

WEBSTER HOUSING & REDEVELOPMENT COMMISSION
WEBSTER, SOUTH DAKOTA

PROJECT CODE: SD040
ANNUAL CONTRIBUTION CONTRACT NUMBER: DEN-2569

FINANCIAL REPORT

FOR THE ONE YEAR ENDING DECEMBER 31, 2012

WITH INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDIT SERVICES, P.C.

Benjamin Elliott, CPA

P.O. Box 262

Madison, South Dakota 57042

WEBSTER HOUSING & REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA

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TABLE OF CONTENTS TO THE FINANCIAL REPORT
FOR THE ONE YEAR ENDING DECEMBER 31, 2012

FINANCIAL SECTION

- 1 Independent Auditor's Report
- 3 Management's Discussion and Analysis
(Required Supplementary Information)
- Fund Financial Statements - Enterprise Funds:
 - 7 Statement of Net Position
 - 8 Statement of Revenues, Expenses, and Changes in Net Position
 - 9 Statement of Cash Flows
 - 10 Notes to the Financial Statements

GOVERNMENTAL SECTION

- 19 Report on Compliance and Other Matters and on Internal Control over
Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*
- 21 Schedule of Prior Audit Findings
- 21 Schedule of Current Audit Findings

SUPPLEMENTARY INFORMATION

- 22 Financial Data Schedule For the One Year Ending December 31, 2012
(Required by the Dept. of Housing and Urban Development - Low Rent)
- 24 Financial Data Schedule For the One Year Ending December 31, 2012
(Required by the Dept. of Housing and Urban Development - Business
Activity)

NOTE: All figures shown in this financial report are in U.S. dollars.
For space considerations, the "\$" symbol is not used.

INDEPENDENT AUDIT SERVICES, P.C.

Benjamin Elliott, CPA
P.O. Box 262
Madison, South Dakota 57042
605.483.3225

Board of Commissioners
Webster Housing & Redevelopment Commission
Webster, South Dakota

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

I have audited the accompanying financial statements of each major fund of the Webster Housing & Redevelopment Commission (Commission), a component unit of the City of Webster, Day County, South Dakota, as of and for the one year ending December 31, 2012, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Webster Housing & Redevelopment Commission, a component unit of the City of

Webster, South Dakota, as of December 31, 2012, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (page 3 to 6) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting by placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Matters - Other Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The financial data schedules (page 22 to 25) are presented for purposes of additional analysis, as required by the U.S. Department of Housing and Urban Development, and are not a required part of the basic financial statements.

The financial data schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subject to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the financial data schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated August 6, 2013 (page 19) on my tests of its compliance with certain provisions of laws, regulations, contracts, and other matters and my consideration of the Commission's internal control over financial reporting. The purpose of that report is to describe the scope of my testing of compliance and internal control over financial reporting, and the results of that testing, and not to provide an opinion on compliance or internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's compliance and internal control over financial reporting.

Independent Audit Services, PC
Benjamin Elliott, CPA
Madison, South Dakota
August 6, 2013



WEBSTER HOUSING & REDEVELOPMENT COMMISSION
Webster, South Dakota

Management's Discussion and Analysis
December 31, 2012

Management's Discussion and Analysis (MD&A) is a reporting model adopted by the Governmental Accounting Standards Board (GASB) in their statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued June 1999.

Our discussion and analysis of the Webster Housing & Redevelopment Commission, Pleasant View Apartments (herein referred to as "the Housing Authority"), Webster, South Dakota, financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended December 31, 2012. Please read the MD&A in conjunction with the Housing Authority's financial statements.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

Financial Highlights

Total assets of the Housing Authority for the year ended December 31, 2012, were \$695,276. Total liabilities were \$239,480. Total assets exceeded total liabilities by \$455,796 (net position).

Unrestricted net position totals \$112,657. This is the amount of the Authority's reserve.

Total operating and non-operating revenue for the year ended December 31, 2012, was \$236,085 and expenditures totaled \$226,285, revenue exceeded expenses by \$9,800.

Overview of the Financial Statements

This annual report includes this Management Discussion and Analysis report, the Basic Financial Statements and the Notes to the Financial Statements. The Housing Authority's financial statements are presented as program level financial statements because the Housing Authority only has proprietary funds.

The financial statements of the Housing Authority report information of the Housing Authority using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about the Housing Authority's activities. The Statement of Net Position includes all the Housing Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to the Housing Authority's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Housing Authority and assessing the liquidity and financial flexibility of the Housing Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Changes in Net Position. This statement measures the success of the Housing Authority's operations over the past year and can be used to determine whether the Housing Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

WEBSTER HOUSING & REDEVELOPMENT COMMISSION
Webster, South Dakota

Management's Discussion and Analysis
December 31, 2012

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

Financial Analysis

The Housing Authority's basic financial statements are the Statement of Net Position and the Statement of Changes in Net Position. The Statement of Net Position provides a summary of the Housing Authority's assets and liabilities as of the close of business on December 31, 2012. The Statement of Changes in Net Position also summarizes the revenues and sources of those revenues, and expenses incurred in operating the Housing Authority for the year ended December 31, 2012.

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income.

Capital Fund Program- The Capital Fund Program is the primary funding source for physical and management improvements to the Authority's properties.

City Housing / Townhouses – The authority completed construction and is operating a residential rental facility for moderate income families and individuals (not funded by HUD).

Statement of Net Position

FOR THE YEAR ENDED December	2012	2011
Current assets and prepaid expense	\$135,294	\$153,124
Fixed assets, net	<u>\$559,982</u>	<u>\$536,354</u>
Total Assets	\$695,276	\$689,478
Current liabilities	\$31,460	\$27,539
Non-current liabilities	<u>\$208,020</u>	<u>\$215,943</u>
Total liabilities	\$239,480	\$243,482
Net Position		
Invested in capital assets, net of related debt	<u>\$343,139</u>	<u>\$312,875</u>
Unrestricted	<u>\$112,657</u>	<u>\$133,121</u>
Total Net Position	<u>\$455,796</u>	<u>\$445,996</u>
Total Liabilities and Net Position	<u>\$695,276</u>	<u>\$689,478</u>

Current assets decreased because of fewer investments.

Fixed assets increased because of 2011 and 2012 CFP's were completed in addition to an overage on the project.

Non-current liabilities decreased because of the mortgage payments.

WEBSTER HOUSING & REDEVELOPMENT COMMISSION
Webster, South Dakota

Management's Discussion and Analysis

December 31, 2012

Comparative Statement of Revenues, Expenses and Changes in Net Position

FOR THE YEAR ENDED December	2012	2011	Change
Program Revenue			
Tenant revenue	\$116,835	<u>\$119,385</u>	(\$2,550)
Other income	\$2,935	<u>\$4,559</u>	(\$1,624)
Federal grants and subsidies	\$115,724	<u>\$91,132</u>	\$24,592
Interest income	\$591	<u>\$1,257</u>	(\$666)
Interest Expense	(\$11,903)	<u>(\$11,654)</u>	(\$249)
Total revenue	<u>\$224,182</u>	<u>\$204,679</u>	\$19,503
Program Expenses			
Administration	\$47,555	<u>\$49,881</u>	(\$2,326)
Tenant Services	\$6,856	<u>\$6,700</u>	\$156
Utilities	\$39,456	<u>\$35,231</u>	\$4,225
Ordinary maintenance & operations	\$39,093	<u>\$37,757</u>	\$1,336
Protective services	\$0	<u>\$0</u>	\$0
General expenses	\$14,130	<u>\$14,946</u>	(\$816)
Non-routine maintenance	\$7,580	<u>\$7,150</u>	\$430
Depreciation	\$59,712	<u>\$55,182</u>	\$4,530
Total expenses	<u>\$214,382</u>	<u>\$206,847</u>	\$7,535
Change in Net Position	<u>\$9,800</u>	<u>(\$2,168)</u>	\$11,968
Beginning Net Position	<u>\$445,996</u>	<u>\$448,164</u>	(\$2,168)
Ending Net Position	<u>\$455,796</u>	<u>\$445,996</u>	\$9,800

Federal grants total \$115,724.00. This increased because 2 years of CFP's were drawn down.

Interest income decreased because of fewer investments.

Depreciation increased because the 2011 and 2012 CFP's were completed.

WEBSTER HOUSING & REDEVELOPMENT COMMISSION
Webster, South Dakota

Management's Discussion and Analysis
December 31, 2012

Capital Assets

Capital Assets at Year-end
(Net of Accumulated Depreciation)

FOR THE YEAR ENDED December	2012	2011	change
Land	\$59,872	\$59,872	\$0
Buildings	\$1,604,628	\$1,525,320	\$79,308
Furniture, Equipment & Machinery - Admin	\$31,711	\$31,711	\$0
Furniture, Equipment & Machinery - Dwelling	\$4,032	\$0	\$4,032
Construction in Progress	\$0	\$0	\$0
Subtotal	\$1,700,243	\$1,616,903	\$83,340
Accumulated Depreciation	(\$1,140,261)	(\$1,080,549)	(\$59,712)
Total Capital assets	<u>\$559,982</u>	<u>\$536,354</u>	<u>\$15,096</u>

Buildings increased because of the 2011 and 2012 CFP's were completed.

Dwelling Equipment increased because of some appliances that were purchased.

Depreciation increased by the current year's depreciation.

Long Term Debt

The Housing Authority has long-term debt through Essential Function Bonds for the 4-plex.

Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the federal budget for the current year (and future years).

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Arlo Smith, Executive Director, at Webster Housing & Redevelopment Commission, Pleasant View Apartments, 1101 E 7th Street, Webster, South Dakota 57274 -- (605) 345-3181.

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION

A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA
 WEBSTER, SOUTH DAKOTA

Project Code: SD040
 Annual Contribution Contract Number: DEN-2569

STATEMENT OF NET POSITION -- ENTERPRISE FUNDS
 AS OF DECEMBER 31, 2012

	Pleasant View Public Housing Fund	4-Plex Fund	Totals
ASSETS			
Current assets:			
Cash:			
Petty	100.00		100.00
Checking	4,082.59	13,239.73	17,322.32
Checking - tenant services	454.93		454.93
Savings	15,921.68	3,002.43	18,924.11
Savings - restricted	8,214.00	2,600.00	10,814.00
Total cash	28,773.20	18,842.16	47,615.36
Certificates of deposit	70,180.51	8,484.06	78,664.57
Accounts receivable	401.91		401.91
Accrued interest receivable	195.86	9.10	204.96
Prepaid insurance	7,278.11	1,129.32	8,407.43
Total current assets	106,829.59	28,464.64	135,294.23
Capital assets:			
Land	32,000.00	27,871.91	59,871.91
Buildings and improvements	1,369,511.10	235,117.19	1,604,628.29
Equipment - dwelling	4,032.00		4,032.00
Equipment - administration	31,711.02		31,711.02
Accumulated depreciation	(1,037,971.78)	(102,289.72)	(1,140,261.50)
Total capital assets	399,282.34	160,699.38	559,981.72
Total assets	506,111.93	189,164.02	695,275.95
LIABILITIES			
Current liabilities:			
Accounts payable	1,834.92	44.20	1,879.12
Payroll deductions payable	730.03		730.03
Accrued payment in lieu of taxes	4,534.15		4,534.15
Accrued utilities	3,194.50		3,194.50
Accrued interest payable		899.76	899.76
Tenant security deposits	8,214.00	2,600.00	10,814.00
Other current liabilities	454.93		454.93
Prepaid rent	1,031.00		1,031.00
Current portion - long-term debt		7,922.42	7,922.42
Total current liabilities	19,993.53	11,466.38	31,459.91
Noncurrent liabilities:			
Long-term debt		208,020.44	208,020.44
Total liabilities	19,993.53	219,486.82	239,480.35
NET POSITION:			
Net invested in capital assets	399,282.34	(56,143.24)	343,139.10
Unrestricted	86,836.06	25,820.44	112,656.50
Total net position	486,118.40	(30,322.80)	455,795.60

See accompanying notes.

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA
WEBSTER, SOUTH DAKOTA

Project Code: SD040
Annual Contribution Contract Number: DEN-2569

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION -- ENTERPRISE FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2012

	Pleasant View Public Housing Fund	4-Flex Fund	Totals
Operating revenues:			
Dwelling rents	84,267.50	32,423.00	116,690.50
Excess utilities	144.00	480.00	624.00
Other income	2,455.04		2,455.04
Total operating revenues	86,866.54	32,903.00	119,769.54
Operating expenses:			
Administration	44,393.85	3,160.70	47,554.55
Tenant services	6,855.69		6,855.69
Utilities	38,926.02	530.40	39,456.42
Maintenance and operations	35,740.00	3,353.46	39,093.46
General expenses	12,455.82	1,672.00	14,127.82
Extraordinary maintenance	7,579.63		7,579.63
Depreciation	50,438.34	9,274.10	59,712.44
Total operating expenses	196,389.35	17,990.66	214,380.01
Operating income (loss):	(109,522.81)	14,912.34	(94,610.47)
Nonoperating revenues (expenses):			
HUD - operating subsidy	58,561.00		58,561.00
HUD - CFP 50111 - soft costs	2,083.00		2,083.00
HUD - CFP 50112 - soft costs	2,741.00		2,741.00
Interest earned	551.90	39.51	591.41
Interest expense - note	(2.49)		(2.49)
Interest expense - mortgage		(11,902.59)	(11,902.59)
Total nonoperating revenues (expenses):	63,934.41	(11,863.08)	52,071.33
Net income (loss) before contributions	(45,588.40)	3,049.26	(42,539.14)
HUD capital contribution:			
CFP 50111	27,670.00		27,670.00
CFP 50112	24,669.00		24,669.00
Total HUD capital contribution	52,339.00	0.00	52,339.00
Change in net position	6,750.60	3,049.26	9,799.86
Net position:			
January 1, 2012	479,367.80	(33,372.06)	445,995.74
December 31, 2012	486,118.40	(30,322.80)	455,795.60

See accompanying notes.

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA
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STATEMENT OF CASH FLOWS -- ENTERPRISE FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2012

	Pleasant View Public Housing Fund	4-Plex Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from renters	88,816.10	32,988.00	121,804.10
Payments to employees for services	(23,949.80)		(23,949.80)
Payments to suppliers for goods and services	(121,818.74)	(8,737.81)	(130,556.55)
Net cash provided (used) by operating activities	(56,952.44)	24,250.19	(32,702.25)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
HUD operating subsidy	58,561.00		58,561.00
HUD CFP 20111 - soft costs	2,083.00		2,083.00
HUD CFP 20112 - soft costs	2,741.00		2,741.00
Interest expense - note	(2.49)		(2.49)
Revolving interfund balance	50.08	(50.08)	0.00
Net cash provided (used) by non-capital financing activities	63,432.59	(50.08)	63,382.51
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
HUD CFP 20111 - capital contribution	27,670.00		27,670.00
HUD CFP 20112 - capital contribution	24,669.00		24,669.00
Cash paid for buildings and improvements	(77,407.80)	(1,900.00)	(79,307.80)
Cash paid for equipment	(4,032.00)		(4,032.00)
Bond payments - principle		(7,536.81)	(7,536.81)
Bond payments - interest		(11,002.83)	(11,002.83)
Net cash provided (used) by capital financing activities	(29,100.80)	(20,439.64)	(49,540.44)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	786.09	169.63	955.72
Purchase certificates of deposit	(279.38)	(135.47)	(414.85)
Redeem certificates of deposit	15,268.24		15,268.24
Net cash provided (used) by investing activities	15,774.95	34.16	15,809.11
Net increase (decrease) in cash	(6,845.70)	3,794.63	(3,051.07)
Cash and cash equivalents:			
January 1, 2012	35,618.90	15,047.53	50,666.43
December 31, 2012	28,773.20	18,842.16	47,615.36
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	(109,522.81)	14,912.34	(94,610.47)
Adjustments required for reconciliation:			
Depreciation expense	50,438.34	9,274.10	59,712.44
Change in:			
Accounts receivable	(129.47)		(129.47)
Prepaid insurance	(288.00)	(22.00)	(310.00)
Accounts payable	(1,892.20)	0.75	(1,891.45)
Accrued salary and benefits	53.74		53.74
Accrued expenses	2,308.93		2,308.93
Prepaid rents	1,031.00		1,031.00
Tenant deposits	994.00	85.00	1,079.00
Deferred credits	54.03		54.03
Net cash provided (used) by operating activities	(56,952.44)	24,250.19	(32,702.25)
Noncash financing, capital, and investing activities:			
None			
See accompanying notes.			

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity:

The funds included in this report are controlled by or dependent upon the Webster Housing & Redevelopment Commission's (Commission) Board of Commissioners. The Commission is a component unit of the City of Webster, South Dakota which owns the project and approves all members of the Commission's Board.

The Commission is a Public Housing Authority, established under the authority of SDCL 11-7, to operate 32 low-income public housing units, know as Pleasant View. These units are subsidized by the U.S. Dept. of Housing and Urban Development (HUD) to provide housing to low income, elderly and disabled persons. The Commission also operates 4 unsubsidized rental housing units, known as the 4-Plax.

At December 31, 2012, the Commission's officials were:

Mayor, City of Webster
Michael Grosek

Contracting Officer:
Arlo Smith

Board of Commissioners:
Betty Zenk, Chairperson
Arnie Anderson
Dave Jesme
Susan Meier
Merlyn Wookey

Attorney:
Webster City Attorney

Program Specialist:
Lona Kuecker

The Commission complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

b. Fund Accounting:

The accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses. The funds in this financial report are classified as an "enterprise" fund type.

Enterprise funds:

Enterprise funds are used to account for activity for which a fee is charged to external users for goods or services. The Commission maintains Pleasant View fund with 32 subsidized rental units. These units were a Section 23 leased facility which were converted to an owned public housing project on November 1, 1994. The Commission also maintains the 4-Plex fund with 4 unsubsidized rental units. The 4-Plex fund is for moderate income families and individuals and was financed with Essential Function Housing Development Bonds, 25% of which are guaranteed by the City of Webster. Both of these funds are major funds.

c. Measurement Focus and Basis of Accounting:

Measurement focus refers to what financial resources make up a fund. Basis of accounting refers to when revenues and expenses are recognized by a fund and reported in the financial statements.

Enterprise Funds:

Measurement Focus - All enterprise funds are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with a fund are included in its statement of net position. Enterprise fund operating statements present increases (revenues) and decreases (expenses) in total net position.

Basis of Accounting - All enterprise funds are accounted for using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash is received or paid. Revenues from grants, entitlements, and donations are recognized in the year in which all eligibility requirements are satisfied.

d. Capital Assets and Depreciation:

Capital assets must cost at least \$1,000. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at estimated fair value on the date donated.

Approximately 0% of the December 31, 2012 enterprise fund capital assets are determined by estimates of historical cost.

The cost of normal maintenance and repairs that do not add value of the assets, or materially extend asset lives, are not capitalized. Improvements that add value, or materially extend asset lives, are capitalized.

Depreciation of all exhaustible capital assets used by the enterprise funds is charged as an expense against that fund's operation. Depreciation has been provided over estimated useful life using the straight-line method. Buildings are given a useful life of 15 or 40 years. Improvements are given a useful life of 5 to 15 years. Equipment is given a useful life of 5 years. Accumulated depreciation is reported on the enterprise fund statement of net position.

Interest cost incurred during construction of capital assets is capitalized along with other capital asset costs.

e. Long-term Liabilities:

Long-term liabilities consist of bonds payable. The portion due in the next year is reported as a current liability and balance is reported as a long-term liability.

f. Operating and Nonoperating Revenues:

Operating revenues are those associated with tenant activity such as rents, utilities, and laundry. Nonoperating revenues are those not associated with tenant activity such as the HUD subsidy, interest income and interest expense.

Pleasant View rental units generally are subsidized based on the higher of 30% of adjusted gross income (based on HUD guidelines) or 10% of gross income. HUD pays the remainder of the rent.

g. Net Position Classifications:

Net position is displayed in up to three components:

1. Net Invested in Capital Assets - 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.
2. Restricted Net Position - Consists of net position with constraints placed on their use by either (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted Net Position - All other net position that does not meet the criteria of 1 or 2 above.

h. Application of Net Position:

It is the Commission's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred which can be charged to either restricted or unrestricted net position.

i. Interfund Transactions:

Transactions that constitute reimbursements to a fund for disbursements made from it, and that are properly applicable to another fund, are recorded as a disbursement in the reimbursing fund and as a reduction of a disbursement in the fund that is reimbursed. All other interfund transactions are reported as transfers.

j. Allowance for Doubtful Accounts:

Write-off of any unpaid rent is minimal. However, when rent receivables exist a small amount is shown to reflect actual experience.

k. Accounting Estimates:

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from those estimates and assumptions. Following are some of the estimates made by management during the year:

- * Allowance for doubtful accounts -- estimated uncollectables
- * Depreciation -- estimated service lives

2. DEPOSITS, INVESTMENTS, RISK AND CASH FLOWS

Deposits - The Commission deposits are made in qualified public depositories as defined by SDCL 4-6A-1. Qualified depositories are required by SDCL 4-6A-3 to maintain, at all times, segregated from their other assets, eligible collateral with a value equal to at least 100 percent of the public deposit accounts that exceed deposit insurance such as FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or better, or a qualified public depository may furnish a corporate surety bond from a corporation authorized to do business in South Dakota.

Deposits are reported at costs, plus interest, if the account is an add-on type.

The actual bank balances at December 31, 2012 were: Insured \$137,090 and Collateralized** \$0.00 for a total of \$137,090.

** Uninsured, collateral jointly held by state's/Commission's agent in the name of the state and the pledging financial institution. The carrying amount of these deposits at December 31, 2012 (plus petty cash of \$100) was \$126,280.

Investments - In general, SDCL 11-7-31 permits Housing & Redevelopment Commission funds "...to invest any funds held in reserves or debt service funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control."

Additionally, SDCL 4-5-6 permits Housing & Redevelopment Commission funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Because certificates of deposit are insured, they are considered to be deposits. The Commission had no investments during the year ending December 31, 2012.

Investment Risk - State law limits eligible investments for the Commission as discussed above. The Commission has no investment policy that would further limit its investment choices.

Interest Rate Risk - The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All certificates of deposits are at fixed interest rates for a specified term.

Concentration of Credit Risk - The Commission places no limit on the amount that may be deposited or invested in any one institution. At December 31, 2012, all of the Commission's cash and certificates of deposit are deposited in Great Western Bank and Dakota Bank.

Credit Risk - The Commission had no credit risks because the Commission had no investments during the year ending December 31, 2012.

Custodial Risk - The risk that, in the event of a depository failure, the Commission's deposits may not be returned to it. As of December 31, 2012, the Commission's deposits in financial institutions were not exposed to custodial credit risk.

Cash Flows - For the purposes of the statement of cash flows, the Commission considers all highly liquid investments and deposits (including restricted assets) with a term to maturity of three months or less when purchased to be cash equivalents.

3. RECEIVABLES AND PREPAID EXPENSES

Receivables are not aggregated in these financial statements. The Commission expects to collect all receivables within one year.

Prepaid expenses of \$8,407 is for prepaid insurance.

4. PAYABLES, ACCRUED EXPENSES, AND DEPOSITS

Payables are not aggregated in these financial statements. Payables are for amounts due to vendors of \$1,879 and payroll taxes of \$730 for a total of \$2,609.

Accrued expenses are for payment-in-lieu of taxes of \$4,534, utility costs of \$3,194, and mortgage interest of \$900.

Tenant security deposits are \$10,814 and tenant services deposit are \$454.

5. CHANGES IN CAPITAL ASSETS (see schedule one, page 17)

A summary of the changes in capital assets for the one year ending December 31, 2012 is presented in schedule one at the end of these footnotes. There is no construction in progress at December 31, 2012.

In 2012 Pleasant View Apartments remodeled a number of its units for a total cost of \$77,408 and replaced ranges in 8 units for a total cost of \$4,032.

The 4-plex apartment unit replaced a furnace for \$1,900.

6. LONG-TERM DEBT (see schedule two, page 18)

A summary of changes in long-term debt is presented in schedule two at the end of these footnotes. Long-term debt was paid down by \$7,537. All payments are current and there was no new debt.

All 4-Plex net revenues (after normal operating, repair and maintenance expenses) is pledged to secure a Essential Function Housing Development Bond which has a remaining balance of \$215,943. The bond was issued to construct the 4-plex rental unit and is described on page 18. The bond will mature June 1, 2030. In 2012 the bond had pledged revenue of \$24,186 and principal and interest payments of \$18,540.

Debt related to the original acquisition and early modernization of the public housing development is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit by Commission. Accordingly, this debt has not been recorded in the financial statements of the Webster Housing & Redevelopment Commission. HUD no longer provides the Commission with debt service information since the Commission has no obligation for that debt.

7. INTERFUND ACTIVITY

There are no interfund balances or transfers.

8. DEFICIT NET POSITION

The deficit net position condition in 4-Plex fund is the result of annual depreciation being more than the principal reduction on related debt service. Adding back the buildings accumulated depreciation would yield a positive net position amount of \$71,967. This deficit net position condition is expected to continue for some time.

9. ECONOMIC DEPENDENCY AND HUD GRANTS

The Commission receives approximately 49% of its revenues from HUD. If the amount of revenues received from HUD falls, the Commissions operations would be adversely affected.

In 2012 the Commission received from HUD an operating subsidy of \$58,561, an operating subsidy from CFP soft costs of \$4,824, and a capital subsidy from CFPs for \$52,339 for a total of \$115,724.

10. PAYMENT IN LIEU OF TAXES

The Commission does not pay property taxes based tax levies against the real property owned by the Commission. Instead, in 2012 they made payments in lieu of taxes (PILOT) based on a percentage of gross rents less utility costs.

PILOT for the 2012 year was determined as follows:

	Total	Pleasant View	4-Plex Apartments (*)
Rental income	84,267	84,267	
Less: utility costs	(38,926)	(38,926)	
	-----	-----	-----
Net shelter rent	45,341	45,341	0
	=====	=====	=====
PILOT percentage		10%	
PILOT for 2012	4,534	4,534	0
	=====	=====	=====

(*) The 4-Plex will not owe any PILOT or property taxes until it Essential Function Bonds are paid off in 2030 or the building is sold to a private party.

Because the Commission is a component unit of the City of Webster, it is a governmental entity and is exempt from federal income taxes. The State of South Dakota does not have an income tax.

11. COMMITMENTS AND CONTINGENCIES

Litigation:

The Commission was not involved in any litigation at December 31, 2012.

Examination:

The Commission is subject to possible examination made by federal and state authorities who determine compliance with terms, conditions, laws and regulations governing grants given to the Commission in the current and prior years. There were no examinations during the year ending December 31, 2012.

Grant Disallowances:

Amounts received or receivable from HUD are subject to audit and adjustment by HUD. Any disallowed claims, including amounts already collected, may constitute a liability of the Commission. The amount of expenditures, if any, which may be disallowed by HUD cannot be determined at this time. The Commission would expect such amounts, if any, to be immaterial.

12. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft, damage, or destruction of assets; errors and omissions; injuries to employees' and natural disasters. During the one year ending December 31, 2012, the Commission managed its risks as follows:

Health insurance: None

Property and Liability insurance: The Commission maintains property and liability insurance through a commercial carrier. Settled claims have not exceeded this commercial coverage in any of the past 3 years.

Worker's compensation: Through the City of Webster.

Unemployment benefits: The Commission maintains unemployment insurance through the State of South Dakota.

13. OTHER DISCLOSURES

In 2013 the Commission will be installing security cameras for approximately \$6,000.

In 2013 there is a possible reduction in the HUD subsidy from 100% to 83%.

As of this reporting date, there are no 2013 CFP subsidies.

The Commission is not involved in any litigation. However, as discussed in the risk management note above, the Commission has liability coverage which would mitigate any material adverse affect on the financial statements from such litigation.

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA

NOTES TO THE FINANCIAL STATEMENTS -- SCHEDULE ONE
CHANGES IN CAPITAL ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2012

	Beginning 12-31-11	Book Adjustments	Additions	(Deletions)	Ending 12-31-12	Accumulated Depreciation 12-31-11	Book Adjustments	(Additions)	Deletions	Ending 12-31-12	Remaining Cost 12-31-12
Pleasant View Fund:											
Land	32,000.00				32,000.00					-	32,000.00
Buildings and improvements	1,292,103.30		77,407.80		1,369,511.10	(956,418.82)		(49,765.44)	(1,006,184.26)		363,326.84
Equipment - dwellings			4,032.00		4,032.00	-		(403.20)	(403.20)		3,628.80
Equipment - administration	31,711.02				31,711.02	(31,114.62)		(269.70)	(31,384.32)		326.70
Construction-in-progress	-				-				-		-
	<u>1,355,814.32</u>	<u>-</u>	<u>81,439.80</u>	<u>-</u>	<u>1,437,254.12</u>	<u>(987,533.44)</u>	<u>-</u>	<u>(50,438.34)</u>	<u>-</u>	<u>(1,037,971.78)</u>	<u>399,282.34</u>
4-Plex Fund:											
Land	27,871.91				27,871.91					-	27,871.91
Buildings and improvements	233,217.19		1,900.00		235,117.19	(93,015.62)		(9,274.10)	(102,289.72)		132,827.47
Equipment - dwellings	-				-	-			-		-
Equipment - administration	-				-	-			-		-
	<u>261,089.10</u>	<u>-</u>	<u>1,900.00</u>	<u>-</u>	<u>262,989.10</u>	<u>(93,015.62)</u>	<u>-</u>	<u>(9,274.10)</u>	<u>-</u>	<u>(102,289.72)</u>	<u>160,699.38</u>

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
 A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA

NOTES TO THE FINANCIAL STATEMENTS -- SCHEDULE TWO
 CHANGES IN LONG-TERM DEBT
 FOR THE YEAR ENDING DECEMBER 31, 2012

	Beginning 12-31-11 -----	Additions -----	(Deletions) -----	Ending 12-31-12 -----	Due in 2013 -----
2001 Essential Function Housing Development Revenue Bond:					
Original issue of \$280,000					
Maturing on June 1, 2030					
Payable in monthly installments of \$1,544.97					
Interest at 5.00% at December 31, 2012					
Interest rate subject to adjustment every 5 years					
Callable as provided by SDCL 6-8B-23					
Secured only by real and personal property of the 4-plex built with this bond					
Paid by 4-plex program	223,480		(7,537)	215,943	7,922
	-----	-----	-----	-----	-----
	223,480	0	(7,537)	215,943	7,922
	=====	=====	=====	=====	=====

Payment Schedules:	Total Payments -----	Principal -----	Interest -----	Balance -----
2001 Essential Function Housing Development Revenue Bond:				
2013	18,540	7,922	10,618	208,021
2014	18,540	8,328	10,212	199,693
2015	18,540	8,555	9,985	191,138
2016	18,540	8,983	9,557	182,155
2017	18,540	9,432	9,108	172,723
2018-2022	92,698	54,723	37,975	118,000
2023-2027	92,698	69,842	22,856	48,158
2028-2030	55,619	48,158	7,461	0
	-----	-----	-----	-----
	333,715	215,943	117,772	
	=====	=====	=====	

REPORT ON
COMPLIANCE AND OTHER MATTERS AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Webster Housing & Redevelopment Commission
Webster, South Dakota

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund of the Webster Housing & Redevelopment Commission (Commission), a component unit of the City of Webster, Day County, South Dakota, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued my unqualified report thereon dated August 6, 2013.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 my audit and, accordingly, I do not express such an opinion.

The results of my tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting:

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

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

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

I did note minor matters involving internal control over financial reporting that I reported to the governing body and management of Webster Housing & Redevelopment Commission in a separate Letter of Comments dated August 6, 2013.

Purpose of the Report

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

However, as required by SDCL 4-11-11, this report is a matter of public record and its distribution is not limited.

Independent Audit Services, PC
Benjamin Elliott, CPA
Madison, South Dakota

A handwritten signature in black ink that reads "Benjamin Elliott". The signature is written in a cursive, flowing style.

August 6, 2013

SCHEDULE OF PRIOR AUDIT FINDINGS

There are no prior written audit findings to report.

SCHEDULE OF CURRENT AUDIT FINDINGS

There are no current written audit findings to report.

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA
DECEMBER 31, 2012

Financial Data Schedule

Financial Data Schedule (FDS)
For the One Year Ending December 31, 2012
Required by the Dept. of Housing
and Urban Development (HUD)

Line Item #	Audit Low Rent Public Housing 12-31-12	Reclass	Low Rent Public Housing CFDA # 14.850a 12-31-12	Public Housing Capital Fund Program CFDA # 14.885 12-31-12
ASSETS				
Current assets:				
111.000	Cash - unrestricted	4,638		4,638
111.000	Cash - unrestricted	15,922	15,922	
114.000	Cash - tenant security deposits	8,214		8,214
125.000	Accounts rec - miscellaneous	402	120	282
129.000	Accrued interest receivable	196		196
131.000	Investments - unrestricted	70,180	(15,922)	86,102
142.000	Prepaid expenses and other assets	7,278		7,278
150.000	Total current assets:	106,830	120	106,710
Noncurrent assets:				
161.000	Land	32,000		32,000
162.000	Buildings	1,369,511		1,369,511
163.000	Furniture, equipment - dwellings	4,032		4,032
164.000	Furniture, equipment - administration	31,711		31,711
166.000	Accumulated depreciation	(1,037,972)	8,531	(1,046,503)
160.000	Total non-current assets:	399,282	8,531	390,751
190.000	Total assets	506,112	8,651	497,461
LIABILITIES				
Current liabilities:				
312.000	Accounts payable <= 90 days	1,835	120	1,715
321.000	Accrued payroll payable	730		730
333.000	Accounts payable - other government	4,534		4,534
341.000	Tenant security deposits	8,214		8,214
342.000	Deferred revenues	1,031		1,031
345.000	Other current liabilities	455	455	
346.000	Accrued liabilities - other	3,195		3,195
310.000	Total current liabilities	19,994	575	19,419
Noncurrent liabilities:				
353.000	Non-current liabilities - other	0	(455)	455
300.000	Total liabilities	19,994	120	19,874
NET POSITION				
508.100	Net invested in capital assets	399,282	8,531	390,751
512.100	Unrestricted net position	86,836		86,836
513.000	Total net position	486,118	8,531	477,587
Total liabilities and net position				
		506,112	8,651	497,461

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA
DECEMBER 31, 2012

Financial Data Schedule

Financial Data Schedule (FDS)

For the One Year Ending December 31, 2012

Required by the Dept. of Housing
and Urban Development

Line Item #		Audit ----- Low Rent Public Housing 12-31-12	Reclass	Low Rent Public Housing CFDA # 14.850a 12-31-12	Public Housing Capital Fund Program CFDA # 14.885 12-31-12 -----
REVENUE					
703.000	Net tenant rental revenue	84,268		84,268	
704.000	Tenant revenue - other	144		144	
706.000	HUD operating grant	0	(63,385)	63,385	
706.100	HUD capital grant	0	(52,339)	52,339	
711.000	Investment income - unrestricted	0	(552)	552	
715.000	Other revenue	2,455		2,455	
700.000	Total revenue	86,867	(116,276)	203,143	0
EXPENSES					
Expenses - administrative:					
912.000	Auditing fees	3,150		3,150	
913.000	Management fees	37,348		37,348	
916.000	Office expenses	3,896		3,896	
Expenses - tenant services:					
921.000	Salaries	4,335		4,335	
923.000	Employee benefit contributions	332		332	
924.000	Other	2,189		2,189	
Expenses - utilities:					
931.000	Water	4,038		4,038	
932.000	Electricity	21,969		21,969	
936.000	Sewer	12,919		12,919	
Expenses - ordinary maint. & operation:					
941.000	Labor	17,921		17,921	
942.000	Materials and other	5,800	(1)	5,801	
943.000	Ordinary maint. & operations contracts	10,603		10,603	
945.000	Employee benefit contributions	1,416		1,416	
Expenses - general:					
961.100	Property insurance	6,467		6,467	
961.200	Liability insurance	1,077	1	1,076	
961.300	Workmen's compensation insurance	301		301	
963.000	Payment in lieu of taxes	4,534		4,534	
964.000	Bad debt - tenant rents	77		77	
Expenses - interest:					
967.200	Interest on notes payable	2		2	
Expenses - other:					
971.000	Extraordinary maintenance	7,580		7,580	
974.000	Depreciation	50,439	(8,531)	58,970	
900.000	Total expenses	196,393	(8,531)	204,924	0
Other financing sources (uses):					
706.000	HUD operating grant	63,385	63,385		
711.000	Investment income - unrestricted	552	552		
10100.000	Total other financing sources (uses):	63,937	63,937	0	0
10000.000	Net income (loss) before contributions	(45,589)	(43,808)	(1,781)	0
706.100	HUD capital grant	52,339	52,339		
	Change in net position	6,750	8,531	(1,781)	0
NET POSITION					
1103.000	Beginning	479,368		479,368	0
	Ending	486,118	8,531	477,587	0

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA
DECEMBER 31, 2012

Financial Data Schedule (FDS)
For the One Year Ending December 31, 2012
Required by the Dept. of Housing
and Urban Development (HUD)

Line Item #		Audit		Financial Data Schedule 12-31-12
		Business Activity 12-31-12	Reclass	

ASSETS				
Current assets:				
111.000	Cash - unrestricted	13,240		13,240
111.000	Cash - unrestricted	3,003	3,003	
114.000	Cash - tenant security deposits	2,600		2,600
125.000	Accounts receivable - miscellaneous	0	(9)	9
129.000	Accrued interest receivable	9	9	
131.000	Investments - unrestricted	8,484	(3,003)	11,487
142.000	Prepaid expenses and other assets	1,129		1,129
150.000 Total current assets:		28,465	0	28,465

Noncurrent assets:				
161.000	Land	27,872		27,872
162.000	Buildings	235,117		235,117
166.000	Accumulated depreciation	(102,290)		(102,290)
160.000 Total non-current assets:		160,699	0	160,699

190.000 Total assets		189,164	0	189,164
=====				
LIABILITIES				
Current liabilities:				
312.000	Accounts payable <= 90 days	44		44
325.000	Accrued interest payable	900		900
341.000	Tenant security deposits	2,600		2,600
343.000	Current portion of long-term debt	7,922		7,922
310.000 Total current liabilities		11,466	0	11,466

351.000	Long-term debt, net of current portion	208,021		208,021
300.000 Total liabilities		219,487	0	219,487

NET POSITION				
508.100	Net invested in capital assets	(56,143)	(899)	(55,244)
512.100	Unrestricted net position	25,820	899	24,921
513.000 Total net position		(30,323)	0	(30,323)

Total liabilities and net position		189,164	0	189,164
=====				

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA
DECEMBER 31, 2012

Financial Data Schedule (FDS)
For the One Year Ending December 31, 2012
Required by the Dept. of Housing
and Urban Development (HUD)

Line Item #		Audit ----- Business Activity 12-31-12	Reclass	Financial Data Schedule 12-31-12 -----
REVENUE				
703.000	Net tenant rental revenue	32,423		32,423
704.000	Tenant revenue - other	480		480
711.000	Investment income - unrestricted	0	(40)	40
		-----	-----	-----
700.000	Total revenue	32,903	(40)	32,943
		-----	-----	-----
EXPENSES				
Expenses - administrative:				
912.000	Auditing fees	350		350
913.000	Management fees	2,430		2,430
916.000	Office expenses	381		381
Expenses - utilities				
931.000	Water	530		530
Expenses - ordinary maint. & operation:				
942.000	Materials and other	323		323
943.000	Ordinary maint. & operations contracts	3,031		3,031
Expenses - general:				
962.000	Other general expenses	1,672		1,672
967.200	Interest expense	0	(11,903)	11,903
Other expenses:				
974.000	Depreciation	9,274		9,274
		-----	-----	-----
900.000	Total expenses	17,991	(11,903)	29,894
		-----	-----	-----
Other financing sources (uses):				
711.000	Investment income - unrestricted	40	40	
967.000	Interest expense	(11,903)	(11,903)	
		-----	-----	-----
1010.000	Total other financing sources (uses):	(11,863)	(11,863)	0
		-----	-----	-----
	Change in net position	3,049	0	3,049
NET POSITION				
11030.000	Beginning	(33,372)		(33,372)
		-----	-----	-----
	Ending	(30,323)	0	(30,323)
		=====	=====	=====