u>	 <u>\$ 3,772</u>
NET ASSETS			
Invested in capital assets	\$ 2,450,395	\$ 8,012	\$ 785,899
Restricted for housing assistance payments		262,455	
Unrestricted	<u>338,867</u>	<u>142,072</u>	<u>106,932</u>
 Total net assets	 <u>\$ 2,789,262</u>	 <u>\$ 412,539</u>	 <u>\$ 892,831</u>

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

<u>Tenant Rental Assistance</u>	<u>State and Local</u>	<u>Total*</u>
\$ 16,975	\$ 6,059	\$ 632,496
3,025	3,941	-
<u>20,000</u>	<u>10,000</u>	<u>8,814</u> <u>3,974</u>
\$ -	\$ -	\$ 276,804
<u>-</u>	<u>-</u>	<u>3,244,306</u>
\$ 20,000	\$ 10,000	\$ 3,521,110
<u>20,000</u>	<u>10,000</u>	<u>4,166,394</u>
\$ -	\$ -	\$ 16,938
20,000	10,000	2,404
<u>-</u>	<u>-</u>	<u>403</u> <u>14,349</u>
\$ 20,000	\$ 10,000	\$ 34,094
<u>-</u>	<u>-</u>	<u>37,668</u>
<u>20,000</u>	<u>10,000</u>	<u>71,762</u>
\$ -	\$ -	\$ 3,244,306
<u>-</u>	<u>-</u>	<u>262,455</u> <u>587,871</u>
<u><u>-</u></u>	<u><u>-</u></u>	<u><u>4,094,632</u></u>

*After internal receivables and payables have been eliminated.

Western Regional Housing Authority
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Fiscal Year Ended June 30, 2012

	Low Rent Public Housing	Housing Choice Vouchers	Southwest Housing Assistance
Operating revenues:			
Tenant rent	\$ 67,310	\$ -	\$ 26,913
Other tenant revenue	3,426		
Administration fees		419,332	
Total operating revenues	\$ 70,736	\$ 419,332	\$ 26,913
Operating expenses:			
Personnel services	\$ 50,915	\$ 250,425	\$ -
Employee benefits	14,256	95,930	
Contractual services	7,500	10,300	
Other administrative	5,877	44,469	1,929
Utilities	22,929	2,061	316
Repairs and maintenance	101,283	23,856	1,921
Insurance	6,418	18,670	552
Other general expenses	5,945	22,219	
Depreciation	144,073	6,820	11,337
Total operating expenses	\$ 359,196	\$ 474,750	\$ 16,055
Operating income (loss)	\$ (288,460)	\$ (55,418)	\$ 10,858
Nonoperating revenue (expense):			
Intergovernmental grants - Federal	\$ 330,706	\$ 3,375,378	\$ -
Intergovernmental grants - State	829	6,607	89,017
Housing assistance payments		(3,717,131)	
Other nonoperating revenue		25,870	106
Gain (loss) on disposition of assets			
Total nonoperating revenues (expenses)	\$ 331,535	\$ (309,276)	\$ 89,123
Income (loss) before capital contributions and transfers:	\$ 43,075	\$ (364,694)	\$ 99,981
Transfers in			
Transfers out			
Capital contributions			
Change in net assets	\$ 43,075	\$ (364,694)	\$ 99,981
Net assets, beginning of year	2,746,187	777,233	792,850
Net assets, end of year	\$ 2,789,262	\$ 412,539	\$ 892,831

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

Tenant Rental Assistance	State and Local	Emergency Shelter	Total
\$ -	\$ -	\$ -	\$ 94,223
			3,426
			419,332
\$ -	\$ -	\$ -	\$ 516,981
\$ 5,093	\$ 2,709	\$ 1,352	\$ 310,494
2,128	1,160	648	114,122
			17,800
1,228	84		53,587
			25,306
	480		127,540
			25,640
890	717		29,771
			162,230
\$ 9,339	\$ 5,150	\$ 2,000	\$ 866,490
\$ (9,339)	\$ (5,150)	\$ (2,000)	\$ (349,509)
\$ 101,942	\$ -	\$ 15,240	\$ 3,823,266
	57,119		153,572
(92,603)	(51,969)	(13,240)	(3,874,943)
			25,976
			-
\$ 9,339	\$ 5,150	\$ 2,000	\$ 127,871
\$ -	\$ -	\$ -	\$ (221,638)
			-
\$ -	\$ -	\$ -	\$ (221,638)
			4,316,270
\$ -	\$ -	\$ -	\$ 4,094,632

Western Regional Housing Authority
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2012

	<u>Low Rent Public Housing</u>	<u>Housing Choice Vouchers</u>	<u>Southwest Housing Assistance</u>
Cash flows from operating activities:			
Receipts from tenants and fees	\$ 72,143	\$ 419,332	\$ 26,694
Payments to vendors	(149,263)	(108,798)	(7,609)
Payments to employees	(63,065)	(343,696)	(31)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by operating activities	<u>\$ (140,185)</u>	<u>\$ (33,162)</u>	<u>\$ 19,054</u>
Cash flows from noncapital and related financing activities:			
Intergovernmental grants	\$ 147,722	\$ 3,381,985	\$ 89,017
Housing assistance payments		(3,717,131)	
Transfers			
Interfund activities			5,000
Other nonoperating revenues		25,870	106
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by noncapital and related financing activities	<u>\$ 147,722</u>	<u>\$ (309,276)</u>	<u>\$ 94,123</u>
Cash flows from capital and related financing activities:			
Intergovernmental grants	\$ 184,173	\$ -	\$ -
Purchase of capital assets	(180,877)		(146,526)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by capital and related financing activities	<u>\$ 3,296</u>	<u>\$ -</u>	<u>\$ (146,526)</u>
Net increase (decrease) in cash	\$ 10,833	\$ (342,438)	\$ (33,349)
Cash, beginning of year	<u>345,712</u>	<u>792,426</u>	<u>113,082</u>
Cash, end of year	<u><u>\$ 356,545</u></u>	<u><u>\$ 449,988</u></u>	<u><u>\$ 79,733</u></u>

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

<u>Tenant Rental Assistance</u>	<u>State and Local</u>	<u>Emergency Shelter</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 518,169
(2,776)	(1,281)		(269,727)
<u>(7,221)</u>	<u>(3,869)</u>	<u>(2,000)</u>	<u>(419,882)</u>
<u>\$ (9,997)</u>	<u>\$ (5,150)</u>	<u>\$ (2,000)</u>	<u>\$ (171,440)</u>
\$ 110,023	\$ 58,866	\$ 15,240	\$ 3,802,853
(92,603)	(51,969)	(13,240)	(3,874,943)
	(5,000)		-
			-
			<u>25,976</u>
<u>\$ 17,420</u>	<u>\$ 1,897</u>	<u>\$ 2,000</u>	<u>\$ (46,114)</u>
\$ -	\$ -	\$ -	\$ 184,173
			<u>(327,403)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (143,230)</u>
\$ 7,423	\$ (3,253)	\$ -	\$ (360,784)
<u>9,552</u>	<u>9,312</u>		<u>1,270,084</u>
<u>\$ 16,975</u>	<u>\$ 6,059</u>	<u>\$ -</u>	<u>\$ 909,300</u>

Western Regional Housing Authority
STATEMENT OF CASH FLOWS (concluded)
For the Fiscal Year Ended June 30, 2012

	<u>Low Rent Public Housing</u>	<u>Housing Choice Vouchers</u>	<u>Southwest Housing Assistance</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (288,460)	\$ (55,418)	\$ 10,858
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	144,073	6,820	11,337
Provision for bad debts	330		
(Increase) decrease in:			
Accounts receivable	475		(342)
Prepaid expenses			
Inventory	(643)		
Increase (decrease) in:			
Accounts payable	1,332	12,777	(2,890)
Compensated absences	2,106	2,659	(31)
Deferred revenue			
Interfund activity			
Tenant deposits	602		122
Net cash provided by operating activities	<u>\$ (140,185)</u>	<u>\$ (33,162)</u>	<u>\$ 19,054</u>

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

<u>Tenant Rental Assistance</u>	<u>State and Local</u>	<u>Emergency Shelter</u>	<u>Total</u>
\$ (9,339)	\$ (5,150)	\$ (2,000)	\$ (349,509)
			162,230
			330
			-
			-
			133
			-
			(643)
			-
(658)			10,561
			4,734
			-
			-
			<u>724</u>
<u>\$ (9,997)</u>	<u>\$ (5,150)</u>	<u>\$ (2,000)</u>	<u>\$ (171,440)</u>

Western Regional Housing Authority
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 1 Summary of Significant Accounting Policies

A. GENERAL

The Western Regional Housing Authority was organized under New Mexico statutes, to provide a conduit for housing funds for disadvantaged New Mexicans. The Authority is a political subdivision of the State of New Mexico.

The Authority complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement No.'s 20 and 34 provide the Authority the option of electing to apply FASB pronouncements issued after November 30, 1989. The Authority has elected to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

B. FINANCIAL REPORTING ENTITY

The Authority's basic financial statements include the accounts of all Authority operations. The criteria for including organizations as component units within the Authority's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization's board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority.

Based on the aforementioned criteria, the Authority has no component units.

The Authority was formerly known as the Housing Authority of Region V, New Mexico. The name of the Authority was changed effective March 31, 2009, by Chapter 48 of the Laws of 2009.

C. BASIS OF PRESENTATION

Governmental-wide Financial Statements

The Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. All Authority activities are accounted for as proprietary activities, in accordance with HUD UFRS Guidelines.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and operating revenues for each segment of the business-type activities of the Authority. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are not allocated, but are presented as separate functions. Operating revenues include charges paid by recipients of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational and capital requirements of a particular program. Revenues not classified as operating revenues are presented as non-operating revenues. The comparison of program revenues and expenses identifies the extent to which a program or business segment is self-financing or draws from the non-operating revenues of the Authority. The authority first applies restricted resources when an expense is incurred for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into one major category: proprietary. An emphasis is placed on major funds within the proprietary categories. A fund is considered major if it is the primary operating fund of the Authority or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual proprietary fund are at least 10 percent of the corresponding total for all funds of that category or type, or
- b. The Authority believes the fund is particularly important to financial statement users.

The funds of the financial reporting entity are described below:

Proprietary Fund

Enterprise Fund

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

The Enterprise funds are as follows:

Major Funds

Low Rent Public Housing – To account for HUD’s Low Rent Public Housing and Capital Fund Program. Provides adequate living accommodations to qualified families through reduced rate rentals built and owned by the Housing Authority.

Housing Choice Vouchers – To account for HUD’s program which provides Housing Assistance payments for qualified low income residents in privately owned properties.

Southwest Housing Assistance – To account for non-subsidized housing owned and operated by the Housing Authority. Provides living accommodations to qualified families through reduced rate rentals.

Tenant Rental Assistance – To account for federal funds provided under the Home Program to provide rental assistance payments to qualified low-income residents in privately owned properties.

State and Local - To account for State sources from the New Mexico Mortgage Finance Authority to provide intake, screening and placement into homes for disadvantaged New Mexicans.

Emergency Shelter – To account for federal funds for use in emergency shelter for disadvantaged clients.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Revenues, Expenses and Change in Net Assets business-like activities are presented using the economic resources measurement focus as defined in item “a” below.

- a. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of

operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets, business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

E. BUDGETS

The Housing Authority adopts budgets for its Proprietary funds in accordance with the Housing and Urban Development Program Agreements.

Budgets are prepared on the “Economic Resources” basis, excluding depreciation, and are utilized as a guide only. The budgets are not legally enforceable documents.

F. CASH AND INVESTMENTS

For the purpose of the Statement of Net Assets, “cash” includes all demand, savings accounts, and certificates of deposits of the Authority. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of six months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price.

State statutes authorize the government to invest in interest bearing accounts with local financial institutions, direct obligations of the U.S. Treasury or New Mexico political subdivisions, and the state treasurers investment pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owner of such public monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the Authority. The pledged securities remain in the name of the financial institution. Premiums (discounts) on investments are amortized by the interest method, or methods approximating the interest method.

G. INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “interfund receivables/payables”. These balances have been eliminated in the “total” column in the Statement of Net Assets.

H. RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Business-type activities report rents and interest earnings as their major receivables.

I. CAPITAL ASSETS

Government-wide Statements and Fund Statements

In the government-wide and fund financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Revenues, Expenses and Changes in Net Assets, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- Buildings 40 years
- Improvements 40 years
- Machinery and Equipment 5-10 years
- Software and Library 5-10 years

Assets acquired with an original cost of \$5,000 or more are capitalized. Construction period interest is capitalized in proprietary funds.

J. RESTRICTED ASSETS

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to rent deposits, capital grants and housing payment advances.

K. LONG-TERM DEBT

All long-term debt to be repaid from business-type resources are reported as liabilities in the government-wide and fund statements. The long-term debt consists primarily of accrued compensated absences.

L. COMPENSATED ABSENCES

The Authority's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as both short and long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. Proprietary funds report the liability as it is incurred.

M. EQUITY CLASSIFICATIONS

Government-wide Statements and Fund Financial Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt- Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

N. REVENUES, EXPENDITURES, AND EXPENSES

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide and fund financial statements, expenses are classified as operating or nonoperating for business-type activities.

The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The Authority does not allocate indirect costs.

Inventories are carried at cost, valued by the first-in first-out method.

O. INTERFUND TRANSFERS

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the total column in the Statement of Activities, all interfund transfers between individual funds have been eliminated.

P. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Custodial Credit Risk

Custodial credit risk is the risk in the event of a bank failure the Governments deposits may not be returned to it. The Authority does not have a deposit policy for credit risk beyond that disclosed in Note 1. As of June 30, 2012, \$-0- of the Authority's bank balance of \$940,033 was exposed to custodial credit risk.

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Deposits by custodial risk		
Category:		
Insured	\$ 940,033	\$ 909,050
Collateral held by the pledging bank's agent in Authority's name	-0-	-0-
Uninsured	<u>-0-</u>	<u>-0-</u>
	<u>\$ 940,033</u>	<u>\$ 909,050</u>

Note 3 Accounts Receivables

Due from tenants and others	\$ 10,887
Less allowance for doubtful accounts	<u>(2,073)</u>
Net receivables	<u>\$ 8,814</u>

Note 4 Capital Assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	<u>Balance July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2012</u>
Capital assets not being depreciated:				
Land	\$ 731,537	\$ -0-	\$ -0-	\$ 731,537
Construction in progress	<u>64,145</u>	<u>327,268</u>	<u>-0-</u>	<u>391,413</u>
Total assets not being depreciated	<u>\$ 795,682</u>	<u>\$ 327,268</u>	<u>\$ -0-</u>	<u>\$ 1,122,950</u>
Other capital assets:				
Buildings/improvements	\$ 4,496,639	\$ -0-	\$ -0-	\$ 4,496,639
Equipment/furnishings	<u>236,005</u>	<u>135</u>	<u>(8,480)</u>	<u>227,660</u>
Total other assets at historical cost	<u>\$ 4,732,644</u>	<u>\$ 135</u>	<u>\$ (8,480)</u>	<u>\$ 4,724,299</u>
Less accumulated depreciation for:				
Buildings/improvements	\$(2,249,787)	\$ (138,906)	\$ -0-	\$(2,388,693)

Equipment/furnishings	<u>(199,407)</u>	<u>(23,324)</u>	<u>8,480</u>	<u>(214,251)</u>
Total accumulated depreciation	<u>\$(2,449,194)</u>	<u>\$ (162,230)</u>	<u>\$ 8,480</u>	<u>\$(2,602,944)</u>
Other capital assets (net)	<u>\$ 2,283,450</u>	<u>\$ (162,095)</u>	<u>\$ -0-</u>	<u>\$ 2,121,355</u>
Capital assets, net	<u>\$ 3,079,132</u>	<u>\$ 165,173</u>	<u>\$ -0-</u>	<u>\$ 3,244,305</u>

Note 5 Compensated Absences

Changes in compensated absences were as follows for the year ended June 30, 2012:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>
	<u>\$ 35,338</u>	<u>\$ 25,260</u>	<u>\$ 20,526</u>	<u>\$ 40,072</u>
Amounts due:				
Current				\$ 2,404
Long-term				<u>37,668</u>
				<u>\$ 40,072</u>

Note 6 Pension Plan – Public Employees Retirement Association

Plan Description

Substantially all of the Authority's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy

Plan members are required to contribute 9.15% of their gross salary. The Authority is required to contribute 9.15% of the gross covered salary. The contribution requirements of plan members and the Authority are established in State Statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Authority's contributions to PERA for the fiscal years ending June 30, 2012, 2011, and 2010 were \$60,692, \$61,296 and \$61,533 respectively, which equal the amount of the required contributions for each year.

Note 7 Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Note 8 Risk Management

The Authority is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has joined together with other governments in the State and obtained insurance through the New Mexico Self Insurers Fund, a public risk pool currently operating as a common risk management and insurance program for local governments. The Authority pays an annual premium to New Mexico Self Insurers Fund for its general insurance coverage, and risk of loss is transferred.

Note 9 Financial Data Schedule

The Authority is required to submit, and include with the audited financial statements, a financial data schedule, which is presented as other supplemental data.

The financial data schedule is a hard copy of the Authority’s electronic submission to the Real Estate Assessment Center, and is presented in their required format. Therefore some amounts may differ from those presented in the financial statements.

Note 10 Interfund Activity

Interfund balances at June 30, 2012 consisted of the following:

	<u>Interfund Payable</u>		
<u>Interfund Receivable</u>	<u>Tenant Rental Assistance</u>	<u>State and Local</u>	<u>Total</u>
Southwest Housing Assistance	\$ <u>20,000</u>	\$ <u>10,000</u>	\$ <u>30,000</u>

The loans were made to fund operating expenses and are expected to be paid within one year.

Western Regional Housing Authority
LOW RENT PUBLIC HOUSING
Statement of Revenues and Expenses - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:				
Tenant rent	\$ 63,817	\$ 68,000	\$ 67,310	\$ (690)
Other tenant revenue	1,275	1,700	3,426	1,726
Total operating revenues	\$ 65,092	\$ 69,700	\$ 70,736	\$ 1,036
Operating expenses:				
Personnel services	\$ 53,333	\$ 51,500	\$ 50,915	\$ 585
Employee benefits	31,260	27,000	14,256	12,744
Contractual services	15,000	13,000	7,500	5,500
Other administrative	7,500	7,500	5,877	1,623
Utilities	22,509	24,900	22,929	1,971
Repairs and maintenance	94,956	90,937	101,283	(10,346)
Insurance	3,500	6,425	6,418	7
Other general	13,000	10,700	4,317	6,383
Travel	2,500	1,600	1,628	(28)
Depreciation	-	-	144,073	(144,073)
Total operating expenses	\$ 243,558	\$ 233,562	\$ 359,196	\$ (125,634)
Operating income (loss)	\$ (178,466)	\$ (163,862)	\$ (288,460)	\$ (124,598)
Nonoperating revenue (expense):				
Intergovernmental grants	\$ 178,466	\$ 163,862	\$ 331,535	\$ 167,673
Other nonoperating revenue				-
Gain (loss) on disposition of assets				-
Total nonoperating revenues (expenses)	\$ 178,466	\$ 163,862	\$ 331,535	\$ 167,673
Income (loss) before capital contributions	\$ -	\$ -	\$ 43,075	\$ 43,075
Capital contributions	-	-	-	-
Change in net assets	\$ -	\$ -	\$ 43,075	\$ 43,075

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

Western Regional Housing Authority
HOUSING CHOICE VOUCHERS
Statement of Revenues and Expenses - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:				
Administrative fees	\$ 454,068	\$ 417,165	\$ 419,332	\$ 2,167
Total operating revenues	\$ 454,068	\$ 417,165	\$ 419,332	\$ 2,167
Operating expenses:				
Personnel services	\$ 266,522	\$ 252,000	\$ 250,425	\$ 1,575
Employee benefits	105,436	98,000	95,930	2,070
Contract services	17,000	24,000	10,300	13,700
Other administrative	48,860	52,345	44,469	7,876
Utilities	2,050	2,300	2,061	239
Repairs and maintenance	4,500	3,326	23,856	(20,530)
Insurance	2,000	19,000	18,670	330
Other general	23,300	25,300	22,219	3,081
Property betterments	25,000	-	-	-
Depreciation	-	-	6,820	(6,820)
Total operating expenses	\$ 494,668	\$ 476,271	\$ 474,750	\$ 1,521
Operating income (loss)	\$ (40,600)	\$ (59,106)	\$ (55,418)	\$ 3,688
Nonoperating revenue (expense):				
Intergovernmental grants	\$ 3,787,536	\$ 3,712,040	\$ 3,375,378	\$ (336,662)
Housing assistance payments	(3,787,536)	(3,712,040)	(3,717,131)	(5,091)
Other nonoperating revenue	40,600	59,106	32,477	(26,629)
Gain (loss) on disposition of assets	-	-	-	-
Total nonoperating revenues (expenses)	\$ 40,600	\$ 59,106	\$ (309,276)	\$ (368,382)
Transfers	\$ -	\$ -	-	\$ -
Change in net assets	\$ -	\$ -	\$ (364,694)	\$ (364,694)

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

Western Regional Housing Authority
SOUTHWEST HOUSING ASSISTANCE
Statement of Revenues and Expenses - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:				
Tenant rent	\$ 29,472	\$ 29,472	\$ 26,913	\$ (2,559)
Other tenant revenue				-
Total operating revenues	\$ 29,472	\$ 29,472	\$ 26,913	\$ (2,559)
Operating expenses:				
Personnel services	\$ 1,200	\$ 1,200		\$ 1,200
Employee benefits	500	500		500
Other administrative	6,000	6,000	1,929	4,071
Repairs and maintenance	19,000	19,000	1,921	17,079
Utilities	300	300	316	(16)
Insurance	500	500	552	(52)
Property betterments	25,000	25,000		25,000
Depreciation			11,337	(11,337)
Total operating expenses	\$ 52,500	\$ 52,500	\$ 16,055	\$ 36,445
Operating income (loss)	\$ (23,028)	\$ (23,028)	\$ 10,858	\$ 33,886
Nonoperating revenue (expense):				
Governmental grants	\$ -	\$ -	\$ 89,017	\$ 89,017
Other nonoperating revenue	100	100	106	(6)
Total nonoperating revenues (expenses)	\$ 100	\$ 100	\$ 89,123	\$ 89,011
Transfers	\$ -	\$ -		\$ -
Beginning cash balance	\$ 152,782	\$ 152,782	113,082	(39,700)
Change in net assets	\$ 129,854	\$ 129,854	\$ 99,981	\$ 83,197

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

Western Regional Housing Authority
STATE AND LOCAL
Statement of Revenues and Expenses - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:				
Tenant rent	\$ -	\$ -	\$ -	\$ -
Other tenant revenue				-
Total operating revenues	\$ -	\$ -	\$ -	\$ -
Operating expenses:				
Personnel services	\$ 2,420	\$ 2,800	\$ 2,709	\$ 91
Employee benefits	726	1,300	1,160	140
Contract services				-
Other administrative	2,334	1,110	801	309
Utilities				-
Repairs and maintenance	520	640	480	160
Depreciation				-
Total operating expenses	\$ 6,000	\$ 5,850	\$ 5,150	\$ 700
Operating income (loss)	\$ (6,000)	\$ (5,850)	\$ (5,150)	\$ 700
Nonoperating revenue (expense):				
Intergovernmental grants	\$ 49,573	\$ 57,330	\$ 57,119	\$ (211)
Housing assistance payments	(49,573)	(57,330)	(51,969)	5,361
Other nonoperating revenue	6,000	5,850	-	(5,850)
Gain (loss) on disposition of assets				-
Total nonoperating revenues (expenses)	\$ 6,000	\$ 5,850	\$ 5,150	\$ (700)
Income (loss) before capital contributions	\$ -	\$ -	\$ -	\$ -
Beginning cash balance	9,312	9,312	9,312	-
Change in net assets	\$ 9,312	\$ 9,312	\$ 9,312	\$ -

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

Western Regional Housing Authority
TENANT RENTAL ASSISTANCE
Statement of Revenues and Expenses - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:				
Tenant rent	\$ -	\$ -	\$ -	\$ -
Other tenant revenue				-
Total operating revenues	\$ -	\$ -	\$ -	\$ -
Operating expenses:				
Personnel services	\$ 3,000	\$ 5,500	\$ 5,093	\$ 407
Employee benefits	900	2,275	2,128	147
Contract services				-
Other administrative	2,175	3,000	2,118	882
Utilities				-
Repairs and maintenance				-
Depreciation				-
Total operating expenses	\$ 6,075	\$ 10,775	\$ 9,339	\$ 1,436
Operating income (loss)	\$ (6,075)	\$ (10,775)	\$ (9,339)	\$ 1,436
Nonoperating revenue (expense):				
Intergovernmental grants	\$ 60,750	\$ 107,745	\$ 101,942	\$ (5,803)
Housing assistance payments	(60,750)	(107,745)	(92,603)	15,142
Other nonoperating revenue	6,075	10,775		(10,775)
Gain (loss) on disposition of assets				-
Total nonoperating revenues (expenses)	\$ 6,075	\$ 10,775	\$ 9,339	\$ (1,436)
Income (loss) before capital contributions	\$ -	\$ -	\$ -	\$ -
Beginning cash balance	-	-	9,552	9,552
Change in net assets	\$ -	\$ -	\$ 9,552	\$ 9,552

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

Western Regional Housing Authority
EMERGENCY SHELTER GRANT
Statement of Revenues and Expenses - Budget and Actual
For the Fiscal Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:				
Tenant rent	\$ -	\$ -	\$ -	\$ -
Other tenant revenue				-
Total operating revenues	\$ -	\$ -	\$ -	\$ -
Operating expenses:				
Personnel services	\$ -	\$ 2,000	\$ 2,000	\$ -
Employee benefits				-
Contract services				-
Other administrative	-			-
Utilities				-
Repairs and maintenance				-
Depreciation				-
Total operating expenses	\$ -	\$ 2,000	\$ 2,000	\$ -
Operating income (loss)	\$ -	\$ (2,000)	\$ (2,000)	\$ -
Nonoperating revenue (expense):				
Intergovernmental grants	\$ -	\$ 15,240	\$ 15,240	\$ -
Housing assistance payments		(13,240)	(13,240)	-
Other nonoperating revenue				-
Gain (loss) on disposition of assets				-
Total nonoperating revenues (expenses)	\$ -	\$ 2,000	\$ 2,000	\$ -
Income (loss) before capital contributions	\$ -	\$ -	\$ -	\$ -
Beginning cash balance	-	-	-	-
Change in net assets	\$ -	\$ -	\$ -	\$ -

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

Western Regional Housing Authority (NM067)
Silver City, NM

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 06/30/2012

	Project Total	14.871 Housing Choice Vouchers	2 State/Local	1 Business Activities	14.239 HOME Investment Partnerships Program
111 Cash - Unrestricted	\$344,524	\$187,533	\$6,059	\$77,405	\$16,975
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$262,455			
114 Cash - Tenant Security Deposits	\$12,021			\$2,328	
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$356,545	\$449,988	\$6,059	\$79,733	\$16,975
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government			\$3,941		\$3,025
125 Accounts Receivable - Miscellaneous					
126 Accounts Receivable - Tenants	\$2,950			\$971	
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,073			\$0	
126.2 Allowance for Doubtful Accounts - Other			\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$877	\$0	\$3,941	\$971	\$3,025
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					

Western Regional Housing Authority (NM067)
Silver City, NM

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/A-

Fiscal Year End: 06/30/2012

	Project Total	14.871 Housing Choice Vouchers	2 State/Local	1 Business Activities	14.239 HOME Investment Partnerships Program
142 Prepaid Expenses and Other Assets					
143 Inventories	\$4,055				
143.1 Allowance for Obsolete Inventories	-\$81				
144 Inter Program Due From				\$30,000	
145 Assets Held for Sale					
150 Total Current Assets	\$361,396	\$449,988	\$10,000	\$110,704	\$20,000
161 Land	\$436,727			\$294,810	
162 Buildings	\$4,113,729			\$382,911	
163 Furniture, Equipment & Machinery - Dwellings	\$53,759				
164 Furniture, Equipment & Machinery - Administration	\$86,522	\$65,516		\$21,863	
165 Leasehold Improvements					
166 Accumulated Depreciation	-\$2,424,515	-\$57,504		-\$120,924	
167 Construction in Progress	\$184,173			\$207,239	
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,450,395	\$8,012	\$0	\$785,899	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$2,450,395	\$8,012	\$0	\$785,899	\$0
190 Total Assets	\$2,811,791	\$458,000	\$10,000	\$896,603	\$20,000
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$1,609	\$13,885		\$1,444	

Western Regional Housing Authority (NM067)
Silver City, NM

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 06/30/2012

	Project Total	14.871 Housing Choice Vouchers	2 State/Local	1 Business Activities	14.239 HOME Investment Partnerships Program
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion	\$510	\$1,894			
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits	\$12,021			\$2,328	
342 Deferred Revenues	\$403				
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other					
347 Inter Program - Due To			\$10,000		\$20,000
348 Loan Liability - Current					
310 Total Current Liabilities	\$14,543	\$15,779	\$10,000	\$3,772	\$20,000
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current	\$7,986	\$29,682			
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$7,986	\$29,682	\$0	\$0	\$0
300 Total Liabilities	\$22,529	\$45,461	\$10,000	\$3,772	\$20,000

Western Regional Housing Authority (NM067)
Silver City, NM

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 06/30/2012

	Project Total	14.871 Housing Choice Vouchers	2 State/Local	1 Business Activities	14.239 HOME Investment Partnerships Program
508.1 Invested In Capital Assets, Net of Related Debt	\$2,450,395	\$8,012		\$785,898	
509.2 Fund Balance Reserved					
511.2 Unreserved, Designated Fund Balance					
511.1 Restricted Net Assets		\$254,380			
512.1 Unrestricted Net Assets	\$338,867	\$150,147	\$0	\$106,933	\$0
512.2 Unreserved, Undesignated Fund Balance					
513 Total Equity/Net Assets	\$2,789,262	\$412,539	\$0	\$892,831	\$0
600 Total Liabilities and Equity/Net Assets	\$2,811,791	\$458,000	\$10,000	\$896,603	\$20,000

Western Regional Housing Authority (NM067)
Silver City, NM

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 6/30/2012

	14.231 Emergency Shelter Grants Program	Subtotal	ELIM	Total
111 Cash - Unrestricted		\$632,496		\$632,496
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted		\$262,455		\$262,455
114 Cash - Tenant Security Deposits		\$14,349		\$14,349
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$0	\$909,300	\$0	\$909,300
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government		\$6,966		\$6,966
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants		\$3,921		\$3,921
126.1 Allowance for Doubtful Accounts -Tenants		-\$2,073		-\$2,073
126.2 Allowance for Doubtful Accounts - Other		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current				
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$8,814	\$0	\$8,814
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				

Western Regional Housing Authority (NM067)
Silver City, NM

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 6/30/2012

	14.231 Emergency Shelter Grants Program	Subtotal	ELIM	Total
142 Prepaid Expenses and Other Assets				
143 Inventories		\$4,055		\$4,055
143.1 Allowance for Obsolete Inventories		-\$81		-\$81
144 Inter Program Due From		\$30,000	-\$30,000	\$0
145 Assets Held for Sale				
150 Total Current Assets	\$0	\$952,088	-\$30,000	\$922,088
161 Land		\$731,537		\$731,537
162 Buildings		\$4,496,640		\$4,496,640
163 Furniture, Equipment & Machinery - Dwellings		\$53,759		\$53,759
164 Furniture, Equipment & Machinery - Administration		\$173,901		\$173,901
165 Leasehold Improvements				
166 Accumulated Depreciation		-\$2,602,943		-\$2,602,943
167 Construction in Progress		\$391,412		\$391,412
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$3,244,306	\$0	\$3,244,306
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$0	\$3,244,306	\$0	\$3,244,306
190 Total Assets	\$0	\$4,196,394	-\$30,000	\$4,166,394
311 Bank Overdraft				
312 Accounts Payable <= 90 Days		\$16,938		\$16,938

Western Regional Housing Authority (NM067)
Silver City, NM

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 6/30/2012

	14.231 Emergency Shelter Grants Program	Subtotal	ELIM	Total
321 Accrued Wage/Payroll Taxes Payable				
322 Accrued Compensated Absences - Current Portion		\$2,404		\$2,404
324 Accrued Contingency Liability				
325 Accrued Interest Payable				
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government				
341 Tenant Security Deposits		\$14,349		\$14,349
342 Deferred Revenues		\$403		\$403
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other				
347 Inter Program - Due To		\$30,000	-\$30,000	\$0
348 Loan Liability - Current				
310 Total Current Liabilities	\$0	\$64,094	-\$30,000	\$34,094
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current		\$37,668		\$37,668
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$0	\$37,668	\$0	\$37,668
300 Total Liabilities	\$0	\$101,762	-\$30,000	\$71,762

Western Regional Housing Authority (NM067)
Silver City, NM

Entity Wide Balance Sheet Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 6/30/2012

	14.231 Emergency Shelter Grants Program	Subtotal	ELIM	Total
508.1 Invested In Capital Assets, Net of Related Debt		\$3,244,305		\$3,244,305
509.2 Fund Balance Reserved				
511.2 Unreserved, Designated Fund Balance				
511.1 Restricted Net Assets		\$254,380		\$254,380
512.1 Unrestricted Net Assets	\$0	\$595,947		\$595,947
512.2 Unreserved, Undesignated Fund Balance				
513 Total Equity/Net Assets	\$0	\$4,094,632	\$0	\$4,094,632
600 Total Liabilities and Equity/Net Assets	\$0	\$4,196,394	-\$30,000	\$4,166,394

Western Regional Housing Authority (NM067)
Silver City, NM

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 06/30/2012

	Project Total	14.871 Housing Choice Vouchers	2 State/Local	1 Business Activities	14.239 HOME Investment Partnerships Program
70300 Net Tenant Rental Revenue	\$67,310			\$26,913	
70400 Tenant Revenue - Other	\$2,876			\$106	
70500 Total Tenant Revenue	\$70,186	\$0	\$0	\$27,019	\$0
70600 HUD PHA Operating Grants	\$146,533	\$3,794,710			
70610 Capital Grants	\$184,173				
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$829	\$6,607	\$57,119	\$89,017	\$101,942
71100 Investment Income - Unrestricted	\$0				
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery		\$25,390			
71500 Other Revenue		\$480			
71600 Gain or Loss on Sale of Capital Assets	\$550				
72000 Investment Income - Restricted	\$0				
70000 Total Revenue	\$402,271	\$3,827,187	\$57,119	\$116,036	\$101,942

Western Regional Housing Authority (NM067)
Silver City, NM
Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 06/30/2012

	Project Total	14.871 Housing Choice Vouchers	2 State/Local	1 Business Activities	14.239 HOME Investment Partnerships Program
91100 Administrative Salaries	\$50,915	\$250,425	\$2,709		\$5,093
91200 Auditing Fees	\$7,500	\$10,300		\$1,000	
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing					
91500 Employee Benefit contributions - Administrative	\$14,256	\$95,930	\$1,160		\$2,128
91600 Office Expenses		\$360			
91700 Legal Expense					
91800 Travel	\$1,628	\$11,252	\$84	\$0	\$890
91810 Allocated Overhead					
91900 Other	\$5,877	\$44,469	\$717	\$960	\$1,228
91000 Total Operating - Administrative	\$80,176	\$412,736	\$4,670	\$1,960	\$9,339
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0
93100 Water	\$15,930	\$493		\$63	
93200 Electricity	\$5,333	\$1,197		\$91	
93300 Gas	\$1,666	\$371		\$162	
93400 Fuel					
93500 Labor					

Western Regional Housing Authority (NM067)
Silver City, NM

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 06/30/2012

	Project Total	14.871 Housing Choice Vouchers	2 State/Local	1 Business Activities	14.239 HOME Investment Partnerships Program
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$22,929	\$2,061	\$0	\$316	\$0
94100 Ordinary Maintenance and Operations - Labor	\$45,674	\$325		\$157	
94200 Ordinary Maintenance and Operations - Materials and Other	\$20,723	\$2,664		\$559	
94300 Ordinary Maintenance and Operations Contracts	\$22,592	\$20,753	\$480	\$1,105	
94500 Employee Benefit Contributions - Ordinary Maintenance	\$12,294	\$114		\$100	
94000 Total Maintenance	\$101,283	\$23,856	\$480	\$1,921	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$6,387			\$552	
96120 Liability Insurance		\$18,593			
96130 Workmen's Compensation	\$31	\$77			
96140 All Other Insurance					
96100 Total insurance Premiums	\$6,418	\$18,670	\$0	\$552	\$0
96200 Other General Expenses		\$3,883			
96210 Compensated Absences	\$2,106	\$2,659		-\$31	
96300 Payments in Lieu of Taxes					

Western Regional Housing Authority (NM067)
Silver City, NM
Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 06/30/2012

	Project Total	14.871 Housing Choice Vouchers	2 State/Local	1 Business Activities	14.239 HOME Investment Partnerships Program
96400 Bad debt - Tenant Rents	\$2,211				
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$4,317	\$6,542	\$0	-\$31	\$0
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$215,123	\$463,865	\$5,150	\$4,718	\$9,339
97000 Excess of Operating Revenue over Operating Expenses	\$187,148	\$3,363,322	\$51,969	\$111,318	\$92,603
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$3,717,131	\$51,969		\$92,603
97350 HAP Portability-In					
97400 Depreciation Expense	\$144,073	\$6,820		\$11,337	
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$359,196	\$4,187,816	\$57,119	\$16,055	\$101,942

Western Regional Housing Authority (NM067)
 Silver City, NM
Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 06/30/2012

	Project Total	14.871 Housing Choice Vouchers	2 State/Local	1 Business Activities	14.239 HOME Investment Partnerships Program
10010 Operating Transfer In	\$35,555				
10020 Operating transfer Out	-\$35,555				
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$43,075	-\$360,629	\$0	\$99,981	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$2,746,187	\$777,233	\$0	\$792,850	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	-\$4,065			
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					

Western Regional Housing Authority (NM067)
Silver City, NM

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 06/30/2012

	Project Total	14.871 Housing Choice Vouchers	2 State/Local	1 Business Activities	14.239 HOME Investment Partnerships Program
11170 Administrative Fee Equity		\$158,159			
11180 Housing Assistance Payments Equity		\$254,380			
11190 Unit Months Available	648	10932	156	60	
11210 Number of Unit Months Leased	634	9900	103	53	
11270 Excess Cash	\$324,953				
11610 Land Purchases	\$0				
11620 Building Purchases	\$184,173				
11630 Furniture & Equipment - Dwelling Purchases	\$0				
11640 Furniture & Equipment - Administrative Purchases	\$0				
11650 Leasehold Improvements Purchases	\$0				
11660 Infrastructure Purchases	\$0				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$0				

Western Regional Housing Authority (NM067)
Silver City, NM

Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 6/30/2012

	14.231 Emergency Shelter Grants Program	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue		\$94,223		\$94,223
70400 Tenant Revenue - Other		\$2,982		\$2,982
70500 Total Tenant Revenue	\$0	\$97,205	\$0	\$97,205
70600 HUD PHA Operating Grants		\$3,941,243		\$3,941,243
70610 Capital Grants		\$184,173		\$184,173
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue		\$0	\$0	\$0
70800 Other Government Grants	\$15,240	\$270,754		\$270,754
71100 Investment Income - Unrestricted		\$0		\$0
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery		\$25,390		\$25,390
71500 Other Revenue		\$480		\$480
71600 Gain or Loss on Sale of Capital Assets		\$550		\$550
72000 Investment Income - Restricted		\$0		\$0
70000 Total Revenue	\$15,240	\$4,519,795	\$0	\$4,519,795

Western Regional Housing Authority (NM067)
Silver City, NM
Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 6/30/2012

		14.231 Emergency Shelter Grants Program	Subtotal	ELIM	Total
91100	Administrative Salaries	\$1,352	\$310,494		\$310,494
91200	Auditing Fees		\$18,800		\$18,800
91300	Management Fee				
91310	Book-keeping Fee				
91400	Advertising and Marketing				
91500	Employee Benefit contributions - Administrative	\$648	\$114,122		\$114,122
91600	Office Expenses		\$360		\$360
91700	Legal Expense				
91800	Travel		\$13,854		\$13,854
91810	Allocated Overhead				
91900	Other		\$53,251		\$53,251
91000	Total Operating - Administrative	\$2,000	\$510,881	\$0	\$510,881
92000	Asset Management Fee				
92100	Tenant Services - Salaries				
92200	Relocation Costs				
92300	Employee Benefit Contributions - Tenant Services				
92400	Tenant Services - Other				
92500	Total Tenant Services	\$0	\$0	\$0	\$0
93100	Water		\$16,486		\$16,486
93200	Electricity		\$6,621		\$6,621
93300	Gas		\$2,199		\$2,199
93400	Fuel				
50	93500 Labor				

Western Regional Housing Authority (NM067)
Silver City, NM
Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 6/30/2012

		14.231 Emergency Shelter Grants Program	Subtotal	ELIM	Total
	93600 Sewer				
	93700 Employee Benefit Contributions - Utilities				
	93800 Other Utilities Expense				
	93000 Total Utilities	\$0	\$25,306	\$0	\$25,306
	94100 Ordinary Maintenance and Operations - Labor		\$46,156		\$46,156
	94200 Ordinary Maintenance and Operations - Materials and Other		\$23,946		\$23,946
	94300 Ordinary Maintenance and Operations Contracts		\$44,930		\$44,930
	94500 Employee Benefit Contributions - Ordinary Maintenance		\$12,508		\$12,508
	94000 Total Maintenance	\$0	\$127,540	\$0	\$127,540
	95100 Protective Services - Labor				
	95200 Protective Services - Other Contract Costs				
	95300 Protective Services - Other				
	95500 Employee Benefit Contributions - Protective Services				
	95000 Total Protective Services	\$0	\$0	\$0	\$0
	96110 Property Insurance		\$6,939		\$6,939
	96120 Liability Insurance		\$18,593		\$18,593
	96130 Workmen's Compensation		\$108		\$108
	96140 All Other Insurance				
	96100 Total insurance Premiums	\$0	\$25,640	\$0	\$25,640
	96200 Other General Expenses		\$3,883		\$3,883
	96210 Compensated Absences		\$4,734		\$4,734
51	96300 Payments in Lieu of Taxes				

Western Regional Housing Authority (NM067)
Silver City, NM
Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 6/30/2012

	14.231 Emergency Shelter Grants Program	Subtotal	ELIM	Total
96400 Bad debt - Tenant Rents		\$2,211		\$2,211
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$0	\$10,828	\$0	\$10,828
96710 Interest of Mortgage (or Bonds) Payable				
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$2,000	\$700,195	\$0	\$700,195
97000 Excess of Operating Revenue over Operating Expenses	\$13,240	\$3,819,600	\$0	\$3,819,600
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments	\$13,240	\$3,874,943		\$3,874,943
97350 HAP Portability-In				
97400 Depreciation Expense		\$162,230		\$162,230
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$15,240	\$4,737,368	\$0	\$4,737,368

Western Regional Housing Authority (NM067)
Silver City, NM
Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 6/30/2012

	14.231 Emergency Shelter Grants Program	Subtotal	ELIM	Total
10010 Operating Transfer In		\$35,555		\$35,555
10020 Operating transfer Out		-\$35,555		-\$35,555
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In				
10092 Inter Project Excess Cash Transfer Out				
10093 Transfers between Program and Project - In				
10094 Transfers between Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$0	-\$217,573	\$0	-\$217,573
11020 Required Annual Debt Principal Payments	\$0	\$0		\$0
11030 Beginning Equity	\$0	\$4,316,270		\$4,316,270
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		-\$4,065		-\$4,065
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
53 11100 Changes in Allowance for Doubtful Accounts - Other				

Western Regional Housing Authority (NM067)
Silver City, NM
Entity Wide Revenue and Expense Summary

Submission Type: Unaudited/A-133

Fiscal Year End: 6/30/2012

			14.231 Emergency Shelter Grants Program	Subtotal	ELIM	Total
11170	Administrative Fee Equity			\$158,159		\$158,159
11180	Housing Assistance Payments Equity			\$254,380		\$254,380
11190	Unit Months Available			11796		11796
11210	Number of Unit Months Leased			10690		10690
11270	Excess Cash			\$324,953		\$324,953
11610	Land Purchases			\$0		\$0
11620	Building Purchases			\$184,173		\$184,173
11630	Furniture & Equipment - Dwelling Purchases			\$0		\$0
11640	Furniture & Equipment - Administrative Purchases			\$0		\$0
11650	Leasehold Improvements Purchases			\$0		\$0
11660	Infrastructure Purchases			\$0		\$0
13510	CFFP Debt Service Payments			\$0		\$0
13901	Replacement Housing Factor Funds			\$0		\$0

Western Regional Housing Authority
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
 June 30, 2012

	Type of Account	Bank Balance	Reconciled Balance
<u>Wells Fargo Bank</u>			
Housing Assistance Payments	Checking	\$ 3,803	\$ -
Voucher	Checking	454,881	449,838
Southwest Housing Assistance	Checking	86,830	79,733
Low Rent Public Housing	Checking	362,685	356,445
Linkages	Checking	6,524	6,059
Payroll	Checking	8,028	-
MFA	Checking	17,282	16,975
Total bank deposits		\$ 940,033	\$ 909,050
Petty cash			250
Total cash per financial statements			\$ 909,300

Western Regional Housing Authority
SCHEDULE OF DEPOSITORY COLLATERAL
 June 30, 2012

	<u>Wells Fargo Bank</u>
Checking accounts	\$ 940,033
Less FDIC insurance	<u>(940,033)</u>
Total uninsured public funds	<u><u>\$ -</u></u>
50% collateralization requirement (Section 6-10-17 NMSA)	<u>\$ -</u>
Total collateralization requirement	<u>\$ -</u>
Pledged securities:	<u>\$ -</u>
Pledged securities over (under) requirement	<u><u>\$ -</u></u>

All accounts are non-interest bearing and are therefore covered without limit by FDIC insurance.

Western Regional Housing Authority
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2012

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Total Awards Expended</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct programs:			
Public and Indian Housing	14.850	N/A	\$ 110,978
Section 8 Housing Choice Vouchers	14.871	N/A	3,794,710
Public Housing Capital Fund	14.872	N/A	219,728
Passed through NM Mortgage Finance Authority:			
Home Investment Partnership Program	14.239	11-01-WST-TBA-001	101,942
Emergency Solutions Grant Program	14.231	11-01-WST-TBA-001	<u>15,240</u>
Total U.S. Department of Housing and Urban Development and total expenditures of federal awards			<u><u>\$ 4,242,598</u></u>

See accompanying notes to schedule of expenditures of federal awards.

Western Regional Housing Authority
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2012

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Western Regional Housing Authority, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2 Insurance

The Authority is a member of the New Mexico Self Insurers Fund to which it pays an annual premium in exchange for insurance in varying amounts based on the type of risk, as follows:

General liability	\$ 10,000,000
Property	550,000,000
Crime	5,000,000
Boiler and machinery	100,000,000
Workers compensation	Statutory limit

Note 3 Sub-Recipients

The Authority had no Sub-recipients.

Western Regional Housing Authority
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Fiscal Year Ended June 30, 2012

Findings – Financial Statement Audit

None

Findings – Major Federal Award Programs

None

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LINDA STONE MCGEE, C.P.A.
KAY STONE, C.P.A.
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**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***

Hector H. Balderas, State Auditor
and
Board of Commissioners
Western Regional Housing Authority
Silver City, New Mexico

We have audited the financial statements of the business-type activities and each major fund of the Western Regional Housing Authority as of and for the year ended June 30, 2012, which collectively comprise the Western Regional Housing Authority's basic financial statements and have issued our report thereon dated September 20, 2012. We have also audited the financial statements of each of the Authority's Enterprise fund budgetary comparisons presented as other supplementary information as of and for the year ended June 30, 2012, and have issued our report thereon dated September 20, 2012. 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.

Internal Control Over Financial Reporting

Management of Western Regional Housing Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Western Regional Housing Authority's internal control over financial reporting as a basis for designing 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 Western Regional Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Western Regional 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 correct and detect 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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 weaknesses, as defined above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Western Regional 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*.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, the New Mexico State Auditor, the New Mexico Legislature 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.

Stone, McGee & Co CPAs

September 20, 2012

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Hector H. Balderas, State Auditor
and
Board of Commissioners
Western Regional Housing Authority
Silver City, New Mexico

Compliance

We have audited Western Regional Housing Authority's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Western Regional Housing Authority's major federal programs for the year ended June 30, 2012. Western Regional Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Western Regional Housing Authority's management. Our responsibility is to express an opinion on Western Regional Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Western Regional Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Western Regional Housing Authority's compliance with those requirements.

In our opinion, the Western Regional Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Western Regional Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Western Regional Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Western Regional Housing Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above,

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, the New Mexico State Auditor, the New Mexico Legislature, 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.

Stone, McGee & Co CPAs

September 20 2012

Western Regional Housing Authority
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Fiscal Year Ended June 30, 2012

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Western Regional Housing Authority.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *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*.
3. No instances of noncompliance material to the financial statements of the Western Regional Housing Authority, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award programs are reported in the *Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.
5. The auditors' report on compliance for the major federal awards programs for the Western Regional Housing Authority expresses an unqualified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 were noted during the audit.
7. The programs tested as major programs included: Section 8 Housing Choice Vouchers, CFDA No. 14.871.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. The Western Regional Housing Authority was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS

None

OTHER – FINANCIAL STATEMENT PREPARATION

The financial statements were prepared by Stone, McGee & Co., C.P.A.'s with substantial assistance and approval from Authority personnel.

EXIT CONFERENCE

The contents of this report were discussed August 31, 2012. Present at this exit conference were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Awish Baechtle	Commissioner	Western Regional Housing Authority
Cathy DeMarco	Executive Director	Western Regional Housing Authority
Sonia Flores	Deputy Director	Western Regional Housing Authority
Mike Stone	Shareholder	Stone, McGee & Co., C.P.A.'s