

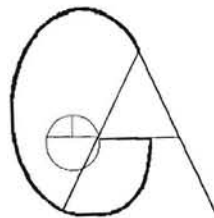
**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY**

**A COMPONENT UNIT OF
SOCORRO COUNTY, NEW MEXICO**

**FINANCIAL STATEMENTS AND SUPPLEMENTARY
DATA**

For the Year Ended June 30, 2015

With Independent Auditors' Reports Thereon



GARY E. GAYLORD, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY**

**A COMPONENT UNIT OF
SOCORRO COUNTY, NEW MEXICO**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA**

For the Year Ended June 30, 2015

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**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A COMPONENT UNIT OF SOCORRO COUNTY
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**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A COMPONENT UNIT OF SOCORRO COUNTY
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**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A COMPONENT UNIT OF SOCORRO COUNTY
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**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A COMPONENT UNIT OF SOCORRO COUNTY
OFFICIAL ROSTER
June 30, 2015**

Board of Cosommissioners

Lonnie Marquez
Michael Hawkes
Wayne Gallegos
Jose (Lencho) Vega
Marcel Abeyta

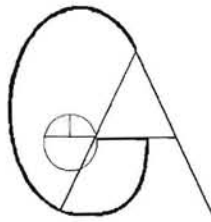
Chairperson
Commissioner
Commissioner
Commissioner
Commissioner

Administrative Staff

Mary Ann Chavez-Lopez

Executive Director

FINANCIAL SECTION



Gary E. Gaylord, C.P.A.

GARY E. GAYLORD, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

740 San Mateo NE, Box A-3
Albuquerque, New Mexico 87108
(505) 266-4820
fax (505) 268-6618

INDEPENDENT AUDITOR'S REPORT

Mr. Tim Keller, State Auditor
and Board of Commissioners
El Camino Real Housing Authority,
Socorro, New Mexico

Regional Inspector General for Audit
Department of Housing and Urban Development
Ft. Worth, Texas

Report on Financial Statements

I have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of El Camino Real Housing Authority a component unit of Socorro County, Socorro, New Mexico (Housing Authority) as of and for the year ended June 30, 2015, which collectively comprise the Housing Authority's basic financial statements as listed in the Table of Contents. I have also audited the budgetary comparisons for the proprietary funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying individual fund financial statements as of and for the year ended June 30, 2015, 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 State 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion.

INDEPENDENT AUDITOR'S REPORT, *continued*

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 have obtained is sufficient and appropriate to provide a basis for my audit opinions.

As discussed in Note 1, the financial statements of the Housing Authority are intended to present the financial position, changes in financial position and, where applicable, cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Socorro County, New Mexico that is attributable to the transactions of the Housing Authority and its component unit. They do not purport to, and do not, present fairly the financial position of Socorro County, New Mexico, as of June 30, 2015, and the respective changes in financial position, and cash flows, where applicable, thereof and the budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United State of America.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the El Camino Real Housing Authority, a component unit of Socorro County, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective budgetary comparisons of the proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the management's discussion and analysis (MD&A) which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by the missing information.

My audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the other schedules required by 2.2.2. NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of federal awards and other schedules required by 2.2.2. NMAC 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 subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Expenditures of federal awards and other schedules required by 2.2.2. NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT, continued

The Schedule of Vendor Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 14, 2015 on my consideration of El Camino Real Housing Authority's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Gary E. Gaylord, Ltd.", written over a horizontal line.

Gary E. Gaylord, Ltd
Albuquerque, New Mexico
October 14, 2015

STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A Component Unit of Socorro County
SOCORRO, NEW MEXICO
STATEMENT OF NET POSITION
June 30, 2015

	<u>Primary Unit</u> <u>EL CAMINO REAL</u> <u>HOUSING</u> <u>AUTHORITY</u> <u>Business Type</u> <u>Activities</u>	<u>Component Unit</u> <u>SOCORRO</u> <u>VILLAGE LLC</u> <u>Business Type</u> <u>Activities</u>
ASSETS		
Current Assets, Unrestricted:		
Cash and cash equivalents	\$ 181,084	162,416
Due from grantor	27,100	10,136
Accounts receivable - Tenants and other, net	20,604	1,733
Due from other governments	16,954	
Current Assets, Restricted:		
Cash and cash equivalents, housing assistance payments	82,226	
FSS escrow accounts	30,622	
Debt and operating reserves		162,552
Security and pet deposits		8,524
Capital assets not being depreciated:		
Land		53,210
Capital assets, net of accumulated depreciation:		
Land and other capital improvements		149,730
Buildings and building improvements		1,437,716
Furniture, machinery and equipment	28,105	
Total Assets	<u>386,695</u>	<u>1,986,017</u>
LIABILITIES		
Bank overdraft	4,517	
Accounts payable	20,573	7,928
Due to property management		7,537
Accrued salary and benefits	17,273	
Tenant security and pet deposits		8,524
Accrued interest payable		1,613
Unearned revenue	56,954	
Compensated absences, current	5,914	
Noncurrent liabilities:		
Due within one year		15,642
Due in more than one year	30,622	1,307,156
Total liabilities	<u>135,853</u>	<u>1,348,400</u>
NET POSITION		
Net investment in capital assets	28,105	317,859
Restricted for housing assistance payments	82,226	
Restricted for operations		93,540
Restricted for replacement		69,012
Unrestricted	140,511	157,206
Total net Position	<u>\$ 250,842</u>	<u>637,617</u>

SEE INDEPENDENT AUDITORS' REPORTS
The Accompanying Notes Are An Integral Part of These Financial Statements

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 A Component Unit of Socorro County
 SOCORRO, NEW MEXICO
 STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2015

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Total</u>	<u>Component Unit Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>		
Primary Unit:						
Housing Authority:						
Business-type activities:						
Housing Services	\$ 3,050,231	145,069	2,917,782		12,620	
	<u>3,050,231</u>	<u>145,069</u>	<u>2,917,782</u>		<u>12,620</u>	
Component Unit:						
Socorro Village:						
Business-type activities:						
Housing Services	\$ 288,983	120,881	156,925			(11,177)
Interest on long-term debt	19,498					(19,498)
	<u>308,481</u>	<u>120,881</u>	<u>156,925</u>			<u>(30,675)</u>
Change in net position					12,620	(30,675)
Net position, beginning of year					<u>238,222</u>	<u>668,292</u>
Net position, end of year					<u>\$ 250,842</u>	<u>637,617</u>

SEE INDEPENDENT AUDITORS' REPORTS
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 A Component Unit of Socorro County
 SOCORRO, NEW MEXICO
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 June 30, 2015

	Major Funds			Non-Major Fund	Totals
	Housing Choice Vouchers	Shelter Plus Care	Property Management	Continuum Of Care	
ASSETS					
Current assets, unrestricted:					
Cash and cash equivalents	\$ 47,875		128,018	5,191	181,084
Due from grantor	12,396	14,704			27,100
Due from component unit					
Due from other governments	16,954				16,954
Other receivables			20,604		20,604
Prepaid expenses					
Due from other funds	9,393				9,393
Total current unrestricted assets	<u>86,618</u>	<u>14,704</u>	<u>148,622</u>	<u>5,191</u>	<u>255,135</u>
Current assets, restricted:					
Cash and cash equivalents:					
Housing Assistance Payments	82,226				82,226
FSS Escrow Accounts	30,622				30,622
Total current restricted assets	<u>112,848</u>				<u>112,848</u>
Total current assets	<u>199,466</u>	<u>14,704</u>	<u>148,622</u>	<u>5,191</u>	<u>367,983</u>
Capital Assets:					
Capital assets being depreciated, net:					
Furniture, machinery and equipment	28,105				28,105
Total assets	<u>\$ 227,571</u>	<u>14,704</u>	<u>148,622</u>	<u>5,191</u>	<u>396,088</u>

SEE INDEPENDENT AUDITORS' REPORTS
 The Accompanying Notes Are An Integral Part Of These Financial Statements

EXHIBIT C, continued

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 A Component Unit of Socorro County
 SOCORRO, NEW MEXICO
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 June 30, 2015

	Major Funds			Non-Major Fund	Totals
	Housing Choice Vouchers	Shelter Plus Care	Property Management	Continuum Of Care	
<u>LIABILITIES</u>					
Current liabilities, payable from unrestricted assets:					
Bank overdraft		4,517			4,517
Accounts payable	14,107	794	5,165	507	20,573
Accrued salaries and benefits	10,247		6,463	563	17,273
Unearned revenue	52,833			4,121	56,954
Due to other funds		9,393			9,393
Accrued compensated absences	5,241		673		5,914
Total Current Liabilities	<u>82,428</u>	<u>14,704</u>	<u>12,301</u>	<u>5,191</u>	<u>114,624</u>
Noncurrent liabilities:					
Accrued compensated absences - Noncurrent					
FSS Escrow	30,622				30,622
Total Noncurrent liabilities	<u>30,622</u>				<u>30,622</u>
Total liabilities	<u>113,050</u>	<u>14,704</u>	<u>12,301</u>	<u>5,191</u>	<u>145,246</u>
<u>NET POSITION</u>					
Net investment in capital Assets	28,105				28,105
Restricted for housing assistance payments	82,226				82,226
Unrestricted	4,190		136,321		140,511
Total net position	<u>\$ 114,521</u>		<u>136,321</u>		<u>250,842</u>

SEE INDEPENDENT AUDITORS' REPORTS
 The Accompanying Notes Are An Integral Part Of These Financial Statements

EXHIBIT C

STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A Component Unit of Socorro County
SOCORRO, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2015

	Major Funds			Non-Major Fund	Totals
	Housing Choice Vouchers	Shelter Plus Care	Property Management	Continuum Of Care	
Operating revenues:					
Charges for services	\$ 3,726		133,967		137,693
Other operating revenues:					
Fraud recovery	200				200
Port in recoveries	7,176				7,176
Operating grants	2,676,138	43,663		197,981	2,917,782
Total operating revenues	<u>2,687,240</u>	<u>43,663</u>	<u>133,967</u>	<u>197,981</u>	<u>3,062,851</u>
Operating expenses:					
Administrative expenses	325,579	3,235	127,351	14,665	470,830
Tenant services	34,269	40,428		183,316	258,013
Operation and maintenance					
General expenses	17,705				17,705
Extraordinary maintenance					
Housing assistance payments	2,283,044				2,283,044
Port in Housing assistance payments	7,176				7,176
Depreciation	13,463				13,463
Total operating expenses	<u>2,681,236</u>	<u>43,663</u>	<u>127,351</u>	<u>197,981</u>	<u>3,050,231</u>
Net change in position	6,004		6,616		12,620
Net position, beginning of year	<u>108,517</u>		<u>129,705</u>		<u>238,222</u>
Net position, end of year	<u>\$ 114,521</u>		<u>136,321</u>		<u>250,842</u>

SEE INDEPENDENT AUDITORS' REPORTS
The Accompanying Notes Are An Integral Part Of These Financial Statements

EXHIBIT D

STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A Component Unit of Socorro County
SOCORRO, NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2015

	Major Funds			Non-Major Funds		Totals
	Housing Choice Vouchers	Shelter Care Plus	Property Management	Home Rehabilitation Program	Continuum Of Care	
Cash flows from operating activities:						
Cash received from tenants and others for services	\$ 20,686		147,270			167,956
Cash received from operating grants	2,636,852	35,421			202,102	2,874,375
Cash paid for Housing Assistance Payments	(2,269,531)					(2,269,531)
Cash paid to and on behalf of employees	(210,835)	(3,069)	(99,335)		(13,342)	(326,581)
Cash paid to vendors for goods and services	(161,254)	(39,800)	(20,771)		(183,569)	(405,394)
Net cash flows from operating activities	15,918	(7,448)	27,164		5,191	40,825
Cash flows from noncapital financing activities:						
Transfers in from other programs/funds	47,213		44,844			92,057
Transfers out to other programs/funds		(79,804)		(12,253)		(92,057)
Net cash flows from noncapital financing activities	47,213	(79,804)	44,844	(12,253)		
Cash flows from capital and related financing activities:						
Payments on debt						
Purchase of property, plant and equipment						
Net cash flows from capital and related financing activities						
Cash flows from investing activities:						
Investment income						
Net cash flows from investing activities						
Net increase (decrease) in cash and cash equivalents	63,131	(87,252)	72,008	(12,253)	5,191	40,825
Cash and cash equivalents, beginning of year	97,592	82,735	56,010	12,253		248,590
Cash and cash equivalent, end of year	\$ 160,723	(4,517)	128,018		5,191	289,415
Shown on balance sheets as:						
Bank overdraft		(4,517)				(4,517)
Unrestricted cash and cash equivalents	47,875		128,018		5,191	181,084
Restricted cash and cash equivalents	112,848					112,848
	\$ 160,723	(4,517)	128,018		5,191	293,932

SEE INDEPENDENT AUDITORS' REPORTS
The Accompanying Notes Are An Integral Part of These Financial Statements

STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A Component Unit of Socorro County
SOCORRO, NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2015

	<i>Major Funds</i>			<i>Non-Major Funds</i>		<i>Totals</i>
	<i>Housing Choice Vouchers</i>	<i>Shelter Care Plus</i>	<i>Property Management</i>	<i>Home Rehabilitation Program</i>	<i>Continuum Of Care</i>	
RECONCILIATION OF NET OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES						
Net operating income (loss)	\$ 6,004		6,616			12,620
Adjustments to reconcile net operating income to net cash flows from operating activities:						
Depreciation expense	13,463					13,463
Changes in assets, liabilities and deferred inflows of resources:						
(Increase)/decrease in assets:						
Tenant and other receivables, net			(8,720)			(8,720)
Due from Grantor	(11,331)	14,285				2,954
Due from component unit			22,024			22,024
Prepaid expenses	2,369					2,369
Increase/(decrease) in liabilities:	4,499					4,499
Accounts payable					507	507
Other payables	5,678	794	5,165			11,637
FSS Escrow	15,012					15,012
Accrued salaries and benefits	(1,995)		3,785		563	2,353
Accrued compensated absences	591		(1,706)			(1,115)
Unearned revenue	(18,372)	(22,527)			4,121	(36,778)
	<u>\$ 15,918</u>	<u>(7,448)</u>	<u>27,164</u>		<u>5,191</u>	<u>40,825</u>

SEE INDEPENDENT AUDITORS' REPORTS
The Accompanying Notes Are An Integral Part of These Financial Statements

EXHIBIT E

**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A COMPONENT UNIT OF SOCORRO COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

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**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A COMPONENT UNIT OF SOCORRO COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

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NOTE, continued

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**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A COMPONENT UNIT OF SOCORRO COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

A. PROGRAM GOAL AND THE PHA

El Camino Real Housing Authority (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 and a Component Unit of Socorro County, New Mexico.

The financial statements present only the financial position, results of operations and cash flows of the Authority and its component unit, Socorro Village LLC, and are not intended to present, and do not present the Socorro County's financial position, results of operations and cash flows of its' proprietary fund types.

This summary of significant accounting policies of El Camino Real Housing Authority is presented to assist in the understanding of the Authority's financial statements. The financial statements and notes are the representation of the Authority's management who are responsible for their integrity and objectivity. The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements.

The primary purpose of the El Camino Real Housing Authority (Housing Authority) is to manage the Section 8 Housing Choice Vouchers program provided by the Department of Housing and Urban Development (HUD) to aid low income families in obtaining decent, safe and sanitary rental housing. The program provides housing assistance payments to participating owners on behalf of eligible tenants. Housing assistance payments are generally the difference between the local payment standard or rent charge (if lower) and 30 percent of the family's adjusted income.

In addition, the Housing Authority provides other housing related services in the communities it services. Services provided include, but are not limited to, Shelter Plus Care, Continuum of Care, Housing Rehabilitation, management of a senior housing complex and management of its component unit (Socorro Village).

**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A COMPONENT UNIT OF SOCORRO COUNTY
NOTES TO FINANCIAL STATEMENTS, continued
June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, continued

B. FINANCIAL REPORTING ENTITY

The El Camino Real Housing Authority's basic financial statements include the accounts of all of its operations. In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB #14, #39 and # 61. Socorro Village LLC, HUD Project No. NM16M000081, is a component unit of El Camino Real Housing Authority. Socorro Village's disclosures are made in note 5.

Effective July 1, 2011 Socorro County Housing Authority changed its name to El Camino Real Housing Authority (ECRHA). Effective April 1, 2012 ECRHA absorbed the Section 8 Housing Choice Voucher and Family Self Sufficient Programs previously operated by the Village of Los Lunas Housing Authority. Effective June 1, 2012 the Shelter Plus Care and Continuum of Care Programs were also absorbed by El Camino Real Housing Authority from the Village of Los Lunas Housing Authority. Effective January 1, 2014 ECRHA absorbed the Torrance County Section 8 Housing Choice Voucher Program previously operated by Town of Mountainair Housing Authority.

C. BASIS OF PRESENTATION

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The housing authority's funds are grouped into a single fund type (proprietary funds) and include the following individual funds.

Major Fund:

Section 8 Housing Choice Vouchers (HCV). The fund includes a Family Self-Sufficiency grant from HUD and a Continuum of Care grant passed through New Mexico Mortgage Finance Authority (NMMFA)
Shelter Plus Care (S+C)
Property Management (PM)

Non-major Funds:

Continuum of Care (COC)

**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A COMPONENT UNIT OF SOCORRO COUNTY
NOTES TO FINANCIAL STATEMENTS, continued
June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, continued

D. BASIS OF ACCOUNTING

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities – Exhibits A and B) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for services. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. Fiduciary funds are also excluded from the government-wide financial statements as are component units that are fiduciary in nature.

El Camino Real Housing Authority does not have any governmental, internal service or fiduciary funds.

The Statement of Net Position and the Statement of Activities were prepared on the economic resources measurement focus and the accrual basis of accounting.

All proprietary funds are also accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position.

Proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing.

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EL CAMINO REAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS, *continued*
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, *continued*

E. FUND FINANCIAL STATEMENTS

Major individual enterprise funds are reported as separate columns in the fund financial statements. Since there was only one non-major fund this fund's balances and activities are reported in a separate column to the right of the major funds.

The Authority reports the following major funds:

Section 8 Housing Choice Voucher (HCV)

The Housing Choice Voucher Program (HCVP) provides rental assistance to help low income families afford decent, safe, and sanitary rental housing. The program is a tenant-based rental assistance program wherein qualifying families are assisted with their rental payments to landlords in the private rental market. The amount of the rental assistance is based upon family composition and family income.

Shelter Plus Care (SPC)

The Shelter Plus Care Program funds are provided by the U.S. Department of Housing and Urban Development (HUD) pursuant to subtitle F of Title IV of the Mc Kinney-Vento Homeless Assistance Act 42 U.S.C. 11301 and federal regulations at 24 CFR 582. The Program is designed to link rental assistance to supportive services for hard-to-serve homeless persons with disabilities.

Property Management (PM)

The property management fund reflects the assets, liabilities and operations associated with providing management and administrative services to low-income and elderly housing complexes in Socorro, New Mexico as well as other administrative income and expenses not related to the Section 8 Housing Choice Voucher program.

The Authority reports the following non major fund:

Continuum of Care (COC)

The Continuum of Care (CoC) funds provided by the U.S Department of Housing and Urban Development (HUD) pursuant to Subtitle C of Title IV of the Mc Kinney-Vento Homeless Assistance Act (42 USC 11381-11389) and federal regulations at 24 CFR part 578. The program is designed to (1) promote community-wide commitment to the goal of ending homelessness; (2) provide funding for efforts by non-profit providers, States, and local governments to quickly re-house homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; (3) promote access to and effective utilization of mainstream programs by homeless individuals and families; and (4) optimize self-sufficiency among individuals and families experiencing homelessness.

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A COMPONENT UNIT OF SOCORRO COUNTY
NOTES TO FINANCIAL STATEMENTS, *continued*
June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, *continued***

F. **REVENUE AND EXPENSE RECOGNITION**

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the Authority's funds are from HUD operating grants. Operating expenses include the cost of service, administrative expenses and depreciation. All revenues and expenses not meeting this definition are treated as non-operating revenues and expenses

Grants and similar items (including revenues associated with the HUD programs) are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

G. **CASH AND CASH EQUIVALENTS**

Amounts reflected as "cash and cash equivalents" on the balance sheet include amounts on hand and in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Housing Authority.

H. **CAPITAL ASSETS AND DEPRECIATION**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Infrastructure capital assets such as streets, traffic signals and signs are capitalized. The minimum capitalization threshold is any individual item with a total cost greater than \$5,000. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated. Construction period interest is capitalized.

The Authority does not develop any "internal use" software. Software purchased with computer hardware is capitalized. Software purchased separately with a cost greater than \$5,000 is also capitalized.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against operations. Accumulated depreciation is reported on proprietary

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EL CAMINO REAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS, *continued*
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, *continued*

H. CAPITAL ASSETS AND DEPRECIATION, *Continued*

fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Vehicles and Equipment	3-7 yrs
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I. UNPAID COMPENSATED ABSENCES

Accrued compensated absences of the Proprietary Funds are recorded on the Statement of Net Assets. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, a liability has been recognized for all employees who have unused annual leave.

J. 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, non capital financing, or investing activities.

K. INTERFUND ACTIVITIES

Inter fund activity is reported as either loans, services provided reimbursements or transfers. Loans are reported as inter fund receivables and payables as appropriate and are eliminated in the Government-wide financial statements. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter fund transactions are treated as transfers.

During the year ended June 30, 2015 the Authority did not have any inter fund transfers. The details of inter fund receivables/payables are shown in Note 3 D.

Inter fund receivables/payable are eliminated in the Statement of Net Position.

STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS, *continued*
June 30, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, *continued***

L. **EXPENDITURES OF RESTRICTED SOURCES**

It is the Authority's policy to expend restricted sources prior to unrestricted sources when both sources are available for expenditure. Under the HCV program amounts received from HUD for housing assistance payments (HAP) can ONLY be used to pay for current year activities.

M. **MANAGEMENT ESTIMATES AND ASSUMPTIONS**

The accompanying financial statements include estimates and assumptions by management that affects certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. **EQUITY CLASSIFICATIONS**

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

Net investment in capital assets – This category reflects the portion of net position that are associated with capital assets that were or are being used for capital asset acquisition/construction and is shown net of accumulated depreciation on the capital assets as well as any unpaid debt used for capital asset acquisitions.

Restricted net position – This category reflects the portion of net position that have third party limitations on their use.

Unrestricted net position – This category reflects net position not restricted for any other purpose. Under the HCV program (HCVP) post 2003 unrestricted net position is to be used only for Section 8 HCVP activities.

O. **BUDGETS**

The legal level of budgetary control for the Housing Authority's funds is at the overall fund level. Socorro Village Apartments (a component unit of the housing authority) is not legally required to adopt a budget. Depreciation is not budgeted.

**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
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NOTES TO FINANCIAL STATEMENTS, continued
June 30, 2015**

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. DEPOSITS AND INVESTMENTS, LAWS AND REGULATIONS

By its nature as a federally funded Housing Authority, El Camino Real Housing Authority is subject to various federal and contractual regulations. An analysis of the Housing Authority's compliance with significant laws and regulations and demonstration of its stewardship over its resources follows:

El Camino Real Housing Authority is authorized under its investment policy to deposit its money in banks, savings and loan associations, and/or credit unions where accounts are insured by an agency of the United States.

All monies not immediately necessary for the public uses of the Housing Authority may be invested in:

1. Fully collateralized certificates of deposit that are also FDIC insured;
2. Securities of the United States, its agencies or instrumentalities;
3. Securities of the State of New Mexico, its agencies, instrumentalities, counties, municipalities, or other subdivisions,
4. Securities that are guaranteed by the United States of America;
5. Revenue bonds that are underwritten by a member of the National Association of Securities Dealers, (NASD) and rated BAA or better.

The maximum authorized maturity for these securities will be one year or less.

During the year ended June 30, 2015 El Camino Real Housing Authority had complied with its investment policy.

If the Authority is unable to receive payment on public money at the rate of interest set forth by the State Board of Finance (which is not less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of the deposit) from financial institutions within the geographic boundaries of the governmental unit, the Authority may invest its money with the New Mexico State Treasurer's short term investment pool for a period no greater than 181 days, or in banks, savings and loans or credit unions. The State Treasurer's short term investment pool shall be invested as provided for state funds under Section 6-10-10 NMSA 1978.

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 NOTES TO FINANCIAL STATEMENTS, *continued*
 June 30, 2015

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, *continued*

B. REVENUE RESTRICTIONS

The Housing Authority has various restrictions placed over its revenue sources by the U.S. Department of Housing and Urban Development. The primary restricted revenue sources include:

<u>Revenue Source:</u>	<u>Legal Restrictions of Use</u>
U. S. Department of Housing and Urban Development:	
Section 8 Housing Choice Voucher Program and other HUD Grants and Awards	Program objectives and administrative costs within the allowable amounts contained in the grants.

3. DETAIL NOTES ON TRANSACTION CLASSES / ACCOUNTS

A. CASH AND INVESTMENTS - COLLATERALIZATION

The Housing Authority's policies regarding deposits of cash are discussed in notes 1G and 2A. The Housing Authority attempts to limit its exposure to various risks inherent to its cash and investments as follows:

Interest rate risk – The Housing Authority attempts to maximize its rate of return while insuring that the investment vehicle is either fully insured or fully collateralized by investments of the Federal Government. During the year ended June 30, 2015 the Housing Authority had both interest bearing accounts and demand deposits accounts as well as a certificate of deposit at a local financial institution.

Credit risk – State law limits the types of investments allowed by the Housing Authority (See Note 2A). As stated above, the Housing Authority complied with the restrictions imposed by the State in an effort to limit its credit risk.

Concentration of credit risk – During the year ended June 30, 2015 the Housing Authority and its component unit limited the concentration of credit risk by depositing its funds in two local banks rather than a single bank. Also, a portion of its funds are held by New Mexico Mortgage Finance Authority. See Note 5 for details on the component unit cash accounts.

STATE OF NEW MEXICO
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 NOTES TO FINANCIAL STATEMENTS, *continued*
 June 30, 2015

3. DETAIL NOTES ON TRANSACTION CLASSES / ACCOUNTS, *continued*

A. CASH AND INVESTMENTS – COLLATERALIZATION, *continued*

Custodial credit risk – In the case of bank/saving/credit union deposits, this is the risk that in the event of a bank/savings/credit union failure, the housing authority’s deposits may not be returned to it. The Housing Authority does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978) and monitoring the bank’s collateralization of its deposits. At June 30, 2015 the Housing Authority had \$ 10,534 in custodial credit risk.

	<u>Wells Fargo</u>
Non interest bearing demand deposit accounts	\$ 31,296
Interest bearing accounts	<u>260,534</u>
Total deposits	291,830
Less FDIC insurance	<u>(281296)</u>
Uninsured deposits (Custodial credit risk) and Required collateralization at 100% of uninsured	10,534
Collateralization held by BNY Mellon in name of Wells Fargo segregated on behalf of ECRHA 3137ARXC5 FMAC 1.5% due 05-15-27	<u>57,039</u>
Over Collateralization	\$ <u>46,505</u>

B. ACCOUNTS RECEIVABLE

Due from grantor consists of \$ 14,704 due on the Shelter Plus Care program (S+C) and \$ 12,396 Family Self Sufficient (FSS) not reimbursed at 06-30-15.

The other receivable balance of \$20,604 reflected in the Property Management (PM) fund includes \$13,067 due from a managed elderly housing apartment complex (Vista Montano) and \$ 7,537 due from Socorro Village (component unit) for unpaid services rendered through 06-30-15.

Due from other governments includes a receivable from Village of Los Lunas for \$15,357 for an additional net restricted cash/equity that had not been paid when the operations of the Section 8 HCV program was absorbed.

During Fiscal Year Ended June 30, 2015 ECRHA charged Socorro Village LLC (its component unit) management fees \$ 18,000; administrative fees \$12,000 and \$ 51,041 in payroll and benefits contracts.

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 NOTES TO FINANCIAL STATEMENTS, continued
 June 30, 2015

3. DETAIL NOTES ON TRANSACTION CLASSES / ACCOUNTS, continued

C. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2015 El Camino Real Housing Authority had the following inter fund receivables/payables:

	<u>Due from</u>	<u>Due to</u>
Housing Choice Voucher (HCV):		
Shelter Plus Care	\$ 9,393	
Shelter Plus Care (S+C)		
Housing Choice Voucher		\$ 9,393

The due from and due to accounts were generated from unpaid fees earned by the Section 8 Housing Choice Voucher program. They were made for temporary cash needs (shared costs) that are expected to be repaid currently.

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 NOTES TO FINANCIAL STATEMENTS, continued
 June 30, 2015

3. DETAIL NOTES ON TRANSACTION CLASSES / ACCOUNTS, continued

D. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2015, was as follows:

	<u>Balance at June 30, 2014</u>	Reclassification & <u>Additions</u>	Reclassification & <u>Deletions</u>	<u>Balance at June 30, 2015</u>
Capital assets being depreciated:				
Furniture, machinery and equipment				
Total capital assets being depreciated	\$ <u>112,709</u>			<u>112,709</u>
	<u>112,709</u>			<u>112,709</u>
Less accumulated depreciation for:				
Furniture, machinery and equipment	<u>71,141</u>	<u>13,463</u>		<u>84,604</u>
Total accumulated depreciation	<u>71,141</u>	<u>13,463</u>		<u>84,604</u>
Total capital assets being depreciated, net	\$ <u>41,568</u>	<u>-13,463</u>		<u>28,105</u>
Total capital assets, net	\$ <u>41,568</u>	<u>-13,463</u>		<u>28,105</u>

All depreciation expense is included as an expense of the HCVP on the Statement of Activities.

E. ACCOUNTS PAYABLE

Accounts payable are for normal operating expenses and are reflected by program (fund) on Exhibit C.

F. UNEARNED REVENUE

The unearned revenue includes \$ 4,121 in overbilled S+C reimbursement requests and \$ 52,833 in unearned but received administrative fee revenue in the Section 8 HCV program.

**STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
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 NOTES TO FINANCIAL STATEMENTS, continued
 June 30, 2015**

4. OTHER NOTES

A. ANNUAL AND SICK LEAVE

It is the Authority's policy to grant annual leave and sick leave to the full time employees of the Housing Authority in accordance with the following schedule:

	<u>Per Pay Period</u>	
	<u>Annual Leave</u>	<u>Sick Leave</u>
All Employees	4 hours	4 hours
Paid upon Termination	Yes	No

The maximum amount of unused annual leave cannot exceed 720 hours. Unused annual leave up to 400 hours is paid on termination less any time used and paid within six months prior to the date of separation. Unused sick leave may be carried over and accumulated up to a maximum of 720 hours. Unused sick leave is not paid on termination. Unpaid annual leave at June 30, 2015 totaled \$ 5,914 and is reflected in the financial statements as a current liability. Compensated absences are accounted for in the HCV and PM funds.

The following schedule details the changes in compensated absences/personal time off (PTO) during the year ended June 30, 2015.

	<u>Balance June</u>			<u>Balance June</u>	<u>Current</u>
	<u>30, 2014</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>30, 2015</u>	<u>Portion</u>
Compensated Absences	\$ 7,029	12,737	(13,852)	5,914	5,914

Compensate absence expense/PTO is included with salaries and benefit expenses except for the year end accrual.

B. ECONOMIC DEPENDENCY

Most revenue of the Housing Authority is received from programs directed by the United States Department of Housing and Urban Development. Receipt of these funds is contingent upon the Authority's continued compliance with grant provisions and the continuance of the grant programs by the United States Department of Housing and Urban Development

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NOTES TO FINANCIAL STATEMENTS, continued
June 30, 2015

4. **OTHER NOTES, Continued**

C. **RISK MANAGEMENT**

The Housing Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of property, injury to staff or others, errors and omissions and natural disasters. The Housing Authority insures itself against these losses through commercial insurance carriers. The New Mexico Tort Claims Act limits the Housing Authority's risk for torts.

D. **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 Authority expects such amounts, if any, to be immaterial.

E. **ADMINISTRATIVE FEE REVENUE**

During FYE 06-30-13 the Housing Authority changed its method of accounting for administrative fee revenue from recognizing the revenue when received to recognizing the administrative fees when earned as defined by HUD as described in HUD's Office of Public and Indian Housing, Real Estate Assessment Center PIH-REAC: PHA-Finance Accounting Briefs dated June 2013. Under the method of accounting described in the accounting brief, at June 30, 2014 the Housing Authority had received, but not earned, an estimated \$ 71,205 in administrative fees. At June 30, 2015 the overall received, but not earned amount was estimated at \$ 52,833. The \$ 52,833 is shown as unearned revenue on the Statement of Net Position.

F. **ABSORBTIONS DURING FYE JUNE 30, 2012 AND 2014**

During FYE 06-30-12 the Village of Los Lunas Housing Authority's (VLLHA) programs were absorbed by ECRHA. (See Note 1B above). The merging of the two housing authorities resulted in a transfer of Net Restricted Assets in the amount of \$ 195,653. Only \$ 180,296 of this amount was paid leaving a balance of \$ 15,357 which is shown as Due from other governments on the Statement of Position. Effective January 1, 2014 ECRHA absorbed the Torrance County Section 8 HCV program previously operated by Village of Mountainair Housing Authority and received \$ 76,745 in Net Restricted Assets.

**STATE OF NEW MEXICO
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 NOTES TO FINANCIAL STATEMENTS, continued
 June 30, 2015**

4. OTHER NOTES, Continued

G. CHANGE IN UNRESTRICTED NET POSITION

During FYE June 30, 2015 Post 2003 unrestricted net position decreased from \$107,438 to \$ 32,295. Pre-2004 unrestricted net assets of \$120,759 were transferred to the Property Management Fund upon its creation. The total unrestricted net position of \$ 32,295 is reflected on the statement of net position as:

Net investment in capital assets	\$ 28,105
Unrestricted	<u>4,190</u>
Total unrestricted net assets	<u>\$ 32,295</u>

H. EXPENDITURES IN EXCESS OF BUDGET

At June 30, 2015 expenditures in the Shelter Plus Care and Continuum of Care programs had exceeded their respective budget in the amounts of \$3,703 and \$14,381, respectively. Additional resources became available in the latter part of the year and a budget amendment was not prepared and approved in a timely manner.

5. COMPONENT UNIT – SOCORRO VILLAGE, LLC

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ORGANIZATION

Socorro Village Apartments is a forty-unit apartment facility for the elderly and low income, located at 444 Eaton Avenue, Socorro, New Mexico. It is operated under Section 202 of the National Housing Act and regulated by the U.S. Department of Housing and Urban Development (HUD) with respect to rental charges and operating methods. The project is owned by Socorro Village, LLC, a New Mexico Limited Liability Company. There is no capital stock issued. Socorro Village, LLC is an organization exempt from income tax under provisions of Section 501 (c) (4) of the Internal Revenue Code. Socorro Village, LLC is owned equally by El Camino Real Housing Authority and Pioneer Socorro, LLC.

Socorro Village, LLC, is a component unit of El Camino Real Housing Authority. El Camino Real Housing Authority is a political subdivision of the State of New Mexico and a component unit of Socorro County, New Mexico. There are no component units of Socorro Village, LLC.

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NOTES TO FINANCIAL STATEMENTS, *continued*
June 30, 2015

5. **COMPONENT UNIT – SOCORRO VILLAGE, LLC *continued***

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

FEDERALLY SUBSIDIZED RENT INCOME

Socorro Village has a Housing Assistance Payment (HAP) contract (NM16M000081) with the U.S. Department Housing and Urban Development (HUD). Under the contract, Socorro Village receives rental assistance for their tenants from HUD. HUD approves the maximum allowance monthly rents that could be charged. The current maximum allowable monthly rent is \$549 per unit (effective 6-1-12). There are forty rental units at Socorro Village; all are income-producing units. The HUD rent subsidy amounted to \$ 134,569 during the year ended June 30, 2015.

METHOD OF ACCOUNTING

The accrual method of accounting is used for financial statement reporting.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost if purchased or Fair Market Value if contributed. Construction in progress is not depreciated until placed in service. The capitalization threshold is any individual item with a cost greater than \$5,000. Buildings, improvements and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets as follows:

Buildings and Improvements	10-40 years
Furnishings and Equipment	3-10 years

INCOME TAXES

Neither the Project nor its exempt owners are subject to income taxes.

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 A COMPONENT UNIT OF SOCORRO COUNTY
 NOTES TO FINANCIAL STATEMENTS, continued
 June 30, 2015

5. COMPONENT UNIT – SOCORRO VILLAGE LLC, continued

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

DISTRIBUTIONS

The Project’s regulatory agreement with HUD stipulates, among other things, that the Project will not make distributions of assets or income to any of its officers or directors.

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.

CASH EQUIVALENTS

For the Statement of Cash Flows, all unrestricted investment instruments with original maturities of three months or less are cash equivalents. The Project had no investments during the period.

NOTE B – CASH IN BANKS

The operating accounts are maintained at commercial banks in the name of the entity. The Tenant Security Deposit account is maintained as a Trust Account. The Reserve for Replacement and debt service reserve accounts are held by the New Mexico Mortgage Finance Authority in trust for Socorro Village, LLC. The only interest bearing account is the Reserve for Replacement. Socorro Village, LLC is not a public entity subject to the Public Money Act statutes under Section 6-10-1 to 6-10-63, NMSA 1978. Socorro Village was not exposed to custodial credit risk at June 30, 2015.

	<u>First State Bank</u>	<u>NMMFA</u>
Deposits in Banks:		
Interest bearing accounts	\$ 8,763	69,012
Non-interest bearing a/c’s	<u>255,794</u>	
Total deposits	264,557	69,012
Less FDIC Coverage	<u>264,557</u>	<u>69,012</u>
Uninsured Public Funds	\$ <u>0</u>	<u>0</u>

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 A COMPONENT UNIT OF SOCORRO COUNTY
 NOTES TO FINANCIAL STATEMENTS, continued
 June 30, 2015

5. COMPONENT UNIT – SOCORRO VILLAGE LLC, continued

NOTE C – ACCOUNTS AND NOTES RECEIVABLE

Tenant Accounts Receivable – Net of allowance for doubtful accounts -\$0- \$1,733.
 Notes Receivable – None

NOTE D – RESERVE FOR REPLACEMENT

In accordance with the provisions of the Loan Agreement, restricted cash is held by New Mexico Mortgage Finance Authority to be used for replacement of capital assets or for operations upon the prior approval of NMMFA. A schedule of activity follows:

<u>Balance, beginning of period</u>	\$	58,950
<u>Current year contributions</u>		9,999
<u>Interest earned net of fees</u>		63
<u>Balance, end of period</u>	\$	<u>69,012</u>

NMMFA holds the funds in an interest bearing account. Interest on the account is paid directly into the Reserve for Replacement Account.

NOTE E – PROPERTY AND EQUIPMENT

		<u>Capital Assets, at Cost</u>				
		Capital				
		<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Equipment</u>	<u>Total</u>
Balances, of year	Beginning	\$ 53,210	2,412,360	362,935	106,441	2,934,946
Additions						
Deletions						
Balances, End of Year		\$ <u>53,210</u>	<u>2,412,360</u>	<u>362,935</u>	<u>106,441</u>	<u>2,934,946</u>

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 NOTES TO FINANCIAL STATEMENTS, continued
 June 30, 2015

5. COMPONENT UNIT – SOCORRO VILLAGE LLC, continued

NOTE E – PROPERTY AND EQUIPMENT, continued

	<u>Accumulated Depreciation</u>				<u>Total</u>
	<u>Land</u>	<u>Buildings</u>	<u>Capital Improvements</u>	<u>Equipment</u>	
Balances, Beginning of Year	\$	930,424	183,185	96,324	1,209,933
Provisions		44,220	30,020	10,116	84,356
Deletions		_____			
Balances, End of Period		<u>974,644</u>	<u>213,205</u>	<u>106,440</u>	<u>1,294,289</u>
Net Book Value as of End of Period	\$	<u>53,210</u>	<u>1,437,716</u>	<u>0</u>	<u>1,640,656</u>

NOTE F – ACCOUNTS PAYABLE

Trade accounts payable are from normal operations and are all current.

NOTE G – ACCRUED INTEREST PAYABLE

Mortgage interest payable is accrued for the monthly mortgage payments.

NOTE H – MORTGAGE NOTES PAYABLE

HOME PROGRAM LOAN

On October 22, 2008, Socorro Village, LLC entered into a loan agreement with New Mexico Mortgage Finance Authority, for an \$ 800,000 Home Loan Program. The loan proceeds are from federally appropriated funds made available under lender’s HOME Program, pursuant to Title II of the National Affordable Housing Act of 1990, as amended, and federal regulations at 24CFR Part 92. The proceeds were used on the development of the project. The loan is secured by a first mortgage on the property. The mortgage loan is a non-amortizing loan with interest payments only at 1%. Principal is due at the earlier of sale or refinancing of the project or on the maturity date of the note which is December 1, 2048.

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 A COMPONENT UNIT OF SOCORRO COUNTY
 NOTES TO FINANCIAL STATEMENTS, continued
 June 30, 2015

5. COMPONENT UNIT – SOCORRO VILLAGE LLC, continued

NOTE H – MORTGAGE PAYABLE, continued

HOME PROGRAM LOAN, continued

Borrower shall make 456 monthly interest-only payments beginning on the first day of the twenty fifth (25th) month following the closing date and on the first day of each month thereafter until maturity.

	<u>Home Loan</u>
Mortgage Payable at beginning of year	\$ 800,000
Principal payments during fiscal year	_____
Mortgage Payable at end of year	\$ <u>800,000</u>

ENERGY SAVERS AND HOME TRUST

On November 6, 2008, Socorro Village, LLC entered into a loan agreement with New Mexico Mortgage Finance Authority for a \$250,000 Energy Saver Loan to be used for the acquisition and installation of eligible energy efficient improvements to the unit housing project. The promissory note bears interest at one percent (1%) per annum from the date of each disbursement of the loan funds. Borrower shall make 360 monthly principal and interest payments on the outstanding balance, beginning on the first day of the twenty-fourth (24th) month following the loan closing and on the first day of each month thereafter until maturity. The entire principal amount, plus all accrued interest, will be due and payable on December 1, 2040, the maturity date. The loan is secured by a second mortgage on the 40 unit housing project.

On November 6, 2008, Socorro Village, LLC entered into a loan agreement with New Mexico Finance Authority, for a \$340,000 Home Trust Fund Loan to be used for the acquisition and rehabilitation of the 40 unit housing project. The promissory note bears interest at three percent (3%) per annum from the date of each disbursement of loan funds. Borrower shall make 360 monthly principal and interest payments on the outstanding balance, beginning on the first day of the twenty-fourth (24th) month following the loan closing and on the first day of each month thereafter until maturity. The entire principal amount, plus all accrued interest, will be due and

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 A COMPONENT UNIT OF SOCORRO COUNTY
 NOTES TO FINANCIAL STATEMENTS, *continued*
 June 30, 2015

5. COMPONENT UNIT – SOCORRO VILLAGE LLC, *continued*

NOTE H – MORTGAGE PAYABLE, *continued*

ENERGY SAVERS AND HOME TRUST LOAN, *continued*

payable on December 1, 2040, the maturity date. The loan is secured by a second mortgage on the 40 unit housing project.

The Energy Savers and Home Trust Loan agreement requires that a Replacement Reserve Account be established with the Lender, to be held in trust. The initial reserve was established in the amount of \$250 per unit, for a total of \$10,000. In addition, the borrower will make a deposit into the Replacement Reserve concurrent with the first payment of principal and with each monthly payment thereafter, equal to one-twelfth of \$250 per unit per year. Interest earned on the reserve account will become a part of the reserve. Disbursement from the reserve may be made only with prior written consent of the lender. In the event of default, the lender may apply the reserve fund to payment due on the loan.

See note on restricted deposits and funded reserves for reserve balance and activity.

	<u>Energy Saver</u>	<u>Home Trust</u>
Mortgage Payable at beginning of year	\$ 223,929	\$ 314,196
Draws on Loans during fiscal year		
Principal payments during fiscal year	<u>(7,444)</u>	<u>(7,883)</u>
Mortgage Payable at end of year	\$ <u>216,485</u>	\$ <u>306,313</u>

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 A COMPONENT UNIT OF SOCORRO COUNTY
 NOTES TO FINANCIAL STATEMENTS, *continued*
 June 30, 2015

5. COMPONENT UNIT – SOCORRO VILLAGE LLC, *continued*

NOTE H – MORTGAGE PAYABLE, *continued*

COMBINED MORTGAGE PAYABLE SCHEDULE

A combined schedule of all principal and interest payments once the construction loans have been fully drawn, is as follows:

<u>Due FYE 6-30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
16	\$ 15,642	19,209	34,851
17	15,964	18,886	34,850
18	16,295	18,555	34,850
19	16,635	18,216	34,851
20	16,983	17,868	34,851
21-25	90,461	83,792	174,253
26-30	100,630	73,623	174,253
31-35	112,216	62,037	174,253
36-40	125,433	48,820	174,253
41-45	12,539	40,083	52,622
46-49	<u>800,000</u>	<u>32,000</u>	<u>832,000</u>
Total	<u>\$1,322,798</u>	<u>433,089</u>	<u>1,755,887</u>
Current portion of mortgages		\$	15,642
Long-term portion of mortgages			<u>1,307,156</u>
Total mortgages payable as of June 30, 2015		\$	<u>1,322,798</u>

NOTE I – UNRESTRICTED NET POSITION

The unrestricted net position of Socorro Village LLC is in the amount of \$ 157,206 as of June 30, 2015.

It is the project’s policy to expend restricted sources prior to unrestricted sources when both sources are available for expenditure.

**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A COMPONENT UNIT OF SOCORRO COUNTY
NOTES TO FINANCIAL STATEMENTS, continued
June 30, 2015**

5. COMPONENT UNIT – SOCORRO VILLAGE LLC, continued

NOTE J – RENT INCREASE

Under the regulatory agreement, the Project may not increase rents charged to tenants without HUD approval.

NOTE K – RESIDUAL RECEIPTS ACCOUNT

The project does not have any residual receipts. Use of the residual receipts account is contingent upon HUD's prior written approval.

NOTE L – MANAGEMENT FEE

The project paid management and administrative fees to El Camino Real Housing Authority in the amounts of \$ 18,000 and \$ 12,000 respectively. In addition, the project reimbursed El Camino Real Housing Authority for maintenance wages and benefits contracts in the amount of \$ 51,041.

NOTE M – RELATED PARTY TRANSACTION

El Camino Real Housing Authority (ELRHA) is a 50% owner of Socorro Village, LLC. ECRHA is the management and administrative agent for Socorro Village, LLC. ECRHA receives management and administration fees as described in Note L. ECRHA receives reimbursement for costs that are provided on behalf of Socorro Village, LLC. Socorro Village, LLC does not have any employees.

Pioneer Socorro, LLC (Pioneer) is a 50% owner of Socorro Village, LLC. Pioneer is wholly owned by New Mexico Housing and Community Development Corporation (NMHCD), a New Mexico Nonprofit Corporation.

NOTE N – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Project's sole activity is a 40 unit apartment project. The Project's operations are concentrated in the multifamily elderly and low income real estate market. In addition, the Project operates in a heavily regulated environment. The operations of the Project are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

SUPPLEMENTARY INFORMATION

SOCORRO VILLAGE, LLC
 HUD PROJECT NO. NM16M000081
 Socorro, New Mexico
 Statement of Net Position
 June 30, 2015

ASSETS

Current assets, unrestricted:	
Cash and cash equivalents	\$ 162,416
Due from grantor	10,136
Accounts receivable - tenants, net of -0- allowance	1,733
Total current unrestricted assets	<u>174,285</u>
Current assets, restricted:	
Security and pet deposits	8,524
Operating reserve	93,540
Reserve for replacements	69,012
Total current restricted assets	<u>171,076</u>
Capital assets not being depreciated:	
Land	53,210
Capital assets, net of accumulated depreciation:	
Buildings and improvements	1,437,716
Other assets	149,730
Furniture, machinery and equipment	
Net Capital Assets	<u>1,640,656</u>
Total Assets	<u>\$ 1,986,017</u>

LIABILITIES AND NET POSITION

Current liabilities:	
Accounts payable	\$ 7,928
Due to property management	7,537
Accrued interest payable	1,613
Tenant security and pet deposits	8,524
Total current liabilities	<u>25,602</u>
Noncurrent liabilities:	
Due within one year	15,642
Due in more than one year	1,307,156
Total noncurrent liabilities	<u>1,322,798</u>
Total Liabilities	<u>1,348,400</u>
Net Position:	
Net investment in capital assets	317,859
Restricted	162,552
Unrestricted	157,206
	<u>637,617</u>
Total Liabilities and Net Position	<u>\$ 1,986,017</u>

SEE INDEPENDENT AUDITORS' REPORTS
 The Accompanying Notes Are An Integral Part of These Financial Statements

SOCORRO VILLAGE, LLC
HUD PROJECT NO. NM16M000081
Socorro, New Mexico
Statement of Revenues, Expenses and Changes
in Fund Net Position
For the Year Ended June 30, 2015

Operating Revenue:	
Charges for services:	
Rental charges	\$ 118,132
Other	2,749
Operating grants:	
Rent subsidy from HUD	134,569
Coordinator grant	22,356
Total Operating Revenues	<u>277,806</u>
Operating Expenses:	
Administrative:	
Coordinator contract	17,257
Coordinator benefits	1,320
Legal	5,664
Audit	9,442
Accounting	13,447
Consulting	
Advertising and Rental Expenses	727
Management fee	18,000
Administrative fee	12,000
Office	2,875
Training and Travel	2,429
Other	7,703
Utilities:	
Gas, water, sewer and trash	26,802
Electricity	19,321
Ordinary maintenance & operations:	
Labor and benefits contract	32,463
Materials and supplies	12,231
Exterminating contracts	4,314
Ground and landscaping contracts	7,742
Other contracts	667
General expenses:	
Insurance	10,223
Depreciation	84,356
Total operating expenses	<u>288,983</u>
Operating income (loss)	<u>(11,177)</u>
Nonoperating revenue (expense):	
Interest income	
Interest expense	(19,498)
Net nonoperating revenue (expense)	<u>(19,498)</u>
Change in fund net position	(30,675)
Net position, beginning of year	<u>668,292</u>
Net position, end of year	<u>\$ 637,617</u>

SEE INDEPENDENT AUDITORS' REPORTS
The Accompanying Notes Are An Integral Part of These Financial Statements

STATEMENT 2

SOCORRO VILLAGE, LLC
HUD PROJECT NO. NM16M000081
Socorro, New Mexico
Statement of Cash Flows
For the Year Ended June 30, 2015

Cash Flows from Operating Activities:	
Cash received from tenants and others for services	\$ 120,112
Cash received from operating grants	161,776
Cash paid to and on behalf of employees	(18,577)
Cash paid to vendors for goods and services	(204,705)
Net cash flows from operating activities	<u>58,606</u>
Cash flows from capital and related financing activities:	
Payments on capital debt	(34,851)
Purchase of capital assets	
Net cash flows from capital and related financing activities	<u>(34,851)</u>
Cash flows from investing activities:	
Interest received	
Net cash flows from investing activities	<u></u>
Net increase (decrease in cash and cash equivalents)	23,755
Cash and cash equivalents at beginning of year	<u>309,737</u>
Cash and cash equivalents at end of year	<u>\$ 333,492</u>
Shown as:	
Unrestricted cash and cash equivalents	\$ 162,416
Restricted cash and cash equivalents	<u>171,076</u>
	<u>\$ 333,492</u>

SEE INDEPENDENT AUDITORS' REPORTS
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT 3, continued

SOCORRO VILLAGE, LLC
HUD PROJECT NO. NM16M000081
Socorro, New Mexico
Statement of Cash Flows
For the Year Ended June 30, 2015

Reconciliation of Net Income (Loss) to Net Cash Provided by Operating Activities:		
Net Operating Income (Loss)	\$	(11,177)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation		84,356
Decrease (Increase) in:		
Accounts Receivable-Tenants		(1,733)
Due from Grantor		4,851
Prepaid Expenses		2,590
Increase (Decrease) in:		
Accounts Payable-Trade		714
Due to ECRHA		(22,023)
Accrued salaries and benefits		
Tenant Security Deposits		1,028
Compensated absences		
Net Cash Provided (Used) by Operating Activities	\$	<u>58,606</u>

SEE INDEPENDENT AUDITORS' REPORTS
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT 3

OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 A Component Unit of Socorro County
 SOCORRO, NEW MEXICO
 HOUSING CHOICE VOUCHER PROGRAM
 STATEMENT OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BASIS)
 For the Year Ended June 30, 2015

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
Charges for services	\$		11,102		11,102
HUD operating grants:					
HCV Administrative	336,000	336,000	277,778		(58,222)
HCV HAP	2,412,000	2,412,000	2,364,091		(47,909)
Other government grants	10,000	10,000	9,583		(417)
Family Self Sufficiency	25,000	25,000	24,686		(314)
Total Revenues	<u>2,783,000</u>	<u>2,783,000</u>	<u>2,687,240</u>		<u>(95,760)</u>
Expenditures:					
Administration:					
Salaries and wages	126,125	122,474	122,770	3,651	(296)
Benefits	45,460	49,111	47,151	(3,651)	1,960
Office expense	58,400	54,900	59,163	3,500	(4,263)
Audit	18,500	18,500	23,353		(4,853)
Accounting	31,000	31,000	32,654		(1,654)
Travel and training	30,000	30,000	21,598		8,402
Advertising and promotion	1,500	1,500	856		644
Other	16,200	19,700	18,034	(3,500)	1,666
Tenant services - salaries & benefits	33,926	33,926	34,269		(343)
Insurance and other general expenses	9,889	9,889	12,464		(2,575)
Compensated absence expense			5,241		(5,241)
Port In			7,176		(7,176)
Housing assistance payments	<u>2,412,000</u>	<u>2,412,000</u>	<u>2,283,044</u>		<u>128,956</u>
Total Expenditures	<u>2,783,000</u>	<u>2,783,000</u>	<u>2,667,773</u>		<u>115,227</u>
Net Change in Position	\$		19,467		19,467
Reconciliation to GAAP Financial Statement					
Depreciation not budgeted			(13,463)		
Rounding					
Net Change in Position			\$ <u>6,004</u>		

SEE INDEPENDENT AUDITORS' REPORTS
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT 4

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 SOCORRO, NEW MEXICO
 SHELTER PLUS CARE PROGRAM
 STATEMENT OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BASIS)
 For the Year Ended June 30, 2015

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Positive (Negative)	
				Original Budget To Final	Actual to Final Budget
Revenues:					
HUD operating grant	\$ 39,960	39,960	43,663		3,703
Total Revenues	<u>39,960</u>	<u>39,960</u>	<u>43,663</u>		<u>3,703</u>
Expenditures:					
Administrative:					
Salaries and wages	2,600	2,600	2,627		(27)
Benefits	360	360	443		(83)
Other			165		(165)
Tenant Services	37,000	37,000	40,428		(3,428)
Total Expenditures	<u>39,960</u>	<u>39,960</u>	<u>43,663</u>		<u>(3,703)</u>
Net Change in Position	\$ _____	_____	_____	_____	_____

SEE INDEPENDENT AUDITORS' REPORTS
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT 5

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 SOCORRO, NEW MEXICO
 PROPERTY MANAGEMENT
 STATEMENT OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BASIS)
 For the Year Ended June 30, 2015

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Property Management - Socorro Village	\$ 97,000	97,000	81,041		(15,959)
Property Management - Vista Montano	42,000	42,000	52,225		10,225
Other Fees for Services			701		701
Total Revenues	<u>139,000</u>	<u>139,000</u>	<u>133,967</u>		<u>(5,033)</u>
Expenditures:					
Administrative:					
Salaries and wages	105,200	105,200	80,846		24,354
Benefits	20,643	23,425	20,568	(2,782)	2,857
Travel and training	6,422	6,422	6,531		(109)
Other	3,953	3,953	19,406		(15,453)
General Expenses:					
Insurance	2,782			2,782	
Compensated absences					
Total Expenditures	<u>139,000</u>	<u>139,000</u>	<u>127,351</u>		<u>11,649</u>
Net Change in Position	\$		<u>6,616</u>		<u>6,616</u>

SEE INDEPENDENT AUDITORS' REPORTS
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT 6

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 SOCORRO, NEW MEXICO
 CONTINUUM OF CARE
 STATEMENT OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP BASIS)
 For the Year Ended June 30, 2015

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Positive (Negative)	
				Original Budget To Final	Actual to Final Budget
Revenues:					
HUD operating grant	\$ 170,000	183,600	197,981	13,600	14,381
Total Revenues	<u>170,000</u>	<u>183,600</u>	<u>197,981</u>	<u>13,600</u>	<u>14,381</u>
Expenditures:					
Administrative:					
Salaries and wages	11,800	11,800	12,116		(316)
Benefits	1,639	1,800	1,789	(161)	11
Travel and training			164		(164)
Other			596		(596)
Tenant Services	170,000	170,000	183,316		(13,316)
General Expense - Insurance	161			161	
Total Expenditures	<u>183,600</u>	<u>183,600</u>	<u>197,981</u>		<u>(14,381)</u>
Net Change in Position	\$ <u>(13,600)</u>			<u>13,600</u>	

SEE INDEPENDENT AUDITORS' REPORTS
 The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT 7

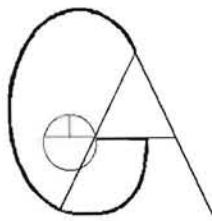
STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A Component Unit of Socorro County
SOCORRO, NEW MEXICO
SOCORRO VILLAGE APARTMENTS
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP BASIS)
For the Year Ended June 30, 2015

	Budgeted Amount		Actual (Budgetary Basis)	Positive (Negative)	
	Original Budget	Revised Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Charges for Services:					
Tenant Rents	\$		118,132		118,132
Other Income			2,749		2,749
Grant Revenues					
HUD Rent Subsidies			134,569		134,569
Sevice Coordinator			22,356		22,356
Total Revenues			<u>277,806</u>		<u>277,806</u>
Expenditures:					
Administration:					
Management fees			18,000		(18,000)
Administrative fees			12,000		(12,000)
Audit fees			9,442		(9,442)
Accounting fees			13,447		(13,447)
Advertising and marketing			727		(727)
Office expense			2,875		(2,875)
Travel and training			2,429		(2,429)
Legal fees			5,664		(5,664)
Service coordinator salary			17,257		(17,257)
Service coordinator benefits			1,320		(1,320)
Other administrative costs			7,703		(7,703)
Utilities:					
Gas/Water/Sewer			26,802		(26,802)
Electricity			19,321		(19,321)
Maintenance:					
Contracts - ECRHA			32,463		(32,463)
Contracts - Other			12,722		(12,722)
Supplies			12,231		(12,231)
Other Services					
General:					
General liability insurance			2,204		(2,204)
Property insurance			8,019		(8,019)
Debt Service:					
Interest			19,498		(19,498)
Total expenditures			<u>224,124</u>		<u>(224,124)</u>
Net Change in Position	\$		<u>53,682</u>		<u>53,682</u>
Reconciliation to GAAP Financial Statement					
Depreciation not budgeted			<u>(84,356)</u>		
Net Change in Position			<u>\$ (30,674)</u>		

SEE INDEPENDENT AUDITORS' REPORTS
The Accompanying Notes Are An Integral Part Of These Financial Statements

STATEMENT 8

COMPLIANCE SECTION



Gary E. Gaylord, C.P.A.

GARY E. GAYLORD, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

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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***

INDEPENDENT AUDITOR'S REPORT

Mr. Tim Keller, State Auditor, and
Members of the Board of Commissioners
El Camino Real Housing Authority
Socorro, New Mexico

Regional Inspector General for Audit
Department of Housing and Urban Development
Fort Worth, Texas

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 the business-type activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information, and budgetary comparisons of the proprietary funds presented as supplemental information of El Camino Real Housing Authority (Housing Authority), a component unit of Socorro County, Socorro, New Mexico as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements and have issued my report thereon dated October 14, 2015.

Internal Control Over Financial Reporting

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

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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STANDARDS, continued**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying *schedule of findings and questioned costs* that I consider to be a significant deficiency. 2015-001

Compliance and Other Matters

As part of obtaining reasonable assurance about whether El Camino Real Housing Authority's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, Section 12-6-5 NMSA 1978 and Rule 2.2.2.10 I (1) (b) issued by the Office of the State Auditor that does not rise to the level of a significant deficiency: 2015-002.

The Agency's Response to Finding

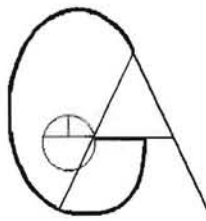
The Agency's responses to findings identified in my audit are described in the accompanying *Schedule of Findings and Questioned Costs*. The responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

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



Gary E. Gaylord, Ltd.
Albuquerque, New Mexico
October 14, 2015



Gary E. Gaylord, C.P.A.

GARY E. GAYLORD, LTD.
CERTIFIED PUBLIC ACCOUNTANTS

740 San Mateo NE, Box A-3
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

Mr. Tim Keller, State Auditor
And Board of Commissioners
El Camino Real Housing Authority
Socorro, New Mexico

Regional Inspector General for Audit
Department of Housing and Urban Development
Fort Worth, Texas

Report on Compliance for Each Major Federal Program

I have audited El Camino Real Housing Authority, Socorro, New Mexico's (Housing Authority's), a component unit of Socorro County, compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended June 30, 2015. The 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*.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the Housing Authority's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 El Camino Real Housing Authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**
Continued

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of El Camino Real Housing Authority's compliance.

Opinion on Each Major Federal Program

In my opinion, El Camino Real Housing Authority complied, in all material respects, with the types of 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, 2015.

Other Matters

The results of my auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2015-002. My opinion on each major federal program is not modified with respect to this matter.

The Housing Authority's response to the noncompliance finding identified in my audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Report on Internal Control Over Compliance

Management of El Camino Real Housing Authority (Housing Authority) is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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, I do not express an opinion on the effectiveness of 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. *A Significant deficiency in internal control over compliance* is a deficiency, or a

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

Continued

combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My 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 material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

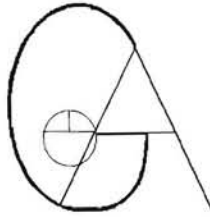
The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

I have audited the financial statements of El Camino Real Housing Authority as of and for the year ended June 30, 2015, and have issued my report thereon dated October 14, 2015 which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 my opinion, the Schedule of Expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Gary E. Gaylord, Ltd.
Albuquerque, New Mexico
October 14, 2015



Gary E. Gaylord, C.P.A.

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**INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION**

Mr. Tim Keller, State Auditor, and
Members of the Board of Commissioners
El Camino Real Housing Authority
Socorro, New Mexico

Regional Inspector General for Audit
Department of Housing and Urban Development
Fort Worth, Texas

My report on the audit of the basic financial statements of El Camino Real Housing Authority, Socorro, New Mexico, for the year ended June 30, 2015 appears on pages 4 and 5. The audit was conducted for the purpose of forming an opinion on the basic financial statements and budgetary comparisons. The Financial Data Schedule (FDS) submitted electronically to United States Department of Housing and Urban Development Real Estate Assessment Center (HUD/REAC) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The FDS has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in my opinion, presents fairly, in all material respects, the financial position of El Camino Real Housing Authority, Socorro, New Mexico as of June 30, 2015, and the results of its operations for the year then ended in conformity with the accounting practices prescribed or permitted by HUD/REAC.

Gary E. Gaylord, Ltd.
Albuquerque, New Mexico
October 14, 2015

ADDITIONAL SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 A Component Unit of Socorro County
 SOCORRO, NEW MEXICO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2015

Federal Grants	Federal CFDA Number	Federal Grant/Project Number	Expenditures
El Camino Real Housing Authority:			
Direct grants from U.S. Department of Housing and Urban Development			
Major Programs:			
Section 8 Housing Choice Voucher	14.871	NM077VO	\$ 2,364,091
Section 8 Housing Choice Voucher	14.871	NM077AF	277,777
Non-major program:			
Family Self Sufficiency	14.877	2013-HCV-FSS-NM077	24,686
Shelter Plus Care	14.238	NM0067C6B011000	43,663
Continuum of Care	14.267	NM0054L6B011203	56,655
Continuum of Care	14.267	NM0054L65B011304	141,326
Total El Camino Real Housing Authority			<u>2,908,198</u>
Socorro Village, LLC (Component Unit):			
Direct grants from U.S. Department of Housing and Urban Development			
Non-major program:			
Housing Assistance Program	14.195	NM16M000081	134,569
Coordinator Grant Program	14-195	NM02HS10005	22,356
Total Socorro Village			<u>156,925</u>
Total U.S. Dept. of Housing and Urban Development			<u>\$ 3,065,123</u>
Total Expenditures of Federal Awards			<u>\$ 3,065,123</u>

- 1) The accompanying schedule of expenditures of federal awards includes the federal grant activity of the El Camino Real 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 statement
- 2) The Housing Authority did not have any sub-recipient grantees during the fiscal year ended June 30, 2014.
- 3) The Housing Authority did not receive any noncash assistance.
- 4) The Housing Authority did not have any Federal insurance in effect during the year.
- 5) The Housing Authority's Component Unit had a Federal loan of \$800,000 outstanding at June 30, 2015.

SEE INDEPENDENT AUDITORS' REPORTS
 The Accompanying Notes Are An Integral Part Of These Financial Statements

Schedule 1

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 A Component Unit of Socorro County
 SOCORRO, NEW MEXICO
 SCHEDULE OF BANK DEPOSITORIES
 JUNE 30, 2015

Bank Name	Account Name	Acct. Type	Bank Balance	Deposits in Transit	Outstanding Checks	Rounding	Book Balance
Wells Fargo Bank	El Camino Real Housing Authority	2	\$ 184,914		(2,415)		182,499
Wells Fargo Bank	Administrative Fees	2	59,083				59,083
Wells Fargo Bank	FFS Escrow Deposits	1	30,622				30,622
Wells Fargo Bank	Shelter Plus Care	1	674				674
Wells Fargo Bank	El Camino Real Housing Authority CD	2	16,537				16,537
First State Bank	Socorro Village LLC	1	162,254		(77)		162,177
First State Bank	Socorro Village Security/Pet Deposits	2	8,763				8,763
First State Bank	Socorro Village Operating Reserve	1	93,540				93,540
Compass Bank	NM MFA - Replacement Reserve	3	69,012				69,012
Total with financial institutions			\$ 625,399		(2,492)		622,907

Shown on Statement of Net Assets as:	El Camino Real H.A.		Socorro Village	Totals
	El Camino Real H.A.	Socorro Village		
Bank overdraft	\$ (4,517)			(4,517)
Unrestricted cash and cash equivalents	181,084	162,416		343,500
Restricted cash and cash equivalents:				
Housing Assistance Payments	82,226			82,226
FSS Escrow Accounts	30,622			30,622
Debt and operating reserves		162,552		162,552
Security and pet deposits		8,524		8,524
	\$ 289,415	333,492		622,907

Account Types:

- 1 Demand Deposits (non-interest bearing)
- 2 Interest Bearing
- 3 Paying agent a/c

SEE INDEPENDENT AUDITOR'S REPORTS
 The Accompanying Notes Are An Integral Part of These Financial Statements

STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A Component Unit of Socorro County
SOCORRO, NEW MEXICO
SCHEDULE OF COLLATERALIZATION
JUNE 30, 2015

<u>Bank Name</u>	<u>Description of Pledged Collateral</u>	<u>Maturity Date</u>	<u>CUSIP Number</u>	<u>Fair Market Value at 6/30/2015</u>	<u>Location of Safekeeper</u>
Wells Fargo Bank	FMAC	5/15/2027	3137ARXC5	57,039	BNY Mellon, New York

SEE INDEPENDENT AUDITOR'S REPORTS
The Accompanying Notes Are An Integral Port of These Financial Statements

SCHEDULE 3

EL CAMINO REAL HOUSING AUTHORITY
A Component Unit of Socorro County
SOCORRO, NEW MEXICO
FINANCIAL DATA SCHEDULE
June 30, 2015

FDS Line #	Accounts Description	Housing Choice Vouchers	Shelter Plus Care Program	Property Management	Continuum Of Care	Eliminations	Total
ASSETS:							
111	Cash - Unrestricted	47,875		128,018	5,191		181,084
112	Cash - Restricted - Modernization and Development						
113	Cash - Other Restricted	112,848					112,848
114	Cash - Tenant Security Deposits						
115	Cash - Restricted for Current Liabilities						
100	Total Cash	160,723		128,018	5,191		293,932
121	Accounts Receivable - PHA Projects						
122	Accounts Receivable - HUD Other Projects	12,396	14,704	20,604			47,704
124	Accounts Receivable - Other Government	16,954					16,954
125	Accounts Receivable - Miscellaneous						
126	Accounts Receivable - Tenants						
126.1	Allowance for Doubtful Accounts - Tenants						
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	29,350	14,704	20,604			64,658
131	Investments - Unrestricted						
132	Investments - Restricted						
135	Investments - Restricted for Payment of Current Liability						
142	Prepaid Expenses and Other Assets						
143	Inventories						
143.1	Allowance for Obsolete Inventories						
144	Inter Program Due From	9,393				(9,393)	
145	Assets Held for Sale						
150	Total Current Assets	199,466	14,704	148,622	5,191	(9,393)	358,590
161	Land						
162	Buildings						
163	Furniture, Equipment & Machinery - Dwelling						
164	Furniture, Equipment & Machinery - Administration	112,709					112,709
165	Leasehold Improvements						
166	Accumulated Depreciation	(84,604)					(84,604)
167	Construction in Progress						
168	Infrastructure						
160	Total Fixed Assets, Net of Accumulated Depreciation	28,105					28,105
180	Total Non-Current Assets	28,105					28,105
190	Total Assets	227,571	14,704	148,622	5,191	(9,393)	386,695

STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A Component Unit of Socorro County
SOCORRO, NEW MEXICO
FINANCIAL DATA SCHEDULE
June 30, 2015

FDS Line #	Accounts Description	Housing Choice Vouchers	Shelter Plus Care Program	Property Management	Continuum Of Care	Eliminations	Total
LIABILITIES:							
311	Bank Overdraft		4,517				4,517
312	Accounts Payable < 90 Days	14,107	794	5,165	507		20,573
313	Accounts Payable - 90 Days Past Due						
321	Accrued Wage/Payroll Taxes Payable	10,247		6,463	563		17,273
322	Accrued Compensated Absences - Current	5,241		673			5,914
324	Accrued Contingency Liability						
325	Accrued Interest Payable						
331	Accounts payable - HUD PHA Programs						
332	Accounts payable - PHA Projects						
333	Accounts payable - Other Government						
341	Tenant Security Deposits						
342	Unearned Revenue	52,833			4,121		56,954
343	Current Portion of Long Term Debt - Capital Projects/Mortgage						
344	Current Portion of Long Term Debt - Operating Borrowings						
345	Other Current Liabilities						
346	Accrued Liabilities - Other						
347	Inter Program - Due to		9,393			(9,393)	
348	Loan Liability - Current						
310	Total Current Liabilities	82,428	14,704	12,301	5,191	(9,393)	105,231
351	LTD, Net of Current - Capital Projects/Mortgage Revenue						
352	Long-term Debt, Net of Current - Operating Borrowings						
353	Non-current Liabilities - Other	30,622					30,622
354	Accrued Compensated Absences - Non Current						
355	Loan Liability - Non Current						
356	FASB 5 Liabilities						
357	Accrued Pension and OPEB Liabilities						
350	Total Noncurrent Liabilities	30,622					30,622
300	Total Liabilities	113,050	14,704	12,301	5,191	(9,393)	135,853
508.1	Invested in Capital Assets, Net of Related Debt	28,105					28,105
509.2	Fund Balance Reserved						
511.1	Restricted Net Position	82,226					82,226
511.2	Unreserved Designated Fund Balance						
512.1	Unrestricted Net Position	4,190		136,321			140,511
512.2	Unreserved Undesignated Fund Balance						
513	Total Equity/Net Assets	114,521		136,321			250,842
600	Total Liabilities and Equity/Net Assets	227,571	14,704	148,622	5,191	(9,393)	386,695

STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A Component Unit of Socorro County
SOCORRO, NEW MEXICO
FINANCIAL DATA SCHEDULE
June 30, 2015

FDS Line #	Accounts Description	Housing Choice Vouchers	Shelter Plus Care Program	Property Management	Continuum Of Care	Eliminations	Total
REVENUE:							
703	Net Tenant Rental Revenue						
704	Tenant Revenue - Other						
705	Total Tenant Revenue						
706	HUD PHA Operating Grants	2,666,554	43,663		197,981		2,908,198
706.1	Capital Grants						
707.1	Management Fee						
707.2	Asset Management Fee						
707.3	Book Keeping Fee						
707.4	Front Line Service Fee						
707.5	Other Fees						
707	Total Fee Revenue	2,666,554	43,663		197,981		2,908,198
708	Other Government Grants	9,583					
711	Investment Income - Unrestricted	2					2
712	Mortgage Interest Income						
713	Proceeds from Disposition of Assets Held for Sale						
713.1	Cost of Sale of Assets						
714	Fraud Recovery	200					200
715	Other Revenue	10,902		133,966			144,868
716	Gain or Loss on Sale of Capital Assets						
720	Investment Income - Restricted						
700	Total Revenue	2,687,241	43,663	133,966	197,981		3,062,851
EXPENSES:							
911	Administrative Salaries	122,771	2,627	80,173	12,116		217,687
912	Auditing Fees	23,353					23,353
913	Bookkeeping Fees						
914	Advertising and Promotion	856					856
915	Employee Benefit Contributions - Administrative	47,151	443	17,786	1,789		67,169
916	Office Expenses	59,163		444			59,607
917	Legal			3,000			3,000
918	Travel	21,598		6,531			28,129
918.1	Allocated Overhead						
919	Other	50,688	165	15,961	760		67,574
910	Total Operating - Administrative	325,580	3,235	123,895	14,665		467,375
920	Asset Management Fee						
921	Tenant Services - Salaries						
922	Relocation Costs						
923	Employee Benefit Contributions - Tenant Services						
924	Tenant Services - Other	34,269	40,428		183,316		258,013
925	Total Tenant Services	34,269	40,428		183,316		258,013

STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A Component Unit of Socorro County
SOCORRO, NEW MEXICO
FINANCIAL DATA SCHEDULE
June 30, 2015

FDS Line #	Accounts Description	Housing Choice Vouchers	Shelter Plus Care Program	Property Management	Continuum Of Care	Eliminations	Total
EXPENSES:							
931	Water						
932	Electricity						
933	Gas						
934	Fuel						
935	Labor						
936	Sewer						
937	Employee Benefit Contributions - Tenant Services						
938	Other Utilities Expense						
930	Total Utilities						
951	Protective Services - Labor						
952	Protective Services - Other Contract Costs						
953	Protective Services - Other						
955	Employee Benefit Contributions - Protective Services						
950	Total Protective Services						
941	Ordinary Maintenance and Operations - Labor						
942	Ordinary Maintenance and Operations - Materials and Other						
943	Ordinary Maintenance and Operations - Contracts						
945	Employee Benefit Contributions - Ordinary Maintenance						
940	Total Maintenance						
961.1	Property Insurance						
961.2	Liability Insurance	8,916					8,916
961.3	Workman's Compensation	3,548		2,782			6,330
961.4	All Other Insurance						
961	Total Insurance Premiums	12,464		2,782			15,246
962	Other General Expenses						
962.1	Compensated Absences	5,241		673			5,914
963	Payments in Lieu of Taxes						
964	Bad Debt - Tenant Rents						
965	Bad Debt - Mortgages						
966	Bad Debt - Other						
968	Severance Expense						
960	Total Other General Expenses	5,241		673			5,914
967.1	Interest on Mortgage (or Bonds) Payable						
967.2	Interest on Notes Payable (Short and Long Term)						
967.3	Amortization of Bond Issue Costs						
967	Total Interest Expense and Amortization Cost						
969	Total Operating Expenses	377,554	43,663	127,350	197,981		746,548
970	Excess Operating Revenue over Operating Expenses	2,309,687		6,616			2,316,303

STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A Component Unit of Socorro County
SOCORRO, NEW MEXICO
FINANCIAL DATA SCHEDULE
June 30, 2015

FDS Line #	Accounts Description	Housing Choice Vouchers	Shelter Plus Care Program	Property Management	Continuum Of Care	Eliminations	Total
EXPENSES:							
971	Extraordinary Maintenance						
972	Casualty Losses - Non-capitalized						
973	Housing Assistance Payments	2,283,044					2,283,044
973.5	HAP Portability-In	7,176					7,176
974	Depreciation Expense	13,463					13,463
975	Fraud Losses						
976	Capital Outlays - Governmental Funds						
977	Debt Principal Payment - Governmental Funds						
978	Dwelling Units Rent Expense						
900	Total Expenses	2,681,237	43,663	127,350	197,981		3,050,231
OTHER FINANCING SOURCES (USES):							
1001	Operating Transfers In						
1002	Operating Transfers Out						
1003	Operating Transfers from/to Primary Government						
1004	Operating Transfers from/to Component Unit						
1005	Proceeds from Notes, Loans and Bonds						
1006	Proceeds from Property Sales						
1007	Extraordinary Items, Net Gain/Loss						
1008	Special Items (Net Gain/Loss)						
1009.1	Inter Project Excess Cash Transfer In						
1009.2	Inter Project Excess Cash Transfer Out						
1009.3	Transfers between Program and Project - In						
1009.4	Transfers between Program and Project - Out						
1010	Total Other Financing Sources (Uses)						
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	6,004		6,616			12,620
1102	Required Annual Debt Principal Payments						
1103	Beginning Equity	108,517		129,705			238,222
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors						
1105	Changes in Compensate Absence Balance						
1106	Changes in Contingent Liability Balance						
1107	Changes in Unrecognized Pension Transition Liability						
1108	Changes in Special Term/Severance Benefits Liability						
1109	Changes in Allowance for Doubtful Accounts - Dwelling Rents						
1110	Changes in Allowance for Doubtful Accounts - Other						
1117	Administrative Fee Equity	32,295					32,295
1118	Housing Assistance Payments Equity	82,226					82,226

STATE OF NEW MEXICO
 EL CAMINO REAL HOUSING AUTHORITY
 A Component Unit of Socorro County
 SOCORRO, NEW MEXICO
 FINANCIAL DATA SCHEDULE
 June 30, 2015

FDS Line #	Accounts Description	Housing Choice Vouchers	Shelter Plus Care Program	Property Management	Continuum Of Care	Eliminations	Total
1119	Unit Months Available	6,096					6,096
1121	Number of Unit Months Leased	4,866					4,866
1127	Excess Cash						
1161	Land Purchases						
1162	Building Purchases						
1163	Furniture and Equipment - Dwelling Purchases						
1164	Furniture and Equipment - Administrative Purchases						
1165	Leasehold Improvements Purchases						
1166	Infrastructure Purchases						
1351	CFFP Debt Service Payments						
1390.1	Replacement Housing Factor Funds						

OTHER INFORMATION

El Camino Real Housing Authority
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2015
 Prepared by Mary Ann Chavez - Lopez_ Title:_Executive Director Date_10-14-15

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
There were no contracts that met the criteria for disclosure.								

**STATE OF NEW MEXICO
 EI CAMINO REAL HOUSING AUTHORITY
 A COMPONENT UNIT OF SOCORRO COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2015**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

1. Type of auditors' report issued Unmodified

Internal control over financial reporting:

1. Material weaknesses identified? No

2. Reportable condition (s) identified that are not
 considered to be material weaknesses? Yes

3. Noncompliance material to financial statements
 noted? No

Federal Awards:

Internal control over major programs:

1. Material weakness (es) identified? No

2. Reportable condition(s) identified that are not
 considered to be material weaknesses No

Type of auditors' report issued on compliance
 for major programs Unmodified

Any audit findings disclosed that are required to be
 reported in accordance with section 510(a) of
 Circular A-133? No

Identification of major programs:

CFDA Number
 14.871

Name of Federal Program or Cluster
 Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between
 Type A and Type B programs \$ 300,000

Auditee qualified as low-risk auditee No

**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A COMPONENT UNIT OF SOCORRO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued
For the Year Ended June 30, 2015**

SECTION II- FINDINGS

PRIOR YEAR AUDIT FINDINGS

CURRENT STATUS

Internal Control over Compliance – Federal Programs

2014-001 (SD) – Late Annual Performance Reports

Resolved

2014-002 (O) – Incomplete Tenant File Records

Resolved

CURRENT YEAR AUDIT FINDINGS

Internal Control over Compliance

2015-001 (SD) – Billing Practices

2015-002 (O) – Expenditures in Excess of Budget

**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A Component Unit of Socorro County
SOCORRO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued
For the Year Ended June 30, 2015**

**2015-001 – SIGNIFICANT DEFICIENCY
BILLING PRACTICES**

Statement of Condition:

At June 30, 2015 billings for reimbursements of allowable costs had not been submitted for payment in a timely manner.

Criteria:

It is the policy of the Housing Authority that all billings for reimbursements be prepared and submitted in a timely manner in order to minimize the negative effect on cash flows.

Effect:

Policy was not being followed and cash inflows were negatively impacted during the year.

Cause:

El Camino Real Housing Authority's (ECRHA's) access to the electronic HUD LOCCS billing system was not available for several months. The name change from Socorro County Housing Authority to ECRHA caused the access problems.

Recommendation:

Once the access to the electronic HUD LOCCS billing system has been resolved, ECRHA should immediately submit the billings.

Agency Response:

The access issues were just resolved and the billings are being submitted.

All billing will be completed by November 3, 2015. Mary Ann Chavez-Lopez, Executive Director for the ECRHA will be the person responsible for insuring all billing is completed in a timely manner.

**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A Component Unit of Socorro County
SOCORRO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued
For the Year Ended June 30, 2015**

**2015-002 – OTHER
EXPENDITURES IN EXCESS OF BUDGET**

Statement of Condition:

At June 30, 2015 the Housing Authority had expenditures in excess of its budgets in the Shelter Plus Care and Continuum of Care Funds in the amounts of \$3,703 and \$14,381, respectively.

Criteria:

Pursuant to Section 6-6-6 NMSA no official shall pay any check or warrant in excess of the approved budget.

Effect:

The allowances or claims or checks or warrant which are in excess of the approved budget shall be a liability against the officials so allowing or paying those claims or checks or warrants. A recovery for the excess amounts so allowed or paid may be had against the bondsmen of those officials.

Cause:

Additional resources were made available to the Housing Authority shortly before year end and appropriate budget amendments were not timely prepared and processed.

Recommendation:

Budget comparisons should be prepared and reviewed in a timely manner which will allow sufficient time to prepare timely budget amendments.

Agency Response:

Quarterly budget comparison reports for all programs will be reported and reviewed. Budget adjustments will be made when additional program revenues are received, which provide for an increase in program expenditures.

All budget comparison reports for all programs will be completed every quarter. This will be completed by Thomas R. Penner, CPA and will be reviewed and approved by the ECRHA Board of Commissioners at their Monthly meeting.

**STATE OF NEW MEXICO
EL CAMINO REAL HOUSING AUTHORITY
A COMPONENT UNIT OF SOCORRO COUNTY
EXIT CONFERENCE
June 30, 2015**

Preparation of Financial Statements:

The El Camino Real Housing Authority is responsible for the form and content of the accompanying financial statements which have been prepared by Gary E. Gaylord, Ltd.

Passed Audit Adjustments

There were no passed auditor adjustments.

Exit Conference

An exit conference was held at the offices of the El Camino Real Housing Authority on October 14, 2015. In attendance were the following:

Representing El Camino Real Housing Authority:

Mary Ann Chavez-Lopez
Lonnie Marquez
Rick Penner, CPA

Executive Director
Board Chairperson
Fee Accountant

Representing the Audit Firm:

Gary E. Gaylord, CPA

Auditor-in-Charge