

***State of New Mexico  
Clovis Housing and Redevelopment Agency, Inc.  
Annual Financial Report  
For the Year Ended June 30, 2015***



**A Helping Hand When You Need It Most**

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## **INTRODUCTORY SECTION**

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**STATE OF NEW MEXICO**  
Clovis Housing and Redevelopment Agency, Inc.  
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June 30, 2015

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**STATE OF NEW MEXICO**  
Clovis Housing and Redevelopment Agency, Inc.  
Official Roster  
June 30, 2015

<u>Name</u>		<u>Title</u>
	<b><u>Board of Commissioners</u></b>	
Robert Telles		Chairman
Rev. George Morgan, Sr.		Vice-Chairman, Resident Commissioner
Zeke Martinez		Commissioner
Betty Jane Williams		Commissioner
Kenneth Chretien		Commissioner
	<b><u>Administrative Officials</u></b>	
Charlotte Molette		Executive Director
Sherre Lott		Admin/Accounting Assistant
Sonia Tapia		Section 8 Program Manager
Boyd Chappell		Director Modernization & Procurement
Maxison Wilkins		Maintenance Supervisor

**FINANCIAL SECTION**



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Timothy M. Keller  
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

### Report on Financial Statements

We have audited the accompanying financial statements of Clovis Housing and Redevelopment Agency, Inc. (the "Housing Authority") as of and for the year ended June 30, 2015, and related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. We have also audited the budget comparison schedule presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying statement of revenues, expenses and changes in net position—budget and actual, as of and for the year ended June 30, 2015, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority as of June 30, 2015, and the changes in financial position and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the statement of revenues, expenses and changes in net position—budget and actual referred to above presents fairly, in all material respects, the budgetary comparison of the Housing Authority in conformity with accounting principles generally accepted in the United States of America.



## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 14 and GASB required supplementary pension schedules on pages 38 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the Housing Authority's basic financial statements and the budgetary comparison. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, the Program Detail Financial Statements within the Supplementary Information Section and Supporting Schedules III and IV required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule VI Financial Data Schedule is presented for purposes of additional analysis as required by the U.S Department of Housing and Urban Development and is not a required part of the financial statements.

The Schedule of Expenditures of Federal Awards, the Program Detail Financial Statements within the Supplementary Information, and Supporting Schedules III, IV, and VI in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, the Program Detail Financial Statements within the Supplementary Information and Supporting Schedules III, IV, and VI are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The introductory section and Schedule V have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2015, on our consideration of the 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* in considering the Housing Authority's internal control over financial reporting and compliance.

*Accounting & Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Albuquerque, NM  
September 21, 2015

**Clovis Housing and Redevelopment Agency, Inc.**  
**Management's Discussion and Analysis**  
**June 30, 2015**

As management of the Clovis Housing and Redevelopment Agency, Inc., we offer the readers of the Clovis Housing and Redevelopment Agency, Inc.'s financial statements this narrative overview and analysis of the financial activities of the Clovis Housing and Redevelopment Agency, Inc. for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the financial statements of the Clovis Housing and Redevelopment Agency, Inc. and additional information provided.

**Financial Highlights**

- The assets and deferred outflows of the Clovis Housing and Redevelopment Agency, Inc. exceeded its liabilities at the close of the most recent fiscal year by \$3,559,238 (*net position*). Of this amount, \$1,262,074 (*unrestricted net position*) may be used to meet the Agency's ongoing obligations to residents and creditors.
- During the fiscal year the Agency's total net position decreased by \$471,752. This amount is a due in large part to a restatement of \$507,686 (decrease) of net position related to a restatement required as part of the implementation of GASB Statement No. 68.
- As the end of the current year fiscal year, unrestricted net position of the Agency was \$1,262,074 or 38% of the total Agency operating expenses.

**Agency Financial Statements**

The Agency's mission 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, 2015, 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 2015 focuses on the financial activities of the Agency as a whole.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Clovis Housing and Redevelopment Agency, Inc.'s basic financial statements. The Clovis Housing and Redevelopment Agency, Inc.'s basic financial statements comprise two components: 1) basic financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Financial Statements Used in Fiscal Year 2015**

The Agency is presenting its fiscal year 2015 discussion and analysis based on the financial results of its enterprise programs in four basic financial statements – the statement of net position; the statement of revenues, expenses and changes in net position; the statement of cash flows, and the statement of revenues, expenses and changes in net position – budget and actual.

The statement of net position reports all financial and capital assets of the Agency and is presented in a format where assets plus deferred outflows equal liabilities plus deferred inflows plus net position.

The statement of revenues, expenses and changes in net position (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.

**Clovis Housing and Redevelopment Agency, Inc.**  
**Management's Discussion and Analysis**  
**June 30, 2015**

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

The statement of revenues, expenses and changes in net position – budget and actual compares actual amounts spent to the Agency's budgeted amounts for the fiscal year.

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.

### **Agency Programs**

The Clovis Housing and Redevelopment Agency, Inc. maintain four programs accounted for in its Low-Rent Public Housing and Housing Choice Vouchers Section 8 rental assistance programs. The detailed program financial statements provide separate information for the Low-Rent Public Housing, and the Housing Choice Vouchers Section 8 rental assistance programs of the Clovis Housing and Redevelopment Agency, Inc. The Resident Opportunity and Supportive Services federal program provides grant money to the Housing Authority to operate the Family Self Sufficiency program, which is maintained in both the Section 8 and Low-Rent Public Housing programs.. Capital Fund Projects grant resources and capital assets are accounted for in the Low Rent Public Housing program.

Individual program financial statements can be found at statements A-1 through A-3 of this report.

### **Notes to financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 20-35 of this report.

### **Government-wide Financial Analysis**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Clovis Housing and Redevelopment Agency, Inc., assets and deferred outflows exceeded liabilities and deferred inflows by \$3,559,238 at the close of the most recent fiscal year.

By far the largest portion of the Clovis Housing and Redevelopment Agency, Inc.'s net position (61.9 percent) reflect its investment in capital assets (e.g., land, buildings, and dwelling and administrative equipment), less any related debt used to acquire those assets that is still outstanding. The Clovis Housing and Redevelopment Agency, Inc. use these capital assets to provide services to residents; consequently, these assets are *not* available for future spending. Although the Clovis Housing and Redevelopment Agency, Inc.'s net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Clovis Housing and Redevelopment Agency, Inc.**  
**Management's Discussion and Analysis**  
**June 30, 2015**

**Government-wide Financial Analysis (continued)**

Condensed Statement of Net Position

	June 30, 2015	June 30, 2014
Assets		
Current assets	\$ 1,829,698	\$ 1,803,626
Restricted assets	189,818	138,718
Capital assets, net of accumulated depreciation	<u>2,203,190</u>	<u>2,236,755</u>
Total assets	<u>4,222,706</u>	<u>4,179,099</u>
Deferred outflows	<u>35,440</u>	<u>-</u>
Total assets and deferred outflows	<u>\$ 4,258,146</u>	<u>\$ 4,179,099</u>
Liabilities and Net Assets		
Current liabilities (payable from current assets)	\$ 75,828	\$ 73,354
Current liabilities (payable from restricted assets)	95,843	73,991
Noncurrent liabilities	<u>379,876</u>	<u>764</u>
Total liabilities	<u>551,547</u>	<u>148,109</u>
Deferred inflows	<u>147,361</u>	<u>-</u>
Net investment in capital assets	2,203,188	2,236,755
Restricted	93,974	64,727
Unrestricted	<u>1,262,076</u>	<u>1,729,508</u>
Total net position	<u>\$ 3,559,238</u>	<u>4,030,990</u>
Total liabilities, deferred inflows, and net position	<u>\$ 4,258,146</u>	<u>\$ 4,179,099</u>

The remaining balance of *unrestricted net position* (\$1,262,076) may be used to meet the Agency's ongoing obligations to residents and creditors.

At the end of the current fiscal year, the Clovis Housing and Redevelopment Agency, Inc. is able to report positive balances in both categories of net assets, both for the Agency as a whole as well as for its individual programs. The same situation held true for the prior fiscal year.

There was an decrease of \$467,432 (27.0 percent) in unrestricted net position reported by the Clovis Housing and Redevelopment Agency, Inc. as compared to the prior year. This was primarily due to a prior period restatement made as a result of implementing GASB Statement No. 68 for Net Pension Liability.

There was a decrease of \$33,567 in net investment in capital assets reported in connection with the Clovis Housing and Redevelopment Agency, Inc.'s activities. The majority of this decrease is attributable to ongoing utilization of capital assets (depreciation expense) being a larger amount than the Agency's additions to capital assets during the fiscal year.

**Clovis Housing and Redevelopment Agency, Inc.**  
**Management's Discussion and Analysis**  
**June 30, 2015**

**Government-wide Financial Analysis (continued)**

**Agency activities:** Key elements of Agency activities are as follows:

Condensed Statement of Revenues, Expenses, and Changes in Net Position

Operating revenues:		
Tenant rent	\$ 356,098	\$ 353,125
Subsidy grants	<u>2,741,491</u>	<u>2,622,280</u>
 Total operating revenues	 <u>3,097,589</u>	 <u>2,975,405</u>
Operating expenses:		
Personnel services	567,966	608,513
Contractual services	52,147	43,083
Supplies	46,127	34,222
Maintenance and materials	89,658	74,806
Utilities	210,249	219,501
Telephone	7,139	7,602
Insurance	50,306	51,827
Bad debt	5,202	13,525
Housing assistance payments	1,983,516	1,934,533
Depreciation	202,128	187,771
Miscellaneous	<u>33,970</u>	<u>34,222</u>
 Total operating expenses	 <u>3,248,408</u>	 <u>3,209,605</u>
 Operating (loss)	 <u>(150,819)</u>	 <u>(234,200)</u>
Non-operating revenues (expenses):		
Capital grants	169,011	148,032
Interest income	2,652	2,828
Repayments to HUD	(37,694)	-
Loss on disposal of assets	(448)	-
Miscellaneous income	<u>53,232</u>	<u>74,868</u>
 Total non-operating revenues	 <u>186,753</u>	 <u>225,728</u>
 Change in net assets	 35,934	 (8,472)
 Net position, beginning of year	 <u>4,030,990</u>	 <u>4,039,462</u>
 Restatement - GASB 68	 <u>(507,686)</u>	 <u>-</u>
 Net position, end of year	 <u>\$ 3,559,238</u>	 <u>\$ 4,030,990</u>

Total operating revenues increased \$122,184 (4.10 percent) during the year. Most of this increase is the increase in operating subsidy grants..

Capital Fund grant awards increased \$20,979 (14.1 percent) over the prior year. These grants are on a reimbursement basis and there were more expenditures on these projects than in the prior year.

**Clovis Housing and Redevelopment Agency, Inc.**  
**Management's Discussion and Analysis**  
**June 30, 2015**

Increases in several categories of operating expenses reflect the increases in ongoing residential tenant operations and maintenance. Operating expenses overall increased \$38,803 (1.2 percent) from the prior year. The majority of this increase occurred in housing assistance payments.

**Capital Assets and Debt Administration**

The Clovis Housing and Redevelopment Agency, Inc.'s net investment in capital assets for its business type activities as of June 30, 2015, amounts to \$2,203,188 (net of accumulated depreciation). This investment in capital assets included land, land improvements, buildings, equipment and furnishings. The total decrease in the Clovis Housing and Redevelopment Agency, Inc.'s net investment in capital assets for the current fiscal year was 1.35 percent.

Major capital asset events during the current fiscal year included the following:

Ongoing tenant dwelling equipment replacements were completed with new equipment and related structural improvements and administrative equipment for both programs totaling \$82,454 were placed in service during the current fiscal year. Construction in progress additions in the current fiscal year were \$86,557.

Clovis Housing and Redevelopment Agency, Inc.'s Capital Assets

	June 30, 2015	June 30, 2014
Land	\$ 179,270	\$ 179,270
Land improvements	408,329	403,777
Buildings and improvements	6,749,944	6,623,873
Dwelling equipment	286,050	259,636
Nondwelling equipment	315,193	313,783
Construction in progress	198,359	217,917
Accumulated depreciation	<u>(5,933,955)</u>	<u>(5,761,501)</u>
Capital assets, net	<u>\$ 2,203,190</u>	<u>\$ 2,236,755</u>

Additional information on Clovis Housing and Redevelopment Agency, Inc.'s capital assets can be found on page 28-29 of this report.

**Long-term debt**

At the end of the current fiscal year, Clovis Housing and Redevelopment Agency, Inc. had noncurrent compensated absences outstanding in the amount of \$3,864 and a net pension liability of \$376,012.

**Budgetary Highlights**

The original budget for the Agency was amended in the current fiscal year with an overall decrease in expenditures of \$10,106. During the year, operating revenues exceeded budgetary expectations by \$51,309. Cost savings were incurred by the Agency creating a favorable budgetary variation of \$63,840 in expenditures.

**Economic Factors**

Rental occupancy rates of the Agency's Low-Rent Public Housing Program remains at capacity and has remained stable with slight variations over the past five years. The Housing Authority continues to be High Performers in the Public Housing Assessment System.

**Requests for Information**

This financial report is designed to provide a general overview of Clovis Housing and Redevelopment Agency, Inc.'s finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, 2101 W. Grand Street, Clovis, NM, 88102-8102.

**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
Clovis Housing and Redevelopment Agency, Inc.  
Statement of Net Position  
June 30, 2015

Exhibit A-1  
Page 1 of 2

**ASSETS**

*Current assets*

Cash and cash equivalents	\$ 1,326,039
Short term investments	463,633
Accounts receivable - tenants	3,654
Inventory	10,121
Prepaid expenses	<u>26,251</u>

*Total current assets* 1,829,698

*Non-current assets*

Restricted cash and cash equivalents	189,818
Capital assets	8,137,145
Less: accumulated depreciation	<u>(5,933,955)</u>

*Total non-current assets* 2,393,008

*Total assets* 4,222,706

**DEFERRED OUTFLOWS**

Employer contributions subsequent to measurement date	<u>35,440</u>
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*Total deferred outflows* 35,440

*Total assets and deferred outflows* \$ 4,258,146

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Statement of Net Position  
 June 30, 2015

Exhibit A-1  
 Page 2 of 2

**LIABILITIES**

*Current liabilities*

Accounts payable	\$ 25,882
Accrued payroll	26,044
Other accrued expenses	9,268
Compensated absences	<u>14,634</u>

*Total current liabilities* 75,828

*Current liabilities (payable from restricted assets)*

Tenant deposits	16,170
FSS deposits	<u>79,673</u>

*Total current liabilities (payable from restricted assets)* 95,843

*Non-current liabilities*

Compensated absences	3,864
Net pension liability	<u>376,012</u>

*Total non-current liabilities* 379,876

*Total liabilities* 551,547

**DEFERRED INFLOWS**

Change in assumptions	255
Net difference between expected and actual earnings	<u>147,106</u>

*Total deferred inflows* 147,361

**NET POSITION**

Net investment in capital assets	2,203,190
Restricted for:	
Section 8 housing	93,974
Unrestricted	<u>1,262,074</u>

*Total net position* 3,559,238

*Total liabilities, deferred inflows, and net position* \$ 4,258,146

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Statement of Revenues, Expenses and Changes in Net Position  
 For the Year Ended June 30, 2015

Exhibit A-2

<i>Operating revenues</i>	
Rental revenue	\$ 356,098
Subsidy grants	2,741,491
	<hr/>
<i>Total operating revenues</i>	3,097,589
	<hr/>
<i>Operating expenses</i>	
Personnel services	567,966
Contractual services	52,147
Supplies	46,127
Maintenance and materials	89,658
Utilities	210,249
Telephone	7,139
Insurance	50,306
Bad debt	5,202
Housing assistance payments	1,983,516
Depreciation	202,128
Miscellaneous	33,970
	<hr/>
<i>Total operating expenses</i>	3,248,408
	<hr/>
<i>Operating (loss)income</i>	(150,819)
	<hr/>
<i>Non-operating revenues (expenses)</i>	
Interest income	2,652
Miscellaneous income	53,232
Return of funds to HUD	(37,694)
Loss on disposal of assets	(448)
	<hr/>
<i>Total non-operating revenues (expenses)</i>	17,742
	<hr/>
Capital grants	169,011
	<hr/>
<i>Change in net position</i>	35,934
	<hr/>
<i>Total net position - beginning of year</i>	4,030,990
	<hr/>
<i>Restatement (See Note 14)</i>	(507,686)
	<hr/>
<i>Total net assets - beginning of year, as restated</i>	3,523,304
	<hr/>
<i>Total net position - end of year</i>	\$ 3,559,238
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Statement of Cash Flows  
 For the Year Ended June 30, 2015

Exhibit A-3

<i>Cash flows from operating activities:</i>	
Cash received from tenant rents	\$ 376,462
Cash payments to employees for services	(587,317)
Cash payments to suppliers for goods and services	(2,483,025)
Cash received from subsidy grants	2,741,491
	<u>47,611</u>
<i>Net cash provided by operating activities</i>	
<i>Cash flows from noncapital financing activities:</i>	
Repayment to HUD	(37,694)
Miscellaneous income	53,232
	<u>15,538</u>
<i>Net cash provided by noncapital financing activities</i>	
<i>Cash flows from capital and related financing activities:</i>	
Capital grants	169,011
Acquisition of capital assets	(169,011)
	<u>-</u>
<i>Net cash provided by capital and related financing activities</i>	
<i>Cash flows from investing activities:</i>	
Purchase of investments	(197,012)
Interest on cash deposits	2,652
	<u>(194,360)</u>
<i>Net cash (used) by investing activities</i>	
<i>Net decrease in cash and cash equivalents</i>	
	(131,211)
<i>Cash and cash equivalents - beginning of year</i>	<u>1,647,068</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 1,515,857</u>
<i>Reconciliation of operating (loss) to net cash (used) by operating activities:</i>	
Operating (loss)	\$ (150,819)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:	
Depreciation	202,128
Changes in assets and liabilities	
Accounts receivable	(1,488)
Inventory	2,475
Prepaid expenses	(12,358)
Accounts payable	(4,096)
Accrued payroll expenses	(1,076)
Other accrued expenses	9,268
FSS Deposits	20,498
Accrued compensated absences	1,478
Tenant deposits	1,354
Deferred outflows	(19,753)
	<u>47,611</u>
<i>Net cash provided by operating activities</i>	<u>\$ 47,611</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
Clovis Housing and Redevelopment Agency, Inc.  
Notes to Financial Statements  
June 30, 2015

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Financial Reporting Entity

Clovis Housing and Redevelopment Agency, Inc. (the “Housing Authority”) is a public housing authority that provides affordable housing to low-income and disadvantaged families of the City of Clovis, New Mexico. The programs are primarily funded with federal grants and tenant rents.

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. In May of 1995 the Housing Authority was granted an organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. The Housing Authority has an elected Chairman, a four member council and a secretary. The Housing Authority 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 reporting entity for the Housing Authority is based upon criteria established by the Governmental Accounting Standards Board (GASB). All functions of the Housing Authority for which it exercises oversight responsibility are included. The oversight responsibility includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, and special financing relationships.

These financial statements represent the financial operations of the Housing Authority for the year ended June 30, 2015.

This summary of significant accounting policies of the Housing Authority is presented to assist in the understanding of the Housing Authority’s financial statements. The financial statements and notes are the representation of the Housing Authority’s management, who is responsible for their integrity and objectivity. The financial statements of the Housing Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities.

The following programs are maintained by the Housing Authority:

**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 Housing Choice Voucher Program** – 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 closed out into the Low Rent Public Housing Program and Section 8 Housing Choice Voucher Program on the Financial Statements.

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Clovis Housing and Redevelopment Agency, Inc.  
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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Financial Reporting Entity

In evaluating how to define the Housing Authority for financial reporting purposes, management has considered all potential programs and operations of the Housing Authority. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61. 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 the governing board by the Housing Authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion is the scope of public service. Application of this criterion involves considering whether the activity benefits the Housing Authority and/or its residents and participants, or whether the activity is conducted within the geographic boundaries of the Housing Authority and is generally available to its residents and participants.

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 Housing Authority is able to exercise oversight responsibilities.

Based upon the application of these criteria, the Housing Authority has no component units. The Housing Authority may be a component unit of the City of Clovis, New Mexico; however, as of September 21, 2015, this determination has not been made and the inclusion of the Housing Authority in the City of Clovis' financial statements will be determined at the primary government level. The financial statement presentation of the Housing Authority has not been impacted by the determination.

Basis of Accounting and Measurement Focus

The Housing Authority's basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as set forth or adopted by the Governmental Accounting Standards Board ("GASB") and the Financial Accounting Standards Board ("FASB"), and their predecessors, the National Council on Governmental Accounting ("NCGA") and the Accounting Principles Board ("APB"), respectively. Generally accepted accounting principles for local governments include those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units.

The accounting and financial reporting treatment applied to the Housing Authority is determined by its measurement focus. The Housing Authority's proprietary (enterprise) funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets and all liabilities associated with the operations are included on the Statement of Net Position. Net position (i.e., total assets net of total liabilities) are segregated into net investment in capital assets; restricted; and unrestricted components.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for rent and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Basis of Accounting and Measurement Focus (continued)

The Housing Authority's cash flow statement includes changes in both operating cash and restricted cash and cash equivalents.

**Revenue Recognition**

Dwelling rental revenues are recorded as rents become due. Rental payments received in advance are deferred until earned.

Grant revenues are recognized as revenues when the related costs are incurred. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

The Housing Authority has entered into contracts with U.S. Department of Housing and Urban Development (HUD) to develop, manage and own public housing projects. HUD makes monthly operating subsidy contributions within the public housing program. Such contributions are reflected as operating grants revenue. Contributions received from HUD for capital additions and improvements are reported as capital grants revenue.

**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 such as the lives of capital assets. Accordingly, actual results could differ from those estimates. Significant estimates in the Housing Authority's financial statements include depreciation on capital assets, the current portion of accrued compensated absences, and net pension liability.

Assets, Liabilities and Net Position

**Deposits and Investments**

The Housing Authority is authorized under the provision of 6-10-10 NMSA 1978, as amended, to deposit its money in banks, savings and loan association and/or credit unions whose accounts are insured by an Housing Authority of the United States. The Housing Authority's cash and cash equivalents are considered to be cash on hand and demand deposits. Short-term investments are Certificates of Deposits and time accounts with original maturities of three months or less from the date of acquisition and are classified consistent with the Financial Data Schedule outline prescribed by HUD.

Before any local funds are invested or reinvested for the purpose of short-term investment pursuant to Section 6-10-10.1 NMSA 1978, as amended, the local public body finance official shall notify and make such funds available to banks, savings and loan associations and credit unions located within the geographical boundaries of their respective governmental unit, subject to the limitation on credit union accounts. To be eligible for such funds, the financial institution shall pay to the local public body the rate established by the state treasurer pursuant to a policy adopted by the State Board of Finance for such short-term investments.

State regulations require that uninsured demand deposits and deposit-type investments such as certificates of deposit, be collateralized by the depository thrift or banking institution. Currently, state statutes require that a minimum of fifty percent (50%) of balances on deposit with any one institution must be collateralized. If the securities pledged are United States government securities, they are pledged at market value; if they are New Mexico municipal bonds, they are pledged at par value.

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

Assets, Liabilities and Net Position (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.

**Inventory**

The inventory held consists of expendable supplies held for consumption and recorded at cost. The cost is recorded as expenditures at the time of consumption. Inventory for the Housing Authority is valued at cost using the First In, First Out Method.

**Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and combining financial statements.

**Capital Assets**

Capital assets, which include property, plant, and equipment, are defined by the Housing Authority as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. The Housing Authority does have an exception for purchases made under Capital Fund Projects. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.2.20.1.9 C (5). Contributed capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Depreciation is recorded using the straight-line method based on the estimated useful life of the asset. The following lives are utilized:

<u>Assets</u>	<u>Years</u>
Land Improvements	40 years
Building and site improvements	40 years
Machinery and equipment	5 years – 10 years
Vehicles	5 years
Computers and software	3 years – 5 years

In Note 4 to the categories Dwelling Equipment and Non-dwelling Equipment are composed of a combination of machinery and equipment, vehicles, and computers and software. In the Financial Data Schedule, the Construction in Progress category contains \$221,973 in capital assets in service which are recorded in depreciating categories on the financial statements and in Note 4.

**STATE OF NEW MEXICO**  
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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assets, Liabilities and Net Position (continued)

**Deferred Outflows of Resources**

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The Authority has only one type of item that qualifies for reporting in this category. Accordingly, the item, contributions subsequent to measurement date, is reported in the Statement of Net Position. This amount is deferred and recognized as an outflow of resources the next period. The Authority has recorded \$35,440 related to contributions subsequent to the measurement date.

**Compensated Absences**

Housing Authority employees are entitled to be compensated for accrued vacation time off, which is reported as an expense and a liability of the program that will fund it. There is a cap of 96 hours of vacation leave that an employee is permitted to accrue. When an employee separates from employment with the Housing Authority in good standing, the employee is eligible to receive payment for accrued time remaining.

**Deferred Inflows of Resources**

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflows of resources. The Authority has two types of items, which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, net difference between expected and actual earnings and change in assumptions, are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Authority has recorded \$255 related to change in assumptions and \$147,106 related to the net difference between expected and actual earnings.

**Net Position**

Net position is reported in three categories: net investment in capital assets, restricted, and unrestricted:

- **Net investment in capital assets** – 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 position** – Net position is 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 position** – Net position that does not meet the definition of “restricted” or “net investment in capital assets.”

**Unrestricted and Restricted Revenues**

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



**STATE OF NEW MEXICO**  
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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assets, Liabilities and Net Position (continued)

**Budgets**

The Housing Authority's budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), using an estimate of the anticipated revenue and expenditures. Annual budgets of the Housing Authority are prepared prior to June 1 and must be approved by resolution of the Board of Commissioners. Once the budget has been formally approved, any amendments must also be approved by the Board of Commissioners.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**New Accounting Standards Adopted**

During the year ended June 30, 2015, the District adopted GASB Statements No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* ("GASB 68"), and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* ("GASB 71"). These two Statements are required to be implemented at the same time. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets are also legally protected from creditors of the plan members.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As a result of the implementation of GASB 68, the government recognized a net pension liability ("NPL") measured as of a date no later than the end of its prior fiscal year. If the government employer makes a contribution to the pension plan subsequent to the measurement date but prior to the end of the current fiscal year, GASB 68 requires the government to recognize that contribution as a deferred outflow of resources. In addition, GASB 68 requires the recognition of deferred outflows of resources and deferred inflows of resources for changes in the NPL that arise from other types of events, but does not require the government to recognize beginning deferred outflows of resources or deferred inflows of resources if the amounts are not practical to estimate. At transition to Statement 68, Statement 71 requires the employer or nonemployer contributing entity to recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability but before the start of the government's fiscal year, thus avoiding possible understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

**STATE OF NEW MEXICO**  
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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

This pronouncement has materially impacted the financial statements and additional disclosures are included in the notes to the financial statements to highlight the effects.

**NOTE 2. DEPOSITS AND INVESTMENTS**

State Statutes authorize the investment of Housing Authority 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 Housing Authority properly followed State investment requirements as of June 30, 2015.

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 Housing Authority. 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 only funds held in a non-interest bearing account are the funds in the rent account, which are then transferred to an interest-bearing account on a monthly basis.

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 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 Housing Authority's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for demand deposit accounts and \$250,000 for time and savings accounts.

**Custodial Credit Risk – Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that in the event of bank failure, the Housing Authority's deposits may not be returned to it. The Housing Authority does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978). At June 30, 2015, \$1,255,738 of the Housing Authority's bank balance of \$2,005,738 was exposed to custodial credit risk. Although the \$1,255,738 was uninsured, all of that amount was collateralized by collateral held by the pledging bank's trust department, not in the Housing Authority's name. None of the Housing Authority's deposits were uninsured and uncollateralized at June 30, 2015.

Section 6-10-17, New Mexico Statutes Annotated, 1978 Compilation states the types of collateral allowed is 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. All depositories had collateral exceeding the amount required by law.

**STATE OF NEW MEXICO**  
Clovis Housing and Redevelopment Agency, Inc.  
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**NOTE 2. DEPOSITS AND INVESTMENTS (continued)**

	<u>The Bank of Clovis</u>	<u>Wells Fargo Bank, N.A.</u>	<u>Total</u>
Amount of deposits	\$ 1,393,068	\$ 612,670	\$ 2,005,738
FDIC coverage	(500,000)	(250,000)	(750,000)
Total uninsured public funds	<u>\$ 893,068</u>	<u>\$ 362,670</u>	<u>\$ 1,255,738</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the Authority's name	<u>\$ 893,068</u>	<u>\$ 362,670</u>	<u>\$ 1,255,738</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50% of uninsured public funds)	\$ 446,534	\$ 181,335	\$ 627,869
Pledged collateral	909,868	397,205	1,307,073
Over (under) collateralization	<u>\$ 463,334</u>	<u>\$ 215,870</u>	<u>\$ 679,204</u>

The collateral pledged for both deposits and investments is listed on Schedule III of this report.

**Reconciliation to Statement of Net Position**

The carrying amount of deposits and investments shown above are included in the Housing Authority's statement of net position as follows:

Cash and cash equivalents per Exhibit A-1	\$ 1,326,039
Short term investments per Exhibit A-1	463,633
Restricted cash and cash equivalents per Exhibit A-1	<u>189,818</u>
Total cash and cash equivalents	<u>1,979,490</u>
Add: outstanding checks	26,298
Less: petty cash	<u>(50)</u>
Bank balance of deposits	<u>\$ 2,005,738</u>

**STATE OF NEW MEXICO**  
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**NOTE 3. ACCOUNTS RECEIVABLE**

As of June 30, 2015, the Housing Authority had tenant accounts receivable totaling \$3,654. For the year ended June 30, 2015, there was no allowance for uncollectable tenant accounts receivable. The entire balance of tenant accounts receivable is considered collectable.

**NOTE 4. CAPITAL ASSETS**

The following summarizes changes in capital assets activity for the Section 8 Program during fiscal year 2015.

<b><u>Section 8 Program</u></b>	Balance <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2015</u>
Capital assets being depreciated:				
Buildings and Improvements	\$ 6,024	\$ -	\$ -	\$ 6,024
Non-dwelling Equipment	<u>79,705</u>	<u>-</u>	<u>-</u>	<u>79,705</u>
 Total capital assets being depreciated	 <u>85,729</u>	 <u>-</u>	 <u>-</u>	 <u>85,729</u>
Accumulated Depreciation:				
Buildings and Improvements	3,641	1,205	-	4,846
Non-dwelling Equipment	<u>79,705</u>	<u>-</u>	<u>-</u>	<u>79,705</u>
 Total accumulated depreciation	 <u>83,346</u>	 <u>1,205</u>	 <u>-</u>	 <u>84,551</u>
 Total section 8 capital assets being depreciated, net of depreciation	 <u>\$ 2,383</u>	 <u>\$ (1,205)</u>	 <u>\$ -</u>	 <u>\$ 1,178</u>

Depreciation expense for the year ended June 30, 2015 totaled \$1,205 for the Section 8 Program.

**STATE OF NEW MEXICO**  
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 Notes to Financial Statements  
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**NOTE 4. CAPITAL ASSETS (continued)**

The following summarizes changes in capital assets activity for the Low Rent Public Housing Program during fiscal year 2015.

<u>Public Housing Program</u>	Balance June 30, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Capital assets not being depreciated:					
Land	\$ 179,270	\$ -	\$ -	\$ -	\$ 179,270
Construction in Progress	217,917	86,557	-	(106,115)	198,359
Total capital assets not being depreciated	<u>397,187</u>	<u>86,557</u>	<u>-</u>	<u>(106,115)</u>	<u>377,629</u>
Capital assets being depreciated:					
Land Improvements	403,777	5,131	-	(579)	408,329
Buildings & Improvements	6,617,849	41,891	-	84,180	6,743,920
Dwelling Equipment	259,636	18,032	14,132	22,514	286,050
Non-dwelling Equipment	234,078	17,400	15,990	-	235,488
Total capital assets being depreciated	<u>7,515,340</u>	<u>82,454</u>	<u>30,122</u>	<u>106,115</u>	<u>7,673,787</u>
Accumulated Depreciation:					
Land Improvements	255,015	24,009	-	(62)	278,962
Buildings and Improvements	4,968,167	151,812	-	(3,308)	5,116,671
Dwelling Equipment	211,497	15,254	13,779	26,351	239,323
Non-dwelling Equipment	243,476	9,848	15,895	(22,981)	214,448
Total accumulated depreciation	<u>5,678,155</u>	<u>200,923</u>	<u>29,674</u>	<u>-</u>	<u>5,849,404</u>
Total public housing program capital assets, net of depreciation	<u>\$ 2,234,372</u>	<u>\$ (31,912)</u>	<u>\$ 448</u>	<u>\$ -</u>	<u>\$ 2,202,012</u>

The assets that were transferred are comprised of assets that were misclassified in prior year, and transfers from Construction in progress to depreciable asset categories.

Depreciation expense for the year ended June 30, 2015 totaled \$200,923 for the Low Rent Public Housing Program.

In the Financial Data Schedule (Schedule IV), the Construction in Progress category contains \$221,973 in capital assets in service which are recorded in depreciating categories on the financial statements.

**STATE OF NEW MEXICO**  
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**NOTE 5. LONG-TERM LIABILITIES**

The following summarizes changes in long-term debt activity during fiscal year 2015.

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Compensated absences	\$ 17,020	\$ 30,262	\$ 28,784	\$ 18,498	\$ 16,170
Totals	<u>\$ 17,020</u>	<u>\$ 30,262</u>	<u>\$ 28,784</u>	<u>\$ 18,498</u>	<u>\$ 16,170</u>

**NOTE 6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The following inter-program transfers have been reported on the Statement of Net Position - Detail.

<u>Transfer From</u>	<u>Transfer to</u>	
Family Self Sufficiency Under ROSS	Low Rent Public Housing Program	\$ 44,840
Family Self Sufficiency Under ROSS	Housing Choice Vouchers Program	<u>40,922</u>
		<u>\$ 85,762</u>

**NOTE 7. CONTINGENT LIABILITIES**

*Federal Grants*—The Housing Authority receives federal grants for various specific purposes. These grants are subject to audit, which may result in requests for reimbursements to granting agencies for expenditures disallowed under the terms of the grants. Management believes that such disallowance, if any, will not be material to the financial statements.

**NOTE 8. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PENSION PLAN**

**General Information about the Pension Plan**

*Plan description.* The Public Employees Retirement Fund (PERA Fund) is a **cost-sharing, multiple employer defined benefit pension plan**. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the

State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org> using the Audit Report Search function for agency 366.

*Benefits provided.* For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf).

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**NOTE 8. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PENSION PLAN (continued)**

**Contributions.** The contribution requirements of defined benefit plan members and the Clovis Housing & Redevelopment Agency, Inc. are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at [http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf). The PERA coverage options that apply to Clovis Housing & Redevelopment Agency, Inc. are: Municipal General Division. Statutorily required contributions to the pension plan from the Clovis Housing & Redevelopment Agency, Inc. were \$35,440 and there were no employer paid member benefits that were “picked up” by the employer for the year ended June 30, 2015.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2014.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Clovis Housing & Redevelopment Agency, Inc.’s proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity’s percentage of that membership group’s total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

**For PERA Fund Municipal General Division,** at June 30, 2015, Clovis Housing & Redevelopment Agency, Inc. reported a liability of \$376,012 for its proportionate share of the net pension liability. At June 30, 2014, Clovis Housing & Redevelopment Agency, Inc.’s proportion was 0.0482 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, Clovis Housing & Redevelopment Agency, Inc. recognized PERA Fund Municipal General Division pension expense of \$15,687. At June 30, 2015, Clovis Housing & Redevelopment Agency, Inc. reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Notes to Financial Statements  
 June 30, 2015

**NOTE 8. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PENSION PLAN (continued)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ -	\$ 255
Net difference between projected and actual earnings on pension plan investments	-	147,106
Clovis Housing and Redevelopment Agency, Inc.'s contributions subsequent to the measurement date	35,440	-
Total	<u>\$ 35,440</u>	<u>\$ 147,361</u>

\$35,440 reported as deferred outflows of resources related to pensions resulting from Clovis Housing & Redevelopment Agency, Inc.'s contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 36,840
2017	36,840
2018	36,840
2019	36,840
2020	1
Thereafter	-

**Actuarial assumptions.** As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.75% annual rate, net of investment expense
Payroll growth	3.50% annual rate
Projected salary increases	3.50 to 14.25% annual rate
Includes inflation at	3.00% annual rate

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:



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 Clovis Housing and Redevelopment Agency, Inc.  
 Notes to Financial Statements  
 June 30, 2015

**NOTE 8. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PENSION PLAN (continued)**

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	21.10%	5.00%
International Equity	24.80	5.20
Private Equity	7.00	8.20
Core and Global Fixed Income	26.10	1.85
Fixed Income Plus Sectors	5.00	4.80
Real Estate	5.00	5.30
Real Assets	7.00	5.70
Absolute Return	4.00	4.15
Total	100.00%	

**Discount rate:** The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.** The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present Clovis Housing & Redevelopment Agency, Inc.'s net pension liability in each PERA Fund Division that Clovis Housing & Redevelopment Agency, Inc. participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

PERA Fund Municipal General Division	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Clovis Housing and Redevelopment Agency, Inc.'s proportionate share of the net pension liability	\$ 708,867	\$ 376,012	\$ 118,865

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

**Payables to the pension plan.** Employers should disclose the amount of payables to the Plan with a description of what gave rise to the payable per GASBS 68, paragraphs 122 and 124.

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 Clovis Housing and Redevelopment Agency, Inc.  
 Notes to Financial Statements  
 June 30, 2015

**NOTE 9. RISK MANAGEMENT**

The Housing Insurance Authority provides coverage for all risks except for flood, earthquake, and boiler and machinery failure in the amount of \$12,683,839 for Housing Authority owned buildings and improvements with a \$1,000 deductible 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 limit of \$300,000 with a \$250 deductible. Omaha Property and Casualty provide 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. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the previous three years.

**NOTE 10. CONCENTRATIONS**

A significant portion of the revenues of the Housing Authority are received from programs directed by the United States Department of Housing and Urban Development. Receipt of these funds is contingent upon the Housing Authority's continued compliance with grant provisions and the continuance of the grant programs by this U.S. Governmental agency.

**NOTE 11. SUBSEQUENT EVENTS**

The date to which events occurring after June 30, 2015, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is September 21, 2015 which is the date on which the financial statements were available to be issued. There were no events noted as of this date.

**NOTE 12. CAPITAL FUND PROGRAM CLOSEOUTS**

The following Capital Fund Program was completed and closed out during the year:

Statement of Actual Modernization Costs  
 Capital Fund Program  
 Annual Contributions Contract NM02P002501-12  
 June 30, 2015

1. The Actual Modernization Costs for the project are as follows:

Funds approved	\$ 180,879
Funds expended	<u>180,879</u>
Excess (deficiency) of funds approved	<u>\$ -</u>
HUD grants	\$ 180,879
Funds expended	<u>180,879</u>
Excess (deficiency) of funds expended	<u>\$ -</u>

2. The distribution of costs shown on the Final Statement of Modernization Costs dated February 20, 2015, accompanying the Actual Modernization Cost Certificate submitted to HUD are in agreement with the Housing Authority's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

**STATE OF NEW MEXICO**  
Clovis Housing and Redevelopment Agency, Inc.  
Notes to Financial Statements  
June 30, 2015

**NOTE 13. COMMITMENTS**

The Housing Authority has the following commitments at June 30, 2015 relating to contracts in place for the completion of Capital Fund Projects:

CFP 2014:	\$ 27,967
CFP 2013:	\$ 21,489

**NOTE 14. NET POSITION RESTATEMENT**

The Housing Authority has restated net position in the amount of (\$507,686) for the implementation of GASB 68, which requires the inclusion of the Housing Authority's proportionate share of the net pension liability related to the Housing Authority's participation in the Public Employees Retirement Association. As of June 30, 2013, the proportionate share was \$507,686.

**NOTE 15. SUBSEQUENT PRONOUNCEMENTS**

In February 2015, GASB Statement No. 72 Fair Value Measurement and Application, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The Housing Authority will implement this standard during the fiscal year ended June 30, 2016. The Housing Authority is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 73 Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged. The Housing Authority is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 74 Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. This pronouncement will not effect the Housing Authority's financial statements.

In June 2015, GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The Housing Authority does not expect this pronouncement to have an effect on the financial statements as they do not participate in such a plan.

In June 2015, GASB Statement No. 76 The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The Housing Authority will implement this standard during the fiscal year ended June 30, 2016. The Housing Authority expects the pronouncement to have a material effect on the financial statements.

In August 2015, GASB Statement No. 77 Tax Abatement Disclosures, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The Housing Authority will implement this standard during the fiscal year ended June 30, 2017. The Housing Authority is still evaluating how this pronouncement will effect the financial statements.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**

Schedule I

Clovis Housing and Redevelopment Agency, Inc.  
 Schedule of Employer's Proportionate Share of the Net Pension Liability of PERA Municipal General Division  
 Public Employees Retirement Association (PERA) Plan  
 Last 10 Fiscal Years\*

	2015
Clovis Housing and Redevelopment Agency, Inc.'s proportion of the net pension liability	0.0482%
Clovis Housing and Redevelopment Agency, Inc.'s proportionate share of the net pension liability	\$ 376,012
Clovis Housing and Redevelopment Agency, Inc.'s covered-employee payroll	\$ 484,722
Clovis Housing and Redevelopment Agency, Inc.'s proportionate share of the net pension liability as a percentage of its covered-employee payroll	77.57%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Clovis Housing and Redevelopment Agency, Inc. will present information for those years for which information is available.

See independent auditors' report  
 See notes to required supplementary information

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Schedule of Employer Contributions  
 Public Employees Retirement Association (PERA) Plan  
 PERA Municipal General Division  
 Last 10 Fiscal Years\*

Schedule II

	2015
Contractually required contributions	\$ 35,440
Contributions in relation to the contractually required contribution	(35,440)
Contribution deficiency (excess)	\$ -
Clovis Housing and Redevelopment Agency, Inc.'s covered-employee payroll	\$ 484,722
Contributions as a percentage of covered-employee payroll	7%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Clovis Housing and Redevelopment Agency, Inc. will present information for those years for which information is available.

See independent auditors' report  
 See notes to required supplementary information

**STATE OF NEW MEXICO**  
Clovis Housing and Redevelopment Agency, Inc.  
Notes to Required Supplementary Information  
June 30, 2015

***Changes of benefit terms.*** The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf).

***Changes of assumptions.*** The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at [http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report\\_FINAL.pdf](http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf).

The summary of Key Findings for the PERA Fund (on page 2 of the report) states “based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.



**SUPPLEMENTARY INFORMATION**

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**STATE OF NEW MEXICO**  
Clovis Housing and Redevelopment Agency, Inc.  
Statement of Revenues, Expenses and Changes in  
Net Position - Budget and Actual  
For the Year Ended June 30, 2015

Statement B-1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Operating revenues</i>				
Rental revenue (tenants)	\$ 340,000	\$ 340,000	\$ 356,098	\$ 16,098
Operating subsidies and grants	2,661,108	2,661,108	2,741,491	80,383
<i>Total operating revenues</i>	<u>3,001,108</u>	<u>3,001,108</u>	<u>3,097,589</u>	<u>96,481</u>
<i>Operating expenses</i>				
Personnel services	504,040	623,260	567,966	55,294
Contractual services	91,120	33,760	52,147	(18,387)
Supplies	15,000	13,300	46,127	(32,827)
Maintenance and materials	188,846	95,380	89,658	5,722
Utilities	194,200	211,800	210,249	1,551
Telephone	5,000	5,000	7,139	(2,139)
Insurance	50,000	50,500	50,306	194
Housing assistance payments	2,000,000	2,000,000	1,983,516	16,484
Bad debt	7,500	6,300	5,202	1,098
Miscellaneous	64,520	70,820	33,970	36,850
<i>Total operating expenses (budgeted)</i>	<u>3,120,226</u>	<u>3,110,120</u>	<u>3,046,280</u>	<u>63,840</u>
Depreciation	-	-	202,128	(202,128)
<i>Total operating expenses (non-budgeted)</i>	<u>-</u>	<u>-</u>	<u>202,128</u>	<u>(202,128)</u>
<i>Total operating expenses</i>	<u>3,120,226</u>	<u>3,110,120</u>	<u>3,248,408</u>	<u>(138,288)</u>
<i>Operating income (loss)</i>	<u>(119,118)</u>	<u>(109,012)</u>	<u>(150,819)</u>	<u>41,807</u>
<i>Non-operating revenues (expenses)</i>				
Capital grants	-	-	169,011	169,011
Interest income	2,500	2,500	2,652	152
Miscellaneous income	70,540	90,540	53,232	(37,308)
Return of funds to HUD	-	-	(37,694)	(37,694)
Loss on disposal of assets	-	-	(448)	(448)
<i>Total non-operating revenues</i>	<u>73,040</u>	<u>93,040</u>	<u>186,753</u>	<u>93,713</u>
<i>Change in net position</i>	<u>\$ (46,078)</u>	<u>\$ (15,972)</u>	<u>\$ 35,934</u>	<u>\$ 51,906</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Statement of Net Position - Detail  
 June 30, 2015

Statement C-1  
 Page 1 of 2

	Low Rent Public Housing Program	Housing Choice Vouchers Program	Public Housing Family Self Sufficiency Under ROSS	Total
<b>ASSETS</b>				
<i>Current assets</i>				
Cash and cash equivalents	\$ 845,285	\$ 480,754	\$ -	\$ 1,326,039
Short term investments	463,633	-	-	463,633
Accounts receivable - tenants	3,654	-	-	3,654
Inventory	10,121	-	-	10,121
Prepaid expenses	14,467	11,784	-	26,251
<i>Total current assets</i>	<u>1,337,160</u>	<u>492,538</u>	<u>-</u>	<u>1,829,698</u>
<i>Non-current assets</i>				
Restricted cash and cash equivalents	27,831	161,987	-	189,818
Capital assets	8,051,416	85,729	-	8,137,145
Less: accumulated depreciation	<u>(5,849,404)</u>	<u>(84,551)</u>	<u>-</u>	<u>(5,933,955)</u>
<i>Total non-current assets</i>	<u>2,229,843</u>	<u>163,165</u>	<u>-</u>	<u>2,393,008</u>
<i>Total assets</i>	<u>3,567,003</u>	<u>655,703</u>	<u>-</u>	<u>4,222,706</u>
<b>DEFERRED OUTFLOWS</b>				
Employer contributions subsequent to measurement date	<u>23,323</u>	<u>12,117</u>	<u>-</u>	<u>35,440</u>
<i>Total deferred outflows</i>	<u>23,323</u>	<u>12,117</u>	<u>-</u>	<u>35,440</u>
<i>Total assets and deferred outflows</i>	<u>\$ 3,590,326</u>	<u>\$ 667,820</u>	<u>\$ -</u>	<u>\$ 4,258,146</u>

See independent auditors' report

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Statement of Net Position - Detail  
 June 30, 2015

Statement C-1  
 Page 2 of 2

	Low Rent Public Housing Program	Housing Choice Vouchers Program	Public Housing Family Self Sufficiency Under ROSS	Total
<b>LIABILITIES</b>				
<i>Current liabilities</i>				
Accounts payable	\$ 22,633	\$ 3,249	\$ -	\$ 25,882
Accrued payroll	26,044	-	-	26,044
Other accrued expenses	9,268	-	-	9,268
Compensated absences	6,839	7,795	-	14,634
<i>Total current liabilities</i>	<u>64,784</u>	<u>11,044</u>	<u>-</u>	<u>75,828</u>
<i>Current liabilities (payable from restricted assets)</i>				
Tenant deposits	16,170	-	-	16,170
FSS deposits	11,661	68,012	-	79,673
<i>Total current liabilities (payable from restricted assets)</i>	<u>27,831</u>	<u>68,012</u>	<u>-</u>	<u>95,843</u>
<i>Non-current liabilities</i>				
Compensated absences	3,342	522	-	3,864
Net pension liability	247,453	128,559	-	376,012
<i>Total non-current liabilities</i>	<u>250,795</u>	<u>129,081</u>	<u>-</u>	<u>379,876</u>
<i>Total liabilities</i>	<u>343,410</u>	<u>208,137</u>	<u>-</u>	<u>551,547</u>
<b>DEFERRED INFLOWS</b>				
Change in assumptions	168	87	-	255
Net difference between expected and actual earnings	96,810	50,296	-	147,106
<i>Total deferred inflows</i>	<u>96,978</u>	<u>50,383</u>	<u>-</u>	<u>147,361</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,202,012	1,178	-	2,203,190
Restricted for:				
Section 8 housing	-	93,974	-	93,974
Unrestricted	947,926	314,148	-	1,262,074
<i>Total net position</i>	<u>3,149,938</u>	<u>409,300</u>	<u>-</u>	<u>3,559,238</u>
<i>Total liabilities, deferred inflows, and net position</i>	<u>\$ 3,590,326</u>	<u>\$ 667,820</u>	<u>\$ -</u>	<u>\$ 4,258,146</u>

See independent auditors' report

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## STATE OF NEW MEXICO

Statement C-2

Clovis Housing and Redevelopment Agency, Inc.  
Statement of Revenues, Expenses and Changes in Net Position - Detail  
For the Year Ended June 30, 2015

	Low Rent Public Housing Program	Housing Choice Vouchers Program	Public Housing Family Self Sufficiency Under ROSS	Total
<i>Operating revenues</i>				
Rental revenue	\$ 356,098	\$ -	\$ -	\$ 356,098
Subsidy grants	489,271	2,166,458	85,762	2,741,491
<i>Total operating revenues</i>	<u>845,369</u>	<u>2,166,458</u>	<u>85,762</u>	<u>3,097,589</u>
<i>Operating expenses</i>				
Personnel services	357,291	210,675	-	567,966
Contractual services	21,755	30,392	-	52,147
Supplies	44,387	1,740	-	46,127
Maintenance and materials	89,658	-	-	89,658
Utilities	210,249	-	-	210,249
Telephone	7,139	-	-	7,139
Insurance	36,839	13,467	-	50,306
Bad debt	5,202	-	-	5,202
Housing assistance payments	-	1,983,516	-	1,983,516
Depreciation	200,923	1,205	-	202,128
Miscellaneous	15,268	18,702	-	33,970
<i>Total operating expenses</i>	<u>988,711</u>	<u>2,259,697</u>	<u>-</u>	<u>3,248,408</u>
<i>Operating (loss) income</i>	<u>(143,342)</u>	<u>(93,239)</u>	<u>85,762</u>	<u>(150,819)</u>
<i>Non-operating revenues (expenses)</i>				
Interest income	2,598	54	-	2,652
Miscellaneous income	30,452	22,780	-	53,232
Return of funds to HUD	-	(37,694)	-	(37,694)
Loss on disposal of assets	(448)	-	-	(448)
<i>Total non-operating revenues (expenses)</i>	<u>32,602</u>	<u>(14,860)</u>	<u>-</u>	<u>17,742</u>
<i>Income (loss) before transfers</i>	<u>(110,740)</u>	<u>(108,099)</u>	<u>85,762</u>	<u>(133,077)</u>
Capital grants	169,011	-	-	169,011
Transfers in	44,840	40,922	-	85,762
Transfers out	-	-	(85,762)	(85,762)
<i>Change in net position</i>	<u>103,111</u>	<u>(67,177)</u>	<u>-</u>	<u>35,934</u>
<i>Total net position - beginning of year</i>	3,380,934	650,056	-	4,030,990
<i>Restatement (See Note 14)</i>	<u>(334,107)</u>	<u>(173,579)</u>	<u>-</u>	<u>(507,686)</u>
<i>Total net assets - beginning of year, as restated</i>	<u>3,046,827</u>	<u>476,477</u>	<u>-</u>	<u>3,523,304</u>
<i>Total net position - end of year</i>	<u>\$ 3,149,938</u>	<u>\$ 409,300</u>	<u>\$ -</u>	<u>\$ 3,559,238</u>

See independent auditors' report

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Statement of Cash Flows - Detail  
 For the Year Ended June 30, 2015

Statement C-3  
 Page 1 of 2

	Low Rent Public Housing Program	Housing Choice Vouchers Program	Public Housing Family Self Sufficiency Under ROSS	Total
<i>Cash flows from operating activities:</i>				
Cash received from tenant rents	\$ 358,272	\$ 18,190	\$ -	\$ 376,462
Cash payments to employees for services	(370,367)	(216,950)	-	(587,317)
Cash payments to suppliers for goods and services	(428,832)	(2,054,193)	-	(2,483,025)
Cash received from subsidy grants	489,271	2,166,458	85,762	2,741,491
<i>Net cash provided (used) by operating activities</i>	<u>48,344</u>	<u>(86,495)</u>	<u>85,762</u>	<u>47,611</u>
<i>Cash flows from noncapital financing activities:</i>				
Repayment to HUD	-	(37,694)	-	(37,694)
Miscellaneous income	30,452	22,780	-	53,232
Settlement of interfund balances	9,630	(9,630)	-	-
Transfers in (out)	44,840	40,922	(85,762)	-
<i>Net cash provided (used) by noncapital financing activities</i>	<u>84,922</u>	<u>16,378</u>	<u>(85,762)</u>	<u>15,538</u>
<i>Cash flows from capital and related financing activities:</i>				
Capital grants	169,011	-	-	169,011
Acquisition of capital assets	(169,011)	-	-	(169,011)
<i>Net cash provided by capital and related financing activities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash flows from investing activities:</i>				
Purchase of short term investments	(197,012)	-	-	(197,012)
Interest on cash deposits	2,598	54	-	2,652
<i>Net cash provided (used) by investing activities</i>	<u>(194,414)</u>	<u>54</u>	<u>-</u>	<u>(194,360)</u>
<i>Net decrease in cash and cash equivalents</i>	(61,148)	(70,063)	-	(131,211)
<i>Cash and cash equivalents - beginning of year</i>	<u>934,264</u>	<u>712,804</u>	<u>-</u>	<u>1,647,068</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 873,116</u>	<u>\$ 642,741</u>	<u>\$ -</u>	<u>\$ 1,515,857</u>

See independent auditors' report



**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Statement of Cash Flows - Detail  
 For the Year Ended June 30, 2015

Statement C-3  
 Page 2 of 2

	Low Rent Public Housing Program	Housing Choice Vouchers Program	Public Housing Family Self Sufficiency Under ROSS	Total
<i>Reconciliation of operating (loss) income to net cash provided (used) by operating activities:</i>				
Operating (loss) income	\$ (143,342)	\$ (93,239)	\$ 85,762	\$ (150,819)
 Adjustments to reconcile operating (loss) income to net cash provided (used) by operating activities:				
Depreciation	200,923	1,205	-	202,128
 Changes in assets and liabilities				
Accounts receivable	(1,488)	-	-	(1,488)
Inventory	2,475	-	-	2,475
Prepaid expenses	(2,916)	(9,442)	-	(12,358)
Accounts payable	(7,162)	3,066	-	(4,096)
Accrued payroll expenses	(1,076)	-	-	(1,076)
FSS deposits	2,308	18,190	-	20,498
Other accrued expenses	9,268	-	-	9,268
Accrued compensated absences	999	479	-	1,478
Tenant deposits	1,354	-	-	1,354
Deferred outflows	(12,999)	(6,754)	-	(19,753)
<i>Net cash provided (used) by operating activities</i>	<u>\$ 48,344</u>	<u>\$ (86,495)</u>	<u>\$ 85,762</u>	<u>\$ 47,611</u>

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**SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Schedule of Collateral Pledged by Depository for Public Funds  
 June 30, 2015

Schedule III

Name of Depository/Location of Safekeeper	Description of Pledged Collateral	Maturity	CUSIP No.	Fair Market Value June 30, 2015
<b>Wells Fargo Bank, N.A.</b>				
BNY Mellon: New York, NY	FMAC FGPC 3.000%	5/1/2043	3128MJSP6	\$ 75,458
BNY Mellon: New York, NY	FMAC FGPC 3.500%	10/1/2025	3128PSSF5	264,465
BNY Mellon: New York, NY	FMAC FGPC 4.000%	9/1/2040	312942KP9	34,724
BNY Mellon: New York, NY	FMAC FGPC 3.500%	3/1/2042	3132GRZM6	2,280
BNY Mellon: New York, NY	FMAC FGPC 3.000%	4/1/2043	3132J8LP3	5,392
BNY Mellon: New York, NY	FMAC FGPC 0.566%	12/15/2041	3137APUS7	14,886
<b>Total Wells Fargo Bank</b>				<u>397,205</u>
<b>The Bank of Clovis</b>				
Plains Capital Bank: Lubbock, TX	MBS FNMA 15yr, 6.5%	2/1/2024	31416CEC6	\$ 144,235
Plains Capital Bank: Lubbock, TX	SAN JUAN CNTY NM CENT, 3.0%	8/1/2024	798359JN6	258,500
Plains Capital Bank: Lubbock, TX	MBS FHLMC Gold 20Yr, 4.5%	10/1/2031	3128CUTW6	507,133
<b>Total The Bank of Clovis</b>				<u>909,868</u>
<b>Total Pledged Collateral</b>				<u><u>\$ 1,307,073</u></u>

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**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Schedule of Deposit Accounts  
 June 30, 2015

Schedule IV

Bank Name/Account Name	Account Type	Bank Balance	Deposits In Transit	Outstanding Checks	Book Balance
<b>Bank of Clovis</b>					
General Fund	Checking	\$ 12,184	\$ -	\$ 8,355	\$ 3,829
Public Housing	Checking	821,275	-	16,154	805,121
Money Market	Money Market	351,929	-	-	351,929
Certificate of Deposit	CD	57,361	-	-	57,361
Certificate of Deposit	CD	54,343	-	-	54,343
Tenant Security Deposit	Checking	16,269	-	99	16,170
FSS Deposits & Escrow Vouchers	Money Market	79,707	-	34	79,673
Total Bank of Clovis		<u>1,393,068</u>	<u>-</u>	<u>24,642</u>	<u>1,368,426</u>
<b>Wells Fargo Bank</b>					
Payroll Clearing	Checking	36,527	-	243	36,284
Section 8 General Fund	Checking	576,143	-	1,413	574,730
Total Wells Fargo Bank		<u>612,670</u>	<u>-</u>	<u>1,656</u>	<u>611,014</u>
Petty cash		<u>50</u>	<u>-</u>	<u>-</u>	<u>50</u>
Total		<u>\$ 2,005,788</u>	<u>\$ -</u>	<u>\$ 26,298</u>	<u>\$ 1,979,490</u>
<b>Cash and cash equivalents and short term investments per financial statements</b>					
Cash and cash equivalents per Exhibit A-1				\$ 1,326,039	
Restricted cash and cash equivalents per Exhibit A-1				189,818	
Short term investments per Exhibit A-1				<u>463,633</u>	
Total deposits					<u>\$ 1,979,490</u>

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**STATE OF NEW MEXICO**

Schedule V

Clovis Housing and Redevelopment Agency, Inc.  
 Schedule of Vendor Information for Purchases Exceeding \$60,000 (excluding GRT)  
 For the Year Ended June 30, 2015

Prepared by: CHRA Staff

Title: Executive Director

Date: September 21, 2015

<u>RFP#/ RFB#</u>	<u>Type of Procurement</u>	<u>Awarded Vendor</u>	<u>\$ Amount of Awarded Contract</u>	<u>\$ Amount of Amended Contract</u>	<u>Name and Physical Address per the Procurement Documentation, of <u>ALL</u> Vendors that Responded</u>	<u>In-State/Out-of- State Vendor (Y or N) (Based on Statutory Definition)</u>	<u>Was the Vendor In- State and Chose Veteran's Preference (Y or N) For Federal Funds Answer N/A</u>	<u>Brief Description of the Scope of Work</u>
None								

See independent auditors' report

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Financial Data Schedule  
 June 30, 2015

Schedule VI  
 Page 1 of 5

Line Item Number	Description	Low Rent Public Housing Program NM002000001 14.850	Housing Choice Vouchers Program 14.871	Public Housing Family Self-Sufficiency under ROSS 14.877	Total
111	Cash - Unrestricted	\$ 845,285	\$ 480,754	\$ -	\$ 1,326,039
113	Cash - Other Restricted	11,661	161,987	-	173,648
114	Cash - Tenant Security Deposits	16,170	-	-	16,170
100	Total Cash	<u>873,116</u>	<u>642,741</u>	<u>-</u>	<u>1,515,857</u>
126	Accounts Receivable - Tenants - Dwelling Rents	3,654	-	-	3,654
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-
120	Total Receivables, Net of Allowance for Doubtful Accounts	<u>3,654</u>	<u>-</u>	<u>-</u>	<u>3,654</u>
131	Investments - Unrestricted	463,633	-	-	463,633
130	Total Investments	<u>463,633</u>	<u>-</u>	<u>-</u>	<u>463,633</u>
142	Prepaid Expenses and Other Assets	14,467	11,784	-	26,251
143	Inventories	10,121	-	-	10,121
150	Total Current Assets	<u>1,364,991</u>	<u>654,525</u>	<u>-</u>	<u>2,019,516</u>
161	Land	179,270	-	-	179,270
162	Buildings	6,566,939	6,024	-	6,572,963
163	Furniture, Equipment & Machinery - Dwellings	268,018	-	-	268,018
164	Furniture, Equipment & Machinery - Administration	223,659	79,705	-	303,364
165	Leasehold Improvements	393,198	-	-	393,198
166	Accumulated Depreciation	(5,849,404)	(84,551)	-	(5,933,955)
167	Construction in progress	420,332	-	-	420,332
160	Total Capital Assets, Net of Accumulated Depreciation	<u>2,202,012</u>	<u>1,178</u>	<u>-</u>	<u>2,203,190</u>
180	Total Non-Current Assets	<u>2,202,012</u>	<u>1,178</u>	<u>-</u>	<u>2,203,190</u>
190	Total Assets	<u>3,567,003</u>	<u>655,703</u>	<u>-</u>	<u>4,222,706</u>
200	Deferred Outflows of Resources	23,323	12,117	-	35,440
290	Total Assets and Deferred Outflows of Resources	<u>\$ 3,590,326</u>	<u>\$ 667,820</u>	<u>\$ -</u>	<u>\$ 4,258,146</u>

See independent auditors' report



**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Financial Data Schedule  
 June 30, 2015

Schedule VI  
 Page 2 of 5

Line Item Number	Description	Low Rent Public Housing Program NM002000001 14.850	Housing Choice Vouchers Program 14.871	Public Housing Family Self- Sufficiency under ROSS 14.877	Total
312	Accounts Payable <= 90 Days	\$ 22,633	\$ 3,249	\$ -	\$ 25,882
321	Accrued Wage/Payroll Taxes Payable	35,312	-	-	35,312
	Accrued Compensated Absences -				
322	Current Portion	6,839	7,795	-	14,634
331	Accounts payable - HUD PHA programs	-	-	-	-
341	Tenant Security Deposits	16,170	-	-	16,170
342	Deferred Revenues	-	-	-	-
345	Other Current Liabilities	11,661	-	-	11,661
346	Accrued Liabilities - Other	-	68,012	-	68,012
347	Inter Program Due To	-	-	-	-
310	Total Current Liabilities	<u>92,615</u>	<u>79,056</u>	<u>-</u>	<u>171,671</u>
	Accrued Compensated Absences - Non-				
354	Current	3,342	522	-	3,864
357	Accrued Pension and OPEB Liabilities	247,453	128,559	-	376,012
350	Total Non-Current Liabilities	<u>250,795</u>	<u>129,081</u>	<u>-</u>	<u>379,876</u>
300	Total Liabilities	<u>343,410</u>	<u>208,137</u>	<u>-</u>	<u>551,547</u>
400	Deferred Inflows of Resources	<u>96,978</u>	<u>50,383</u>	<u>-</u>	<u>147,361</u>
508.1	Net investment in capital assets	2,202,012	1,178	-	2,203,190
511	Restricted Net Position	-	93,974	-	93,974
512.1	Unrestricted Net Position	947,926	314,148	-	1,262,074
513	Total Equity/Net Position	<u>3,149,938</u>	<u>409,300</u>	<u>-</u>	<u>3,559,238</u>
600	Total Liabilities, Deferred Inflows of Resources, and Equity/Net Position	<u>\$ 3,590,326</u>	<u>\$ 667,820</u>	<u>\$ -</u>	<u>\$ 4,258,146</u>

See independent auditors' report

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Financial Data Schedule  
 June 30, 2015

Line Item Number	Description	Low Rent Public Housing Program NM002000001 14.850	Housing Choice Vouchers Program 14.871	Capital Fund Program 14.872	Public Housing Family Self- Sufficiency under ROSS 14.877	Total
70300	Net Tenant Rental Revenue	\$ 356,098	\$ -	\$ -	\$ -	\$ 356,098
70400	Tenant Revenue - Other	-	-	-	-	-
70500	Total Tenant Revenue	<u>356,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>356,098</u>
70600	HUD PHA Operating Grants	454,964	2,166,458	34,307	85,762	2,741,491
70610	Capital Grants	-	-	169,011	-	169,011
70800	Other Governmental Grants	-	-	-	-	-
71100	Investment Income - Unrestricted	2,595	-	-	-	2,595
71400	Fraud Recovery	-	9,328	-	-	9,328
71500	Other Revenue	30,455	9,516	-	-	39,971
70000	Total Revenue	<u>844,112</u>	<u>2,185,302</u>	<u>203,318</u>	<u>85,762</u>	<u>3,318,494</u>
91100	Administrative Salaries	136,520	132,584	-	-	269,104
91200	Auditing Fees	10,956	12,000	-	-	22,956
91310	Book-keeping Fee	4,610	12,159	-	-	16,769
91500	Employee Benefit Contributions - Administrative	18,634	44,942	-	-	63,576
91600	Office Expenses	19,619	22,119	-	-	41,738
91700	Legal Expense	6,189	-	-	-	6,189
91800	Travel	700	100	-	-	800
91810	Allocated Overhead	-	-	-	-	-
91900	Other Operating - Administrative	60	635	-	-	695
91000	Total Operating - Administrative	<u>197,288</u>	<u>224,539</u>	<u>-</u>	<u>-</u>	<u>421,827</u>
92100	Tenant Services - Salaries	36,032	33,149	-	-	69,181
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-
92500	Total Tenant Services	<u>36,032</u>	<u>33,149</u>	<u>-</u>	<u>-</u>	<u>69,181</u>
93100	Water	72,426	-	-	-	72,426
93200	Electricity	77,889	-	-	-	77,889
93300	Gas	46,245	-	-	-	46,245
93600	Sewer	13,689	-	-	-	13,689
93800	Other Utilities Expense	-	-	-	-	-
93000	Total Utilities	<u>210,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,249</u>

See independent auditors' report

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Financial Data Schedule  
 June 30, 2015

Schedule VI  
 Pages 4 of 5

Line Item Number	Description	Low Rent Public Housing Program NM002000001 14.850	Housing Choice Vouchers Program 14.871	Capital Fund Program 14.872	Public Housing Family Self- Sufficiency under ROSS 14.877	Total
94100	Ordinary Maintenance & Operation - Labor	137,223	-	-	-	137,223
94200	Ordinary Maintenance & Operation - Materials & Other	39,426	1,740	-	-	41,166
94300	Ordinary Maintenance & Operation Contracts	47,722	6,233	-	-	53,955
94500	Employee Benefit Contributions - Ordinary Maintenance	28,882	-	-	-	28,882
94000	Total Maintenance	<u>253,253</u>	<u>7,973</u>	<u>-</u>	<u>-</u>	<u>261,226</u>
96110	Property Insurance	36,839	13,467	-	-	50,306
96120	Liability Insurance	-	-	-	-	-
96130	Workmen's Compensation	-	-	-	-	-
96140	All Other Insurance	-	-	-	-	-
96100	Total Insurance Premiums	<u>36,839</u>	<u>13,467</u>	<u>-</u>	<u>-</u>	<u>50,306</u>
96200	Other General Expenses	40,359	1,404	-	-	41,763
96210	Compensated Absences	-	-	-	-	-
96300	Payment In Lieu of Taxes	1,386	-	-	-	1,386
96400	Bad Debt - Tenant Rents	5,202	-	-	-	5,202
96000	Total Other General	<u>46,947</u>	<u>1,404</u>	<u>-</u>	<u>-</u>	<u>48,351</u>
96900	Total Operating Expenses	<u>\$ 780,608</u>	<u>\$ 280,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,061,140</u>
97000	Excess Operating Revenue Over Operating Expenses	<u>63,504</u>	<u>1,904,770</u>	<u>203,318</u>	<u>85,762</u>	<u>2,257,354</u>
97300	Housing Assistance Payments	-	1,979,526	-	-	1,979,526
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation Expense	200,923	1,205	-	-	202,128
90000	Total Expenses	<u>\$ 989,159</u>	<u>\$ 2,261,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,250,422</u>
10010	Operating Transfers In	79,147	40,922	-	-	120,069
10020	Operating Transfers Out	-	-	(34,307)	(85,762)	(120,069)
10091	Inter Project excess Cash Transfer In	-	-	-	-	-
10092	Inter Project excess Cash Transfer Out	-	-	-	-	-
10100	Total Other Financing Sources (Uses)	<u>79,147</u>	<u>40,922</u>	<u>(34,307)</u>	<u>(85,762)</u>	<u>-</u>
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	<u>(65,900)</u>	<u>(35,039)</u>	<u>169,011</u>	<u>-</u>	<u>68,072</u>

See independent auditors' report

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Financial Data Schedule  
 June 30, 2015

Schedule VI  
 Pages 5 of 5

Line Item Number	Description	Low Rent Public Housing Program NM002000001 14.850	Housing Choice Vouchers Program 14.871	Capital Fund Program 14.872	Public Housing Family Self- Sufficiency under ROSS 14.877	Total
11030	Beginning Equity	3,380,934	650,056	-	-	4,030,990
11040-10	Prior Period Adjustments	(334,107)	(173,579)	-	-	(507,686)
11040-20	Equity Transfers	169,011	-	(169,011)	-	-
11040-30	Prior Year Voids	-	5,556	-	-	5,556
11040-40	Return of Funds to HUD	-	(37,694)	-	-	(37,694)
	Ending Equity (deficit)	<u>\$ 3,149,938</u>	<u>\$ 409,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,559,238</u>
11190	Unit Months Available	<u>1,572</u>	<u>7,296</u>	<u>-</u>	<u>-</u>	<u>8,868</u>
11210	Number of Unit Months Leased	<u>1,546</u>	<u>5,079</u>	<u>-</u>	<u>-</u>	<u>6,625</u>
11270	Excess Cash	<u>\$ 1,169,993</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,169,993</u>
11620	Building Purchases	\$ 131,047	\$ -	\$ -	\$ -	\$ 131,047
11630	Furniture & Equipment - Dwelling Purchases	\$ 25,432	\$ -	\$ -	\$ -	\$ 25,432
	Furniture & Equipment - Administrative					
11640	Purchases	\$ 7,400	\$ -	\$ -	\$ -	\$ 7,400
11650	Leasehold Improvements Purchases	\$ 5,131	\$ -	\$ -	\$ -	\$ 5,131

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**COMPLIANCE SECTION**



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

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

**INDEPENDENT AUDITORS' REPORT**

Timothy M. Keller  
New Mexico State Auditor  
The Office of Management and Budget  
Executive Director and the Board of Commissioners of  
Clovis Housing and Redevelopment Agency, Inc. and  
Clovis, New Mexico

We have audited, 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, the financial statements of the Clovis Housing and Redevelopment Agency, Inc (the "Housing Authority") as of and for the year ended June 30, 2015, and related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and the budgetary comparison of the Housing Authority presented as supplementary information, and have issued our report thereon dated September 21, 2015.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from 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*.

## Purpose of this Report

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP  
Albuquerque, New Mexico  
September 21, 2015

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**FEDERAL FINANCIAL ASSISTANCE**



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

## **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

### **INDEPENDENT AUDITORS' REPORT**

Timothy M. Keller  
New Mexico State Auditor  
The Office of Management and Budget  
Executive Director and the Board of Commissioners of  
Clovis Housing and Redevelopment Agency, Inc. and  
Clovis, New Mexico

#### **Report on Compliance for Each Major Federal Program**

We have audited Clovis Housing and Redevelopment Agency, Inc.'s (the "Housing Authority") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended June 30, 2015. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Housing Authority'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority's compliance.

#### **Opinion on Each Major Federal Program**

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2015.

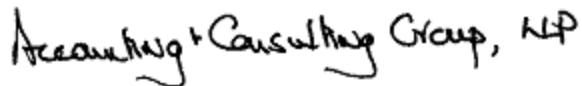
## Report on Internal Control Over Compliance

Management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Accounting & Consulting Group, LLP  
Albuquerque, New Mexico  
September 21, 2015

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2015

Schedule VII

Federal Grantor/Pass Through Grantor/Program Title	Grant or State Number	Federal CFDA Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Direct Programs:</i>			
Public and Indian Housing	NM002000001	14.850 *	\$ 454,964
Section 8 Housing Choice Vouchers	N/A	14.871 *	1,979,526
Public Housing Capital Fund	CFP 2014	14.872	161,947
Public Housing Capital Fund	CFP 2013	14.872	28,217
Public Housing Capital Fund	CFP 2012	14.872	13,154
Total Public Housing Capital Fund			<u>203,318</u>
ROSS Family Self Sufficiency Program	NM002FSH453A014	14.877	<u>85,762</u>
<i>Total U.S. Department of Housing and Urban Development - Direct Programs</i>			<u>2,723,570</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,723,570</u></u>

\* Major program

**Notes to Schedule of Expenditures of Federal Awards**

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Clovis Housing and Redevelopment Agency, Inc., New Mexico (The Authority) and is presented on the full 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*.

Subrecipients

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

Non-Cash Federal Assistance

The Authority received no non-cash assistance during the year.

Federally Funded Insurance and Federally Funded Loans

The Authority has no federally funded insurance, and no federally funded loans or loan guarantees

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,723,570
Total expenditures funded by other sources	<u>562,532</u>
Total expenditures	<u><u>\$ 3,286,102</u></u>

See independent auditors' report

**STATE OF NEW MEXICO**  
 Clovis Housing and Redevelopment Agency, Inc.  
 Schedule of Findings and Questioned Costs  
 June 30, 2015

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors’ report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | None Noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| c. Noncompliance material to the financial statements noted?                     | None Noted |

*Federal Awards:*

- |   |            |
|---|------------|
| 1. Internal control over major programs:  |            |
| a. Material weaknesses identified?  | None Noted |
| b. Significant deficiencies identified not considered to be material weaknesses?                                      | None Noted |
| 2. Type of auditors’ report issued on compliance for major programs   | Unmodified |
| 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:  |            |

CFDA Number	Federal Program
14.850	Public and Indian Housing
14.871	Section 8 Housing Choice Vouchers

- |   |           |
|---|-----------|
| 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.  
Schedule of Findings and Questioned Costs  
June 30, 2015

Schedule VIII  
Page 2 of 2

**SECTION II – PRIOR YEAR AUDIT FINDINGS**

FA 2014-001 – Lack of Proper Documentation in Tenant Files – Public and Indian Housing – Internal Control Deficiencies/ Noncompliance – Resolved

FA 2014-002 – Lack of Proper Documentation in Tenant Files – Section 8 – Internal Control Deficiencies/ Noncompliance - Resolved

**SECTION III – FINANCIAL STATEMENT FINDINGS**

**None**

**SECTION IV – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**None**

**STATE OF NEW MEXICO**  
Clovis Housing and Redevelopment Agency, Inc.  
Other Disclosures  
June 30, 2015

**OTHER DISCLOSURES**

**A. AUDITOR PREPARED FINANCIAL STATEMENTS**

Accounting and Consulting Group, LLP prepared the GAAP-basis financial statements and footnotes of Clovis Housing and Redevelopment Agency, Inc. from the original books and records provided to them by the management of the Authority. The responsibility for the financial statements remains with the Authority

**B. EXIT CONFERENCE**

The contents of the report for Clovis Housing and Redevelopment Agency, Inc. were discussed on September 29, 2015. The following individuals were in attendance.

Clovis Housing and Redevelopment Agency, Inc.

Charlotte Molette, Executive Director  
Sherre Lott, Accounting and Administrative Assistant  
Robert Telles, Commission Chairman  
Kenneth Chretien, Commissioner

Accounting and Consulting Group, LLP

Benjamin Martinez, Senior Accountant