

**STATE OF NEW MEXICO  
EL CAMNO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority**

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

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY DATA**

**For the Year Ended June 30, 2012**

**With Independent Auditors' Reports Thereon**

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**STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A COMPONENT UNIT OF SOCORRO COUNTY  
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**STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
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A COMPONENT UNIT OF SOCORRO COUNTY  
OFFICIAL ROSTER  
June 30, 2012**

**Board of Commissioners**

Lonnie Marquez  
Marcel Abeyta  
Bob Tacker  
Jose Lencho Vega

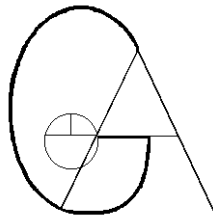
Chairperson  
Vice-Chairperson  
Commissioner  
Commissioner

**Administrative Staff**

Mary Ann Chavez

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

Hector H. Balderas, State Auditor  
and Board of Commissioners  
El Camino Real Housing Authority,  
formerly Socorro County Housing Authority  
Socorro, New Mexico

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

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 the El Camino Real Housing Authority (formerly Socorro County Housing Authority), a component unit of Socorro County, Socorro, New Mexico (Housing Authority) as of and for the year ended June 30, 2012, which collectively comprise the Housing Authority's basic financial statements as listed in the Table of Contents. I have also audited the financial statements for each of the Authority's nonmajor enterprise funds and the budgetary comparisons for the proprietary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012, as listed in the Table of Contents. These financial statements are the responsibility of the Housing Authority's management. 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, I express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.



## INDEPENDENT AUDITOR'S REPORT, continued

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 (formerly Socorro County Housing Authority), a component unit of Socorro County, as of June 30, 2012, 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 financial position of each nonmajor enterprise fund of the Housing Authority as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons of the proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 26, 2012 on my consideration of the Housing Authority's internal control over financial reporting and 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* and should be considered in assessing the results of my audit.

Management has omitted the 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, and the combining and individual fund financial statements, and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



September 26, 2012

STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A Component Unit of Socorro County  
SOCORRO, NEW MEXICO  
STATEMENT OF NET ASSETS  
June 30, 2012

	<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</u> <u>Business Type</u> <u>Activities</u>
<b><u>ASSETS</u></b>		
Current Assets, Unrestricted:		
Cash and cash equivalents	\$ 158,753	151,714
Investments	16,537	
Due from grantor	29,559	10,013
Due from component unit	31,275	
Other accounts receivable	8,669	1,730
Prepaid expenses	2,503	2,193
Current Assets, Restricted:		
Cash and cash equivalents, housing assistance payments	249,784	
Debt and operating reserves		132,692
Security and pet deposits		8,344
Capital assets not being depreciated:		
Land		53,210
Capital assets, net of accumulated depreciation:		
Land and other capital improvements		1,599,335
Other assets		223,685
Furniture, machinery and equipment	44,775	33,341
Total Assets	<u>541,855</u>	<u>2,216,257</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	7,667	20,610
Due to housing choice voucher program		31,275
Accrued salary and benefits	16,997	749
Tenant security and pet deposits		7,132
Accrued interest payable		1,689
Compensated absences, current	2,146	560
Noncurrent liabilities:		
Due within one year		14,765
Due in more than one year		1,353,102
Total liabilities	<u>26,810</u>	<u>1,429,882</u>
<b><u>NET ASSETS</u></b>		
Invested in capital assets, net of related debt	44,775	541,704
Restricted for housing assistance payments	249,784	
Unrestricted	220,486	244,672
Total net assets	<u>\$ 515,045</u>	<u>786,376</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  
Formerly Socorro County Housing Authority  
A Component Unit of Socorro County  
SOCORRO, NEW MEXICO  
STATEMENT OF ACTIVITIES  
June 30, 2012

<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>		
Primary Unit:					
Housing Authority:					
Business-type activities:					
Housing Services	\$ 2,439,366	90,079	1,965,400	(383,887)	
Interest on long-term debt	1,593			(1,593)	
	<u>2,440,959</u>	<u>90,079</u>	<u>1,965,400</u>	<u>(385,480)</u>	
Component Unit					
Socorro Village:					
Business-type activities:					
Housing Services	\$ 310,906	102,896	148,952		(59,058)
Interest on long-term debt	20,397				(20,397)
	<u>331,303</u>	<u>102,896</u>	<u>148,952</u>		<u>(79,455)</u>
General Revenues:					
Interest on Investments				13	76
Total General Revenues				<u>13</u>	<u>76</u>
Change in net assets				<u>(385,467)</u>	<u>(79,379)</u>
Net assets, beginning of year, as previously reported				627,006	865,755
Adjustment				<u>273,506</u>	<u>865,755</u>
				<u>900,512</u>	<u>865,755</u>
Net assets, at end of year				<u>\$ 515,045</u>	<u>786,376</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**  
 Formerly Socorro County Housing Authority  
 A Component Unit of Socorro County  
**SOCORRO, NEW MEXICO**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
 June 30, 2012

	<b>Housing Choice Vouchers</b>	<b>Shelter Plus Care</b>	<b>Nonmajor Proprietary Funds</b>	<b>Totals</b>
<b><u>ASSETS</u></b>				
Current assets, unrestricted:				
Cash and cash equivalents	\$ 95,288	63,465	1	158,754
Due from grantor		29,559		29,559
Due from component unit	31,275			31,275
Due from other governments	8,669			8,669
Prepaid expenses	2,503			2,503
Investments	16,537			16,537
Due from other funds	90,590			90,590
Total current unrestricted assets	<u>244,862</u>	<u>93,024</u>	<u>1</u>	<u>337,887</u>
Current assets, restricted:				
Cash and cash equivalents:				
Housing Assistance Payments	<u>249,784</u>			<u>249,784</u>
Total current restricted assets	<u>249,784</u>			<u>249,784</u>
Total current assets	<u>494,646</u>	<u>93,024</u>	<u>1</u>	<u>587,671</u>
Capital Assets:				
Capital assets being depreciated:				
Furniture, machinery and equipment	<u>44,775</u>			<u>44,775</u>
Total assets	<u>\$ 539,421</u>	<u>93,024</u>	<u>1</u>	<u>632,446</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**  
 Formerly Socorro County Housing Authority  
 A Component Unit of Socorro County  
**SOCORRO, NEW MEXICO**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
 June 30, 2012

	<b>Housing Choice Vouchers</b>	<b>Shelter Plus Care</b>	<b>Nonmajor Proprietary Funds</b>	<b>Totals</b>
<b><u>LIABILITIES</u></b>				
Current liabilities, payable from unrestricted assets:				
Accounts payable	\$ 5,232	2,435		7,667
Accrued salaries and benefits	16,997			16,997
Due to other funds		90,589	1	90,590
Accrued compensated absences	2,147			2,147
Total Current Liabilities	<u>24,376</u>	<u>93,024</u>	<u>1</u>	<u>117,401</u>
Total liabilities	<u>24,376</u>	<u>93,024</u>	<u>1</u>	<u>117,401</u>
<b><u>NET ASSETS</u></b>				
Invested in capital assets, net of related debt	44,775			44,775
Restricted for housing assistance payments	249,784			249,784
Unrestricted	220,486			220,486
Total net assets	<u>515,045</u>			<u>515,045</u>
Total liabilities and net assets	<u>\$ 539,421</u>	<u>93,024</u>	<u>1</u>	<u>632,446</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  
Formerly Socorro County Housing Authority  
A Component Unit of Socorro County  
SOCORRO, NEW MEXICO  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2012

United States Department of  
Housing and Urban Development

	Housing Choice Voucher	Shelter Plus Care	Nonmajor Proprietary Funds	Totals
Operating revenues:				
Charges for services:				
Miscellaneous	\$ 55,863			55,863
Total charges for services	55,863			55,863
Other operating revenues:				
Operating grants	1,676,471	263,929	25,000	1,965,400
Gain of sale of assets	34,216			34,216
Total operating revenues	1,766,550	263,929	25,000	2,055,479
Operating expenses:				
Administrative expenses	220,419	19,551	25,000	264,970
General expenses	16,187			16,187
Housing assistance payments	1,901,477	244,378		2,145,855
Depreciation	12,354			12,354
Total operating expenses	2,150,437	263,929	25,000	2,439,366
Net operating income	(383,887)			(383,887)
Nonoperating revenue (expenses):				
Interest income	13			13
Interest expense	(1,593)			(1,593)
Net non-operating income (expenses)	(1,580)			(1,580)
Net change in fund equity	(385,467)			(385,467)
Net assets, beginning of year, as previously reported	627,006			627,006
Adjustment	273,506			273,506
Net assets, beginning of year, as restated	900,512			900,512
Net assets, end of year	\$ 515,045			515,045

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  
Formerly Socorro County Housing Authority  
A Component Unit of Socorro County  
SOCORRO, NEW MEXICO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2012

United States Department of  
Housing and Urban Development

	Housing Choice Vouchers	Shelter Plus Care	Nonmajor Proprietary Funds	Totals
Cash flows from operating activities:				
Cash received from tenants and others for services	\$ 42,743			42,743
Cash received from operating grants	1,949,977	241,777	25,000	2,216,754
Cash paid for Housing Assistance Payments	(1,901,477)	(170,316)		(2,071,793)
Cash paid to and on behalf of employees	(108,414)	(17,765)	(25,000)	(151,179)
Cash paid to vendors for goods and services	(117,880)			(117,880)
Net cash flows from operating activities	<u>(135,051)</u>	<u>53,696</u>		<u>(81,355)</u>
Cash flows from noncapital financing activities:				
Transfers in from other programs				
Transfers out to other programs				
Net cash flows from noncapital financing activities				
Cash flows from capital and related financing activities:				
Cash received for capital acquisitions				
Proceeds from sale of assets	88,667			
Payments on debt	(32,160)			(32,160)
Purchase of property, plant and equipment	(31,636)			(31,636)
Net cash flows from capital and related financing activities	<u>24,871</u>			<u>(63,796)</u>
Cash flows from investing activities:				
Investment income	13			13
Net cash flows from investing activities	<u>13</u>			<u>13</u>
Net increase (decrease) in cash and cash equivalents	(110,167)	53,696		(145,138)
Cash and cash equivalents, beginning of year	<u>455,239</u>	<u>9,769</u>	<u>1</u>	<u>465,009</u>
Cash and cash equivalent, end of year	<u>\$ 345,072</u>	<u>63,465</u>	<u>1</u>	<u>319,871</u>
Shown on balance sheets as:				
Unrestricted cash and cash equivalents	95,288		1	95,289
Restricted cash and cash equivalents	249,784			249,784
	<u>\$ 345,072</u>		<u>1</u>	<u>345,073</u>

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

EXHIBIT E, continued

STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A Component Unit of Socorro County  
SOCORRO, NEW MEXICO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2012

	United States Department of Housing and Urban Development			
	Housing Choice Vouchers	Shelter Plus Care	Nonmajor Proprietary Funds	Totals
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net operating income	\$ (383,887)			(383,887)
Adjustments to reconcile net operating income to net cash flows from operating activities:				
Restricted cash from absorbed housing authority	273,506			273,506
Gain on sale of assets	(34,216)			(34,216)
Depreciation expense	12,354			12,354
Changes in assets and liabilities:				
(Increase)/decrease in assets:				
Tenant and other receivables, net	26,333			26,333
Due from HUD	21,106	(22,151)		(1,045)
Due from other funds	(74,061)			(74,061)
Due from other governments	13,503			13,503
Prepaid expenses	(1,000)			(1,000)
Increase/(decrease) in liabilities:				
Accounts payable	1,644	1,786		3,430
Due to other funds		74,061		74,061
Accrued salaries and benefits	9,723			9,723
Accrued compensated absences	(56)			(56)
	<u>\$ (135,051)</u>	<u>53,696</u>		<u>(81,355)</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  
Formerly Socorro County Housing Authority  
A COMPONENT UNIT OF SOCORRO COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

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**STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A COMPONENT UNIT OF SOCORRO COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

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**STATE OF NEW MEXICO**  
**EL CAMINO REAL HOUSING AUTHORITY**  
**Formerly Socorro County Housing Authority**  
**A COMPONENT UNIT OF SOCORRO COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

**A. PROGRAM GOAL AND THE PHA**

El Camino Real Housing Authority, (formerly Socorro County 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 is 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 as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on, before, and after November 30, 1989 unless these pronouncements conflict with or contradict GASB Statement No.'s 20 and 34 that provided the Authority the option of electing to apply FASB pronouncements issued after November 30, 1989. The Authority has elected not to apply FASB pronouncements issued after November 30, 1989.

The primary purpose of the El Camino Real 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 and 30 percent of the family's adjusted income.

**STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A COMPONENT UNIT OF SOCORRO COUNTY  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2012**

**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 and GASB #39. 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.

On July 1, 2011 Socorro County Housing Authority absorbed the Section 8 Housing Choice Voucher, Shelter Plus Care and Family Self Sufficient Programs previously operated by the Village of Los Lunas Housing Authority and changed its name to El Camino Real 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  
Shelter Plus Care

Nonmajor Funds:

Family Self-Sufficiency  
Home Rehab

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**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 Assets 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 support. 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 Assets 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 Assets.

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

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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**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.

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**

The Shelter Plus Care Program funds provided by the U.S. Department of Housing and Urban Development (HUD) grant number NM02C501001 pursuant to subtitle F of Title IV of the McKinney-Vento Homeless Assistance Act 42 U.S.C. 11301 and federal regulations at 24 CFR 582. The grant is a five year grant for a total of \$295,480. The Program is designed to link rental assistance to supportive services for hard-to-serve homeless persons with disabilities.

Nonmajor funds are combined and reported in a single column in the fund financial statements. The fund financial statements do not exclude interfund activity.

The Authority reports the following nonmajor funds:

Family Self-Sufficiency  
Home Rehab

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**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 on capital assets. 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.

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

**H. CAPITAL ASSETS AND DEPRECIATION, continued**

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against operations. Accumulated depreciation is reported on proprietary 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
Building	40 yrs

**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**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund 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 interfund transactions are treated as transfers.

During the year ended June 30, 2012 the Authority did not have any interfund transfers. The details of interfund receivables/payables are shown in Note 3 D.



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**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.

**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 assets and displayed in three components:

**Investment in capital assets, net of related debt** – This category reflects the portion of net assets that are associated with capital assets that were or are being used for capital asset acquisition/construction.

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

**Unrestricted net assets** – This category reflects net assets not restricted for any other purpose.

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

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:

**A. DEPOSITS AND INVESTMENTS, LAWS AND REGULATIONS**

El Camino Real 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.

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

**A. DEPOSITS AND INVESTMENTS, LAWS AND REGULATIONS, continued**

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, 2012 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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**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, 2012 the Housing Authority had only demand deposits and a certificate of deposit at local financial institutions.

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, 2012 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.

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**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. In order to limit this exposure, the housing authority deposits its funds in two separate local banks and monitors the bank’s collateralization of its deposits. At June 30, 2012 the Housing Authority’s deposits were fully insured by FDIC.

**B. ACCOUNTS RECEIVABLE**

Accounts receivables - HUD consists of \$ 29,559 for Shelter Plus Care costs not reimbursed at 06-30-12.

Due from other governments includes amounts due from Vista Montano for management fees in the amount of \$8,669.

Also, the housing authority recorded the amount due from Socorro Village for management fees, bookkeeping and payroll reimbursement (\$ 31,275). This amount is reflected as Due from Component Unit on its Statement of Net Assets.

**C. PREPAID EXPENSES**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. Prepaid insurance costs of \$2,503 have been recorded by the Authority.

**D. INTERFUND RECEIVABLES AND PAYABLES**

At June 30, 2012 El Camino Real Housing Authority had the following interfund receivables/payables:

	<u>Due from</u>	<u>Due to</u>
Section 8 Housing Choice Vouchers:		
Shelter Plus Care	\$ 90,590	
Shelter Plus Care		
Section 8 HCV		\$ 90,590

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

**D. INTERFUND RECEIVABLES AND PAYABLES, continued**

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

**E. CAPITAL ASSETS**

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

	Balance at June 30, 2011	Reclassification & <u>Additions</u>	Reclassification & <u>Deletions</u>	Balance at June 30, 2012
Capital assets not being depreciated:				
Land	\$ <u>31,518</u>	_____	(31,518)	_____
Total capital assets not being depreciated	<u>31,518</u>	_____	<u>(31,518)</u>	_____
Capital assets being depreciated:				
Building and building improvements	126,071		(126,071)	
Furniture, machinery and equipment	<u>96,634</u>	<u>31,636</u>	<u>(35,567)</u>	<u>92,703</u>
Total capital assets being depreciated	<u>222,705</u>	<u>31,636</u>	<u>(161,638)</u>	<u>92,703</u>
Less accumulated depreciation for:				
Building and building improvements	74,704	2,101	(76,805)	
Furniture, machinery and equipment	<u>73,243</u>	<u>10,252</u>	<u>(35,567)</u>	<u>47,928</u>
Total accumulated depreciation	<u>147,947</u>	<u>12,353</u>	<u>(112,372)</u>	<u>47,928</u>
Total capital assets being depreciated, net	<u>74,758</u>	<u>19,283</u>	<u>(49,266)</u>	<u>44,775</u>
Total capital assets, net	<u>\$ 106,276</u>	<u>19,283</u>	<u>(80,784)</u>	<u>44,775</u>

During the year ended June 30, 2012 El Camino Real Housing Authority sold its old office location to Socorro County. The sale resulted in a gain of \$34,216 which is reflected in the Housing Choice Voucher Program on the Statement of Revenues, Expenses and Changes in Fund Net Assets.

The Housing Authority traded in its two older vehicles and purchased a 2011 Ford Fiesta during the year. In addition, certain assets were accepted from the Village of Los Lunas Housing Authority as partial payment on accounts receivable.

All depreciation expense is charged to the Section 8 function in the Statement of Activities.

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3. DETAIL NOTES ON TRANSACTION CLASSES / ACCOUNTS, continued

F. ACCOUNTS PAYABLE

Accounts payable are for normal operating expenses. A schedule of accounts payable by fund at June 30, 2011, is as follows:

Section 8-HCV	\$ 5,232
Shelter Plus Care	<u>2,434</u>
Total	<u>\$ 7,666</u>

G. TRANSFERS

There were no transfers during the fiscal year.

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, 2012 totaled \$2,146. All of the unpaid annual leave is considered current. Compensated absences are accounted for in the Section 8 fund.

The following schedule details the changes in compensated absences during the year ended June 30, 2012.

	<u>Balance June</u> <u>30, 2011</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance June</u> <u>30, 2012</u>	<u>Current</u> <u>Portion</u>
Compensated Absences	\$ 2,202	6,867	(6,923)	2,146	2,146

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**4. OTHER NOTES, continued**

**B. NOTES PAYABLE**

The following schedule details the changes in Note Payable during the year ended June 30, 2012.

	Balance June <u>30, 2011</u>	<u>Increase</u>	<u>(Decrease)</u>	Balance June <u>30, 2012</u>	<u>Current Portion</u>
Mortgage Payable	\$ 30,364		(30,364)		

Upon the sale of the Housing Authority's old office location (see Note 3E) the outstanding mortgage note was paid in full.

**C. 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.

**D. 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.

**E. 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.

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**4. OTHER NOTES, continued**

**F. ADJUSTMENTS TO BEGINNING FUND BALANCES**

The Village of Los Lunas Housing Authority merged with Socorro County Housing Authority effective July 1, 2011. The Socorro County Housing Authority changed its name to El Camino Real Housing Authority. The merging of the two housing authorities resulted in a transfer of restricted cash from Los Lunas Housing Authority to El Camino Real Housing Authority in the amount of \$273,506.

**5. COMPONENT UNIT – SOCORRO VILLAGE**

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

**NATURE OF ORGANIZATION**

Socorro Village 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.

**FEDERALLY SUBSIDIZED RENT INCOME**

Socorro Village has a Housing Assistance Payment (HAP) contract 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 \$ 138,939 during the year ended June 30, 2012.



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

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

**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.

**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.

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

**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. All funds are FDIC insured. The current FDIC coverage is unlimited for non-interest bearing accounts and limited to \$250,000 for all other types of accounts.

	<u>First State Bank</u>	<u>NMMFA</u>
Deposits in Banks	\$ 256,753	38,818
Less FDIC Coverage	\$ <u>256,753</u>	<u>38,818</u>
Uninsured Public Funds		
Pledged Collateral	_____.	_____.
Uninsured & Uncollateralized	=====.	=====.

**NOTE C – ACCOUNTS AND NOTES RECEIVABLE**

Tenant Accounts Receivable - \$1,730 for current rents and fees  
 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:

Balance, beginning of period	\$ 15,211
Current year contributions	9,999
Transfer in from other account	13,532
Interest earned net of fees	<u>76</u>
Balance, end of period	\$ <u>38,818</u>

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5. COMPONENT UNIT – SOCORRO VILLAGE, continued

NOTE D – RESERVE FOR REPLACEMENT, continued

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>				
	<u>Land</u>	<u>Buildings</u>	<u>Capital Improvements</u>	<u>Equipment</u>	<u>Total</u>
Balances, Beginning of Period	\$ 53,210	2,412,360	348,931	106,440	2,920,941
Additions	_____	_____	_____	_____	_____
Deletions	_____	_____	_____	_____	_____
Balances, End of Period	\$ <u>53,210</u>	<u>2,412,360</u>	<u>348,931</u>	<u>106,440</u>	<u>2,920,941</u>

	<u>Accumulated Depreciation</u>				
	<u>Land</u>	<u>Buildings</u>	<u>Capital Improvements</u>	<u>Equipment</u>	<u>Total</u>
Balances, Beginning of Period	\$	753,200	95,913	61,353	910,466
Provisions					
Deletions	_____	<u>59,825</u>	<u>29,333</u>	<u>11,746</u>	<u>100,904</u>
Balances, End of Period	_____	<u>813,025</u>	<u>125,246</u>	<u>73,099</u>	<u>1,011,370</u>
Net Book Value as of End of Period	\$ <u>53,210</u>	<u>1,599,335</u>	<u>223,685</u>	<u>33,341</u>	<u>1,909,571</u>

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

**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 payment.

**NOTE H – MORTGAGE 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 “HOME Investments Partnership Program”. The proceeds are solely for the development of the 40 unit housing project. The loan is secured by a first mortgage on the property. The mortgage loan is a non-amortizing loan with a 480 month term due at the earlier of sale or refinancing of the project or on the maturity date of the note which is December 1, 2048. Monthly interest will accrue on the outstanding balance of all unpaid principal at the rate of one percent (1%) per annum. Borrower shall make 456 monthly interest-only payments beginning on the first day of the twenty fifth (25<sup>th</sup>) 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>

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June 30, 2012**

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

**NOTE H – MORTGAGE PAYABLE, continued**

**ENERGY SAVERS AND HOME TRUST LOAN**

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 40 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 (24<sup>th</sup>) 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 (24<sup>th</sup>) 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.

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.

STATE OF NEW MEXICO  
 EL CAMINO REAL HOUSING AUTHORITY  
 Formerly Socorro County Housing Authority  
 A COMPONENT UNIT OF SOCORRO COUNTY  
 NOTES TO FINANCIAL STATEMENTS, continued  
 June 30, 2012

5. COMPONENT UNIT – SOCORRO VILLAGE, continued

NOTE H – MORTGAGE PAYABLE, continued

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	\$ 245,819	\$ 336,477
Draws on Loans during fiscal year		
Principal payments during fiscal year	<u>(7,224)</u>	<u>(7,205)</u>
Mortgage Payable at end of year	\$ <u>238,595</u>	\$ <u>329,272</u>

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>
13	\$ 14,765	\$ 20,086	\$ 34,851
14	15,065	19,786	34,851
15	15,373	19,477	34,850
16	15,689	19,162	34,851
17	16,013	18,838	34,851
18-22	85,221	89,032	174,253
23-27	94,672	79,581	174,253
28-32	105,429	68,824	174,253
33-37	117,691	56,562	174,253
38-42	87,949	43,380	131,329
43-47		40,000	40,000
48-49	<u>800,000</u>	<u>11,333</u>	<u>811,333</u>
Total	<u>\$1,367,867</u>	<u>\$486,061</u>	<u>\$1,853,928</u>

Current portion of mortgages	\$ 14,765
Long-term portion of mortgages	<u>1,353,102</u>
Total mortgages payable as of June 30, 2012	\$ <u>1,367,867</u>

**STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A COMPONENT UNIT OF SOCORRO COUNTY  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2012**

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

**NOTE I – UNRESTRICTED NET ASSETS**

None of the Project's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets under SFAS No. 117.

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

**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 also reimbursed El Camino Real Housing Authority for maintenance wages and benefits in the amount of \$42,091, as well as audit fees (\$6,776) and other charges (\$1,525).

**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.

**STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A COMPONENT UNIT OF SOCORRO COUNTY  
NOTES TO FINANCIAL STATEMENTS, continued  
June 30, 2012**

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

**NOTE M – RELATED PARTY TRANSACTION, continued**

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**

**STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A COMPONENT UNIT OF SOCORRO COUNTY  
June 30, 2012**

**NON MAJOR PROPRIETARY FUNDS**

**Family Self-Sufficiency** – to account for a grant from the United States Department of Housing and Urban Development (HUD) that is used to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources to enable participating families to achieve economic independence and housing self-sufficiency. The grant funds may be used to pay the salary and fringe benefits of a program coordinator. Only residents of conventional public housing may benefit from this program.

**Home Rehab** – to account for several grants through the New Mexico Mortgage Finance Authority (MFA) for the Home Investment Partnerships Owner-Occupied Rehabilitation Program provided by the U.S. Department of Housing and Urban Development (HUD) under the Home Program pursuant to the Title II National Affordable Housing Act of 1990 and the federal regulations at 24 CFR Part 92 “Home Investment Partnership Program”. Home Rehab funds provide affordable housing opportunities for the benefit of low income citizens within the jurisdiction of the Socorro County Housing Authority.

STATE OF NEW MEXICO  
 EL CAMINO REAL HOUSING AUTHORITY  
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 SOCORRO, NEW MEXICO  
 COMBINING STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS - Nonmajor Funds  
 June 30, 2012

	<u>Family Self- Sufficiency</u>	<u>Home Rehab</u>	<u>Total Nonmajor Proprietary Funds</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$	1	1
Accounts receivable, net			
Due from HUD			
Due from other governments			
Prepaid expenses			
Restricted assets:			
Cash and cash equivalents			
Capital assets not being depreciated:			
Land			
Capital assets, net of accumulated depreciation:			
Land and site improvements			
Buildings and building improvements			
Furniture, machinery and equipment			
Total assets	<u>                    </u>	<u>                    1</u>	<u>                    1</u>
<b><u>LIABILITIES</u></b>			
Accounts payable			
Due to HUD			
Due to other funds		1	1
Deferred revenue			
Accrued salary and benefits			
Tenant security deposits			
Noncurrent liabilities - Accrued compensated absences:			
Due within one year			
Due in more than one year			
Total liabilities	<u>                    </u>	<u>                    1</u>	<u>                    1</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt			
Restricted			
Unrestricted			
Total net assets	<u>\$                    </u>	<u>                    </u>	<u>                    </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  
 Formerly Socorro County Housing Authority  
 A Component Unit of Socorro County  
 SOCORRO, NEW MEXICO  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS - Nonmajor Funds  
 FOR THE YEAR ENDED JUNE 30, 2012

	Family Self- Sufficiency	Home Rehab	Total Nonmajor Proprietary Funds
Operating revenues:			
Charges for services:			
Net tenant rental income	\$		
Miscellaneous			
Total charges for services			
Other operating revenues:			
HUD operating grants	25,000		25,000
Total operating revenues	25,000		25,000
Operating expenses:			
Administration	25,000		25,000
Utilities			
Extraordinary maintenance and repairs			
General			
Direct financial assistance			
Housing assistance payments			
Depreciation			
Total operating expenses	25,000		25,000
Net operating income			
Nonoperating revenue (expenses):			
Interest income			
Interest expense			
Net non-operating income (expenses)			
Change in fund net assets			
Net assets, beginning of year, as previously reported			
Adjustments			
Net assets, beginning of year, as restated			
Net assets, end of year	\$		

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

STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A Component Unit of Socorro County  
SOCORRO, NEW MEXICO  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - Nonmajor Funds  
For the Year Ended June 30, 2012

	<u>Family Self- Sufficiency</u>	<u>Home Rehab</u>	<u>Total Nonmajor Proprietary Funds</u>
Cash flows from operating activities:			
Cash received from tenants and others for services	\$		
Cash received from operating grants	25,000		25,000
Cash paid for direct assistance			
Cash paid for Housing Assistance Payments	(25,000)		(25,000)
Cash paid to and on behalf of employees			
Cash paid to vendors for goods and services			
Net cash flows from operating activities			
Cash flows from noncapital financing activities:			
Transfers in from other programs			
Transfers out to other programs			
Net cash flows from noncapital financing activities			
Cash flows from capital and related financing activities:			
Cash received from HUD for capital acquisitions			
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			
Cash and cash equivalents, at beginning of year		1	1
Cash and cash equivalent, end of year	\$	1	1
Shown on balance sheets as:			
Unrestricted cash and cash equivalents		1	1
Restricted cash and cash equivalents			
	\$	1	1

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

STATEMENT 3, continued

STATE OF NEW MEXICO  
 EL CAMINO REAL HOUSING AUTHORITY  
 Formerly Socorro County Housing Authority  
 A Component Unit of Socorro County  
 SOCORRO, NEW MEXICO  
 COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS - Nonmajor Funds  
 For the Year Ended June 30, 2012

	<u>Family Self Sufficiency</u>	<u>Home Rehab</u>	<u>Total Nonmajor Proprietary Funds</u>
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net operating income	\$		
Adjustments to reconcile net operating income to net cash flows from operating activities:			
Depreciation expense			
Imputed interest			
Changes in assets and liabilities:			
(Increase)/decrease in assets:			
Tenant and other receivables, net			
Due from HUD			
Due from other governments			
Prepaid expenses			
Increase/(decrease) in liabilities:			
Accounts payable			
Accrued salaries and benefits			
Accrued and withheld payroll taxes			
Due to HUD			
Payment in lieu of taxes			
Deferred revenue			
Tenant security deposits			
Accrued compensated absences			
	_____	_____	_____
	\$ _____		

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

STATEMENT 3

**SOCORRO VILLAGE, LLC**  
**HUD PROJECT NO. NM16M000081**  
**Socorro, New Mexico**  
**Statement of Financial Position**  
**June 30, 2012**

**ASSETS**

Current assets, unrestricted:	
Cash and cash equivalents	\$ 151,714
Due from grantor	10,013
Other accounts receivable	1,730
Prepaid expense	2,193
Total current unrestricted assets	<u>165,650</u>
Current assets, restricted:	
Security and pet deposits	8,344
Residual receipts account	335
Operating reserve	93,540
Reserve for replacements	38,818
	<u>141,037</u>
Capital assets not being depreciated:	
Land	53,210
Capital assets, net of accumulated depreciation:	
Buildings and improvements	1,599,335
Other assets	223,685
Furniture, machinery and equipment	33,341
	<u>33,341</u>
Net Capital Assets	<u>1,909,571</u>
Total Assets	<u>\$ 2,216,258</u>

**LIABILITIES AND NET ASSETS**

Current liabilities:	
Accounts payable	\$ 20,610
Due to Housing Choice Voucher Program	31,275
Accrued compensated absences	560
Accrued and withholding liabilities	749
Accrued interest payable	1,689
Tenant security and pet deposits	7,132
Total current liabilities	<u>62,015</u>
Noncurrent liabilities:	
Due within one year	14,765
Due in more than one year	1,353,102
Total Liabilities	<u>1,429,882</u>
Net Assets:	
Investment in capital assets, net of related debt	541,704
Unrestricted	244,672
	<u>786,376</u>
Total Liabilities and Net Assets	<u>\$ 2,216,258</u>

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

STATEMENT 4

**SOCORRO VILLAGE, LLC**  
**HUD PROJECT NO. NM16M000081**  
**Socorro, New Mexico**  
**Statement of Revenues, Expenses and Changes**  
**in Fund Net Assets**  
**For the Year Ended June 30, 2012**

Operating Revenue:	
Charges for services:	
Rent	\$ 102,896
Other	10,013
Operating grants:	
Rent subsidy from HUD	138,939
Total Operating Revenues	<u>251,848</u>
Operating Expenses:	
Administrative:	
Audit	6,776
Accounting	9,523
Advertising and Rental Expenses	554
Management fee	18,000
Administrative fee	12,000
Training and Travel	329
Other	13,255
Utilities:	
Gas, water, sewer and trash	34,085
Electricity	18,927
Ordinary maintenance & operations:	
Labor and benefits	34,663
Maintenance and repair	38,450
Exterminating expense	1,926
Ground and landscaping	15,441
General expenses:	
Insurance	6,073
Depreciation	100,904
Total operating expenses	<u>310,906</u>
Operating income (loss)	<u>(59,058)</u>
Nonoperating revenue (expense):	
Interest income	76
Interest expense	(20,397)
Net nonoperating revenue (expense)	<u>(20,321)</u>
Change in fund net assets	(79,379)
Net assets, beginning of year	<u>865,755</u>
Net assets, end of year	<u>\$ 786,376</u>

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

STATEMENT 5



**SOCORRO VILLAGE, LLC**  
**HUD PROJECT NO. NM16M000081**  
**Socorro, New Mexico**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2012**

Cash Flows from Operating Activities:	
Cash received from tenants and others for services	\$ 100,443
Cash received from operating grants	138,939
Cash paid to and on behalf of employees	(42,091)
Cash paid to vendors for goods and services	<u>(165,031)</u>
Net cash flows from operating activities	<u>32,260</u>
Cash flows from capital and related financing activities:	
Capital grants received	
Proceeds from capital loans	
Payments on capital debt	(34,850)
Purchase of capital assets	
Net cash flows from capital and related financing activities	<u>(34,850)</u>
Cash flows from investing activities:	
Interest received	<u>76</u>
Net cash flows from investing activities	<u>76</u>
Net increase (decrease in cash and cash equivalents)	(2,514)
Cash and cash equivalents at beginning of year	<u>295,264</u>
Cash and cash equivalents at end of year	<u>\$ 292,750</u>
Shown as:	
Unrestricted cash and cash equivalents	\$ 151,714
Restricted cash and cash equivalents	<u>141,036</u>
	<u>\$ 292,750</u>

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

STATEMENT 6, continued

**SOCORRO VILLAGE, LLC**  
**HUD PROJECT NO. NM16M000081**  
**Socorro, New Mexico**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2012**

Reconciliation of Net Income (Loss) to Net Cash Provided by Operating Activities:		
Net Operating Income (Loss)	\$	(59,058)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation		100,904
Decrease (Increase) in:		
Accounts Receivable-Tenants		(1,186)
Due from Grantor		(10,013)
Prepaid Expenses		(1)
Increase (Decrease) in:		
Accounts Payable-Trade		16,245
Accrued and withheld payroll taxes		104
Tenant Security Deposits		(1,266)
Due to Other Funds		(13,469)
Deferred revenue		
Net Cash Provided (Used) by Operating Activities	\$	<u>32,260</u>

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

STATEMENT 6

## **OTHER SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County 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, 2012

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original	Revised		Positive (Negative)	
	Budget	Budget		Original Budget To Final	Actual to Final Budget
Revenues:					
Charges for services and other misc.	\$ 36,574	36,574	55,863		19,289
Gain on sale of assets			34,216		34,216
HUD operating grant	2,223,336	2,223,336	1,676,471		(546,865)
Total Revenues	<u>2,259,910</u>	<u>2,259,910</u>	<u>1,766,550</u>		<u>(493,360)</u>
Expenditures:					
Administration:					
Salaries and wages	104,130	104,130	83,285		20,845
Audit	18,000	18,000	13,554		4,446
Accounting	31,000	31,000	11,770		19,230
Employee Benefits	19,365	19,365	27,930		(8,565)
Other	98,197	98,197	83,881		14,316
Insurance and other general expenses	10,250	10,250	16,187		(5,937)
Housing assistance payments	1,977,168	1,977,168	1,901,477		75,691
Total Expenditures	<u>2,258,110</u>	<u>2,258,110</u>	<u>2,138,084</u>		<u>120,026</u>
Revenues over (under) expenditures	<u>1,800</u>	<u>1,800</u>	<u>(371,534)</u>		<u>(373,334)</u>
Other financing sources (uses):					
Interest income			13		13
Interest expense	(1,800)	(1,800)	(1,593)		207
	<u>(1,800)</u>	<u>(1,800)</u>	<u>(1,580)</u>		<u>220</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$</u>	<u></u>	<u>(373,114)</u>		<u>(373,114)</u>
Reconciliation to GAAP Financial Statement					
Depreciation not budgeted			(12,354)		
Rounding			1		
Net change in fund balance			<u>\$ (385,467)</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  
 Formerly Socorro County Housing Authority  
 A Component Unit of Socorro County  
 SOCORRO, NEW MEXICO  
 SHELTER PLUS CARE PROGRAM  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2012

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Positive (Negative)	
				Original Budget To Final	Actual to Final Budget
Revenues:					
HUD operating grant	\$ 333,554	333,554	263,929		(69,625)
Total Revenues	<u>333,554</u>	<u>333,554</u>	<u>263,929</u>		<u>(69,625)</u>
Expenditures:					
Administration:					
Other	26,684	26,684	19,551		7,133
Housing assistance payments	<u>306,870</u>	<u>306,870</u>	<u>244,378</u>		<u>62,492</u>
Total Expenditures	<u>333,554</u>	<u>333,554</u>	<u>263,929</u>		<u>69,625</u>
Revenues over (under) expenditures	\$ <u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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

STATEMENT 8

STATE OF NEW MEXICO  
 EL CAMINO REAL HOUSING AUTHORITY  
 Formerly Socorro County Housing Authority  
 A Component Unit of Socorro County  
 SOCORRO, NEW MEXICO  
 FAMILY SELF SUFFICIENCY PROGRAM  
 STATEMENT OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP BASIS)  
 For the Year Ended June 30, 2012

	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
	Revenues:				
HUD operating grant	\$ 25,000	25,000	25,000		
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>		
Expenditures:					
Administration:					
Salaries and wages	21,262	21,262	23,232		(1,970)
Employee benefits	<u>3,738</u>	<u>3,738</u>	<u>1,768</u>		<u>1,970</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>		
Revenues over (under) expenditures	\$ <u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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

STATEMENT 9

STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County 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, 2012

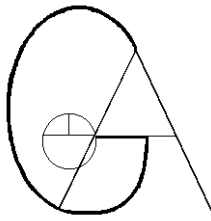
	Budgeted Amount		Actual (Budgetary Basis)	Variances	
	Original Budget	Revised Budget		Original Budget To Final	Positive (Negative) Actual to Final Budget
Revenues:					
Rent - HUD	\$ 130,500	130,500	138,939		8,439
Rent- Tenants	112,548	112,548	102,896		(9,652)
Other revenue	1,202	1,202	10,013		8,811
Total Revenues	<u>244,250</u>	<u>244,250</u>	<u>251,848</u>		<u>7,598</u>
Expenditures:					
Administration:					
Advertising and rental expenses	2,550	2,550	554		1,996
Management fee	18,000	18,000	18,000		
Administrative fees	12,000	12,000	12,000		
Training and travel	3,500	3,500	329		3,171
Audit	8,000	8,000	6,776		1,224
Accounting	9,000	9,000	9,523		(523)
Other	15,200	15,200	13,255		1,945
Utilities:					
Electric	16,000	16,000	18,927		(2,927)
Gas, water, sewer and trash	28,000	28,000	34,085		(6,085)
Maintenance:					
Wages and benefits	34,000	34,000	34,663		(663)
Maintenance and repair	12,000	12,000	38,450		(26,450)
Exterminating expense	5,000	5,000	1,926		3,074
Ground and landscaping	6,000	6,000	15,441		(9,441)
General Expense:					
Insurance	10,000	10,000	6,073		3,927
Total expenditures	<u>179,250</u>	<u>179,250</u>	<u>210,002</u>		<u>(30,752)</u>
Revenues over (under) expenditures	<u>65,000</u>	<u>65,000</u>	<u>41,846</u>		<u>(23,154)</u>
Other financing sources (uses):					
Interest income			76		76
Interest expense	20,500	20,500	20,397		103
Principal payments	14,500	14,500			14,500
Reserve for replacement	10,000	10,000			10,000
Reserve for debt	20,000	20,000			20,000
	<u>65,000</u>	<u>65,000</u>	<u>20,321</u>		<u>44,679</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$</u>	<u></u>	<u>21,525</u>		<u>21,525</u>
Reconciliation to GAAP Financial Statement					
Depreciation not budgeted			(100,904)		
Net change in fund balance			<u>\$ (79,379)</u>		

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

STATEMENT 10

## **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***

Mr. Hector Balderas, State Auditor, and  
Members of the Board of Commissioners  
El Camino Real Housing Authority  
formerly Socorro County Housing Authority  
Socorro, New Mexico

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

I have audited the financial statements of the business-type activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information, and the combining and individual funds and budgetary comparisons of the proprietary funds presented as supplemental 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, 2012, and have issued my report thereon dated September 26, 2012. 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.

Internal Control Over Financial Reporting

Management of the Housing Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered the Housing Authority's and its discretely presented component unit's internal control over financial reporting as a basis for designing my auditing procedures 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, or its discretely presented component units', internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the El Camino Real Housing Authority's, or its discretely presented component units', internal control over financial reporting.

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

**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, Continued***

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. I did not identify any deficiencies in internal control that I consider to be material weaknesses, as defined above.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I did not identify any deficiencies in internal control that I consider to be a significant deficiency as defined above.

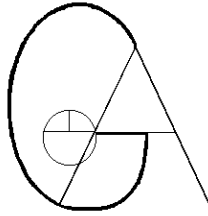
Compliance and Other Matters

As part of obtaining reasonable assurance about whether El Camino Real Housing Authority and its discretely presented component unit'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.

This report is intended solely for the information and use of the Board of Commissioners, management, the New Mexico State Auditor, the New Mexico Legislature, others within the organization, and the U.S. Department of Housing and Urban Development, and is not intended to be and should not be used by anyone other than these specified parties.



Gary E. Gaylord, Ltd. CPA's  
September 26, 2012



Gary E. Gaylord, C.P.A.

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

Hector H. Balderas, State Auditor  
And Board of Commissioners  
El Camino Real Housing Authority  
formerly Socorro County Housing Authority  
Socorro, New Mexico

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

Compliance

I have audited El Camino Real Housing Authority, Socorro, New Mexico (Housing Authority) a component unit of Socorro County, and its discretely presented component unit's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's, and its discretely presented component units', major federal programs for the year ended June 30, 2012. The Housing Authority's and its discretely presented component unit's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management and its discretely presented component unit's management. My responsibility is to express an opinion on the Housing Authority's and its component unit's compliance based on my audit.

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 the Housing Authority's and its discretely presented component unit's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Housing Authority's and its discretely presented component unit's compliance with those requirements.

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

In my opinion, El Camino Housing Authority, Socorro, New Mexico and its discretely presented component unit complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the Housing Authority and its discretely presented component unit is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the Housing Authority's and its discretely presented component unit's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of El Camino Housing Authority's, Socorro, New Mexico and its discretely presented component unit's internal control over compliance.

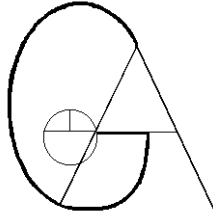
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

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 deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, the New Mexico State Auditor, others within the entity, and the U.S. Department of Housing and Urban Development and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Gary E. Gaylord, Ltd. CPA  
September 26, 2012



Gary E. Gaylord, C.P.A.

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

Mr. Hector Balderas, State Auditor, and  
Members of the Board of Commissioners  
El Camino Real Housing Authority  
formerly Socorro County 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, 2012 appears on pages 4 and 5. The audit was conducted for the purpose of forming an opinion on the basic financial statements and the combining and individual fund 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, 2012, and the results of its operations for the year then ended in conformity with the accounting practices prescribed or permitted by HUD/REAC.

September 26, 2012

## **ADDITIONAL SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO  
 EL CAMINO REAL HOUSING AUTHORITY  
 Formerly Socorro County Housing Authority  
 A Component Unit of Socorro County  
 SOCORRO, NEW MEXICO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2012

<u>Federal Grants</u>	<u>Federal CFDA Number</u>	<u>Federal Grant/Project Number</u>	<u>Expenditures</u>
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	NM077	\$ 2,106,880
Non-major programs:			
Shelter Plus Care	14.238		263,929
Family Self-Sufficiency	14.877		<u>12,500</u>
			<u>2,383,309</u>
Socorro Village:			
Housing Assistance Program	14.195		<u>138,939</u>
Total Socorro Village			<u>138,939</u>
Total U.S. Dept. of Housing and Urban Development			\$ <u>2,522,248</u>
Total Expenditures of Federal Awards			\$ <u>2,522,248</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, 2012.
- 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, 2012.

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

STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A Component Unit of Socorro County  
SOCORRO, NEW MEXICO  
SCHEDULE OF BANK DEPOSITORIES  
JUNE 30, 2012

<u>Bank Name</u>	<u>Account Name</u>	<u>Acct. Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Rounding</u>	<u>Book Balance</u>
Wells Fargo Bank:							
Section 8 HCV		1	\$ 349,417		(4,346)	1	345,072
Section 8 HCV		2	16,537				16,537
Shelter Plus Care		1	63,660		(195)		63,465
Housing Rehab		2	1				1
First State Bank:							
Socorro Village LLC		1	154,535		(2,821)		151,714
Socorro Village Security/Pet Deposits		1	8,344				8,344
Socorro Village Residual Receipts		1	335			(1)	334
Socorro Village Operating Reserve		1	93,540				93,540
Compass Bank:							
NM MFA - Replacement Reserve		3	38,818				38,818
	Total with financial institutions		<u>\$ 725,187</u>		<u>(7,362)</u>		<u>717,825</u>
					<b>El Camino</b>	<b>Socorro</b>	<b>Totals</b>
					<b>Real</b>	<b>Village</b>	
					<b>H.A.</b>		
Shown on Statement of Net Assets as:							
Cash and cash equivalents					\$ 158,754	151,714	310,468
Investments					16,537		16,537
Restricted Deposits and Funded Reserves						141,036	141,036
Temporary restricted assets					249,784		249,784
					<u>\$ 425,075</u>	<u>292,750</u>	<u>717,825</u>

Account Types:

- 1 Demand Deposits
- 2 Interest Bearing
- 3 Paying agent a/c

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

SCHEDULE 2



STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A Component Unit of Socorro County  
SOCORRO, NEW MEXICO  
FINANCIAL DATA SCHEDULE  
June 30, 2012

FDS Line #	Accounts Description	Section 8 Housing Choice Vouchers (HCV)	Shelter Plus Care Program	Family Self Sufficiency	Home Rehabilitation Program	Total
ASSETS:						
111	Cash - Unrestricted	95,287	63,465		1	158,753
112	Cash - Restricted - Modernization and Development					
113	Cash - Other Restricted	249,784				249,784
114	Cash - Tenant Security Deposits					
115	Cash - Restricted for Current Liabilities					
100	<b>Total Cash</b>	<b>345,071</b>	<b>63,465</b>		<b>1</b>	<b>408,537</b>
121	Accounts Receivable - PHA Projects		29,559			29,559
122	Accounts Receivable - HUD Other Projects					
124	Accounts Receivable - Other Government	8,669				8,669
125	Accounts Receivable - Miscellaneous	31,275				31,275
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	<b>Total Receivables, Net of Allowances for Doubtful Accounts</b>	<b>39,944</b>	<b>29,559</b>			<b>69,503</b>
131	Investments - Unrestricted	16,537				16,537
132	Investments - Restricted					
135	Investments - Restricted for Payment of Current Liability					
142	Prepaid Expenses and Other Assets	2,503				2,503
143	Inventories					
143.1	Allowance for Obsolete Inventories					
144	Inter Program Due From	90,590				90,590
145	Assets Held for Sale					
150	<b>Total Current Assets</b>	<b>494,645</b>	<b>93,024</b>		<b>1</b>	<b>587,670</b>
161	Land					
162	Buildings					
163	Furniture, Equipment & Machinery - Dwelling					
164	Furniture, Equipment & Machinery - Administration	92,703				92,703
165	Leasehold Improvements					
166	Accumulated Depreciation	(47,928)				(47,928)
167	Construction in Progress					
168	Infrastructure					
160	<b>Total Fixed Assets, Net of Accumulated Depreciation</b>	<b>44,775</b>				<b>44,775</b>
180	<b>Total Non-Current Assets</b>	<b>44,775</b>				<b>44,775</b>
190	<b>Total Assets</b>	<b>539,420</b>	<b>93,024</b>		<b>1</b>	<b>632,445</b>

STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A Component Unit of Socorro County  
SOCORRO, NEW MEXICO  
FINANCIAL DATA SCHEDULE  
June 30, 2012

FDS Line #	Accounts Description	Section 8 Housing Choice Vouchers (HCV)	Shelter Plus Care Program	Family Self Sufficiency	Home Rehabilitation Program	Total
LIABILITIES:						
311	Bank Overdraft					
312	Accounts Payable < 90 Days	5,232	2,434			7,666
313	Accounts Payable - 90 Days Past Due					
321	Accrued Wage/Payroll Taxes Payable	16,997				16,997
322	Accrued Compensated Absences - Current	2,146				2,146
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	Deferred Revenue				1	1
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		90,590			90,590
348	Loan Liability - Current					
310	<b>Total Current Liabilities</b>	<b>24,375</b>	<b>93,024</b>		<b>1</b>	<b>117,400</b>
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					
352	Long-term Debt, Net of Current - Operating Borrowings					
353	Non-current Liabilities - Other					
354	Accrued Compensated Absences - Non Current					
355	Loan Liability - Non Current					
356	FASB 5 Liabilities					
357	Accrued Pension and OPEB Liabilities					
350	<b>Total Noncurrent Liabilities</b>					
300	<b>Total Liabilities</b>	<b>24,375</b>	<b>93,024</b>		<b>1</b>	<b>117,400</b>
508.1	Invested in Capital Assets, Net of Related Debt	44,775				44,775
509.2	Fund Balance Reserved					
511.1	Restricted Net Assets	249,784				249,784
511.2	Unreserved Designated Fund Balance					
512.1	Unrestricted Net Assets	220,486				220,486
512.2	Unreserved Undesignated Fund Balance					
513	<b>Total Equity/Net Assets</b>	<b>515,045</b>				<b>515,045</b>
600	<b>Total Liabilities and Equity/Net Assets</b>	<b>539,420</b>	<b>93,024</b>		<b>1</b>	<b>632,445</b>

STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A Component Unit of Socorro County  
SOCORRO, NEW MEXICO  
FINANCIAL DATA SCHEDULE  
June 30, 2012

FDS Line #	Accounts Description	Section 8 Housing Choice Vouchers (HCV)	Shelter Plus Care Program	Family Self Sufficiency	Home Rehabilitation Program	Total
REVENUE:						
703	Net Tenant Rental Revenue					
704	Tenant Revenue - Other					
705	<b>Total Tenant Revenue</b>					
706	HUD PHA Operating Grants	1,676,471	263,929	25,000		1,965,400
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	<b>Total Fee Revenue</b>	<b>1,676,471</b>	<b>263,929</b>	<b>25,000</b>		<b>1,965,400</b>
708	Other Government Grants					
711	Investment Income - Unrestricted	13				13
712	Mortgage Interest Income					
713	Proceeds from Disposition of Assets Held for Sale					
713.1	Cost of Sale of Assets					
714	Fraud Recovery					
715	Other Revenue	90,079				90,079
716	Gain or Loss on Sale of Capital Assets					
720	Investment Income - Restricted					
700	<b>Total Revenue</b>	<b>1,766,563</b>	<b>263,929</b>	<b>25,000</b>		<b>2,055,492</b>
EXPENSES:						
911	Administrative Salaries	83,285		23,232		106,517
912	Auditing Fees	13,554				13,554
913	Bookkeeping Fees	11,770				11,770
914	Advertising and Promotion	607				607
915	Employee Benefit Contributions - Administrative	27,930		1,768		29,698
916	Office Expenses	44,874				44,874
917	Legal	1,441				1,441
918	Travel	13,524				13,524
918.1	Allocated Overhead					
919	Other	23,434	19,551			42,985
910	<b>Total Operating - Administrative</b>	<b>220,419</b>	<b>19,551</b>	<b>25,000</b>		<b>264,970</b>
920	Asset Management Fee					
921	Tenant Services - Salaries					
922	Relocation Costs					
923	Employee Benefit Contributions - Tenant Services					
924	Tenant Services - Other					
925	<b>Total Tenant Services</b>					

STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A Component Unit of Socorro County  
SOCORRO, NEW MEXICO  
FINANCIAL DATA SCHEDULE  
June 30, 2012

FDS Line #	Accounts Description	Section 8 Housing Choice Vouchers (HCV)	Shelter Plus Care Program	Family Self Sufficiency	Home Rehabilitation Program	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	<b>Total Utilities</b>					
951	Protective Services - Labor					
952	Protective Services - Other Contract Costs					
953	Protective Services - Other					
955	Employee Benefit Contributions - Protective Services					
950	<b>Total Protective Services</b>					
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	<b>Total Maintenance</b>					
961.1	Property Insurance	667				667
961.2	Liability Insurance	4,054				4,054
961.3	Workman's Compensation	4,189				4,189
961.4	All Other Insurance	410				410
961	<b>Total Insurance Premiums</b>	<b>9,320</b>				<b>9,320</b>
962	Other General Expenses					
962.1	Compensated Absences	6,867				6,867
963	Payments in Lieu of Taxes					
964	Bad Debt - Tenant Rents					
965	Bad Debt - Mortgages					
966	Bad Debt - Other					
968	Severance Expense					
960	<b>Total Other General Expenses</b>	<b>6,867</b>				<b>6,867</b>
967.1	Interest on Mortgage (or Bonds) Payable					
967.2	Interest on Notes Payable (Short and Long Term)	1,593				1,593
967.3	Amortization of Bond Issue Costs					
967	<b>Total Interest Expense and Amortization Cost</b>	<b>1,593</b>				<b>1,593</b>
969	<b>Total Operating Expenses</b>	<b>238,199</b>	<b>19,551</b>	<b>25,000</b>		<b>282,750</b>
970	<b>Excess Operating Revenue over Operating Expenses</b>	<b>1,528,364</b>	<b>244,378</b>			<b>1,772,742</b>

STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A Component Unit of Socorro County  
SOCORRO, NEW MEXICO  
FINANCIAL DATA SCHEDULE  
June 30, 2012

FDS Line #	Accounts Description	Section 8 Housing Choice Vouchers (HCV)	Shelter Plus Care Program	Family Self Sufficiency	Home Rehabilitation Program	Total
EXPENSES:						
971	Extraordinary Maintenance					
972	Casualty Losses - Non-capitalized					
973	Housing Assistance Payments	1,901,477	244,378			2,145,855
973.5	HAP Portability-In					
974	Depreciation Expense	12,354				12,354
975	Fraud Losses					
976	Capital Outlays - Governmental Funds					
977	Debt Principal Payment - Governmental Funds					
978	Dwelling Units Rent Expense					
900	<b>Total Expenses</b>	<b>2,152,030</b>	<b>263,929</b>	<b>25,000</b>		<b>2,440,959</b>
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	<b>Total Other Financing Sources (Uses)</b>					
1000	<b>Excess (Deficiency) of Total Revenue Over (Under) Total Expenses</b>	<b>(385,467)</b>				<b>(385,467)</b>
1102	Required Annual Debt Principal Payments					
1103	Beginning Equity	627,006				627,006
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	273,506				273,506
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	265,261				265,261
1118	Housing Assistance Payments Equity	249,784				249,784

**STATE OF NEW MEXICO**  
**EL CAMINO REAL HOUSING AUTHORITY**  
 Formerly Socorro County Housing Authority  
 A Component Unit of Socorro County  
**SOCORRO, NEW MEXICO**  
**FINANCIAL DATA SCHEDULE**  
 June 30, 2012

<b>FDS</b>		<b>Section 8</b>	<b>Shelter</b>	<b>Family</b>	<b>Home</b>	
<b>Line #</b>	<b>Accounts Description</b>	<b>Housing Choice</b>	<b>Plus Care</b>	<b>Self</b>	<b>Rehabilitation</b>	<b>Total</b>
		<b>Vouchers (HCV)</b>	<b>Program</b>	<b>Sufficiency</b>	<b>Program</b>	
1119	Unit Months Available	5,280				5,280
1121	Number of Unit Months Leased	4,412				4,412
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					

**STATE OF NEW MEXICO  
 EI CAMINO REAL HOUSING AUTHORITY  
 Formerly Socorro County Housing Authority  
 A COMPONENT UNIT OF SOCORRO COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the Year Ended June 30, 2012**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

Financial Statements:

1. Type of auditors' report issued Unqualified

Internal control over financial reporting:

- 1. Material weaknesses identified? No
- 2. Reportable condition (s) identified that are not considered to be material weaknesses? No
- 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 Unqualified

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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	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  
Formerly Socorro County Housing Authority  
A COMPONENT UNIT OF SOCORRO COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
For the Year Ended June 30, 2012**

**SECTION II- FINDINGS**

**PRIOR YEAR AUDIT FINDINGS**

**CURRENT STATUS**

**Internal Control Over Financial Reporting**

2011-01(SD) Time Sheets Are Not Signed

Resolved

**Compliance-Federal Programs**

None

**Other Matters**

2011-02(OM) Minutes of Commissioner Meetings

Resolved

2011-03(OM) PERA Coverage

Resolved

**CURRENT YEAR AUDIT FINDINGS**

**Internal Control Over Financial Reporting:**

None

**Compliance-Federal Programs**

None

**Other Matters**

None



**STATE OF NEW MEXICO  
EL CAMINO REAL HOUSING AUTHORITY  
Formerly Socorro County Housing Authority  
A COMPONENT UNIT OF SOCORRO COUNTY  
EXIT CONFERENCE  
June 30, 2012**

**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.

**Exit Conference**

An exit conference was held at the offices of the El Camino Real Housing Authority on September 26, 2012. In attendance were the following:

**Representing Socorro County Housing Authority:**

Lonnie Marquez	Chairperson
Marcel Abeyta	Vice-Chairperson
Bob Tacker	Commissioner
Jose Lencho Vega	Commissioner
Mary Ann Chavez	Executive Director

**Representing the Audit Firm:**

Gary E. Gaylord, CPA	Auditor-in-Charge
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