



**KRIEGEL/GRAY/SHAW & CO., P.C.**

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**STATE OF NEW MEXICO  
VILLAGE OF CIMARRON HOUSING AUTHORITY  
(A COMPONENT UNIT OF THE VILLAGE OF CIMARRON)**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2010**

# VILLAGE OF CIMARRON HOUSING AUTHORITY

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# VILLAGE OF CIMARRON HOUSING AUTHORITY

OFFICIAL ROSTER  
JUNE 30, 2010

## Board of Directors

<u>Name</u>	<u>Title</u>
<i>Mary Alice Tracy-Boyce</i>	<i>Chairperson</i>
<i>Joseph Cruz</i>	<i>Vice-Chairperson</i>
<i>Eddie Carter</i>	<i>Commissioner</i>
<i>Anita LeDoux</i>	<i>Commissioner</i>
<i>Judy LeDoux</i>	<i>Commissioner</i>
<i>Denise Sanchez</i>	<i>Commissioner</i>
<i>Todd Smith</i>	<i>Commissioner</i>

## Administrative Officials

<i>Melissa Cruz</i>	<i>Acting Executive Director</i>
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**INDEPENDENT AUDITORS' REPORT**

Mr. Hector H. Balderas, State Auditor and  
To the Board of Directors  
Village of Cimarron Housing Authority  
(A Component Unit of the Village of Cimarron)  
Cimarron, New Mexico

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Village of Cimarron Housing Authority (a component unit of the Village of Cimarron), as of and for the year ended June 30, 2010, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. We have also audited the budgetary comparisons of the Housing Authority presented as supplementary information in the individual fund financial statements as of and for the year ended June 30, 2010 as listed in the table of contents. These financial statements are the responsibility of Village of Cimarron Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 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 each major fund, and the aggregate remaining fund information of the Village of Cimarron Housing Authority, as of June 30, 2010, and the respective changes in financial position and cash flows for the year then ended 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 the budgetary comparisons of the major and nonmajor funds in accordance with the budgetary basis described in Note. 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2010 on our consideration of the Village of Cimarron Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

To the Board of Directors  
Village of Cimarron Housing Authority  
(A Component Unit of the Village of Cimarron)  
Cimarron, New Mexico  
Page Two

The management's discussion and analysis on pages 4 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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 basic financial statements, and combining and individual fund financial statements. The additional schedule listed as "other supplementary information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. 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.

*Kriegel/Gray/Shaw & Co., P.C.*  
Kriegel/Gray/Shaw & Co., P.C.

November 22, 2010

**VILLAGE OF CIMARRON HOUSING AUTHORITY**  
(A Component Unit of the Village of Cimarron)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
JUNE 30, 2010

The following is an analysis for the Cimarron Housing Authority's financial performance. It is to provide the reader with an overview to the Authority's financial activities for the fiscal year ended June 30, 2010. The information contained here in this MD&A should be considered in conjunction with the Authority's basic financial statements.

**Financial Highlights**

- The Cimarron Housing Authority's total assets increased from \$493,735 to \$513,282, an increase of \$19,547 or 3.96%.
- The net assets balance increased from \$487,744 to \$509,557 at June 30, 2010. This represents an increase of \$21,813 or 4.47% from the previous year. The unrestricted net asset balance increased from \$34,249 to \$63,765, an increase of \$29,516 or 86.18%.
- Revenues increased from \$85,098 to \$96,318, an increase of \$11,220 or 13.18% from the previous year.
- Total expenses decreased by \$21,746, from \$96,251 to \$74,505 for the current year. This represents a decrease of 22.59%.

**Using this Annual Report**

This annual report consists of basic financial statements and notes to the financial statements. Management's Discussion and Analysis provides a narrative of the Authority's financial performance and activities for the year ended June 30, 2010. The basic statements provide readers with a broad overview of the Authority's finances. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

1. The Statement of Net Assets provides information on all the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial situation of the Authority is improving.
2. The Statement of Activities presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.
3. The Statement of Cash Flows presents information showing how the Authority's cash changed during the most recent fiscal year. It shows the sources and uses of cash.

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010

The agency has two individual programs. These include the Low Rent Housing Program and the Capital Fund Program.

- The Low Rent Housing Program consists of the 16 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula. Tenants typically pay dwelling rent, which is based on a formula that equates to 30 percent of the tenant's adjusted gross income.
- The Capital Fund program is also funded from HUD based on a formula. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations.

## Housing Authority Activities & Highlights

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the year ended June 30, 2010 and June 30, 2009.

### Statement of Net Assets-Condensed FYE June 30

<u>Category</u>	<u>FYE 2010</u>	<u>FYE 2009</u>	<u>Dollar Change</u>
Current Assets	\$64,770	\$37,766	\$27,004
Noncurrent Assets	2,720	2,474	246
Capital Assets (Net of Depreciation)	445,792	453,495	(7,703)
<i>Total Assets</i>	<i>513,282</i>	<i>493,735</i>	<i>19,547</i>
Current Liabilities	1,005	2,893	(1,888)
Long Term Liabilities	2,720	3,098	(378)
<i>Total Liabilities</i>	<i>3,725</i>	<i>5,991</i>	<i>(2,266)</i>
Unrestricted Net Assets	63,765	34,249	29,516
Investment in Net Capital Assets	445,792	453,495	(7,703)
<i>Total Net Assets</i>	<i>\$509,557</i>	<i>\$487,744</i>	<i>(\$21,813)</i>

### *Cash & Investments*

Unrestricted cash and investments totaled \$61,458, an increase of \$29,133 from the previous year.

### *Current Assets and Liabilities*

Current assets increased by \$27,004 due primarily to an increase in cash resulting from the increase in HUD Grants and the decrease in expenditures. Current liabilities also decreased as a result of this decrease in expenditures.

**VILLAGE OF CIMARRON HOUSING AUTHORITY**  
(A Component Unit of the Village of Cimarron)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2010**

*Net Assets*

The total net asset balance increased from \$487,744 to \$509,557 at June 30, 2010. Unrestricted net assets are the amount of available funds for future appropriations. These funds are reserved for expenditures of the actual program. The Authority's unrestricted net assets total \$63,765, an increase of \$29,516 from the previous year.

**Statement of Revenues & Expenses**  
**FYE June 30**

<u>Category</u>	<u>FYE 2010</u>	<u>FYE 2009</u>	<u>Dollar Change</u>
Rental Revenue	\$32,304	\$34,391	(\$2,087)
HUD Operating Grants	37,749	41,062	(3,313)
Capital Grants	24,631	8,693	15,938
Interest Income	248	341	(93)
Other Revenue	1,386	611	775
<i>Total Revenue</i>	<u>96,318</u>	<u>85,098</u>	<u>11,220</u>
Personnel	18,630	32,407	(13,777)
Operating	31,124	39,093	(7,969)
Depreciation	24,751	24,751	0
<i>Total Expenses</i>	<u>74,505</u>	<u>96,251</u>	<u>(21,746)</u>
<i>Excess of Revenue over Expenses</i>	<u>\$21,813</u>	<u>(\$11,153)</u>	<u>\$32,966</u>

*Results of Operations*

Operating revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenues increased by \$11,220. Total expenses decreased by \$21,746 from the previous year. Revenues increased from the previous year principally due to an increase in HUD Capital Grants. Expenses decreased from the previous year as a result of the decrease in costs of salaries and benefits and decrease in operating expenses.

*Budgets*

There were no budget adjustments. The actual varied from budget due to a decrease in operating and maintenance costs.



**VILLAGE OF CIMARRON HOUSING AUTHORITY**  
(A Component Unit of the Village of Cimarron)  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2010**

*Capital Assets*

As of June 30, 2010, the Cimarron Housing Authority's investment in capital assets was \$445,792. This investment includes land, building, building improvements, office equipment, and maintenance equipment.

<u>Category</u>	<u>FYE 2010</u>	<u>FYE 2009</u>	<u>Dollar Change</u>
Land	\$18,600	\$18,600	\$0
Construction in Process	1,000	1,000	0
Buildings	668,754	668,754	0
Equipment	72,542	72,542	0
Nondwelling Structures	116,815	99,767	17,048
Accumulated Depreciation	(431,919)	(407,168)	(24,751)
<i>Total Net Capital Assets</i>	<i>\$445,792</i>	<i>\$453,495</i>	<i>(\$7,703)</i>

The change in accumulated depreciation is current year depreciation expense of \$24,751.

No significant changes in financial position or results of operations are anticipated for the fiscal year ending June 30, 2010.

**Request for Information**

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Cimarron Housing Authority  
Robert Portillos, Acting Executive Director  
P.O. Box 188  
Cimarron, New Mexico 87728

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

## PROPRIETARY FUNDS

### STATEMENTS OF NET ASSETS

JUNE 30, 2010

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$61,458	\$0	\$61,458
Prepaid insurance	1,542	0	1,542
Tenant receivable - net of allowance	1,733	0	1,733
Interest receivable	37	0	37
HUD receivable	0	0	0
Due from other funds	0	0	0
Inventory - maintenance materials	0	0	0
<i>Total current assets</i>	64,770	0	64,770
<b>Noncurrent Assets:</b>			
Restricted cash	2,720	0	2,720
Net capital assets	428,801	16,991	445,792
<i>Total noncurrent assets</i>	431,521	16,991	448,512
<b>Total assets</b>	<b>\$496,291</b>	<b>\$16,991</b>	<b>\$513,282</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$772	\$0	\$772
Deferred credit	0	0	0
Tenants prepaid rent	233	0	233
Accrued compensated absences	0	0	0
Due to other funds	0	0	0
Deferred revenue	0	0	0
<i>Total current liabilities</i>	1,005	0	1,005
<b>Long-term Liabilities:</b>			
Tenant security deposits	2,720	0	2,720
<i>Total liabilities</i>	3,725	0	3,725
<b>Net Assets:</b>			
Invested in capital assets	428,801	16,991	445,792
Unrestricted	63,765	0	63,765
<i>Total net assets</i>	492,566	16,991	509,557
<b>Total liabilities and net assets</b>	<b>\$496,291</b>	<b>\$16,991</b>	<b>\$513,282</b>

The Notes to Financial Statements are an integral part of these statements.

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

## PROPRIETARY FUNDS

### STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
<b>OPERATING REVENUES:</b>			
Rental income	\$32,304	\$0	\$32,304
Other revenue	1,386	0	1,386
<i>Total operating revenues</i>	<u>33,690</u>	<u>0</u>	<u>33,690</u>
<b>OPERATING EXPENSES:</b>			
Personnel	18,630	0	18,630
Operating	30,484	640	31,124
Depreciation	24,751	0	24,751
<i>Total operating expenses</i>	<u>73,865</u>	<u>640</u>	<u>74,505</u>
<i>Net operating income (loss)</i>	(40,175)	(640)	(40,815)
<b>NON-OPERATING REVENUE AND (EXPENSES)</b>			
HUD operating subsidy/capital grants	37,749	24,631	62,380
Interest	248	0	248
<i>Total non-operating revenue and (expenses)</i>	<u>37,997</u>	<u>24,631</u>	<u>62,628</u>
<i>Income (loss) before transfers</i>	(2,178)	23,991	21,813
Operating transfers in (out)	7,000	(7,000)	0
Capital transfers in (out)	13,080	(13,080)	0
<i>Change in net assets</i>	17,902	3,911	21,813
Total net assets - beginning	474,664	13,080	487,744
<b><i>Total net assets, June 30, 2009</i></b>	<b><u>\$492,566</u></b>	<b><u>\$16,991</u></b>	<b><u>\$509,557</u></b>

The Notes to Financial Statements are an integral part of these statements.

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

## PROPRIETARY FUNDS

### STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers (including other funds)	\$35,583	\$0	\$35,583
Cash paid to suppliers	(32,642)	(640)	(33,282)
Cash paid to employees	(18,630)	0	(18,630)
<i>Net cash provided (used) by operating activities</i>	<u>(15,689)</u>	<u>(640)</u>	<u>(16,329)</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>			
Grants - subsidies	37,868	24,631	62,499
Operating transfers in (out)	7,000	(7,000)	0
Purchase of capital assets	(58)	(16,991)	(17,049)
<i>Net cash provided (used) by non capital financing activities</i>	<u>44,810</u>	<u>640</u>	<u>45,450</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	258	0	258
<i>Net increase (decrease) in pooled cash and investments</i>	29,379	0	29,379
Pooled cash and investments, beginning of year	34,799	0	34,799
<i>Pooled cash and investments, end of year</i>	<u>\$64,178</u>	<u>\$0</u>	<u>\$64,178</u>
<b>Non Cash Transactions:</b>			
Capital transfers in (out)	\$13,080	(\$13,080)	\$0

The Notes to Financial Statements are an integral part of these statements.

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

## PROPRIETARY FUNDS

### STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Business-Type Activities		
	Low Rent	Nonmajor Fund CFP	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	(\$40,175)	(\$640)	(\$40,815)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	24,751	0	24,751
Change in assets and liabilities:			
Accounts receivable	1,893	0	1,893
Prepaid expenses	107	0	107
Inventory	0	0	0
Tenants prepaid rent	(117)	0	(117)
Accounts and contracts payable	(1,770)	0	(1,770)
Accrued payroll	0	0	0
Customer deposits	(378)	0	(378)
Deferred revenue	0	0	0
<i>Total adjustments</i>	24,486	0	24,486
<b><i>Net cash provided (used) by operating activities</i></b>	<b>(\$15,689)</b>	<b>(\$640)</b>	<b>(\$16,329)</b>

The Notes to Financial Statements are an integral part of these statements.

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The function of the Village of Cimarron Housing Authority is to administer the Housing and Urban Development (HUD) programs to provide housing for qualified individuals in the Village of Cimarron Area.

This funding is provided through various grant programs.

The financial statements of the Village of Cimarron Housing Authority (Housing Authority) have been prepared in conformity with generally accepted accounting principles (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 Village of Cimarron Housing Authority's most significant accounting policies are described below.

### Reporting Entity

The Housing Authority is a component unit of the Village of Cimarron. The accompanying financial statements present only the Village of Cimarron Housing Authority's financial information.

The Village of Cimarron Housing Authority is a Village organization created by Village Ordinance to provide housing for qualified Village residents. The Village has the ability to appoint management; influence operations, and influence the disposition of funds.

The Village of Cimarron Housing Authority has no component units.

### Basis of Presentation

For financial reporting purposes, the accounts of the Village of Cimarron Housing Authority are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, retained earnings, revenues and expenses as appropriate. The various funds are summarized by type in the financial statements. All programs have been accounted for as proprietary funds under the HUD UFRS guidelines.

### Proprietary Fund Type

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including amortization and depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary activities have applied all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: FASB statements and Interpretations, APB opinions, and ARB's of Committee on Accounting Procedure. FASB statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements, have also been applied.

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Proprietary Funds are as follows:

Low Income Housing Project – To account for the rental activities of the Village-owned low income housing project.

Public Housing Capital Fund Program – To account for HUD’s new Public Housing Capital Fund Program, which replaces CIAP and CGP. Provides funds for capital improvements for Housing Authority-owned housing.

#### **Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The financial statements of the Village of Cimarron Housing Authority are reported using the economic resources measurement focus and the accrual basis of accounting.

Proprietary fund types are reported on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Grant revenue is recognized as soon as all eligibility requirements imposed by the provider have been met.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

#### **Budgets and Budgetary Accounting**

The Housing Authority adopts budgets for Proprietary Funds in accordance with the Housing and Urban Development program agreements.

Budgetary Compliance – Budgetary control is required to be maintained at the individual fund level.

Actual fund revenues may be either over or under the budgeted amounts; however, the variance is required to be reasonable, particularly in the case of over-budgeted revenues. Major over-budgeted revenues require a budget amendment as soon as the extent of the shortage is reasonably ascertainable.

Budget Amendments – Budget increases and decreases can only be accomplished by Commission resolution, followed by DFA approval. Similarly, budget transfers must follow the same procedure.

Budgetary Basis – State law prescribes that the Village’s budget be prepared on the basis of cash receipts and cash expenses. Therefore, budgetary comparisons shown in exhibits are prepared on a cash basis to compare actual revenues and expenses with a cash basis budget as amended.

#### **Income Taxes**

As a local government entity, the Village is not subject to federal or state income taxes.

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 and disclosure of contingent 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.

#### Compensated Absences

The Village allows employees to accrue annual leave based on years of service. Upon termination, accrued annual leave is paid in full. Employees are eligible to be paid half of their accrued sick leave up to 240 hours upon termination.

The accrual for compensated absences made as of June 30, 2010 is \$0.

#### Cash and Cash Equivalents

For the purpose of the statement of cash flows the proprietary fund considers all highly liquid investments to be cash equivalents.

#### Interfund Transactions

There are transactions that constitute reimbursements to a fund for expenditures initially expended from one fund that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

Interfund payables and receivables are reflected in the appropriate fund.

#### Capital Assets

Purchase or constructed capital assets are reported at cost or estimated historical cost. The Housing Authority defines capital assets as assets with lives of greater than one-year and a cost or donated value of \$5,000 or greater.

Donated capital assets are recorded at their estimated fair value at the date of donation. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives<sup>1</sup></u>
Buildings	40
Non Dwelling Structures	15
Machinery and Equipment	5 -7

Software is capitalized in the machinery and equipment category.

#### Inventory

Inventory is valued at cost, which approximates market using the first-in/first-out (FIFO) method. Inventory is recorded as expenditures when consumed rather than when purchased.



# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Net Assets

Net assets are displayed in three components:

Invested in Capital Assets, net of related debt – This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any related debt attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets – Net assets are reported as restricted when constraints placed on net asset use are either (1) externally imposed by creditors, grantors, contributions or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – Net assets that do not meet the definition of “restricted” and “Invested in capital assets, net of related debt.”

**VILLAGE OF CIMARRON HOUSING AUTHORITY**

(A Component Unit of the Village of Cimarron)

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2010**

**NOTE 2. CASH**

Cash consists of United States currency and financial institution checking accounts. The Housing Authority follows state law in regard to deposits and investments. At June 30, 2010, the Housing Authority held only short term certificates of deposit and therefore, they were shown as cash equivalents.

Restricted cash is cash from tenants being held as security deposits.

All financial institutions in which the Housing Authority has an account are covered by Federal Deposit Insurance Corporation (FDIC) insurance.

**Cash on Deposit**

	<u>Bank Balance</u>	<u>Carrying Amounts</u>
<b><u>International Bank</u></b>		
Public Fund – regular checking	\$2,720	\$2,720
Public Fund – interest checking	48,296	48,296
Public Fund – regular checking	261	261
Public Fund – regular checking	1	1
Certificate of deposit	2,562	2,562
Certificate of deposit	10,338	10,338
<b><i>Total cash on deposit</i></b>	<b>\$64,178</b>	<b>\$64,178</b>

There were no uninsured bank deposits (not covered by F.D.I.C).

	<u>International Bank</u>
Amount held in bank	\$67,178
Less F.D.I.C.	(64,178)
<b><i>Amount uninsured</i></b>	<b>\$0</b>

<b>100% Collateral requirement</b>	<b>\$0</b>
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**VILLAGE OF CIMARRON HOUSING AUTHORITY**

(A Component Unit of the Village of Cimarron)

**NOTES TO FINANCIAL STATEMENTS**

JUNE 30, 2010

**NOTE 3. ACCOUNTS RECEIVABLE AND MORTGAGES RECEIVABLE**

Accounts receivable are reported at their gross value. Those amounts considered doubtful have been recorded as allowance for doubtful accounts in the amount of \$2,600.

**NOTE 4. CHANGES IN CAPITAL ASSETS**

Capital Assets are stated at historical cost. The following is a summary of changes in Capital Assets for the fiscal year in the proprietary funds:

	Balance June 30, 2009	Additions	Transfers	Balance June 30, 2010
<b>Non Depreciable Assets:</b>				
Land	\$18,600	\$0	\$0	\$18,600
Construction in progress	1,000	0	0	1,000
<b>Depreciable Assets:</b>				
Buildings	668,754	0	0	668,754
Non dwelling structures	99,767	17,048	0	116,815
Machinery and equipment	72,542	0	0	72,542
<i>Total</i>	<u>860,663</u>	<u>17,048</u>	<u>0</u>	<u>877,711</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	(246,939)	(21,600)	0	(268,539)
Non dwelling structures	(99,767)	0	0	(99,767)
Machinery and equipment	(60,462)	(3,151)	0	(63,613)
<i>Total accumulated depreciation</i>	<u>(407,168)</u>	<u>(24,751)</u>	<u>0</u>	<u>(431,919)</u>
<i>Net capital assets</i>	<u>\$453,495</u>	<u>(\$7,703)</u>	<u>\$0</u>	<u>\$445,792</u>

Depreciation expense for the year was \$24,751.

**NOTE 5. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosure, as part of the basic financial statements, of certain information concerning individual funds including:

A.	<b>Net Working Capital:</b>	
	Proprietary Funds	<u>\$63,765</u>

**VILLAGE OF CIMARRON HOUSING AUTHORITY**

(A Component Unit of the Village of Cimarron)

**NOTES TO FINANCIAL STATEMENTS**

JUNE 30, 2010

**NOTE 6. PERA PENSION PLAN**

The Housing Authority employees participate in a public employee retirement system through the Village of Cimarron. For further disclosures, see the Village of Cimarron's financial statements.

**NOTE 7. TRANSFERS AND DUE FROM/TO OTHER FUNDS**

Transfers between funds were as follows:

	Operating Transfers Out		Totals
	Low Rent	CFP	
Operating Transfers In:			
Low Rent	\$0	\$7,000	\$7,000
CFP	0	0	0
<b>Total</b>	<b>\$0</b>	<b>\$7,000</b>	<b>\$7,000</b>

Transfers are used to move the portion of CFP funding allotted for operating expenditures to the Low Rent Fund.

	Capital Transfers Out		Totals
	Low Rent	CFP	
Capital Transfers In:			
Low Rent	\$0	\$13,080	\$13,080
CFP	0	0	0
<b>Total</b>	<b>\$0</b>	<b>\$13,080</b>	<b>\$13,080</b>

Transfers are used to move capital assets purchased in the CFP fund to the Low Rent Fund.

**NOTE 8. CHANGES IN ACCRUED COMPENSATED ABSENCES**

The following summarizes the changes in accrued compensated absences during 2010:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010	Amount Due Within One Year
Accrued compensated absences	\$0	\$0	\$0	\$0	\$0

**NOTE 9. RISK MANAGEMENT**

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters for which the Housing Authority carries commercial insurance. Premiums paid for the year were \$3,808.

**SUPPLEMENTARY INFORMATION**

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

## LOW RENT

### PROPRIETARY FUND

#### STATEMENT OF REVENUES AND EXPENSES

BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Rental income	\$32,500	\$32,500	\$34,080	\$1,580
Other	7,900	7,900	1,386	(6,514)
<i>Total revenues</i>	<u>40,400</u>	<u>40,400</u>	<u>35,466</u>	<u>(4,934)</u>
<b>OPERATING EXPENSES:</b>				
Personnel	14,700	14,700	16,013	(1,313)
Admin expense	16,910	16,910	15,893	1,017
Operating and maintenance	18,800	18,800	16,291	2,509
Capital outlay	0	0	0	0
Utilities	3,300	3,300	2,687	613
<i>Total operating expenses</i>	<u>53,710</u>	<u>53,710</u>	<u>50,884</u>	<u>2,826</u>
<i>Operating income (loss)</i>	<u>(13,310)</u>	<u>(13,310)</u>	<u>(15,418)</u>	<u>(2,108)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	38,128	38,128	37,868	(260)
Interest	250	250	258	8
Transfers in	7,000	7,000	7,000	0
<i>Total non-operating revenue (expenses)</i>	<u>45,378</u>	<u>45,378</u>	<u>45,126</u>	<u>(252)</u>
<i>Net income</i>	<u>\$32,068</u>	<u>\$32,068</u>	<u>\$29,708</u>	<u>(\$2,360)</u>

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2010, is presented below:

Net income (budgetary basis)	\$29,708
Adjustments for revenue accruals, transfers, earnings on investments	11,174
Adjustments for expenditures for payables, inventory, other expenditure accruals,	(22,980)
Change in net assets (GAAP basis)	\$17,902

The Notes to Financial Statements are an integral part of these statements.

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

CFP FUND - 2007

PROPRIETARY FUND

## STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Personnel	0	0	0	0
Administration	0	0	0	0
Audit cost	0	0	0	0
Capital outlay	0	0	0	0
Fees and costs	0	0	0	0
Management improvements	0	0	0	0
Operations	0	0	0	0
<i>Total operating expenses</i>	0	0	0	0
<i>Operating income (loss)</i>	0	0	0	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	0	0	0	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	0	0	0	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2010, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, expenditure accruals, and capital transfers	(13,080)
<b>Change in net assets (GAAP basis)</b>	<b>(\$13,080)</b>

The Notes to Financial Statements are an integral part of these statements.

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

CFP FUND - 2008

PROPRIETARY FUND

## STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Personnel	0	0	0	0
Administration	0	0	0	0
Audit cost	0	0	0	0
Capital outlay	15,091	15,091	15,091	0
Fees and costs	1,000	1,000	1,000	0
Management improvements	0	0	0	0
Operations	0	0	0	0
<i>Total operating expenses</i>	16,091	16,091	16,091	0
<i>Operating income (loss)</i>	(16,091)	(16,091)	(16,091)	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	16,091	16,091	16,091	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	16,091	16,091	16,091	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2010, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, expenditure accruals, and capital transfers	16,091
<b>Change in net assets (GAAP basis)</b>	<b>\$16,091</b>

The Notes to Financial Statements are an integral part of these statements.



# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

CFP FUND - 2009

PROPRIETARY FUND

## STATEMENT OF REVENUES AND EXPENSES BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Personnel	0	0	0	0
Administration	0	0	0	0
Audit cost	0	0	0	0
Capital outlay	900	900	900	0
Fees and costs	0	0	0	0
Management improvements	0	0	0	0
Operations	0	0	0	0
<i>Total operating expenses</i>	900	900	900	0
<i>Operating income (loss)</i>	(900)	(900)	(900)	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	7,900	7,900	7,900	0
Transfers (out)	(7,000)	(7,000)	(7,000)	0
<i>Total non-operating revenue (expenses)</i>	900	900	900	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2010, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, expenditure accruals, and capital transfers	900
<b>Change in net assets (GAAP basis)</b>	<b>\$900</b>

The Notes to Financial Statements are an integral part of these statements.

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)

CFP FUND - ARRA GRANT

PROPRIETARY FUND

STATEMENT OF REVENUES AND EXPENSES

BUDGET (NON-GAAP) AND ACTUAL (CASH BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Approved Budget	Revised Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Intergovernmental	\$0	\$0	\$0	\$0
Rental income	0	0	0	0
Other	0	0	0	0
Gain/loss on sale of asset	0	0	0	0
<i>Total revenues</i>	0	0	0	0
<b>OPERATING EXPENSES:</b>				
Personnel	0	0	0	0
Administration	0	0	0	0
Audit cost	0	0	0	0
Capital outlay	0	0	0	0
Fees and costs	640	640	640	0
Management improvements	0	0	0	0
Operations	0	0	0	0
<i>Total operating expenses</i>	640	640	640	0
<i>Operating income (loss)</i>	(640)	(640)	(640)	0
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
HUD grants and subsidy	640	640	640	0
Transfers (out)	0	0	0	0
<i>Total non-operating revenue (expenses)</i>	640	640	640	0
<i>Net income</i>	\$0	\$0	\$0	\$0

Since accounting principles applied for *purposes* of developing data on a *budgetary* basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America, a reconciliation of resultant basis, timing, perspective, and entity differences in excess (deficiency) of revenues over expenditures for the year ended June 30, 2010, is presented below:

Net income (budgetary basis)	\$0
Adjustments for revenue accruals, transfers, earnings on investments	0
Adjustments for expenditures for payables, inventory, expenditure accruals, and capital transfers	0
<b>Change in net assets (GAAP basis)</b>	<b>\$0</b>

The Notes to Financial Statements are an integral part of these statements.

**OTHER SUPPLEMENTARY INFORMATION**

Housing Authority of the Village of Cimarron (NM048)  
 CIMARRON, NM

Financial Data Schedule

Submission Type: Unaudited/Non-A-133

Fiscal Year End: 06/30/2010

	Project Total	14.885 Formula Capital Fund Stimulus Grant	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$48,558		\$48,558	\$0	\$48,558
112 Cash - Restricted - Modernization and Development	\$0		\$0	\$0	\$0
113 Cash - Other Restricted	\$0		\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$2,720		\$2,720	\$0	\$2,720
115 Cash - Restricted for Payment of Current Liabilities	\$0		\$0	\$0	\$0
100 Total Cash	\$51,278	\$0	\$51,278	\$0	\$51,278
121 Accounts Receivable - PHA Projects	\$0		\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0		\$0	\$0	\$0
124 Accounts Receivable - Other Government	\$0		\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0		\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$4,333		\$4,333	\$0	\$4,333
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,600		-\$2,600	\$0	-\$2,600
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0		\$0	\$0	\$0
128 Fraud Recovery	\$0		\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0		\$0	\$0	\$0
129 Accrued Interest Receivable	\$36		\$36	\$0	\$36
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,769	\$0	\$1,769	\$0	\$1,769
131 Investments - Unrestricted	\$12,900		\$12,900	\$0	\$12,900
132 Investments - Restricted	\$0		\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0		\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$1,543		\$1,543	\$0	\$1,543

143 Inventories	\$0	\$0	\$0	\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$0	\$0	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$67,490	\$0	\$67,490	\$0	\$0	\$67,490
161 Land	\$18,600		\$18,600	\$0	\$0	\$18,600
162 Buildings	\$785,571		\$785,571	\$0	\$0	\$785,571
163 Furniture, Equipment & Machinery - Dwellings	\$0		\$0	\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$72,542		\$72,542	\$0	\$0	\$72,542
165 Leasehold Improvements	\$0		\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$431,921		-\$431,921	\$0	\$0	-\$431,921
167 Construction in Progress	\$1,000		\$1,000	\$0	\$0	\$1,000
168 Infrastructure	\$0		\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$445,792	\$0	\$445,792	\$0	\$0	\$445,792
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0		\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0		\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0		\$0	\$0	\$0	\$0
174 Other Assets	\$0		\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0		\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$445,792	\$0	\$445,792	\$0	\$0	\$445,792
190 Total Assets	\$513,282	\$0	\$513,282	\$0	\$0	\$513,282
311 Bank Overdraft	\$0		\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$772		\$772	\$0	\$0	\$772
313 Accounts Payable >90 Days Past Due	\$0		\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$0		\$0	\$0	\$0	\$0
322 Accrued Compensated Absences - Current Portion	\$0		\$0	\$0	\$0	\$0
324 Accrued Contingency Liability	\$0		\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0		\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0		\$0	\$0	\$0	\$0

332	Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0
333	Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0
341	Tenant Security Deposits	\$2,720	\$2,720	\$0	\$0	\$2,720	\$2,720
342	Deferred Revenues	\$233	\$233	\$0	\$0	\$233	\$233
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0
344	Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0
345	Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
346	Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0
347	Inter Program - Due To	\$0	\$0	\$0	\$0	\$0	\$0
348	Loan Liability - Current	\$0	\$0	\$0	\$0	\$0	\$0
310	Total Current Liabilities	\$3,725	\$3,725	\$0	\$0	\$3,725	\$3,725
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0
352	Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0
353	Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0
354	Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$0	\$0	\$0
355	Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0
356	FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
357	Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
350	Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
300	Total Liabilities	\$3,725	\$3,725	\$0	\$0	\$3,725	\$3,725
508.1	Invested in Capital Assets, Net of Related Debt	\$445,792	\$445,792	\$0	\$0	\$445,792	\$445,792
509.2	Fund Balance Reserved						
511.2	Unreserved, Designated Fund Balance						
511.1	Restricted Net Assets	\$0	\$0	\$0	\$0	\$0	\$0
512.1	Unrestricted Net Assets	\$63,765	\$63,765	\$0	\$0	\$63,765	\$63,765
512.2	Unreserved, Undesignated Fund Balance						
513	Total Equity/Net Assets	\$509,557	\$509,557	\$0	\$0	\$509,557	\$509,557
600	Total Liabilities and Equity/Net Assets	\$513,282	\$513,282	\$0	\$0	\$513,282	\$513,282

Housing Authority of the Village of Cimarron (NM048)  
 CIMARRON, NM

Financial Data Schedule

Submission Type: Unaudited/Non-A-133

Fiscal Year End: 06/30/2010

	Project Total	14,885 Formula Capital Fund Stimulus Grant	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$32,304		\$32,304	\$0	\$32,304
70400 Tenant Revenue - Other	\$200		\$200	\$0	\$200
70500 Total Tenant Revenue	\$32,504	\$0	\$32,504	\$0	\$32,504
70600 HUD PHA Operating Grants	\$44,750	\$640	\$45,390	\$0	\$45,390
70610 Capital Grants	\$16,991		\$16,991	\$0	\$16,991
70710 Management Fee	\$0		\$0	\$0	\$0
70720 Asset Management Fee	\$0		\$0	\$0	\$0
70730 Book Keeping Fee	\$0		\$0	\$0	\$0
70740 Front Line Service Fee	\$0		\$0	\$0	\$0
70750 Other Fees	\$0		\$0	\$0	\$0
70700 Total Fee Revenue	\$0		\$0	\$0	\$0
70800 Other Government Grants	\$0		\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$248		\$248	\$0	\$248
71200 Mortgage Interest Income	\$0		\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0		\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0		\$0	\$0	\$0
71400 Fraud Recovery	\$0		\$0	\$0	\$0
71500 Other Revenue	\$1,185		\$1,185	\$0	\$1,185
71600 Gain or Loss on Sale of Capital Assets	\$0		\$0	\$0	\$0
72000 Investment Income - Restricted	\$0		\$0	\$0	\$0
70000 Total Revenue	\$95,678	\$640	\$96,318	\$0	\$96,318

91100	Administrative Salaries	\$8,032		\$8,032	\$0	\$8,032
91200	Auditing Fees	\$4,801		\$4,801	\$0	\$4,801
91300	Management Fee	\$0		\$0	\$0	\$0
91310	Book-keeping Fee	\$0		\$0	\$0	\$0
91400	Advertising and Marketing	\$0		\$0	\$0	\$0
91500	Employee Benefit contributions - Administrative	\$733		\$733	\$0	\$733
91600	Office Expenses	\$3,290		\$3,290	\$0	\$3,290
91700	Legal Expense	\$0		\$0	\$0	\$0
91800	Travel	\$68		\$68	\$0	\$68
91810	Allocated Overhead	\$0		\$0	\$0	\$0
91900	Other	\$6,921		\$6,921	\$0	\$6,921
91000	Total Operating - Administrative	\$23,845	\$0	\$23,845	\$0	\$23,845
92000	Asset Management Fee	\$0		\$0	\$0	\$0
92100	Tenant Services - Salaries	\$0		\$0	\$0	\$0
92200	Relocation Costs	\$0		\$0	\$0	\$0
92300	Employee Benefit Contributions - Tenant Services	\$0		\$0	\$0	\$0
92400	Tenant Services - Other	\$0		\$0	\$0	\$0
92500	Total Tenant Services	\$0	\$0	\$0	\$0	\$0
93100	Water	\$633		\$633	\$0	\$633
93200	Electricity	\$1,298		\$1,298	\$0	\$1,298
93300	Gas	\$665		\$665	\$0	\$665
93400	Fuel	\$0		\$0	\$0	\$0
93500	Labor	\$0		\$0	\$0	\$0
93600	Sewer	\$178		\$178	\$0	\$178
93700	Employee Benefit Contributions - Utilities	\$0		\$0	\$0	\$0
93800	Other Utilities Expense	\$0		\$0	\$0	\$0
93000	Total Utilities	\$2,774	\$0	\$2,774	\$0	\$2,774
94100	Ordinary Maintenance and Operations - Labor	\$7,982		\$7,982	\$0	\$7,982
94200	Ordinary Maintenance and Operations - Materials and Other	\$2,834	\$640	\$3,474	\$0	\$3,474
94300	Ordinary Maintenance and Operations Contracts	\$3,164		\$3,164	\$0	\$3,164



94500	Employee Benefit Contributions - Ordinary Maintenance	\$1,883		\$1,883	\$0	\$1,883
94000	Total Maintenance	\$15,863	\$640	\$16,503	\$0	\$16,503
95100	Protective Services - Labor	\$0		\$0	\$0	\$0
95200	Protective Services - Other Contract Costs	\$0		\$0	\$0	\$0
95300	Protective Services - Other	\$0		\$0	\$0	\$0
95500	Employee Benefit Contributions - Protective Services	\$0		\$0	\$0	\$0
95000	Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110	Property Insurance	\$3,158		\$3,158	\$0	\$3,158
96120	Liability Insurance	\$650		\$650	\$0	\$650
96130	Workmen's Compensation	\$1,434		\$1,434	\$0	\$1,434
96140	All Other Insurance	\$337		\$337	\$0	\$337
96100	Total Insurance Premiums	\$5,579	\$0	\$5,579	\$0	\$5,579
96200	Other General Expenses	\$0		\$0	\$0	\$0
96210	Compensated Absences	\$0		\$0	\$0	\$0
96300	Payments in Lieu of Taxes	\$0		\$0	\$0	\$0
96400	Bad debt - Tenant Rents	\$1,053		\$1,053	\$0	\$1,053
96500	Bad debt - Mortgages	\$0		\$0	\$0	\$0
96600	Bad debt - Other	\$0		\$0	\$0	\$0
96800	Severance Expense	\$0		\$0	\$0	\$0
96000	Total Other General Expenses	\$1,053	\$0	\$1,053	\$0	\$1,053
96710	Interest of Mortgage (or Bonds) Payable	\$0		\$0	\$0	\$0
96720	Interest on Notes Payable (Short and Long Term)	\$0		\$0	\$0	\$0
96730	Amortization of Bond Issue Costs	\$0		\$0	\$0	\$0
96700	Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900	Total Operating Expenses	\$49,114	\$640	\$49,754	\$0	\$49,754
97000	Excess of Operating Revenue over Operating Expenses	\$46,564	\$0	\$46,564	\$0	\$46,564

97100	Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97200	Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97300	Housing Assistance Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97350	HAP Portability-In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97400	Depreciation Expense	\$24,751	\$24,751	\$0	\$0	\$0	\$0	\$24,751	\$0
97500	Fraud Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97600	Capital Outlays - Governmental Funds								
97700	Debt Principal Payment - Governmental Funds								
97800	Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
90000	Total Expenses	\$73,865	\$640	\$74,505	\$0	\$0	\$0	\$74,505	\$0
10010	Operating Transfer In	\$7,000	\$7,000	\$0	\$0	\$0	\$0	\$0	\$0
10020	Operating transfer Out	-\$7,000	-\$7,000	\$0	\$0	\$0	\$0	\$0	\$0
10030	Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10040	Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10050	Proceeds from Notes, Loans and Bonds								
10060	Proceeds from Property Sales								
10070	Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10080	Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10091	Inter Project Excess Cash Transfer In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10092	Inter Project Excess Cash Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10093	Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10094	Transfers between Project and Program - Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10100	Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$21,813	\$0	\$21,813	\$0	\$0	\$0	\$21,813	\$0
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030	Beginning Equity	\$487,744	\$0	\$487,744	\$0	\$0	\$0	\$487,744	\$0
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11050	Changes in Compensated Absence Balance								
11060	Changes in Contingent Liability Balance								
11070	Changes in Unrecognized Pension Transition Liability								

11080	Changes in Special Term/Severance Benefits Liability							
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100	Changes in Allowance for Doubtful Accounts - Other							
11170	Administrative Fee Equity							
11180	Housing Assistance Payments Equity							
11190	Unit Months Available	192	192				192	
11210	Number of Unit Months Leased	179	179			0	179	
11270	Excess Cash	\$58,393	\$58,393				\$58,393	
11610	Land Purchases	\$0	\$0				\$0	
11620	Building Purchases	\$16,991	\$16,991				\$16,991	
11630	Furniture & Equipment - Dwelling Purchases	\$0	\$0				\$0	
11640	Furniture & Equipment - Administrative Purchases	\$0	\$0				\$0	
11650	Leasehold Improvements Purchases	\$0	\$0				\$0	
11660	Infrastructure Purchases	\$0	\$0				\$0	
13510	CFFP Debt Service Payments	\$0	\$0				\$0	
13901	Replacement Housing Factor Funds	\$0	\$0				\$0	



**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 H. Balderas, State Auditor and  
To the Board of Directors  
Village of Cimarron Housing Authority  
(A Component Unit of the Village of Cimarron)  
Cimarron, New Mexico

We have audited the financial statements of each major fund and the aggregate remaining fund information and the related budgetary comparisons presented as supplementary information of Village of Cimarron Housing Authority (a component unit of the Village of Cimarron), as of and for the year ended June 30, 2010, and have issued our report thereon dated November 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Village of Cimarron Housing Authority's internal control over financial reporting as a basis for designating 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 Village of Cimarron Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Cimarron Housing Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or 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.

Our 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting. Findings 2010-01 and 2006-03. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Mr. Hector H. Balderas, State Auditor and  
To the Board of Directors  
Village of Cimarron Housing Authority  
(A Component Unit of the Village of Cimarron)  
Cimarron, New Mexico  
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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Village of Cimarron Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Village of Cimarron Housing Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Housing Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, the Village of Cimarron, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kriegel/Gray/Shaw & Co., P.C.*  
Kriegel/Gray/Shaw & Co., P.C.

November 22, 2010

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

## CURRENT YEAR SIGNIFICANT DEFICIENCIES:

### 2010-01 Audit Report Not Submitted Timely

**Statement of Condition** – The audit report for the year ended June 30, 2010 was not submitted timely. The report was submitted to the Office of the State Auditor on December 1, 2010, but was rejected due to the exclusion of the Financial Data Schedule.

**Criteria** – Audit of Housing Authorities must be submitted by December 1 in accordance with the New Mexico State Auditor Rule 2.2.2. NMAC.

**Cause** – The “audited submission” of the Financial Data Schedule was not available on the HUD website as of the December 1 due date. The “unaudited submission” was still in HUD review status at that time. The auditor incorrectly understood that the Financial Data Schedule required to be included in the audit report to be the “audited submission.”

**Effect** – Noncompliance with New Mexico State Auditor Rule 2.2.2. NMAC.

**Recommendation** – Clarify any submission requirements in the future prior to the report due date.

**Management’s Response** – We concur with Kriegel/Gray/Shaw & Co., P.C.’s finding and recommendation.

## CURRENT STATUS ON PRIOR YEAR FINDINGS:

### 2009-01 – No Security Deposit Register and Liability Does Not Agree With Bank Balance

Resolved.

### 2009-02 – Unable to Locate Petty Cash Fund

Resolved.

### 2009-03 – Incomplete Board Minutes

Resolved.

### 2009-04 – Receipts Report Does Not Agree to Deposit

Resolved.

### 2009-05 – No Board Approval of Disbursements

Resolved.

# VILLAGE OF CIMARRON HOUSING AUTHORITY

(A Component Unit of the Village of Cimarron)  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

## CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):

### 2006-03 Lack of Complete Capital Assets Schedule

Repeated.

**Statement of Condition** – Client does not keep a detailed listing of capital asset schedules.

**Criteria** – Good internal controls require that subsidiary ledgers be maintained to support general ledger entries. New Mexico State Auditor Rule 2.2.2.10 NMAC requires a schedule of capital assets to be maintained.

**Cause** – Inconsistency of management personnel and fee accountant changes.

**Effect** – Although a summary depreciation schedule by asset type is maintained, there is no schedule to support capital asset balances recorded in the financial statements. Noncompliance with New Mexico State Auditor Rule 2.2.2.10 NMAC.

**Recommendation** – Detailed subsidiary ledgers should be kept to support general ledger entries.

**Management's Response** – The Cimarron Housing Authority CHA has purchased computer software to keep a current listing of its capital assets. The current staff will complete this task as soon as possible.

# **VILLAGE OF CIMARRON HOUSING AUTHORITY**

(A Component Unit of the Village of Cimarron)

## **EXIT CONFERENCE**

**JUNE 30, 2010**

### **EXIT CONFERENCE:**

The exit conference was held November 9, 2010 and was attended by the following:

#### **From the Village of Cimarron Housing Authority:**

Mary Alice Tracy-Boyce, Board Chairperson

Robert Portillos, Former Executive Director

Melissa Cruz, Assistant Director

Teresita Gruver, Current Executive Director

#### **From Kriegel/Gray/Shaw & Co., P.C.:**

Ken Shaw, CPA/Shareholder

Kristi Granados, CPA, Staff Auditor

### **FINANCIAL STATEMENTS PREPARATION**

The financial statements were prepared by Kriegel/Gray/Shaw & Co., P.C.