

**STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.**

**A COMPONENT UNIT OF
CITY OF CLOVIS, NEW MEXICO**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009**

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INTRODUCTORY SECTION

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**STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.**

**Board of Commissioners and Management
June 30, 2009**

Board of Commissioners

Chairman	Robert Telles
Vice-Chairman	Rev. George Morgan, Sr.
Commissioner	Zeke Martinez
Commissioner	Kenneth Chretien
Commissioner	Betty Jane Williams

Agency Officials

Executive Director	Charlotte Molette
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**STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.**

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FOR THE YEAR ENDED JUNE 30, 2009

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Hector Balderas,
New Mexico State Auditor
The Office of Management and Budget
and
Executive Director and Board of Commissioners
Clovis Housing and Redevelopment Agency, Inc.
Clovis, New Mexico

We have audited the accompanying financial statements of the business-type activities of the Clovis Housing and Redevelopment Agency, Inc. (the "Agency"), a component unit of the City of Clovis, New Mexico (the "City"), as of and for the year ended June 30, 2009, which collectively comprise the Agency's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Agency's individual enterprise funds, including budgetary comparisons, presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009 as listed in the table of contents. These financial statements are the responsibility of the Agency'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 *Government 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 the 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.

As discussed in Note 1, the financial statements present only the Agency and are not intended to present the City's financial position, and the results of operations and the cash flows of its proprietary fund types in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Clovis Housing and Redevelopment Agency, Inc. as of the year ended June 30, 2009, and the respective changes in financial position and cash flows thereof 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, in all material respects, the respective financial position of the individual enterprise funds of the Clovis Housing and Redevelopment Agency, Inc., New Mexico, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and respective budgetary comparison for all enterprise funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued a report dated November 17, 2009 on our consideration of the Agency'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 assessing the results of our audit.

The *Management's Discussion and Analysis* at page v 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 financial statements that collectively comprise the Agency's basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and is not a required part of the financial statements. The Financial Data Schedule is required by the U.S. Department of Housing and Urban Development. The additional schedules listed as "Supporting Schedules" and the Financial Data Schedule listed in the table of contents are presented for purposes of additional analysis and are 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, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Griego Professional Services, LLC
Albuquerque, NM
November 17, 2009

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CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.

A Component Unit of City of Clovis
Management's Discussion and Analysis (MD&A)
June 30, 2009

INTRODUCTION

The Clovis Housing and Redevelopment Agency, Inc. (the Agency) is a component unit of the City of Clovis and is empowered to implement housing, community development, redevelopment, and revitalization programs within the City of Clovis, New Mexico (the City). The Agency has the power to acquire, lease, and improve property; to acquire via eminent domain; to investigate and determine whether an area is blighted; and to carry out a redevelopment plan in cooperation with local government.

The Agency presents this discussion and analysis of its financial performance during the fiscal year (FY) ended June 30, 2009, to assist the reader in focusing on significant financial issues and concerns. This discussion and analysis is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999.

The Agency's FY 2009 annual financial report consists of two parts – the management's discussion and analysis, and the basic financial statements (which include notes to those financial statements). Also included are supplementary schedules that show information that was sent to the U.S. Department of Housing and Urban Development (HUD) related to our basic financial statements.

The primary focus of the Agency's financial statements is on the financial statements of a single business-type activity that combines all programs administered by the Agency.

FINANCIAL HIGHLIGHTS FOR FY 2009

Under GASB 34, the Agency's single business-type activities financial statements for FY 2009 report on all of the Agency's assets, liabilities, revenues, expenses, and net assets under the programs it administers. In summary, the Agency's FY 2009 financial highlights included the following:

- Total assets and liabilities of the Agency were approximately \$1,426,536 and \$1,185,107 respectively; thus total net assets were approximately \$2,876,375 at June 30, 2009.
- Total revenues (including non-operating revenues) and expenses were approximately \$1,297,742 and \$1,380,843 respectively; thus net assets decreased by approximately \$241,429 during the fiscal year.
- Revenues are derived from various sources with approximately 28% from non-grant sources and 72% received either directly or indirectly (through the City) from the U.S. Department of Housing and Urban Development (HUD). Rental revenues from Agency-owned properties were approximately \$304,439, or 24% of total revenues.

CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.

A Component Unit of City of Clovis
Management's Discussion and Analysis (MD&A)
June 30, 2009

- Cash flows from operating activities were a positive \$432,535. Furthermore, after considering investing and capital financing activities, the increase in cash and cash equivalents for the year was approximately \$174,851.

AGENCY FINANCIAL STATEMENTS

The Agency's mission in the City focuses on the planning, design, construction, preservation, rehabilitation, financing, and management of housing, primarily for low- and moderate-income households, assisting in the revitalization of neighborhoods, and redevelopment of commercial and industrial areas in the City of Clovis. The Agency, as of June 30, 2009, owned 131 residential units that are leased to low-income families and individuals. In addition, housing assistance was being paid for 608 units under the Federal Housing Choice Voucher programs for privately-owned existing housing.

In view of this mission, the Agency's financial reporting objective under GASB 34 in FY 2009 focuses on the financial activities of the Agency as a whole.

Financial Statements Used in FY 2009

The Agency is presenting its FY 2009 discussion and analysis based on the financial results of its enterprise programs in four basic financial statements – the balance sheet; the statement of revenues, expenses and changes in net assets; the statement of changes in net assets and the statement of cash flows. The balance sheet reports all financial and capital assets of the Agency and is presented in a format where assets equal liabilities plus net assets, formerly known as fund equity. Net assets are broken down into the following three categories.

- *Net assets, invested in capital assets, net of related debt* consist of all capital assets net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- *Restricted net assets* consist of assets that are restricted by constraints placed on the asset by external parties, such as, creditors, grantors, contributors, laws, or regulations reduced by liabilities payable from such assets.
- *Unrestricted net assets* consist of net assets that do not meet the definition of *net assets invested in capital assets, net of related debt, or restricted net assets*.

The statement of revenues, expenses and changes in net assets (similar to an income statement) includes operating revenues, such as charges for services, operating and capital grants and miscellaneous revenues. Operating expenses include administration, tenant services, utilities, ordinary maintenance & operations, general, housing assistance payments and depreciation. Non-operating revenues include interest income and gain on disposal of assets. The statement's focus is the change in net assets, which is similar to net income or loss.

The statement of changes in net assets provides a detail of the increase in net assets for each category, net assets invested in capital assets and unrestricted net assets, from FY 2008 to FY 2009.

Finally, a statement of cash flows is included, which discloses net cash used in operating activities, net cash used in capital and related financing activities, and net cash used in investing activities, if applicable.

CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.

A Component Unit of City of Clovis

Management's Discussion and Analysis (MD&A)

June 30, 2009

These financial statements utilize the economic resources measurement focus and the full accrual basis of accounting. They report the Agency's net assets and changes in net assets in full compliance with GASB 34. Under the full accrual basis of accounting, revenues are recognized in the period they are earned and expenses in the period when they are incurred.

In FY 2009, the following programs make up the Agency's single business-type activities financial statements:

- *Low Rent Public Housing Program* – Funding is from federal grants from HUD, rents, and other user charges and provides essential affordable housing for low-income families, disabled person, and the elderly.
- *Section 8 Housing Choice Voucher Programs* – This program is funded by HUD and is a subsidy program for low- and moderate-income families seeking housing in the private rental market.

Net Assets

The following table reflects the Agency's condensed summary of the balance sheet as of June 30, 2008 and 2009:

**Table 1
Summary of Balance Sheet
As of June 30,**

	<u>2009</u>	<u>2008</u>
Current assets	\$ 1,101,853	\$ 836,140
Other non-current assets	200,324	320,878
Capital assets, net of accumulated depreciation	1,716,341	1,613,426
Total assets	<u>\$ 3,018,518</u>	<u>\$ 2,770,444</u>
Current liabilities	\$ 140,532	\$ 130,057
Long-term liabilities	1,611	5,441
Total liabilities	<u>\$ 142,143</u>	<u>\$ 135,498</u>
Net Assets:		
Invested in capital assets	\$ 1,716,341	\$ 1,613,426
Unrestricted	200,324	304,704
Total net assets	<u>959,710</u>	<u>716,816</u>
Total liabilities and net assets	<u>\$ 2,876,375</u>	<u>\$ 2,634,946</u>
	<u>\$ 3,018,518</u>	<u>\$ 2,770,444</u>

Capital assets net of accumulated depreciation comprise about 57% of the Agency's total assets, while the amount of net assets invested in capital assets, net of related debt, amounts to about 60% of total net assets.

The Agency's remaining net assets consist of unrestricted net assets, which include cash in the bank, receivables net of allowances, and other assets less all other liabilities not previously applied.

CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.

A Component Unit of City of Clovis

Management's Discussion and Analysis (MD&A)

June 30, 2009

Revenues, Expenses and Changes in Net Assets

The results of the Agency's operations are reported in the statement of revenues, expenses and changes in net assets. In FY 2009, the Agency realized an increase in net assets of approximately \$241,429. Table 2 presents a condensed summary of data from the Agency's statement of revenues, expenses and changes in net assets.

Table 2
Summary of Revenues, Expenses and Changes in Net Assets
Year Ended June 30,

	<u>2009</u>	<u>2008</u>
Revenues:		
Operating revenues		
Charges for services	\$ 304,439	\$ 632,997
Miscellaneous	50,198	60,830
Non-operating revenues	3,069,749	2,563,041
Total revenues	<u>\$ 3,424,386</u>	<u>\$ 3,256,868</u>
Expenses:		
Operating expenses		
Administration	\$ 443,765	\$ 399,946
Utilities	193,156	196,152
Maintenance and operations	197,376	122,771
General	2,640	-
Tenant services	65,131	99,247
Protective services	88,512	237,219
Other expenses	39,902	-
Depreciation	154,625	143,971
Housing assistance payments	1,997,662	1,687,830
Non-operating expenditures	188	164
Total expenses	<u>\$ 3,182,957</u>	<u>\$ 2,887,300</u>
Increase/(decrease) in net assets	<u>\$ 241,429</u>	369,568
Net assets at June 30, 2008	<u>\$ 2,634,946</u>	2,265,378
Net assets at June 30, 2009	<u>\$ 2,876,375</u>	<u>\$ 2,634,946</u>

Less than 1% of the Agency's total revenues in fiscal years 2008 and 2009 were non-operating revenues that were derived from interest income. 89% of the Agency's revenue is derived from intergovernmental operating grants. The remaining 10% were operating revenues derived other rents, user charges, and miscellaneous revenues.

In FY 2009, the Agency incurred expenses totaling \$3,182,957 compared to \$2,887,300 which represents a increase of \$295,657, or approximately 11% from the prior year. Approximately \$1,997,662, or 63%, of the expenses are housing assistance payments made in the Section 8 Housing Choice Voucher program. Operating expenses include costs related to administration, tenant services, utilities, ordinary maintenance & operations, general and depreciation expenses.

The Agency's FY 2009 Financial Data Schedule, included with these financial statements, supplies activity detail for the Statement of Revenues, Expenses and Change in Net Assets and shows noteworthy transactions that influenced financial results of its rental assistance programs – the Low Rent Public Housing Program and Section 8 Housing Choice Voucher and its capital fund programs. These transactions include:

CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.

A Component Unit of City of Clovis

Management's Discussion and Analysis (MD&A)

June 30, 2009

- *The Low Rent Public Housing Program* had total revenues and expenses of approximately \$1,239,149 and \$854,706. Within the *Low Rent Public Housing Program* there was \$267,826 of *Capital Fund Projects* revenues and \$39,775 of *Resident Opportunity and Supportive Services* revenue.\$39,775.
- *The Housing Choice Voucher (Section 8) Program* had revenues totaling approximately \$2,185,049 and expenses (mainly housing assistance payments) of approximately \$2,328,063.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Agency's capital assets as of June 30, 2009 and 2008, included land, structures & improvements and machinery & equipment that totaled \$6,672,496 (without accumulated depreciation), most of which is comprised of Public Housing units available for lease to low- and moderate-income residents and construction in these Public Housing areas in the City of Clovis. A breakdown of these assets is shown in Table 3.

Table 3
Change in Capital Assets of the Agency
June 30,

	<u>2009</u>	<u>2008</u>
Nondepreciable assets:		
Land	\$ 179,270	\$ 179,270
Construction in progress	177,072	-
Other capital assets		
Structures and improvements	5,804,247	5,703,923
Machinery and equipment	511,907	546,189
Less: accumulated depreciation	<u>(4,956,155)</u>	<u>(4,815,956)</u>
Totals	<u>\$ 1,716,341</u>	<u>\$ 1,613,426</u>

The Agency had approximately \$243,115 in net additions to capital assets in FY 2009.

CONTACTING AGENCY MANAGEMENT

This financial report is designed to provide the citizens of the City of Clovis, taxpayers, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to the Executive Director, 2101 W. Grand Street, Clovis, New Mexico 88102.

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BASIC FINANCIAL STATEMENTS

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STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
BALANCE SHEET
PROPRIETARY FUND TYPES
JUNE 30, 2009

Exhibit A

ASSETS

Current assets:

Cash and cash equivalents	\$	1,038,675
Investments		6,953
Accounts receivable - tenants, net of allowance for doubtful accounts of \$0		1,435
Accounts receivable - Other		-
Due from other governments		-
Inventory		11,883
Prepaid expenses		42,907
<i>Total current assets</i>		<u>1,101,853</u>

Noncurrent assets:

Restricted cash and cash equivalents		200,324
Land, Structures and equipment, net of accumulated depreciation		1,716,341
<i>Total noncurrent assets</i>		<u>1,916,665</u>

Total assets

\$ 3,018,518

LIABILITIES

Current liabilities (payable from current assets):

Accounts payable	\$	41,234
Accrued salaries and benefits		27,106
Compensated absences, current amounts		11,540
<i>Total current liabilities (payable from current assets)</i>		<u>79,880</u>

Current liabilities (payable from restricted assets)

Tenant security and financial self sufficiency deposits		60,652
<i>Total current liabilities (payable from restricted assets)</i>		<u>60,652</u>

Non-current liabilities :

Compensated absences, net of current amounts		1,611
--	--	-------

Total liabilities

142,143

NET ASSETS

Invested in capital assets, net of related debt		1,716,341
Restricted		200,324
Unrestricted		959,710

Total net assets

2,876,375

Total liabilities and net assets

\$ 3,018,518

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2009

Exhibit B

<i>Operating revenues:</i>	
Charges for services	\$ 304,439
Miscellaneous	50,198
	354,637
<i>Total operating revenues</i>	
<i>Operating expenses:</i>	
Administration	443,765
Utilities	193,156
Ordinary maintenance and operations	197,376
General	2,640
Tenant services	65,131
Protective services	88,512
Other expenses	39,902
Depreciation	154,625
	1,185,107
<i>Total operating expenses</i>	
<i>Operating income</i>	
	(830,470)
<i>Non-operating revenues (expenses):</i>	
Operating grants	2,744,181
Other government grants	39,775
Capital grants	267,826
Fraud recovery revenue	17,923
Interest income	44
Housing assistance payments	(1,997,662)
Loss on disposition of assets	(188)
	1,071,899
<i>Total non-operating revenues</i>	
<i>Change in net assets</i>	
	241,429
<i>Total net assets - beginning of year</i>	
	2,634,946
<i>Total net assets - end of year</i>	
	\$ 2,876,375

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
STATEMENT OF CHANGES IN NET ASSETS
PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2009

Exhibit C

	Net Assets Invested in Capital Assets	Unrestricted Net Assets	Unrestricted Net Assets	Total
Balance June 30, 2008	\$ 1,613,426	\$ 716,816	\$ 304,704	\$ 2,634,946
Net change in net assets for the year ended June 30, 2009	<u>102,915</u>	<u>242,894</u>	<u>(104,380)</u>	<u>241,429</u>
Balance June 30, 2009	<u><u>\$ 1,716,341</u></u>	<u><u>\$ 959,710</u></u>	<u><u>\$ 200,324</u></u>	<u><u>\$ 2,876,375</u></u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2009

Exhibit D

<i>Cash flows from operating activities:</i>	
Cash received from customers	\$ 367,259
Cash paid to suppliers and employees	(1,006,767)
<i>Net cash (used) by operating activities</i>	<u>(639,508)</u>
 <i>Cash flows from noncapital and related financing activities:</i>	
Intergovernmental HUD subsidy	3,051,782
Housing assistance payments	(1,997,662)
Fraud recovery income	17,923
<i>Net cash (used) by noncapital and related financing activities</i>	<u>1,072,043</u>
 <i>Cash flows from capital and related financing activities:</i>	
Acquisitions and construction of capital assets	(257,728)
<i>Net cash (used) by capital and related financing activities</i>	<u>(257,728)</u>
 <i>Cash flows from investing activities:</i>	
Interest received	44
<i>Net cash provided by investing activities</i>	<u>44</u>
<i>Net (decrease) in cash and cash equivalents</i>	174,851
<i>Cash and cash equivalents - beginning of year</i>	<u>1,071,101</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 1,245,952</u>
 <i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</i>	
Operating income (loss)	\$ (830,470)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	154,625
(Increase) decrease in:	
Accounts receivable	12,622
Prepaid expenses	(1,839)
Inventory	(1,955)
Increase (decrease) in:	
Accounts payable	7,968
Accrued expenses	11,831
Compensated absences	7,710
<i>Net cash (used) by operating activities</i>	<u>\$ (639,508)</u>

Summary of Significant Noncash Activities:

There a loss of \$188 in noncash activities during the year ended June 30, 2009 relating to the disposition of assets.

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 Summary of Significant Accounting Policies

The Clovis Housing and Redevelopment Agency, Inc. (the Agency) was organized under New Mexico statutes, to provide a conduit for housing funds for disadvantaged citizens of the City of Clovis, New Mexico. The Agency is a political subdivision of the State of New Mexico and a component unit of the City of Clovis, New Mexico.

The Housing Authority of the City of Clovis was organized August 8, 1939. The Cooperative Agreement between the City of Clovis and the Housing Authority was entered into August 7, 1941. The Housing Authority was incorporated as a New Mexico non-profit corporation in September of 1992. On January 29, 1994 the name was changed to Clovis Housing and Redevelopment Agency, Inc. (the Agency). In May of 1995 the Agency was granted an organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. The Agency has an elected Chairman, a four member council and a secretary. The Agency manages two (2) lower rent public housing developments containing 131 total units and administers Housing and Urban Development's (HUD) Housing Choice Vouchers Section 8 housing assistance program.

The financial statements present only the financial position, results of operations and cash flows of the Agency and are not intended to present fairly the City's financial position, results of operations and cash flows of its proprietary fund types in conformity with accounting principals generally accepted in the United States of America.

The financial statements of the Agency 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 which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the Agency's accounting policies are described below.

The following programs are maintained by the Agency:

Low Rent Public Housing Program – The overall objective of the Public and Indian Housing program is to provide and operate cost-effective, decent, safe and affordable dwellings for lower income families.

Section 8 Programs – These programs, funded through direct grants from HUD, provide rental assistance to qualified families through rent subsidies paid directly to third-party landlords.

Capital Fund Projects – Funded on a reimbursement basis by HUD, the program funds may be used for the development, financing, and modernization of public housing developments and for management improvements. Per HUD requirements, these funds are presented within the Low Rent Public Housing Program on the Financial Statements.

Resident Opportunity and Supportive Services – Funded by HUD, the program funds are used to address the needs of public housing residents by providing supportive services, resident empowerment activities, and/or assisting residents in becoming economically self sufficient. Per HUD requirements, these funds are presented within the Low Rent Public Housing Program on the Financial Statements.

STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 Summary of Significant Accounting Policies (Continued)

A. *Financial Reporting Entity*

In evaluating how to define the Agency for financial reporting purposes, management has considered all potential component units. The decision to include potential component units in the financial reporting entity was made by applying the criteria set forth in GASB #14. The basic, but not the only, criterion for including a potential component unit within 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. 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 government is able to exercise oversight responsibilities. Based upon the application of these criteria, the Agency has no component units; however, the Agency is a component unit of the City of Clovis.

B. *Basis of Presentation*

All of the Agency's programs are accounted for as business-type activities for financial reporting purposes. This financial statement presentation provides an indication of the financial performance of the Agency as a whole. Enterprise designations are used to account for activities (a) which are financed with debt that is solely secured by a pledge of the net revenues from fees and charges of the activity; (b) which are governed by laws or regulations that require that the activity's costs of providing services be recovered with fees and charges, rather than taxes or similar revenues; or (c) that the pricing policies of the activity establish fees and charges designed to recover its costs.

The Agency uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Encumbrance accounting is not used for budgetary or normal financial reporting purposes.

A fund is a separate accounting entity with a self-balancing set of accounts. The Agency classifies all funds into one category: proprietary. That category, in turn, is divided into separate "funds".

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Agency has elected to apply the

STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 Summary of Significant Accounting Policies (Continued)

B. *Basis of Presentation (continued)*

provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989.

C. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The Agency's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Agency's principal ongoing operations. The Agency's operating revenues consist primarily of charges for services and operating grants. Operating expenses include administration, utilities and ordinary repairs and maintenance expenses as well as general expenses, housing assistance payments, and depreciation expense. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. *Assets, Liabilities, and Equity*

Cash and Cash Equivalents

The Agency considers cash in operating bank accounts, cash on hand and all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. State statutes authorize the Agency to invest in obligations of the U.S. Treasury, certified financial institution time deposits, and New Mexico political subdivision obligations.

New Mexico Statutes require that financial institutions with public monies on deposit to pledge collateral to the owner of such public monies in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the Agency (Note 2).

STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Equity (continued)

Accounts Receivable

All trade receivables are shown net of an allowance for doubtful accounts. The allowance is comprised of all accounts receivable which management estimates to be uncollectible.

Inventories

The inventory held consists of expendable supplies held for consumption and recorded at cost. The cost is recorded as expenditure at the time of consumption. Inventory for the Agency is valued at cost.

Prepaid Items

Prepaid balances are for payments made by the Agency in the current year to provide services that are applicable to future accounting periods.

Capital Assets

Proprietary fund property and equipment acquisitions are recorded at cost or, if contributed property, at their fair market value at the time the contribution is made. Repairs and maintenance are recorded as expenses, while renewals and betterments are capitalized. Assets capitalized have an original cost of \$5,000 or more. Depreciation is recorded using the straight-line method based on the estimated useful life of the asset. The following lives are utilized:

Land Improvements	40 years
Buildings and Improvements	40 years
Machinery and Equipment	5-10 years
Computers and Software	3-5 years
Vehicles	5 years

Accrued Expenses

Accrued expenses are comprised of accrued salaries, wages, related employment taxes and current maturities of compensated absences, discussed more fully below.

Compensated Absences

The Agency's policy allows employees to accumulate limited amounts of vacation and sick pay, which are payable to the employee upon termination or retirement. Vested or accumulated vacation leave is reported as an expenditure and a liability of the program that will pay it.

Cash Flows

For the purpose of the statement of cash flows, the Agency considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

Interfund Transactions

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

STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Equity (continued)

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the Agency's financial statements include management's estimate of the useful lives of capital assets.

Net Assets

Net assets comprise the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net assets are classified in the following three components: invested in capital assets, net of related debt; restricted; and unrestricted net assets. Invested in capital assets, net of related debt, consists of all capital assets, net of accumulated depreciation and reduced by the outstanding debt that is attributable to the acquisition, construction and improvement of the assets: debt related to the unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted net assets consists of net assets for which constraints are placed thereon by external parties, such as: lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted net assets consist of all other net assets not included in the above categories.

Restricted Assets

Certain resources set aside for modernization and development, as well as security deposits held as insurance against the non-payment for services rendered are classified on the balance sheet as restricted because their use is limited.

The County's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Revenue Recognition

Dwelling rental revenues are recorded as rentals become due. Rental payments received in advance, if any, are deferred until earned.

The Agency has entered into annual contributions contracts with HUD to develop, manage and own public housing projects and to administer the federal Section 8 housing programs, whereby monthly housing assistance payments are made to landlords on behalf of eligible lower income individuals and families. HUD makes monthly operating subsidy contributions within the public housing program and monthly contributions for housing assistance payments and administration fees for the Section 8 program. Such contributions are reflected as operating grants in the accompanying financial statements.

STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 Summary of Significant Accounting Policies (Continued)

D. *Assets, Liabilities, and Equity (Continued)*

Budgetary Information

The Executive Director annually obtains from HUD approved operating budgets for the fiscal year commencing the following July 1. The Agency's Commission is required to obtain approval from HUD for any revisions that alter the total expenditures, the legal level of budgetary control, of any grant programs. HUD program budgets are prepared on a regulatory basis which is comparable to the GAAP financial presentation included in this report. Therefore, budgetary data for the Agency's programs are included as supplementary information.

Note 2 Cash and Cash Equivalents

State statutes authorize the investment of the Agency's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the Agency properly followed State investment requirements as of June 30, 2009.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the Agency. Deposits may be made to the extent that they are insured by an agency of the United States 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.

Excess of funds may be temporarily invested in securities which 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.

The collateral pledged is listed on Schedule I of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution. This coverage has increased to \$250,000 for time and savings deposits as well as demand deposits until December 31, 2013. Additionally, until December 31, 2009, all deposits in non-interest bearing transaction accounts (such as non-interest bearing checking accounts) at participating institutions are fully guaranteed, regardless of dollar amount.

Deposits

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Agency for a least one half of the amount on deposit with the institution. The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the County's deposits.

STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 2 Cash and Cash Equivalents (continued)

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure, the Agency’s deposits may not be returned to it. The Agency does not have a deposit policy for custodial credit risk. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Agency for at least one half of the amount on deposit with the institution.

	Bank of Clovis	Wells Fargo Bank	Total
Total amounts of deposits	\$ 627,722	\$ 633,689	\$ 1,261,411
FDIC coverage	(627,722)	(633,689)	(1,261,411)
Total uninsured public funds	\$ ---	\$ —	\$ —
Collateral requirement (50% of uninsured public funds)	---	—	—
Pledged security	---	—	—
Over/(Under)-collateralized	\$ —	\$ —	\$ —

At June 30, 2009, the amount of the Agency’s deposits was \$1,261,411. All of the Agency’s balance was covered by federal depository insurance. The Agency had no funds that were uninsured and uncollateralized at year-end.

Note 3 Accounts Receivable

The Agency’s accounts receivable at June 30, 2009, are as follows:

	Accounts Receivable	Allowance	Net
Accounts receivable – Tenants	\$ 1,435	\$ —	\$ 1,435
Accounts receivable – Other	—	—	—
	\$ 1,435	\$ —	\$ 1,435

Note 4 Interfund Receivables, Payables and Transfers

During the course of operations, numerous transactions occur between individual funds for loans. These loans are reported as “due from other funds” or “due to other funds” on the balance sheet.

There were no interfund balances as of June 30, 2009.

STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 5 Land, structures and equipment

	<u>Balance</u> <u>06/30/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustment</u>	<u>Balance</u> <u>06/30/2009</u>
Low-Rent Public Housing					
Capital Assets, Not Being Depreciated:					
Land	\$ 179,270	—	—	—	179,270
Construction in Progress	<u>—</u>	<u>171,749</u>	<u>—</u>	<u>5,323</u>	<u>177,072</u>
Net Capital Assets, Not Being Depreciated:	<u>179,270</u>	<u>171,749</u>	<u>—</u>	<u>—</u>	<u>356,342</u>
Capital Assets, Being Depreciated:					
Land Improvements	356,826	---	---	(5,366)	351,460
Buildings & Improvements	5,347,097	79,746	—	25,944	5,452,787
Dwelling Equipment	225,652	6,232	(3,946)	(17,698)	210,240
Non-dwelling Equipment	<u>240,832</u>	<u>—</u>	<u>(10,667)</u>	<u>(8,203)</u>	<u>221,962</u>
Total Capital Assets, Being Depreciated	<u>6,170,407</u>	<u>85,978</u>	<u>(14,613)</u>	<u>(5,323)</u>	<u>6,236,449</u>
Accumulated Depreciation:					
Land Improvements	(104,866)	(23,173)	—	—	(128,039)
Buildings & Improvements	(4,297,257)	(71,375)	—	—	(4,368,632)
Dwelling Equipment	(205,130)	(15,458)	3,758	—	(216,830)
Non-dwelling Equipment	<u>(149,812)</u>	<u>(28,060)</u>	<u>10,667</u>	<u>—</u>	<u>(167,205)</u>
Total Accumulated Depreciation	<u>(4,757,065)</u>	<u>(138,066)</u>	<u>14,425</u>	<u>—</u>	<u>(4,880,706)</u>
Total Capital Assets Being Depreciated, Net	<u>1,413,342</u>	<u>(52,088)</u>	<u>(188)</u>	<u>(5,323)</u>	<u>1,355,743</u>
Total Low Rent Public Housing Capital Assets, Net	<u>\$ 1,592,612</u>	<u>\$ —</u>	<u>\$ (188)</u>	<u>\$ —</u>	<u>\$ 1,712,085</u>
Section 8 Vouchers					
Capital Assets, Being Depreciated:					
Non-dwelling Equipment	<u>79,705</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>79,705</u>
Accumulated Depreciation:					
Non-dwelling Equipment	<u>(58,891)</u>	<u>(16,558)</u>	<u>—</u>	<u>—</u>	<u>(75,449)</u>
Total Capital Assets Being Depreciated, Net	<u>20,814</u>	<u>(16,558)</u>	<u>—</u>	<u>—</u>	<u>4,256</u>
Total Section 8 Vouchers Capital Assets, Net	<u>\$ 20,814</u>	<u>\$ (16,558)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4,256</u>
Total Capital Assets, Net	<u>\$ 1,613,426</u>	<u>\$ 103,103</u>	<u>\$ (188)</u>	<u>\$ —</u>	<u>\$1,716,341</u>

STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 6 Compensated Absences

The Agency’s policy allows employees to accumulate limited amounts of vacation and sick pay, which are payable to the employee upon termination or retirement.

Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
\$ 5,441	\$ 22,568	\$ 14,858	\$ 13,151

Note 7 Risk Management

The Housing Insurance Authority provides coverage for all risks except for flood, earthquake, and boiler and machinery in the amount of \$9,777,000 for Agency owned buildings and improvements with a \$1,000 per occurrence. General liability coverage is afforded to all employees and board members with a limit of \$1,000,000 per occurrence. The automobile and property liability limit is a combined single limit of \$300,000 with a \$250 deductible. Omaha Property and Casualty provides coverage for flood with a separate \$1,000 deductible per occurrence. Ohio Casualty provides coverage for public employee dishonesty with a \$100,000 per employee covered. Worker’s Compensation insurance is purchased through New Mexico Mutual Casualty Company with a bodily injury by an accident or disease limit of \$100,000 per individual. Injury by disease has a limit of \$500,000 per policy.

Note 8 PERA Pension Plan

Plan Description: Substantially all of the Agency’s full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement 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. The report is also available on PERA’s website at www.pera.state.nm.us.

Funding Policy: Plan members covered under Municipal Plan I. Under Plan I, members are required to contribute 7.00% of their gross salary. The Agency is required to contribute 7.00% of the gross covered salary. The contribution requirements of plan members and the Agency are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. Total Agency contributions to PERA for the year ending June 30, 2009, 2008, and 2007 were \$29,995, \$29,456, and \$28,154, respectively. All amounts expended were equal to the amount of the required contributions for each year.

Note 9 Post Employment Benefits—State Retiree Health Care Plans

The Agency has not elected to participate in the New Mexico Public Employee Health Care Act plan and there are no required contributions for fiscal year ending June 30, 2009.

STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 10 Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although Agency expects such amounts, if any, to be immaterial.

Note 11 Concentrations

89% percent of the Agency's revenues are derived from grants from various federal agencies. Reduction or interruption of these funds is not expected, however, if reduction or interruption of funding occurred it would have a material impact on the operations of the Agency.

Note 12 Commitments

The Agency has committed to pay several construction contractors for construction and remodeling of facilities as of June 30, 2009. The amounts due to contractors relating to these projects totals \$57,918. Of this amount \$50,939 is for Americans with Disabilities Act (ADA) renovation, and the remaining \$6,979 is for a cabinet replacement project.

Note 13 Subsequent Accounting Standard Pronouncements

In June 2007, the GASB issued Statement No. 51, *Accounting and financial Reporting for Intangible Assets*, which is effective for financial statements for periods beginning after June 15, 2009. This statement requires that all intangible assets not specifically excluded by its scope provision be classified as capital assets. The District is analyzing the effect that this standard will have on it financial statements.

In November 2007, the GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, which is effective for financial statement periods beginning after June 15, 2008. This statement requires endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income.

In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which is effective for financial statement periods beginning after June 15, 2009. This statement requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statement periods beginning after June 15, 2010. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2009

Statement A-1
Page 1 of 2

ASSETS	Low-Rent Public Housing <u>14.850</u>	Section 8 <u>14.871</u>	<u>Total</u>
<i>Current assets:</i>			
Cash and cash equivalents	559,666	479,009	\$1,038,675
Investments	6,953	-	6,953
Accounts receivable - tenants, net of allowance for doubtful accounts of \$0	1,435	-	1,435
Accounts receivable - Other	-	-	-
Due from other governments	-	-	-
Inventory	11,883	-	11,883
Prepaid expenses	38,930	3,977	42,907
<i>Total current assets</i>	<u>618,867</u>	<u>482,986</u>	<u>1,101,853</u>
<i>Restricted assets:</i>			
Cash and cash equivalents	18,710	181,614	200,324
Land, structures and equipment, net of accumulated depreciation	<u>1,712,086</u>	<u>4,255</u>	<u>1,716,341</u>
<i>Total assets</i>	<u><u>\$2,349,663</u></u>	<u><u>\$ 668,855</u></u>	<u><u>\$3,018,518</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2009

Statement A-1
Page 2 of 2

LIABILITIES AND NET ASSETS	Low-Rent Public Housing 14.850	Section 8 14.871	Total
<i>Current liabilities (payable from current assets):</i>			
Accounts payable	\$ 41,234	\$ -	\$ 41,234
Accrued salaries & benefits	18,937	8,169	27,106
Compensated absences, current portion	7,522	4,018	11,540
<i>Total current liabilities (payable from current assets)</i>	<u>67,693</u>	<u>12,187</u>	<u>79,880</u>
<i>Current liabilities (payable from restricted assets)</i>			
Tenant security and financial self-sufficiency deposits (payable from restricted assets)	18,731	41,921	60,652
<i>Total current liabilities (payable from restricted assets)</i>	<u>18,731</u>	<u>41,921</u>	<u>60,652</u>
<i>Non-current liabilities :</i>			
Compensated absences, net of current portion	1,611	-	1,611
<i>Total liabilities</i>	<u>88,035</u>	<u>54,108</u>	<u>142,143</u>
<i>Net assets:</i>			
Net assets invested in capital assets, net of related debt	1,712,086	4,255	1,716,341
Restricted net assets	18,710	181,614	200,324
Unrestricted net assets	530,832	428,878	959,710
<i>Total Net assets</i>	<u>2,261,628</u>	<u>614,747</u>	<u>2,876,375</u>
<i>Total liabilities and net assets</i>	<u>\$2,349,663</u>	<u>\$ 668,855</u>	<u>\$3,018,518</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
CLOVIS HOUSING AUTHORITY
A COMPONENT UNIT OF CITY OF CLOVIS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS - ALL ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2009

Statement A-2

	<u>Low-Rent Public Housing 14.850</u>	<u>Section 8 14.871</u>	<u>Total</u>
<i>Operating revenues:</i>			
Charges for services	\$ 304,439	\$ -	\$ 304,439
Miscellaneous	34,552	15,646	50,198
<i>Total operating revenues</i>	<u>338,991</u>	<u>15,646</u>	<u>354,637</u>
<i>Operating expenses:</i>			
Administration	174,347	269,418	443,765
Utilities	193,156	-	193,156
Ordinary maintenance and operations	197,376	-	197,376
General	-	2,640	2,640
Tenant Services	39,775	25,356	65,131
Protective services	72,084	16,428	88,512
Other expenses	39,902	-	39,902
Depreciation	138,066	16,559	154,625
<i>Total operating expenses</i>	<u>854,706</u>	<u>330,401</u>	<u>1,185,107</u>
<i>Operating Income/(loss)</i>	<u>(515,715)</u>	<u>(314,755)</u>	<u>(830,470)</u>
<i>Non-operating revenues (expenses):</i>			
Operating grants	592,701	2,151,480	2,744,181
Other government grants	39,775	-	39,775
Capital grants	267,826	-	267,826
Fraud recovery income	-	17,923	17,923
Interest income	44	-	44
Housing assistance payments	-	(1,997,662)	(1,997,662)
Gain (loss) on disposal of assets	(188)	-	(188)
<i>Total non-operating revenues (expenses)</i>	<u>900,158</u>	<u>171,741</u>	<u>1,071,899</u>
<i>Income (loss) before contributions</i>	<u>384,443</u>	<u>(143,014)</u>	<u>241,429</u>
<i>Total net assets - beginning of year</i>	<u>1,877,185</u>	<u>757,761</u>	<u>2,634,946</u>
<i>Total net assets - end of year</i>	<u><u>\$ 2,261,628</u></u>	<u><u>\$ 614,747</u></u>	<u><u>\$ 2,876,375</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement A-3

CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.

A COMPONENT UNIT OF CITY OF CLOVIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - BUDGET AND ACTUAL

LOW RENT PUBLIC HOUSING

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Tenant rent	265,000	265,000	304,439	39,439
Other operating revenue	52,200	52,200	34,552	(17,648)
<i>Total revenues</i>	<u>317,200</u>	<u>317,200</u>	<u>338,991</u>	<u>21,791</u>
<i>Expenditures:</i>				
Current				
Administration	225,900	222,950	174,347	48,603
Utilities	201,720	201,720	193,156	8,564
Ordinary maintenance and operations	180,010	180,010	197,376	(17,366)
General	-	-	-	-
Tenant services	31,220	31,220	39,775	(8,555)
Housing assistance payments	-	-	-	-
Protective services	74,000	74,000	72,084	1,916
Other expenses	5,850	7,850	39,902	(32,052)
<i>Total expenditures</i>	<u>718,700</u>	<u>717,750</u>	<u>716,640</u>	<u>1,110</u>
<i>Operating Income (loss)</i>	<u>(401,500)</u>	<u>(400,550)</u>	<u>(377,649)</u>	<u>22,901</u>
<i>Non-operating revenues (expenses):</i>				
HUD operating subsidy	463,508	592,700	900,302	307,602
Transfers from other funds	-	-	-	-
Investment income	30	30	44	14
Insurance recovery	-	-	-	-
Loss on disposal of assets	-	-	(188)	(188)
<i>Total non-operating revenues (expenses)</i>	<u>463,538</u>	<u>592,730</u>	<u>900,158</u>	<u>307,428</u>
<i>Change in Net Assets before GAAP adjustments</i>	<u>463,568</u>	<u>592,760</u>	<u>522,509</u>	<u>307,254</u>
<i>(Expenses) not budgeted</i>				
Depreciation			<u>(138,066)</u>	
Change in net assets as reported in statement of revenues, expenses and changes in net assets			<u>384,443</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement A-4

CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.

A COMPONENT UNIT OF CITY OF CLOVIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN

NET ASSETS - BUDGET AND ACTUAL

HOUSING CHOICE VOUCHERS SECTION 8

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Tenant rent	-	-	-	-
Other operating revenue	51,440	51,440	15,646	(35,794)
<i>Total revenues</i>	<u>51,440</u>	<u>51,440</u>	<u>15,646</u>	<u>(35,794)</u>
<i>Expenditures:</i>				
Current				
Administration	295,228	288,078	269,418	18,660
Utilities	-	-	-	-
Ordinary maintenance and operations	-	-	-	-
General	17,120	13,700	2,640	11,060
Tenant services	-	-	25,356	(25,356)
Protective services	20,700	18,600	16,428	2,172
Other expenses	-	-	-	-
<i>Total expenditures</i>	<u>333,048</u>	<u>320,378</u>	<u>313,842</u>	<u>6,536</u>
<i>Operating Income (loss)</i>	<u>(281,608)</u>	<u>(268,938)</u>	<u>(298,196)</u>	<u>(29,258)</u>
<i>Non-operating revenues (expenses):</i>				
HUD operating subsidy	329,000	329,000	2,169,403	1,840,403
Housing assistance payments	-	-	(1,997,662)	(1,997,662)
Transfers from other funds	-	-	-	-
Investment income	-	-	-	-
Insurance recovery	-	-	-	-
Loss on disposal of assets	-	-	-	-
<i>Total non-operating revenues (expenses)</i>	<u>329,000</u>	<u>329,000</u>	<u>171,741</u>	<u>(157,259)</u>
<i>Change in Net Assets before GAAP adjustments</i>	<u>47,392</u>	<u>60,062</u>	<u>(126,455)</u>	<u>(186,517)</u>
<i>(Expenses) not budgeted</i>				
Depreciation			<u>(16,559)</u>	
Change in net assets as reported in statement of revenues, expenses and changes in net assets			<u>(143,014)</u>	

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
SCHEDULE OF CASH AND CASH EQUIVALENTS BY DEPOSITORY
FOR PUBLIC FUNDS

Schedule I

<u>Financial Institution</u>	<u>Account Type</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
Bank of Clovis			
Public Housing - CFP	Checking	556,430	544,310
Public Housing - General Fund Payables	Checking	3,550	2,292
Public Housing - Tenant Security Deposits	Checking	12,705	12,526
Public Housing - Savings	Savings	6,953	6,954
Public Housing - Family Self Sufficiency	Checking	6,184	6,184
Section 8 - Family Self Sufficiency	Checking	41,900	41,900
Total Bank of Clovis		<u>\$ 627,722</u>	<u>\$ 614,166</u>
Wells Fargo			
Public Housing Account - Payroll	Checking	9,365	12,914
Section 8 Account - General Fund	Checking	624,324	618,722
Total Wells Fargo		<u>\$ 633,689</u>	<u>\$ 631,636</u>
Petty Cash			<u>150</u>
Total Cash - June 30, 2009			<u><u>\$ 1,245,952</u></u>

The accompanying notes are an integral part of these financial statements

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COMPLIANCE AND FEDERAL FINANCIAL ASSISTANCE

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

Hector Balderas
New Mexico State Auditor
To the Executive Director and the Board of Commissioners
Clovis Housing and Redevelopment Agency, Inc.
Clovis, New Mexico

We have audited the financial statements of the business-type activities of Clovis Housing and Redevelopment Agency, Inc. (the "Agency"), a component unit of the City of Clovis, New Mexico, as of and for the year ended June 30, 2009, and have issued our report thereon dated November 17, 2009. We also have audited the financial statements of each of the Agency's individual enterprise funds, including budgetary comparisons, presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents, and have issued our report thereon dated November 17, 2009. 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 *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 Agency'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 Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 of 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 Agency's internal control. We consider the deficiency in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting FS-2009-01.

A material weakness is a significant deficiency, or 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 Agency'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 none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

The Agency's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Authority'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, the Office of the State Auditor, the New Mexico State Legislature and its committees, and the New Mexico Department of Finance and Administration, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.



Griego Professional Services, LLC
Albuquerque, NM
November 17, 2009

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Executive Director and the Board of Commissioners
Clovis Housing and Redevelopment Agency, Inc.
Clovis, New Mexico

Compliance

We have audited the compliance of Clovis Housing and Redevelopment Agency, Inc. (the "Agency"), a component unit of the City of Clovis, New Mexico, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Agency's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

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A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of 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 internal control over financial reporting that might be significant deficiencies or material weaknesses as described above.

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

A handwritten signature in cursive script that reads "Griego Professional Services, LLC".

Griego Professional Services, LLC
Albuquerque, NM
November 17, 2009

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STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

Schedule III

Federal Grantor Program Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
Public and Indian Housing (1)	14.850	592,701
Section 8 Housing Choice Vouchers	14.871	2,151,480
Capital Fund Projects (1)	14.872	267,826
Resident Opportunity & Support Services	14.870	<u>39,775</u>
Total U.S. Department of Housing and Urban Development		<u>3,051,782</u>
Total Federal Financial Assistance		<u>\$ 3,051,782</u>

(1) Denotes Major Federal Financial Assistance Program

The accompanying notes are an integral part of these financial statements

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Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Clovis Housing and Redevelopment Agency, Inc. (the Agency) and is presented on the accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Subrecipients

The Agency did not provide any federal awards to subrecipients during the year.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$	3,051,782
Total expenditures funded by other sources		<u>130,987</u>
Total expenditures	\$	<u>3,182,769</u>

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STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Schedule IV

Section I – Summary of Audit Results

Financial Statements:

- | | |
|--|-------------|
| 1. Type of auditors’ report issued | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified not considered to be a material weaknesses? | Yes |
| c. Control deficiency identified not considered to be a significant deficiency? | No |

Federal Awards:

- | 1. Internal control over major programs: | | | | | | | |
|---|---------------------------------|-----------------|--------|---------------------------------|--------|-----------------------|--|
| a. Material weaknesses identified? | No | | | | | | |
| b. Significant deficiency identified not considered to be material weaknesses? | No | | | | | | |
| c. Control deficiency identified not considered to be significant deficiency? | No | | | | | | |
| 2. Type of auditors’ report issued on compliance for major programs | Unqualified | | | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No | | | | | | |
| 4. Identification of major programs: | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">CFDA
Number</th> <th style="text-align: center; border-bottom: 1px solid black;">Federal Program</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">14.850</td> <td style="text-align: center;">Low-Rent Public Housing Program</td> </tr> <tr> <td style="text-align: center;">14.872</td> <td style="text-align: center;">Capital Fund Projects</td> </tr> </tbody> </table> | CFDA
Number | Federal Program | 14.850 | Low-Rent Public Housing Program | 14.872 | Capital Fund Projects | |
| CFDA
Number | Federal Program | | | | | | |
| 14.850 | Low-Rent Public Housing Program | | | | | | |
| 14.872 | Capital Fund Projects | | | | | | |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 | | | | | | |
| 6. Auditee qualified as low-risk auditee? | Yes | | | | | | |

STATE OF NEW MEXICO
CLOVIS HOUSING AND REDEVELOPMENT AGENCY, INC.
A COMPONENT UNIT OF CITY OF CLOVIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Schedule IV

Section I – Financial Statement Findings

FS-2009-01 — Audit Report Not Submitted Timely

Condition: The Agency’s audit report for the year ended June 30, 2009 was submitted to the State Auditor by the required due date, December 1, 2009, however, the report was rejected and had to be resubmitted at a date subsequent to the deadline.

Criteria: Audit reports rejected and not resubmitted before the due date are considered to be late submissions under 2.2.2.9.E of the State Audit Rule.

Effect: The result was the late submission of the Agency’s audit report for the year ended June 30, 2009.

Cause: Due to a misclassification within the cash flow statement the Agency’s audit report was rejected and had to be resubmitted to the State Auditor after the December 1, 2009 deadline.

Auditors’ Recommendations: The Agency and their auditor should ensure through thorough review that items are properly classified on financial statements.

Management’s Response: The Housing Agency will thoroughly review all items on financial statements with Auditor to ensure that they are properly classified so that the audit is submitted before or by the due date.

Section II—Federal Award Findings

None

Section III – Prior Year Audit Findings

- FS 2007-01: Budgetary Authority Exceeded, Resolved
- FS 2007-02: Preparation of Financial Statements, Resolved
- FS 2008-01: Deficiencies in Internal Control Structure, Design, Operation, and Oversight, Resolved
- FS 2008-02: Lack of Proper Signature, Resolved

Section IV – Other Disclosures

Auditor Prepared Financials

The financial statements presented in this report were prepared by the auditors, Griego Professional Services, LLC.

Exit Conference

The contents of this report were discussed on November 30, 2009. The following individuals were in attendance:

Clovis Housing and Redevelopment Agency, Inc. Officials

Charlotte Molette, Executive Director
Robert Telles, Chairman
Rev. Genoge Morgan, Sr., Vice-Chairman
Sherre Lott, Accounting Administrative Assistant

Griego Professional Services, LLC

J.J. Griego, CPA
Benjamin Martinez

OTHER SUPPLEMENTAL INFORMATION

Entity Wide Balance Sheet Summary

NM002 06/30/2009 Unaudited/A-133

	Project Total	14.871	Total
111 Cash - Unrestricted	559,645	479,009	1,038,654
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted	6,205	181,614	187,819
114 Cash - Tenant Security Deposits	12,526		12,526
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	578,376	660,623	1,238,999
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	1,435		1,435
126.1 Allowance for Doubtful Accounts - Tenants	-		-
126.2 Allowance for Doubtful Accounts - Other			
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	1,435	-	1,435
131 Investments - Unrestricted	6,954		6,954
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	38,930	3,977	42,907
143 Inventories	11,883		11,883
143.1 Allowance for Obsolete Inventories	-		-
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	637,578	664,600	1,302,178
161 Land	179,269		179,269
162 Buildings	5,629,859		5,629,859
163 Furniture, Equipment & Machinery - Dwellings	210,240		210,240
164 Furniture, Equipment & Machinery - Administration	221,962	86,465	308,427
165 Leasehold Improvements	351,460		351,460
166 Accumulated Depreciation	(4,880,706)	(77,959)	(4,958,665)
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	1,712,084	8,506	1,720,590

The accompanying notes are an integral part of these financial statements

171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	1,712,084	8,506	1,720,590
190 Total Assets	2,349,662	673,106	3,022,768
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	19,149		19,149
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	18,936	8,170	27,106
322 Accrued Compensated Absences - Current Portion	7,522	4,018	11,540
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government			
341 Tenant Security Deposits	12,526		12,526
342 Deferred Revenues			
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities	22,085		22,085
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	80,218	12,188	92,406
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other	6,205	41,921	48,126
354 Accrued Compensated Absences - Non Current	1,611		1,611
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	7,816	41,921	49,737
300 Total Liabilities	88,034	54,109	142,143
508.1 Invested In Capital Assets, Net of Related Debt	1,712,084	8,506	1,720,590
509.2 Fund Balance Reserved			
511.2 Unreserved, Designated Fund Balance			
511.1 Restricted Net Assets	6,205	139,714	145,919
512.1 Unrestricted Net Assets	543,339	470,777	1,014,116
512.2 Unreserved, Undesignated Fund Balance			
513 Total Equity/Net Assets	2,261,628	618,997	2,880,625
600 Total Liabilities and Equity/Net Assets	2,349,662	673,106	3,022,768

The accompanying notes are an integral part of these financial statements

Entity Wide Revenue and Expense Summary

NM002 06/30/2009 Unaudited/A-133

	Project Total	14.871	Total
70300 Net Tenant Rental Revenue	304,439		304,439
70400 Tenant Revenue - Other			
70500 Total Tenant Revenue	304,439	-	304,439
70600 HUD PHA Operating Grants	639,451	2,151,480	2,790,931
70610 Capital Grants	221,076		221,076
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants	39,775		39,775
71100 Investment Income - Unrestricted	36		36
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery		17,923	17,923
71500 Other Revenue	34,560	15,646	50,206
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	1,239,337	2,185,049	3,424,386
91100 Administrative Salaries	113,903	161,123	275,026
91200 Auditing Fees	9,800	14,233	24,033
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	23,347	42,806	66,153
91600 Office Expenses	23,732	36,569	60,301
91700 Legal Expense	2,803	146	2,949
91800 Travel	528	631	1,159
91810 Allocated Overhead			
91900 Other		16,279	16,279
91000 Total Operating - Administrative	174,113	271,787	445,900

The accompanying notes are an integral part of these financial statements

92000	Asset Management Fee			
92100	Tenant Services - Salaries	32,157	25,356	57,513
92200	Relocation Costs			
92300	Employee Benefit Contributions - Tenant Services	7,618		7,618
92400	Tenant Services - Other			
92500	Total Tenant Services	39,775	25,356	65,131
93100	Water	52,231		52,231
93200	Electricity	77,113		77,113
93300	Gas	52,643		52,643
93400	Fuel			
93500	Labor			
93600	Sewer	11,169		11,169
93700	Employee Benefit Contributions - Utilities			
93800	Other Utilities Expense			
93000	Total Utilities	193,156	-	193,156
94100	Ordinary Maintenance and Operations - Labor	109,059		109,059
94200	Ordinary Maintenance and Operations - Materials and Other	30,273		30,273
94300	Ordinary Maintenance and Operations Contracts	38,156		38,156
94500	Employee Benefit Contributions - Ordinary Maintenance	19,887		19,887
94000	Total Maintenance	197,375	-	197,375
95100	Protective Services - Labor			
95200	Protective Services - Other Contract Costs			
95300	Protective Services - Other			
95500	Employee Benefit Contributions - Protective Services			
95000	Total Protective Services	-	-	-
96110	Property Insurance	72,084		72,084
96120	Liability Insurance		16,428	16,428
96130	Workmen's Compensation			
96140	All Other Insurance			
96100	Total insurance Premiums	72,084	16,428	88,512
96200	Other General Expenses	19,430		19,430
96210	Compensated Absences	2,952	1,848	4,800
96300	Payments in Lieu of Taxes	10,801		10,801
96400	Bad debt - Tenant Rents	6,398		6,398
96500	Bad debt - Mortgages			
96600	Bad debt - Other			
96800	Severance Expense			
96000	Total Other General Expenses	39,581	1,848	41,429

The accompanying notes are an integral part of these financial statements

96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	-	-	-
96900 Total Operating Expenses	716,084	315,419	1,031,503
97000 Excess of Operating Revenue over Operating Expenses	523,253	1,869,630	2,392,883
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments		1,997,662	1,997,662
97350 HAP Portability-In			
97400 Depreciation Expense	138,066	17,911	155,977
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	854,150	2,330,992	3,185,142
10010 Operating Transfer In	46,751		46,751
10020 Operating transfer Out	(46,751)		(46,751)
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In	170,461		170,461
10094 Transfers between Project and Program - Out	(170,461)		(170,461)
10100 Total Other financing Sources (Uses)	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	385,187	(145,943)	239,244

The accompanying notes are an integral part of these financial statements

11020	Required Annual Debt Principal Payments	-	-	-
11030	Beginning Equity	1,877,185	757,761	2,634,946
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	(744)	7,179	6,435
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		472,104	472,104
11180	Housing Assistance Payments Equity		146,893	146,893
11190	Unit Months Available	1,572	7,296	8,868
11210	Number of Unit Months Leased	1,541	6,674	8,215
11270	Excess Cash	440,669		440,669
11610	Land Purchases	-		-
11620	Building Purchases	251,495		251,495
11630	Furniture & Equipment - Dwelling Purchases	6,232		6,232
11640	Furniture & Equipment - Administrative Purchases	-		-
11650	Leasehold Improvements Purchases	-		-
11660	Infrastructure Purchases	-		-
13510	CFFP Debt Service Payments	-		-
13901	Replacement Housing Factor Funds	-		-

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