

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**SANTA CLARA, NEW MEXICO**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

Prepared by  
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## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO  
SANTA CLARA PUBLIC HOUSING AUTHORITY  
SANTA CLARA, NEW MEXICO**

**Official Roster**

June 30, 2008 and 2007

Board of Commissioners

Rodolfo Herrera  
Johnny Trujillo  
Victoria Rodriguez  
Dorothy Quezada  
Carlos Chavez

Chairperson  
Vice-Chairperson  
Commissioner  
Commissioner  
Commissioner

Administration

Gloria Duran

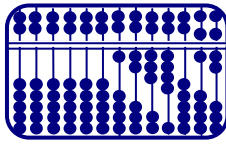
Executive Director

**STATE OF NEW MEXICO  
SANTA CLARA PUBLIC HOUSING AUTHORITY  
SANTA CLARA, NEW MEXICO  
ANNUAL FINANCIAL REPORT  
For the Year Ended June 30, 2008 and 2007**

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## **FINANCIAL SECTION**



MARCUS,  
FAIRALL,  
BRISTOL + CO., L.L.P.

Hector H. Balderas  
New Mexico State Auditor  
The Board of the Santa Clara Public Housing Authority  
Santa Clara, New Mexico

We have audited the accompanying financial statements of the business-type activities of the Santa Clara Public Housing Authority, as of and for the years-ended June 30, 2008 and 2007, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. We also have audited the financial statements of the Santa Clara Public Housing Authority's non-major enterprise funds and budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the years ended June 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of Santa Clara Public Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have also audited the financial statements of each of the Santa Clara Public Housing Authority's non major proprietary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year-ended June 30, 2008 and 2007, as listed in the table of contents. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 of the United States of America used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Santa Clara Public Housing Authority as of June 30, 2008 and 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the Santa Clara Public Housing Authority as of June 30, 2008 and 2007, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major enterprise fund of the Santa Clara Public Housing Authority as of June 30, 2008 and 2007, and the respective changes in financial position and cash flows where applicable, thereof and the respective budgetary comparisons for the major and non-major enterprise funds for the years ended in conformity with accounting principles generally accepted in the United States of America

As discussed in Note 16 to the financial statements, the Santa Clara's Public Housing Authority's 2007 federal subsidies revenue previously reported as \$49,740 should have been \$99,442. This discovery was made subsequent to the issuance of the financial statements dated June 30, 2007. The financial statements have been restated to reflect this correction. (See Note 16)

In accordance with *Government Auditing Standards*, we have also issued a report dated July 15, 2009 on our consideration of the Santa Clara Public Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The *Management's Discussion and Analysis* on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that are presented in the Santa Clara Housing Authority's basic financial statements, and the combining and individual fund financial statements and budgetary comparisons of the Santa Clara Public Housing Authority. The accompanying information listed as supporting Schedules 1 through 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Financial Assessment Submission as required by the U. S. Department of Housing and Urban Development is presented for purposes of additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Marcus, Farrell, Bristol & Co. LLP*

El Paso, Texas  
July 15, 2009

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**SANTA CLARA, NEW MEXICO**  
June 30, 2008

**Management's Discussion and Analysis**

As management of the Santa Clara Public Housing Authority (SCPHA), we offer readers of the SCPHA's financial statements this narrative overview and analysis of the financial activities of the SCPHA for the latest fiscal year-ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with the financial statements and additional information provided.

**FINANCIAL HIGHLIGHTS**

- The assets of the SCPHA exceeded its liabilities at the close of the most recent fiscal year by \$559,442 (net assets). Of this amount, \$169,916 (unrestricted net assets) may be used to meet the SCPHA's ongoing obligations to tenants.
- The SCPHA's total net assets decreased by \$31,471 during the fiscal year. The majority of this decrease is due to a 79.68% decrease in grant income.
- As of June 30, 2008, the SCPHA's investment in capital assets decreased \$41,152. This is due to depreciation taken on the fixed assets during the year and there were no additions to the fixed assets during the year.
- As of June 30, 2008, the SCPHA had no restricted net assets.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the SCPHA's basic financial statements. The SCPHA's basic financial statements are comprised of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The SCPHA, like other state and local agencies, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The SCPHA is a proprietary fund.

**Proprietary Funds.** Proprietary funds are generally used to account for services for which the SCPHA charges tenants. The business-type activity of the SCPHA is the leasing and administration of low-rent housing. The SCPHA receives grants that help offset a significant portion of the costs of providing low-rent housing. The balance of the revenue comes through rent and fees charged to tenants.

The statement of net assets presents information on all of the SCPHA's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the SCPHA is improving or deteriorating. SCPHA is a component unit of the Village of Santa Clara.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 12-19 of this report.

**Analysis of Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of an agency's financial position. In the case of the SCPHA, net assets exceeded liabilities by \$559,442 at the close of the current fiscal year.



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**SANTA CLARA, NEW MEXICO**  
June 30, 2008

**Management's Discussion and Analysis**

The largest portion of the SCPHA's net assets represents the Authority's investment of \$389,526 in capital assets (e.g., improvements, buildings, machinery, and equipment). The SCPHA uses these capital assets to provide services to tenants; consequently, these assets are not available for future spending.

**SANTA CLARA PUBLIC HOUSING AUTHORITY NET ASSETS**  
**June 30,**

	2008	2007
<b>Assets</b>		
Current and Other Assets	\$ 181,504	\$ 180,431
Capital Assets, Net of Accumulated Depreciation	389,526	430,678
Total Assets	\$ 571,030	\$ 611,109
<b>Liabilities</b>		
Current Liabilities	11,588	20,196
Total Liabilities	11,588	20,196
<b>Net Assets</b>		
Invested in Capital Assets	389,526	430,678
Restricted	-	51,703
Unrestricted	169,916	108,532
Total Net Assets	559,442	590,913
Total Liabilities and Net Assets	\$ 571,030	\$ 611,109

A portion of the SCPHA's net assets (less than one percent) represents resources that are subject to restrictions. The restrictions relate to funds received from a Federal CFP grant. The funds are to be used for improvements to buildings within the complex. The remaining balance of unrestricted net assets, \$169,916, may be used to meet SCPHA's ongoing obligations to tenants.

At the end of the current fiscal year, the SCPHA is able to report a positive balance in the net assets for the business-type activities.

**Analysis of Changes in Net Assets**

The SCPHA's net assets, overall, decreased by \$31,471 during the current fiscal year. This decrease is primarily a result of decreased subsidy revenue.

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**SANTA CLARA, NEW MEXICO**  
June 30, 2008

**Management's Discussion and Analysis**

**Changes in Net Assets**  
**For the Year-Ended June 30,**

	2008	2007
<b>Operating Revenue:</b>		
Dwelling Rental	\$ 64,328	\$ 54,905
Grant Income	36,410	-
Federal Subsidies	101,228	99,442
Total Operating Revenues	<u>201,966</u>	<u>154,347</u>
<b>Operating Expenses:</b>		
Administration	41,908	54,356
Utilities	52,747	57,235
Ordinary Maintenance and Operations	30,736	25,382
Depreciation	41,152	32,848
Insurance	13,496	7,421
Personnel Services	53,398	53,377
Total Operating Expenses	<u>233,437</u>	<u>230,619</u>
Operating Income (Loss)	<u>(31,471)</u>	<u>(76,272)</u>
<b>Non-Operating Revenues (Expenses):</b>		
CFP Grant	-	179,159
Total Non-Operating Revenue	<u>-</u>	<u>179,159</u>
Change in Net Assets	(31,471)	102,887
Net Assets-Beginning	590,913	488,026
Net Assets-Ending	<u>\$ 559,442</u>	<u>\$ 590,913</u>

**STATE OF NEW MEXICO  
SANTA CLARA PUBLIC HOUSING AUTHORITY  
SANTA CLARA, NEW MEXICO  
June 30, 2008**

**Management's Discussion and Analysis**

**Analysis of Changes in Net Assets (continued)**

**Revenues.** As in previous years, in the low rent fund rental revenues are the majority of the total operating revenues. During the current fiscal year, federal subsidies were in the amount of \$101,228. Grant revenues in the CFP grant fund totaled \$36,410.

**Expenses.** As in previous years, personnel services make up the largest portion of operating expense in the low rent fund. Due to the significant investments the SCPHA has in capital assets, depreciation continues to be a large operating expense. Unlike the other expenses listed, depreciation is not a cash expense. The total expenses for the current fiscal year are 1.2% more than the prior fiscal year. This is a smaller increase than in the prior fiscal year and the main reason for this is the 7.8% decrease in the cost of utilities. The SCPHA has and continues to pursue ways to reduce costs without affecting services.

**FINANCIAL ANALYSIS OF THE HOUSING AUTHORITY'S FUNDS**

As noted earlier, SCPHA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

At the end of the fiscal year, the unrestricted net assets for the low rent fund were \$559,442. The total decrease before transfers was \$31,471. Funds in the amount of \$88,113 were transferred from the CFP grant fund to reimburse the low rent fund for operations as allowed by the grant agreement. The net income after transfers for all business-type activities was \$20,232. Other factors concerning the finances of this fund have been addressed previously in the discussion of the SCPHA's business-type activities.

**Capital Asset and Debt Administration**

**Capital Assets.** The SCPHA's capital assets for its business-type activities as of June 30, 2008 amount to \$389,526 (net of accumulated depreciation). Capital assets include improvements, buildings, machinery, and equipment. There was no increase in business-type capital assets (excluding accumulated depreciation) for the current fiscal year.

**Capital Assets, Net of Depreciation  
June 30,**

	2008	2007
Buildings	\$ 151,334	\$ 166,315
Improvements	229,480	250,889
Machinery and Equipment	8,712	13,474
Capital Assets, Net of Accumulated Depreciation	\$ 389,526	\$ 430,678

For proprietary fund financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 5 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The SCPHA's staff and Board of Commissioners consider many factors when setting the fiscal year 2008 budget. The U.S. Department of Housing and Urban Development has calculated the operating subsidy for the first six months of the most recent fiscal year to be approximately \$47,500. This amount represents 83.55% of the eligible subsidy prior to adjustments as determined by the performance funding system. The SCPHA plans to keep the vacancy rate low and expenses will be closely monitored.

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**SANTA CLARA, NEW MEXICO**  
June 30, 2008

**Management's Discussion and Analysis**

**SUPPLEMENTARY INFORMATION**

The SCPHA contracts a fee accountant for all accounting services. The fee accountant is responsible for the preparation of budgets and budget revisions, monthly financial reports and all REAC required submissions.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the SCPHA's finances for all of those with an interest in the proprietary fund's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Gloria Duran, Santa Clara Public Housing Authority, P.O. Box 275, Santa Clara, New Mexico, 88026.

## **BASIC FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Statement of Net Assets**  
**Proprietary Fund**  
June 30, 2008

	Low Rent	Non-Major Funds	Totals
<b>Assets:</b>			
Current assets:			
Cash and equivalents	\$ 121,727	-	\$ 121,727
Dwelling rent receivable (net of allowance for doubtful accounts)	702	-	702
Subsidy receivable	49,280	-	49,280
Prepaid insurance	6,973	-	6,973
Restricted cash and investments:			
Tenant deposits	2,822	-	2,822
Capital assets:			
Other capital assets, net of accumulated depreciation	389,526	-	389,526
Total assets	<u>\$ 571,030</u>	<u>-</u>	<u>\$ 571,030</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	\$ 2,565	-	2,565
Accrued payroll	1,640	-	1,640
Payroll taxes payable	2,881	-	2,881
Compensated absences	840	-	840
Tenant security deposits	2,822	-	2,822
Total current liabilities	<u>10,748</u>	<u>-</u>	<u>10,748</u>
Long term liabilities:			
Compensated absences	840	-	840
Total long term liabilities	<u>840</u>	<u>-</u>	<u>840</u>
Total liabilities	<u>11,588</u>	<u>-</u>	<u>11,588</u>
<b>Net Assets:</b>			
Invested in capital assets	389,526	-	389,526
Unrestricted	169,916	-	169,916
Total net assets	<u>559,442</u>	<u>-</u>	<u>559,442</u>
Total liabilities and net assets	<u>\$ 571,030</u>	<u>-</u>	<u>\$ 571,030</u>

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

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Statement of Net Assets**  
**Proprietary Fund**  
June 30, 2007

	Low Rent	Non-Major Funds	Totals
<b>Assets:</b>			
Current assets:			
Cash and equivalents	\$ 15,814	-	\$ 15,814
Dwelling rent receivable (net of allowance for doubtful accounts)	80	-	80
Subsidy receivable	99,442		99,442
Grant receivable		51,703	51,703
Prepaid insurance	11,000	-	11,000
Restricted cash and investments:			
Tenant deposits	2,392	-	2,392
Capital assets:			
Other capital assets, net of accumulated depreciation	430,678	-	430,678
Total assets	<u>\$ 559,406</u>	<u>\$ 51,703</u>	<u>\$ 611,109</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	\$ 6,122	-	6122
Due to Village of Santa Clara	8,514	-	8514
Payroll taxes payable	1,034	-	1034
Compensated absences	2,134	-	2134
Tenant security deposits	2,392	-	2392
Total current liabilities	<u>20,196</u>	<u>-</u>	<u>20,196</u>
Total liabilities	<u>20,196</u>	<u>-</u>	<u>20,196</u>
<b>Net Assets:</b>			
Invested in capital assets	430,678	-	430,678
Unrestricted	108,532	51,703	160,235
Total net assets	<u>539,210</u>	<u>51,703</u>	<u>590,913</u>
Total liabilities and net assets	<u>\$ 559,406</u>	<u>\$ 51,703</u>	<u>\$ 611,109</u>

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

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Fund**  
For the Year-Ended June 30, 2008

	Low Rent	Non-Major Funds	Totals
<b>Operating Revenue:</b>			
Dwelling rental	\$ 64,328	-	\$ 64,328
Grant income		\$ 36,410	36,410
Federal subsidies	101,228	-	101,228
Total operating revenue	<u>165,556</u>	<u>36,410</u>	<u>201,966</u>
<b>Operating Expenses:</b>			
Admin. salaries	47,590	-	47,590
Travel	806	-	806
Other expenses	11,441	-	11,441
Utilities	52,747	-	52,747
Maintenance salaries	5,808	-	5,808
Maintenance materials	10,437	-	10,437
Contract	20,299	-	20,299
Audit fees	8,124	-	8,124
Insurance	13,496	-	13,496
Employee benefits	19,006	-	19,006
Bad debts	2,531	-	2,531
Depreciation	41,152	-	41,152
Total operating expenses	<u>233,437</u>	<u>-</u>	<u>233,437</u>
Operating income (loss) before transfers	<u>(67,881)</u>	<u>36,410</u>	<u>(31,471)</u>
Transfers in (out)	<u>88,113</u>	<u>(88,113)</u>	<u>-</u>
Change in net assets	20,232	(51,703)	(31,471)
Total net assets, beginning of year as restated	539,210	51,703	590,913
Total net assets, end of year	<u>\$ 559,442</u>	<u>\$ -</u>	<u>\$ 559,442</u>

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



**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Fund**  
For the Year-Ended June 30, 2007

	Low Rent	Non-Major Funds	Totals
<b>Operating Revenue:</b>			
Dwelling rental	\$ 54,905	-	\$ 54,905
Federal subsidies	99,442	-	99,442
Total operating revenue	<u>154,347</u>	<u>-</u>	<u>154,347</u>
<b>Operating Expenses:</b>			
Admin. salaries	45,985	-	45,985
Travel	6,791	-	6,791
Other expenses	15,690	-	15,690
Utilities	57,235	-	57,235
Maintenance salaries	7,392	-	7,392
Maintenance materials	4,647	-	4,647
Contract	20,735	-	20,735
Audit fees	8,514	-	8,514
Insurance	7,421	-	7,421
Employee benefits	23,361	-	23,361
Depreciation	32,848	-	32,848
Total operating expenses	<u>230,619</u>	<u>-</u>	<u>230,619</u>
Operating income (expense)	<u>(76,272)</u>	<u>-</u>	<u>(76,272)</u>
<b>Non-Operating Income(Expense):</b>			
CFP grant	-	179,159	179,159
Total non-operating income	<u>-</u>	<u>179,159</u>	<u>179,159</u>
Income (loss) before adjustment and transfers	(76,272)	179,159	102,887
Transfers in (out)	<u>582,683</u>	<u>(582,683)</u>	<u>-</u>
Change in net assets	506,411	(403,524)	102,887
Total net assets, beginning of year	<u>32,799</u>	<u>455,227</u>	<u>488,026</u>
Total net assets, end of year as restated(Note 16)	<u>\$ 539,210</u>	<u>\$ 51,703</u>	<u>\$ 590,913</u>

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

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Statement of Cash Flows**  
**Proprietary Fund**  
For the Year-Ended June 30, 2008

	Low Rent	Non-Major Funds	Totals
Cash flows from operating activities:			
Cash received from dwelling rentals	\$ 63,706	-	\$ 63,706
Cash received from federal subsidies	151,391	-	151,391
Cash received from federal grant		36,410	36,410
Cash payments to suppliers and employees	(196,867)	-	(196,867)
Net cash provided by (used for) operating activities	<u>18,230</u>	<u>36,410</u>	<u>54,640</u>
Cash flows from capital financing activities:			
Transfer from other funds	88,113	(36,410)	51,703
Cash received from federal grant	-	-	-
Net cash used for financing activities	<u>88,113</u>	<u>(36,410)</u>	<u>51,703</u>
Net (decrease) increase in cash and cash equivalents	106,343	-	106,343
Cash and cash equivalents – beginning of year	<u>18,206</u>	-	<u>18,206</u>
Cash and cash equivalents – end of year	<u>\$ 124,549</u>	-	<u>\$ 124,549</u>

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Statement of Cash Flows**  
**Proprietary Fund**  
For the Year-Ended June 30, 2008

	Low Rent	Non-Major Funds	Totals
Reconciliation of operating income (loss) to net cash			
Provided (used) by operating activities	\$ (67,881)	\$ 36,410	\$ (31,471)
Change in unrestricted assets adjustments to reconcile			
Operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	41,152		41,152
(Increase) decrease in tenants receivable	(622)		(622)
(Increase) decrease in other receivable	(49,280)		(49,280)
(Increase) decrease in subsidy receivable	99,442		99,442
(Increase) decrease in prepaid expenses	4,027		4,027
Increase (decrease) in accounts payable	(3,557)		(3,557)
Increase (decrease) accounts payable-other	(8,514)		(8,514)
Increase (decrease) in compensated absences	(454)		(454)
Increase (decrease) in accrued expenses	3,487		3,487
Increase (decrease) in tenant security deposits	430		430
Net cash provided (used) by operating activities	\$ 18,230	\$ 36,410	\$ 54,640

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Statement of Cash Flows**  
**Proprietary Fund**  
For the Year-Ended June 30, 2007

	Low Rent	Non-Major Funds	Totals
Cash flows from operating activities:			
Cash received from dwelling rentals	\$ 57,084	-	\$ 57,084
Cash received from federal subsidies	82,948		82,948
Cash payments to suppliers and employees	(191,717)	-	(191,717)
Net cash provided by (used for) operating activities	<u>(51,685)</u>	<u>-</u>	<u>(51,685)</u>
Cash flows from capital financing activities			
Transfer from other funds	49,740	(49,740)	-
Cash received from federal grant		49,740	49,740
Modernization of buildings	(35,577)		(35,577)
Net cash used for financing activities	<u>14,163</u>	<u>-</u>	<u>14,163</u>
Net (decrease) increase in cash and cash equivalents	(37,522)	-	(37,522)
Cash and cash equivalents – beginning of year	<u>55,728</u>	<u>-</u>	<u>55,728</u>
Cash and cash equivalents – end of year	<u>\$ 18,206</u>	<u>-</u>	<u>\$ 18,206</u>

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Statement of Cash Flows**  
**Proprietary Fund**  
For the Year-Ended June 30, 2007

	Low Rent	Non-Major Funds	Totals
Reconciliation of operating income (loss) to net cash			
Provided (used) by operating activities	\$ (76,272)	-	\$ (76,272)
Change in unrestricted assets adjustments to reconcile			
Operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	32,848		32,848
(Increase) decrease in accounts receivable	(97,263)		(97,263)
(Increase) decrease in prepaid expenses	(3,467)		(3,467)
Increase (decrease) in accounts payable	11,082		11,082
Increase (decrease) accounts payable-other	38		38
Increase (decrease) in compensated absences	200		200
Increase (decrease) in accrued expenses	(2,055)		(2,055)
Increase (decrease) in tenant security deposits	256		256
Net cash provided (used) by operating activities	<u>\$ (134,633)</u>	<u>\$ -</u>	<u>\$ (134,633)</u>

**NOTES TO FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
June 30, 2008

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Santa Clara Public Housing Authority (SCPHA) was established in 1976. Five commissioners who are selected by the Santa Clara Board of Trustees govern it. For financial reporting purposes only, the SCPHA is a discretely presented component unit of the Village of Santa Clara. The SCPHA was created to provide a conduit for housing funds for disadvantaged citizens.

The financial statements of SCPHA have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial reporting Standards that, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the SCPHA's accounting policies are described below.

*A. Reporting Entity*

In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the reporting entity was made by applying the criteria set forth in GAAP. The most primary standard for including or excluding a potential component unit with the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the SCPHA is able to exercise oversight responsibilities. Based upon the application of these criteria, the SCPHA has no component units.

*B. Basis of Presentation and Accounting*

The SCPHA's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The SCPHA has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB), or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements. The SCPHA also has the option of following all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The SCPHA has elected not to follow FASB Statement and Interpretation issued after November 30, 1989.

The SCPHA implemented the provisions of GASB No.'s 34, 37, 38, and 39 effective June 15, 2003. The SCPHA implemented the provisions of GASB No. 40 effective July 1, 2004.

The accounts of the SCPHA are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the SCPHA's assets, liabilities, net assets, revenues and expenses.

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
June 30, 2008

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*B. Basis of Presentation and Accounting (continued)*

Enterprise funds account for activities; (1) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (2) that are required by laws or regulations that the SCPHA's cost of providing services, including capital costs, such as depreciation or debt service, be recovered with fees and charges rather than with taxes or similar revenues; or (3) that the pricing policies of the SCPHA establish fees and charges designed to recover its costs, including capital costs, such as depreciation or debt service.

The accounting and financial reporting treatment applied to the SCPHA is determined by its measurement focus. The transactions of the SCPHA are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net assets. Net assets, such as total assets net of total liabilities, are segregated into invested in unrestricted resources are available for use; it is the SCPHA's policy to use restricted resources first, then unrestricted resources as they are needed.

The SCPHA distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the SCPHA's principal ongoing operations. The principal operating revenues are rental income and federal grants. Operating expenses for the fund includes the cost of maintenance, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by U.S. Department of Housing and Urban Development (HUD) have been met. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

*C. Budgets*

The SCPHA adheres to the following regarding the budget:

1. The executive director and the fee accountant prepare the budget in accordance with HUD guidelines.
2. Capital expenditures for the Capital Fund Program (CFP) are budgeted for grant purposes. Expenditures capitalized are reflected as increases to capital assets and reported on the statement of net assets. The SCPHA does not budget for depreciation expense.
3. HUD reviews the proposed budget and makes corrections, revisions and amendments as necessary.
4. The executive director submits the budget to the SCPHA's Board of Commissioners for approval.
5. The Board of Commissioner's approves the budget.

This budget is a guideline to operations but is not a legally enforceable document.



**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
June 30, 2008

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*C. Budgets (continued)*

The following is reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund type.

	June 30, 2008	June 30, 2007
	Low Rent	Low Rent
	Fund	Fund
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)	\$ 20,232	\$ 506,411
Adjustments:		
To adjust expenditures for payables, payroll taxes, prepaid expenses and other accruals	46,207	48,391
Excess (deficiency) of revenues and other sources (uses) over expenditures (Budget Basis)	\$ 66,439	\$ 554,802

*D. Cash and Cash Equivalents*

The SCPHA's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the SCPHA to invest in interest bearing accounts with local financial institutions, direct obligations of the U.S. Treasury or New Mexico political subdivisions and the State Treasurer's Investment Pool. New Mexico Statutes require that financial institutions with public monies, in an amount not less than 50% of the uninsured public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the SCPHA. The pledged securities remain in the name of the financial institution. There were no short-term investments held at June 30, 2008.

*E. Accounts Receivable*

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants and tenants. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable. Changes in the valuation allowance have not been material to the financial statements. All accounts are considered collectible; therefore, an allowance was provided in the amount of \$1,829 during the fiscal year ending June 30, 2008.

*F. Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the proprietary fund financial statements.

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
June 30, 2008

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*G. Capital Assets*

Capital assets, which include buildings, improvements, and equipment, are valued and reported at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation. The SCPHA defines capital assets including computer software as assets with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements of \$5,000 or more are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. No computer software is developed in-house.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. During 2008 and 2007, no interest was included as part of the cost of capital assets under construction.

Buildings, improvements, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	12-25
Furniture, equipment & vehicles	5-10

*H. Compensated Absences*

Vested or accumulated vacation leave that is expected to be liquidated with expendable available resources, is reflected as a liability of the SCPHA. In accordance with the provisions of Governmental Accounting Standards Board, Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Annual leave is earned according to the following schedule:

6. After the first year anniversary date, an employee will acquire ten days, two weeks of annual leave per year. This schedule is for employees employed by the SCPHA for the first seven years of employment.
7. After seven years of employment, an employee will acquire fifteen days, three weeks of annual leave per year.
8. After fifteen years of employment, an employee will acquire twenty days, four weeks of annual leave per year.
9. One personal day per year will be given, including those employees on a probationary period.

Upon termination, any unused annual vacation leave shall be paid.

*I. Net Assets*

Net assets comprise the various net earnings from operating income, non-operating revenues and expenses and capital contributions, net assets are classified in the following three components:

The invested in capital assets consists of capital assets, net of accumulated depreciation.

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
June 30, 2008

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*I. Net Assets (continued)*

Restricted net assets consist of constraints imposed by creditors, such as through debt covenants; grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets.”

*J. Cash Flows*

For the purpose of the statement of cash flows, the SCPHA considers all highly liquid investments, including restricted cash with maturity of three months or less when purchased, to be cash equivalents.

*K. Inter-Fund Transactions*

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements are reported as transfers. All other inter-fund transfers are reported as operating transfers.

*L. Use of Estimates*

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 CASH**

New Mexico State Statutes provide authoritative guidance regarding the deposit of cash and idle cash. Deposits of funds may be made in interest or non-interest bearing checking accounts. Deposits may be made to the extent that they are insured by an agency of the United States of America or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the state Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Idle cash may be invested in a wide variety of instruments, including money market accounts, certificates of deposit, the New Mexico State Treasurer’s investment pool or in securities that are issued by the state or by the United States government or by their departments or agencies and which are either direct obligations of the state or the United States or are backed by the full faith and credit of those governments.

*Cash Deposited with Financial Institutions.* The SCPHA maintains cash in one financial institution. The SCPHA’s deposits are carried at cost.

The amounts reported as cash for the SCPHA within the financial statement is displayed as:

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
June 30, 2008

**NOTE 2 CASH (continued)**

	2008	2007
Cash	\$ 121,727	\$ 15,814
Tenant Deposits	2,822	2,392
Total	\$ 124,549	\$ 18,206

Except for items in transit, the carrying value of deposits by the respective depositories equated to the carrying value by the SCPHA. The Federal Deposit Insurance Corporation (FDIC) insures all deposits.

Wells Fargo Bank  
New Mexico, N.A.

	2008	2007
Checking	\$ 124,549	\$ 18,206
Less FDIC checking	(124,549)	(18,206)
Uninsured public funds	\$ -	\$ -

**NOTE 3 CUSTODIAL CREDIT RISK - DEPOSITS**

Custodial credit risk is the risk that in the event of a bank failure, the SCPHA's deposit may not be returned to it. The SCPHA does not have a deposit policy for custodial risk. As of June 30, 2008, all of the SCPHA's deposits were insured; therefore, the SCPHA'S was not exposed to custodial risk.

**NOTE 4 RECEIVABLES**

Receivables as of June 30, 2008, are as follows:

	Low Income Housing	CFP Grant
Dwelling rent receivable	\$ 702	\$ -
Subsidy receivable	49,280	-
Totals-net of allowance for doubtful accounts	\$ 49,982	\$ -

Receivables as of June 30, 2007, are as follows:

	Low Income Housing	CFP Grant
Dwelling rent receivable	\$ 80	\$ -
Subsidy receivable	99,442	-
Grant receivable	-	51,703
Totals-net of allowance for doubtful accounts	\$ 99,522	\$ 51,703

The above receivables are deemed 100% collectible within one year.

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
June 30, 2008

**NOTE 5 CAPITAL ASSETS**

The following is a summary of capital assets and changes occurring during the years-ended June 30, 2008 and June 30, 2007. Land is not subject to depreciation.

<b>Business-Like Activities</b>	Balance			Balance			Balance		
	June 30, 2006	Additions	Deletions	June 30, 2007	Additions	Deletions	June 30, 2008		
Capital assets being depreciated									
Buildings	\$ 599,249	-	-	\$ 599,249	-	-	\$ 599,249		
Improvements	331,296	35,577	-	366,873	-	-	366,873		
Furniture, equipment, vehicles	47,612	-	-	47,612	-	-	47,612		
Total	<u>978,157</u>	<u>35,577</u>	<u>-</u>	<u>1,013,734</u>	<u>-</u>	<u>-</u>	<u>1,013,734</u>		
Accumulated depreciation									
Building	417,953	14,981	-	432,934	14,981	-	447,915		
Improvements	102,879	13,105	-	115,984	21,409	-	137,393		
Furniture, equipment, vehicles	29,376	4,762	-	34,138	4,762	-	38,900		
Total	<u>550,208</u>	<u>32,848</u>	<u>-</u>	<u>583,056</u>	<u>41,152</u>	<u>-</u>	<u>624,208</u>		
Net book value	<u>\$ 427,949</u>	<u>\$ 2,729</u>	<u>-</u>	<u>\$ 430,678</u>	<u>\$(41,152)</u>	<u>-</u>	<u>\$ 389,526</u>		

Depreciation expense relating to business-like activities for the year-ended June 30, 2008 totaled \$41,152 and June 30, 2007 was \$32,848.

**NOTE 6 INTER-FUND TRANSFERS**

Transfers to/from other funds at June 30, consist of the following:

2008	2007	From	To	Reason
<b>Capital Projects Funds</b>				
\$ 51,703		Project #NM02P029501-05	Low rent fund	To transfer prior year funds for operations
36,410		Project #NM02P029501-05	Low rent fund	To transfer current year funds for operations
	\$ 427,979	Project #NM02P029501-02	Low rent fund	To transfer prior year funds for capital assets
	27,248	Project #NM02P029501-02	Low rent fund	To transfer prior year funds for operations
	2,686	Project #NM02P029501-02	Low rent fund	To transfer current year funds for operations
	24,901	Project #NM02P029501-04	Low rent fund	To transfer current year funds for operations
	35,577	Project #NM02P029501-04	Low rent fund	To transfer current year funds for capital outlay
	14,552	Project #NM02P029501-06	Low rent fund	To transfer current year funds for operations
	49,740	Project #NM02P029501-06	Low rent fund	To transfer current year funds for operations
<u>\$ 88,113</u>	<u>\$ 582,683</u>	Total transfers		

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
June 30, 2008

**NOTE 7 COMPENSATED ABSENCES**

The following changes occurred in the compensated absences liabilities reported in the statement of net assets:

Balance				Balance				Balance	Due
June 30,2006	Additions	Decreases	June 30,2007	Additions	Decreases	June 30,2008	One Year		
\$ 1,934	\$ 2,134	\$ (1,934)	\$ 2,134	\$ 1,680	\$ (2,134)	\$ 1,680	\$ 840		

The low-rent fund has been used to liquidate the compensated absence liability.

**NOTE 8 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosures as part of the Combining Statements – overview of certain information concerning individual funds including:

There were no funds reflecting a deficit fund balance as of June 30, 2008.

**NOTE 9 PERA PENSION PLAN**

*Plan Description.* All of SCPHA’s full-time employees participate in a defined benefit contributory retirement plan through the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978) of the State of New Mexico, a cost sharing, multiple-employer defined benefit retirement system. The Public Employees Retirement Association (PERA) is the administrator of the plan. The plan provides for retirement, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

*Funding Policy.* For covered employees, participants were required to contribute 7% of their gross salary to the plan. The SCPHA contributes a required matching contribution of 7% of each participant’s gross salary. The SCPHA’s contributions to PERA for the years ended June 30, 2008, 2007 and 2006 were \$2,918, \$3,282, and \$3,408 equal to the amount of the required contributions for the years, respectively.

**NOTE 10 POST-EMPLOYMENT BENEFITS**

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

**NOTE 11 RISK MANAGEMENT**

The SCPHA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters.

The SCPHA is a member and is insured through the State of New Mexico self-insurance program. The SCPHA pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers’ Compensation, General and Automobile Liability, Automobile Physical Damage and Property and Crime coverage. The SCPHA is not liable for more than the premiums paid. Total premiums paid for the years ending June 30, 2008 and 2007 are \$13,496 and \$7,421 respectively.

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
June 30, 2008

**NOTE 12 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 amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the SCPHA expects such amounts, if any to be immaterial.

**NOTE 13 FEDERAL GRANTS**

In the normal course of operations, the SCPHA receives grant funds from U.S. Department of Housing and Urban Development (HUD). Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as a result of these audits, is not believed to be material. During the years ending June 30, 2008 and 2007, HUD awarded \$137,639 and \$149,182 as low-rent subsidies and during the year ending June 30, 2007, \$129,419 as CFP grants. HUD allows the SCPHA to use the CFP grants for operations and capital projects. The CFP grant funds used for operations were \$42,139 and grant funds used for capital outlay were \$35,577. The remaining balance, \$51,703, in the CFP grant funds was received during the year ending June 30, 2008, and was used for general operations.

**NOTE 14 SUBSEQUENT EVENTS**

The SCPHA has contracts and grant awards for construction projects in various stages of completion. Such contracts, funded principally by federal agencies constitute future commitments.

**NOTE 15 INTERGOVERNMENTAL TRANSACTIONS**

During the years ended June 30, 2008 and 2007, the SCPHA paid approximately \$21,100 and \$21,300 respectively, for water expenses to the Village of Santa Clara and paid \$8,514 during the year ended June 30, 2008, for audit fees paid by the Village on the behalf of SCPHA.

**NOTE 16 RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS**

Net assets end of year June 30, 2007		\$ 491,471
Rent subsidy budgeted for year ending June 30, 2007	99,442	
Rent subsidy reported for year ending June 30, 2007	<u>49,740</u>	
Net rent subsidy		49,702
Operating subsidy reported as rent subsidy for year ended June 30, 2007		<u>49,740</u>
Net assets end of year June 30, 2007, as restated		<u>\$ 590,913</u>

The rent subsidies in past fiscal years were being reported on the cash basis rather than the GAAP basis as required to equal the budget for that fiscal year.

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
June 30, 2008

**NOTE 17 EXCESS EXPENDITURES OVER APPROPRIATION**

New Mexico State Statutes restricts all officials and governing authorities from approving claims in excess of the approved budget. The Santa Clara Public Housing Authority exceeded its authorized budget by \$19,474 as follows:

<u>Fund</u>	<u>Expenses</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Actual (over)</u> <u>under Budget</u>
Low Rent				
	Administrative salaries	\$ 40,560	\$ 46,270	\$ (5,710)
	Other administrative expenses	11,000	11,441	(441)
	Water	11,200	21,091	(9,891)
	Gas	12,900	13,927	(1,027)
	Contract costs	6,700	20,020	(13,320)
	Insurance	8,700	13,496	(4,796)
	Collection losses	500	2,531	(2,031)
	Subtotal	91,560	128,776	(37,216)
	Other expenditures	76,196	58,454	17,742
	Total expenditures	\$ 167,756	\$ 187,230	\$ (19,474)



**NON-MAJOR PROPRIETARY FUNDS**

State of New Mexico  
 Santa Clara Public Housing Authority  
 Combining Balance Sheet- Non-Major Proprietary Fund  
 June 30, 2008

	Project # NM02P029501-02	Project # NM02P029501-04	Project # NM02P029501-05	Project # NM02P029501-06	Totals
<b>Assets</b>					
Current assets					
Cash-restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Grant receivable	-	-	-	-	-
Total assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities and net assets</b>					
Current liabilities					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
			-		-
<b>Net assets</b>					
Restricted net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.  
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State of New Mexico  
 Santa Clara Public Housing Authority  
 Combining Balance Sheet- Non-Major Proprietary Fund  
 June 30, 2007

	Project #	Project #	Project #	Project #	Totals
	NM02P029501-02	NM02P029501-04	NM02P029501-05	NM02P029501-06	
<b>Assets</b>					
Current assets					
Cash-restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Grant receivable	-	-	51,703	-	51,703
Total assets	<u>-</u>	<u>-</u>	<u>51,703</u>	<u>-</u>	<u>51,703</u>
<b>Liabilities and net assets</b>					
Current liabilities					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net assets</b>					
Restricted net assets	-	-	51,703	-	51,703
Total net assets	<u>-</u>	<u>-</u>	<u>51,703</u>	<u>-</u>	<u>51,703</u>
Total liabilities and net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,703</u>	<u>\$ -</u>	<u>\$ 51,703</u>

State of New Mexico  
 Santa Clara Public Housing Authority  
 Combining Statement of Operating Revenues, Expenses and  
 Changes in Fund Net Assets-Non-Major Proprietary Funds  
 June 30, 2008

	Project # NM02P029501-02	Project # NM02P029501-04	Project # NM02P029501-05	Project # NM02P029501-06	Totals
Operating revenue:					
Federal grants	\$ -	\$ -	\$ 36,410	\$ -	\$ 36,410
Total revenues	-	-	36,410	-	36,410
Operating expenses					
General expenses	-	-	-	-	-
Total expenses	-	-	-	-	-
Operating income	-	-	-	-	-
Non-operating income					
Other income	-	-	-	-	-
Total non-operating income	-	-	-	-	-
Income (loss) before transfers	-	-	36,410	-	36,410
Total net assets - beginning of year	-	-	51,703	-	51,703
Transfers In (Out)	-	-	(88,113)	-	(88,113)
Total net assets - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.  
 Page 28

State of New Mexico  
Santa Clara Public Housing Authority  
Combining Statement of Operating Revenues, Expenses and  
Changes in Fund Net Assets-Non-Major Proprietary Funds  
June 30, 2007

	Project #	Project #	Project #	Project #	Totals
	NM02P029501-02	NM02P029501-04	NM02P029501-05	NM02P029501-06	
Operating revenue:					
Other income	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Operating expenses					
General expenses	-	-	-	-	-
Total expenses	-	-	-	-	-
Operating income					
Non-operating income					
Federal grants	2,686	60,478	101,443	14,552	179,159
Total non-operating income	2,686	60,478	101,443	14,552	179,159
Income (loss) before transfers	2,686	60,478	101,443	14,552	179,159
Total net assets-beginning of year	455,227				455,227
Transfers in (out)	(457,913)	(60,478)	(49,740)	(14,552)	(582,683)
Total net assets - end of year	\$ -	\$ -	\$ 51,703	\$ -	\$ 51,703

The accompanying notes are an integral part of these financial statements.  
Page 29

State of New Mexico  
 Santa Clara Public Housing Authority  
 Statement of Cash Flows - Non-Major Proprietary Fund  
 June 30, 2008

	Project #	Project #	Project #	Project #	Totals
	NM02P029501-02	NM02P029501-04	NM02P029501-05	NM02P029501-06	
Cash flows from capital financing activities					
Cash received from Federal grant	\$ -	\$ -	\$ -	\$ 36,410	\$ 36,410
Transfers to other funds					
Net cash provided by capital financing	-	-	-	36,410	36,410
Net increase (decrease) in cash and cash equivalents	-	-	-	36,410	36,410
Cash and cash equivalents - beginning of year	-	-	-	-	-
Transfers in (out)	-	-	-	(36,410)	(36,410)
Cash and cash equivalents - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.  
 Page 30

State of New Mexico  
 Santa Clara Public Housing Authority  
 Statement of Cash Flows - Non-Major Proprietary Fund  
 June 30, 2007

	Project #	Project #	Project #	Project #	Totals
	NM02P029501-02	NM02P029501-04	NM02P029001-00106D	NM02P029501-06	
Cash flows from capital financing activities					
Cash received from Federal grant				\$ 49,740	\$ 49,740
Transfers to other funds				(49,740)	(49,740)
Net cash provided by capital financing			-	-	-
Net increase (decrease) in cash and cash equivalent:	-	-	-	-	-
Cash and cash equivalents - beginning of year	-	-	-	-	-
Cash and cash equivalents - end of year	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.  
 Page 31

State of New Mexico  
Santa Clara Public Housing Authority  
Statement of Cash Flows - Non-Major Proprietary Fund  
June 30, 2007

There is no cash provided by operating activities in the non-major funds.



**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Proprietary Fund**  
**Low Rent Fund**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget (Non-GAAP Basis) and Actual**  
For the Year-Ended June 30, 2008

	<u>Budgeted Amounts</u>		Actual	Variances
	Original	Final		With Final Budget
Revenues:				
Tenant rental income	\$ 60,800	\$ 60,800	\$ 64,328	\$ 3,528
Federal subsidies	95,000	95,000	101,228	6,228
Total revenues	<u>155,800</u>	<u>155,800</u>	<u>165,556</u>	<u>9,756</u>
Add: Beginning cash	<u>18,206</u>	<u>18,206</u>		
	<u>174,006</u>	<u>174,006</u>		
Expenses:				
Administrative salaries	40,560	40,560	46,270	(5,710)
Legal	500	500	-	500
Staff training	3,500	3,500	-	3,500
Travel	1,000	1,000	806	194
Accounting fees	3,500	3,500	-	3,500
Auditing fees	10,000	10,000	8,124	1,876
Other admin expenses	11,000	11,000	11,441	(441)
Water	11,200	11,200	21,091	(9,891)
Electricity	18,800	18,800	16,037	2,763
Gas	12,900	12,900	13,927	(1,027)
Maintenance salaries	8,320	8,320	5,488	2,832
Materials	10,000	10,000	8,997	1,003
Contract costs	6,700	6,700	20,020	(13,320)
Insurance	8,700	8,700	13,496	(4,796)
Employee benefit contributions	20,576	20,576	19,002	1,574
Collection losses	500	500	2531	(2,031)
Total expenses	<u>\$ 167,756</u>	<u>\$ 167,756</u>	<u>\$ 187,230</u>	<u>\$ (19,474)</u>
Income (loss) before transfers			<u>\$ (21,674)</u>	
Transfers in	-	-	88,113	88,113
Transfers out	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>\$ 88,113</u>	<u>\$ 88,113</u>
Change in net assets			66,439	
Differences between GAAP and Non-GAAP				
Adjust for accrued expenses		(5,055)		
Depreciation		<u>(41,152)</u>		
			(46,207)	
Total net assets - beginning of year			<u>539,210</u>	
Total net assets – end of year			<u>\$ 559,442</u>	

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

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Proprietary Fund**  
**Low Rent Fund**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget (Non-GAAP Basis) and Actual**  
For the Year-Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variances
	Original	Final	Actual	Final Budget
Revenues:				
Tenant rental income	\$ 40,590	\$ 40,590	\$ 54,905	\$ 14,315
Federal subsidies	115,098	115,098	149,182	34,084
Total revenues	<u>155,688</u>	<u>155,688</u>	<u>204,087</u>	<u>48,399</u>
Add: Beginning cash	53,592	53,592		
	<u>209,280</u>	<u>209,280</u>		
Expenses:				
Administrative salaries	40,030	40,030	45,985	(5,955)
Legal	500	500	-	500
Staff training	500	500	-	500
Travel	1,000	1,000	6,791	(5,791)
Accounting fees	3,500	3,500	-	3,500
Auditing fees	3,000	3,000	-	3,000
Other admin expenses	13,000	13,000	14,057	(1,057)
Water	21,200	21,200	21,310	(110)
Electricity	21,470	21,470	17,577	3,893
Gas	15,060	15,060	13,859	1,201
Maintenance salaries	10,640	10,640	7,392	3,248
Materials	12,000	12,000	4,647	7,353
Contract costs	9,700	9,700	20,735	(11,035)
Insurance	8,700	8,700	7,421	1,279
Employee benefit contributions	28,135	28,135	22,454	5,681
Collection losses	500	500	-	500
Total expenses	<u>\$ 188,935</u>	<u>\$ 188,935</u>	<u>\$ 182,228</u>	<u>\$ 6,707</u>
Income (loss) before transfers			<u>21,859</u>	
Transfers in	-	-	77,716	77,716
Transfers out	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>\$ 77,716</u>	<u>\$ 77,716</u>
Change in net assets			99,575	
Differences between GAAP and Non-GAAP				
Adjust for accrued expenses		(15,543)		
Depreciation		(32,848)		
Adjust transfers		<u>455,227</u>		
			406,836	
Total net assets - beginning of year			<u>32,799</u>	
Total net assets - end of year			<u>\$ 539,210</u>	

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

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Proprietary Fund**  
**Capital Grant Fund**  
**Project #NM02P029501-02**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget (Non-GAAP Basis) and Actual**  
 For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final		With Final Budget
Revenues:				
Federal grants	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenses:				
Structures	-	-	-	-
Total expenses	-	-	-	-
Change in net assets			-	
Difference between non-GAAP and GAAP			-	
Adjust transfers			-	
Total net assets – beginning of year			-	
Total net assets – end of year			\$ -	

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Proprietary Fund**  
**Capital Grant Fund**  
**Project #NM02P029501-02**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget (Non-GAAP Basis) and Actual**  
 For the Year-Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variances
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	With <u>Final Budget</u>
Revenues:				
Federal grants	\$ 2,686	\$ 2,686	\$ 2,686	\$ -
Total revenues	<u>2,686</u>	<u>2,686</u>	<u>2,686</u>	<u>-</u>
Expenses:				
Structures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets			2,686	
Difference between non-GAAP and GAAP			-	
Total net assets – beginning of year			455,227	
Transfers out			<u>(457,913)</u>	
Total net assets – end of year			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Proprietary Fund**  
**Capital Grant Fund**  
**Project #NM02P029501-04**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget (Non-GAAP Basis) and Actual**  
 For the Year-Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variances
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	With <u>Final Budget</u>
Revenues:				
Federal grants	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses:				
Structures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets			-	
Difference between non-GAAP and GAAP			-	
Total net assets – beginning of year			<u>-</u>	
Total net assets – end of year			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Proprietary Fund**  
**Capital Grant Fund**  
**Project #NM02P029501-04**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget (Non-GAAP Basis) and Actual**  
 For the Year-Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variances With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal grants	\$ 60,478	\$ 60,478	\$ 60,478	\$ -
Total revenues	<u>60,478</u>	<u>60,478</u>	<u>60,478</u>	<u>-</u>
Expenses:				
Structures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets			60,478	
Difference between non-GAAP and GAAP			-	
Total net assets – beginning of year			-	
Transfers out			<u>(60,478)</u>	
Total net assets – end of year			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Proprietary Fund**  
**Capital Grant Fund**  
**Project #NM02P029501-05**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget (Non-GAAP Basis) and Actual**  
For the Year-Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances
	<u>Original</u>	<u>Final</u>		With <u>Final Budget</u>
Revenues:				
Federal grants	\$ 36,410	\$ 36,410	\$ 36,410	\$ -
Total revenues	<u>36,410</u>	<u>36,410</u>	<u>36,410</u>	<u>-</u>
Expenses:				
Structures	<u>36,410</u>	<u>36,410</u>	<u>-</u>	<u>-</u>
Total expenses	<u>36,410</u>	<u>36,410</u>	<u>-</u>	<u>-</u>
Change in net assets			36,410	
Difference between non-GAAP and GAAP			-	
Total net assets – beginning of year			51,703	
Transfers out			<u>(88,113)</u>	
Total net assets – end of year			<u><u>-</u></u>	

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

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Proprietary Fund**  
**Capital Grant Fund**  
**Project #NM02P029501-05**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget (Non-GAAP Basis) and Actual**  
 For the Year-Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variances With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal grants	\$ 101,443	\$ 101,443	\$ 101,443	\$ -
Total revenues	<u>101,443</u>	<u>101,443</u>	<u>101,443</u>	<u>-</u>
Expenses:				
Structures	<u>-</u>	<u>- -</u>	<u>-</u>	<u>-</u>
Total expenses	<u>-</u>	<u>- -</u>	<u>-</u>	<u>-</u>
Change in net assets			101,443	
Difference between non-GAAP and GAAP			-	
Total net assets – beginning of year			-	
Transfers out			<u>(49,740)</u>	
Total net assets – end of year			<u>\$ 51,703</u>	

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



**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Proprietary Fund**  
**Capital Grant Fund**  
**Project #NM02P029501-06**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget (Non-GAAP Basis) and Actual**  
 For the Year-Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variances
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	With <u>Final Budget</u>
Revenues:				
Federal grants	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenses:				
Structures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets			-	
Difference between non-GAAP and GAAP			-	
Total net assets – beginning of year			<u>-</u>	
Total net assets – end of year			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Proprietary Fund**  
**Capital Grant Fund**  
**Project #NM02P029501-06**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Budget (Non-GAAP Basis) and Actual**  
 For the Year-Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variances With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal grants	\$ 14,552	\$ 14,552	\$ 14,552	\$ -
Total revenues	<u>14,552</u>	<u>14,552</u>	<u>14,552</u>	<u>-</u>
Expenses:				
Structures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets			14,552	
Difference between non-GAAP and GAAP			-	
Total net assets – beginning of year			-	
Transfers out			<u>(14,552)</u>	
Total net assets – end of year			<u>\$ -</u>	

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

## **SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Schedule of Depositories**  
June 30, 2008

	Type	Amount Per Bank	Plus DIT	Less O/S Cks	Balance Per Books
Wells Fargo Operating	CK	\$ 130,604	\$ 2,495	\$ 8,550	\$ 124,549

Type:  
CK=checking

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Schedule of Grants**  
June 30, 2008 and 2007

	FYE 06/30/08	FYE 06/30/07
	Federal	Federal
	Grants	Grants
	<u>          </u>	<u>          </u>
HUD Subsidy	\$ 137,638	\$ 149,182
U.S. Department of Housing and Urban Development, CFP Grant #NM02P029501-02		2,686
U.S. Department of Housing and Urban Development, CFP Grant #NM02P029501-04		60,478
U.S. Department of Housing and Urban Development, CFP Grant #NM02P029501-05		51,703
U.S. Department of Housing and Urban Development, CFP Grant #NM02P034501-06		14,552
Total Grants	<u>\$ 137,638</u>	<u>\$ 278,601</u>

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Financial Assessment Submission**  
June 30, 2008

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund	Total
111	Cash-Unrestricted	\$ 121,727		\$ 121,727
112	Cash-Restricted-Modernization			
114	Cash-Tenant Security Deposits	2,822		2,822
100	<b>Total Cash</b>	124,549		124,549
122	Accts Receivable – HUD Other	49,280		49,280
125	Accts Receivable – Miscellaneous			
126	Accts Receivable – Tenants – Rents	702		702
126.1	Allowance for Doubtful Accts-Rents			
126.2	Allowance for Doubtful Accts -Other			
120	<b>Total Receivables, net of allowances</b>	49,982		49,982
	Prepaid Insurance	6,973		6,973
144	Interprogram Due From			
150	<b>Total Current Assets</b>	181,504		181,504
161	Land			
162	Buildings	599,249		599,249
164	Furniture, Equipment & Machinery	47,612		47,612
165	Leasehold Improvements	366,873		366,873
166	Accumulated Depreciation	(624,208)		(624,208)
160	<b>Total Fixed Assets, Net of Acc. Dep.</b>	389,526		389,526
180	<b>Total Non-Current Assets</b>	389,526		389,526
190	<b>Total Assets</b>	571,030		571,030
312	Accounts Payable <= 90 Days	2,565		2,565
321	Accrued Wage/Payroll Taxes Payable	4,521		4,521
322	Accrued Compensated Absences-Cur.	1,680		1,680
333	Accounts Payable-Other Govt.			
341	Tenant Security Deposits	2,822		2,822
347	Interprogram Due To			
310	<b>Total Current Liabilities</b>	11,588		11,588
350	<b>Total Non-Current Liabilities</b>			
300	<b>Total Liabilities</b>	11,588		11,588
508	Total Contributed Capital			
508.1	Invested in Capital Assets, Net of Related Debt	389,526		389,526
511	Total Reserved Fund Balance			
511.1	Restricted Net Assets			
512.1	Unrestricted Net Assets	169,916		169,916
513	Total Equity/Net Assets	559,442		559,442
600	<b>Total Liabilities and Equity/Net Assets</b>	\$ 571,030		\$ 571,030

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Financial Assessment Submission**  
June 30, 2008

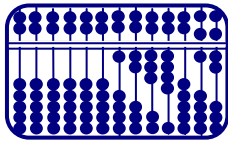
Line Item No.	Account Description	Low Rent Public Housing	Housing Capital Fund	Total
703	Net Tenant Rental Revenue	64,328		64,328
705	<b>Total Tenant Revenue</b>	64,328		64,328
706	HUD PHA Operating Grants		36,410	36,410
706.1	Capital Grants			
	Federal subsidies	101,228		101,228
711	Investment Income-Unrestricted			
713	Proceeds from Disposition of Assets Held for Sale			
713.1	Cost of Sale of Assets			
715	Other Revenue			
720	Investment Income-Restricted			
700	<b>Total Revenue</b>	165,556	36,410	201,966
911	Administrative Salaries	47,590		47,590
912	Auditing Fees	8,124		8,124
914	Compensated Absences			-
915	Employee Benefit Contributions-Adm	19,006		19,006
916	Other Operating –Administrative	12,247		12,247
931	Water	21,091		21,091
932	Electricity	16,037		16,037
933	Gas	15,619		15,619
938	Other Utilities Expense			
941	Ordinary Maintenance and Ops-Labor	5,808		5,808
942	Ordinary Maintenance and Ops-Mat.	10,437		10,437
943	Ordinary Maintenance and Ops-Cont.	20,299		20,299
961	Insurance Premiums	13,496		13,496
964	Bad Debt-Tenant Rents	2,531		2,531
969	<b>Total Operating Expenses</b>	192,285		192,285
970	Excess Operating Revenue over Operating Expenses		36,410	36,410
974	Depreciation Expense	41,152		41,152
900	<b>Total Expenses</b>	233,437		233,437
1001	Operating Transfers In	36,410		36,410
1002	Operating Transfers Out		(36,410)	(36,410)
1010	Total Other Financing Sources (Uses)	51,703	(51,703)	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(67,881)		(67,881)
1102	Debt Principal Payments – Enterprise			
1103	Beginning Equity	539,210	51,703	590,913
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors			
1120	Unit Months Available	408		
1121	Number of Unit Months Leased	371		

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Financial Assessment Submission**  
June 30, 2007

The Financial Assessment Submission for the year ended June 30, 2007, was not accepted by the U.S. Department of Housing and Urban Development. There are no figures available for this report.



## **COMPLIANCE SECTION**



MARCUS,  
FAIRALL,  
BRISTOL + CO., L.L.P.

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

Hector H. Balderas  
New Mexico State Auditor  
The Board of Commissioners  
Santa Clara Public Housing Authority  
Santa Clara, New Mexico

We have audited the financial statements of the business-type activities, each major fund and the aggregate remaining fund information, the budgetary comparisons for the general fund and the combining and individual funds presented as supplemental information of the Santa Clara Public Housing Authority (SCPHA) as of and for the years-ended June 30, 2008 and 2007, and have issued our report thereon dated July 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the SCPHA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SCPHA's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course or performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the SCPHA's internal control. We consider the deficiencies described as 06-2,07-1,08-1, and 08-2 in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the SCPHA's internal control.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiencies described above are not a material weakness.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the SCPHA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 06-6.

The SCPHA's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the SCPHA's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, management, Federal Awarding agencies, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and the Office of the New Mexico State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Marcus, Fairall, Bristol & Co. L.L.P.".

Marcus, Fairall, Bristol, & Co., L.L.P.

El Paso, Texas  
July 15, 2009

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Schedule of Findings and Responses**  
**June 30, 2008**

Prior Year Reportable Findings and Questioned Costs – Financial Statement Findings:

06-1 Capital Assets Subsidiary Records – Resolved  
06-2 General Ledger, Accounting Records, and Reconciliations – Repeated and Modified  
06-3 Tenant Files – Resolved  
06-4 Payroll – Resolved  
06-5 Expenditures-Resolved  
06-6 Audit Report Submission to the New Mexico State Auditor – Repeated and Modified  
07-1 Failure to File Accurate Payroll Tax Reports-Repeated

Prior Year Reportable Findings and Questioned Costs – Financial Statement Findings:

Finding 06-2 General Ledger, Accounting Records, and Reconciliations

Condition

During the course of the audit, we noted several accounting errors in the general ledger and accounts are not reconciled. Employee benefits, a category that includes payroll taxes, were understated by \$1,143.

Criteria

New Mexico State Statute Section 6-6-3 provides that every local body shall keep all the books, records, and accounts, including subsidiary ledgers, timely, completely, and accurately.

Cause

The SCPHA does not reconcile their source documents to the general ledger and journal entries posted to the general ledger are not accurately reflecting financial transactions and are not reviewed and approved by SCPHA management.

Effect

If accounting records are not being reconciled, it could result in improper financial reporting and does not follow State Statutes.

Recommendation

The SCPHA needs to ensure that the general ledger is complete and accurate and properly reconciled.

Response

The SCPHA will adhere to the auditor's recommendation.

Finding 06-6 Audit report submission to The New Mexico State Auditor

Condition

The audit report was not completed and forwarded to the New Mexico State Auditor in a timely manner. The report was delivered on July 21, 2009.

Criteria

As per SAO 2.2.2.9, (A) (1) (d), the New Mexico State Audit contract calls for this audit report to be delivered by December 1, 2008.

Cause

The audit was not submitted to the SCPHA until . The current year auditor's contract was not awarded in the normal course of distribution. Also, additional time was needed by the auditor to assemble the necessary financial information.

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Schedule of Findings and Responses**  
**June 30, 2008**

Prior Year Reportable Findings and Questioned Costs – Financial Statement Findings (continued):

Effect

Violation of the State Auditor's Rule. Audited financial information is not available for the SCPHA to use and distribute as necessary.

Finding 06-6 Completion of Audit Report (continued)

Recommendation

The SCPHA, along with the auditor, must implement procedures that would produce a timely audit. Proper accounting control must be established where the SCPHA staff is able to produce financial information for the auditor that has been properly reconciled.

Response

The SCPHA will work along with the auditor to implement procedures that will produce a timely audit.

Finding 07-1 Failure to File Accurate Payroll Tax Reports

Condition

During the course of the audit, we noted several errors in the preparation of the payroll tax reports filed during last two quarters of the calendar year ending December 31, 2007 and the first two quarters of calendar year ending December 31, 2008. Of the four 941 payroll tax quarterly reports tested, all four of them were not prepared correctly by the fee accountant. The amounts that were reported as wages on Line 2 of Form 941 for each quarter showed an incorrect amount when compared to the amounts showing on the Authority's general ledger. For the four quarters the payroll was understated by a total amount \$3,049. Also, the payroll tax amounts were understated. The total social security and Medicare tax amounts as shown on line 5d were understated in total by \$466.

Criteria

In accordance with the Internal Revenue Service, payroll contributions shall accrue and become payable for each calendar year in which the payments of contributions become due. (IRS Publication 15).

Cause

The payroll tax quarterly reports were prepared by the fee accountant. Management did not ensure that the fee accountant prepared correct quarterly payroll tax reports prior to the submission of the reports to the appropriate governmental agency.

Effect

The payroll journal did not match the payroll federal quarterly tax reports. The gross wages on the 941's did not match the gross wages in the Authority's general ledger. Undetermined penalties may be charged after the corrected quarterly reports are filed.

Recommendation

We recommend that management closely review the quarterly tax reports and compare them to the payroll journal.

Response

The SCPHA will adhere to auditor's recommendations.

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Schedule of Findings and Responses**  
**June 30, 2008**

Current Year Reportable Findings and Questioned Costs – Financial Statement Findings

Finding 08-1 Failure to Report Rent Subsidies on GAAP Basis

Condition

Net operating subsidy of \$49,740 was incorrectly reported as rent subsidy for the FYE 6/30/07. The rent subsidy was understated by \$99,442.

Criteria

Rent subsidies are to be reported on GAAP basis. Due to the late filing of the required reports due to HUD, the rent subsidies were delayed in being sent to Santa Clara Public Housing Authority.

Finding 08-1 Failure to Report Rent Subsidies on GAAP Basis(continued)

Cause

The audit report of Village of Santa Clara was not filed in a timely manner as was the Santa Clara Public Housing Authority, the component unit. As a result, there was a delay in funds being available for distribution to the Santa Clara Public Housing Authority.

Effect

The revenues were not matched against expenses in accordance with GAAP.

Recommendation

The audit report needs to be filed on a timely basis.

Response

The SCPHA will adhere to auditor's recommendations.

Finding 08-2 Actual Expenditures in Excess of Budgeted Expenditures for Fiscal Year

Condition

The actual expenditures in the low rent fund exceeded the budgeted expenditures for the fiscal year by \$19,474.

Criteria

Section 6-6-6 of the New Mexico State Statutes restricts all officials and governing authorities from approving claims in excess of the approved budget. Additionally, Section 6-6-6 prohibits any payment in excess of the approved budget. Santa Clara Public Housing Authority officials and governing authorities have the obligation to follow state statutes.

Cause

Santa Clara Public Housing Authority personnel did not have an adequate monitoring process in place to prevent the over-expenditures.

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**Schedule of Findings and Responses**  
**June 30, 2008**

Finding 08-2 Actual Expenditures in Excess of Budgeted Expenditures for Fiscal Year (continued)

Effect

Non compliance with New Mexico state statutes could subject officials and employees to penalties and fines as required by state statutes.

Recommendations

We recommend that management closely monitor expenditures and budget limitations to ensure compliance with budget restrictions.

Response

The SCPHA will adhere to auditor's recommendations.

**STATE OF NEW MEXICO**  
**SANTA CLARA PUBLIC HOUSING AUTHORITY**  
**PASSED JOURNAL ENTRIES**  
June 30, 2008

**EXIT CONFERENCE**

As exit conference was held on July 15, 2009, with Jack Fairall, CPA and Randy Lewis, CPA of Marcus, Fairall, Bristol & Co., LLP with the following SCPHA officials:

Levia Moore-Board Member

Gloria Duran-Executive Director

**COMPILATION OF FINANCIAL STATEMENTS**

The financial statements presented in this report were compiled by the auditors, Marcus, Fairall, Bristol, and Co., LLP. However, the contents remain the responsibility of Santa Clara Public Housing Authority.