



## **OFFICE OF THE STATE AUDITOR**

**Hector H. Balderas**

January 14, 2009

HAND-DELIVERED

Representative Daniel P. Silva, Chair  
Senator Nancy Rodriguez, Vice-Chair  
Mortgage Finance Authority Act Oversight Committee  
c/o Legislative Council Service  
411 State Capitol  
Santa Fe, NM 87501

Dear Chair and Vice-Chair:

Enclosed for your review are the financial audits conducted by the Office of the State Auditor (OSA) for the following regional housing authorities for the following fiscal years:

- **Region I**: Cibola, San Juan, McKinley, fiscal years 2006 and 2007;
- **Region II**: Rio Arriba, Los Alamos, Taos, Colfax, Mora, Santa Fe, San Miguel, fiscal years 2004 and 2007;
- **Region III**: Sandoval, Bernalillo, Valencia, Torrance, fiscal years 2005 and 2007;
- **Region IV**: DeBaca, Curry, Roosevelt, Union, Harding, Quay, Guadalupe, fiscal years 2004, 2005, 2006 and 2007; and
- **Region VII**: Socorro, Sierra, Dona Ana, fiscal years 2006 and 2007.

The New Mexico Legislature appropriated funds to the OSA during the 2008 legislative session for the purpose of conducting financial and compliance audits for all New Mexico's regional housing authorities. To comply with that mandate, the OSA conducted 15 fiscal years of audits for 5 regional housing authorities. The deadline set by the Legislature for submission of the reports was December 1, 2008. OSA auditors faced significant challenges during the course of these audits due to the considerable size of the task, lack of documentation, and the inability to make inquiries to management of certain Regions. At this time, I am expediting disclosure of financial information for these regional housing authorities to you.

In my opinion, the five regional housing authorities audited by my office were plagued by weak internal controls and a lack of adequate oversight. The poorly managed fiscal operations were a colossal failure to low-income citizens and the state of New Mexico. Government must continue to do a better job accounting for programs that are supposed to assist the most vulnerable citizens of our state. I look forward to working with you on these very important matters.

Sincerely,

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Hector H. Balderas  
STATE AUDITOR



## **OFFICE OF THE STATE AUDITOR**

**Hector H. Balderas**

January 14, 2009

SAO Ref. No. 9001

Executive Director and Board of Commissioners  
Region I Housing Authority  
809 Copper Street NW  
Albuquerque, NM 87102

**SUBJECT:** Audit Report—Region I Housing Authority—December 31, 2006 and 2007 Fiscal Year--  
Prepared by State Auditor's Office

Your agency audit report was received by the Office of the State Auditor (Office) on December 9, 2008. The State Auditor examination of the audit report required by Section 12-6-14 (D), NMSA 1978, has been completed.

This Office is making the report public record immediately. The audit report will be:

- released by the Office of the State Auditor to the Legislative Finance Committee, and the Department of Finance and Administration; the Mortgage Finance Authority Act Oversight Committee; and
- presented by the agency to a quorum of the agency's governing authority at a public meeting, for approval, per Section 2.2.2.10.J.(3)(d) of 2.2.2 NMAC *Requirements for Contracting and Conducting Audits of Agencies*.

The Office's findings and comments are included in the audit report on pages 19 - 24. **It is ultimately the responsibility of the governing authority of the agency to take corrective action on all findings and comments.**

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HECTOR H. BALDERAS  
STATE AUDITOR

cc: Legislative Finance Committee  
Department of Finance and Administration-  
Local Government Division  
Mortgage Finance Authority Act Oversight Committee



## **OFFICE OF THE STATE AUDITOR**

**Hector H. Balderas**

January 14, 2009

SAO Ref. No. 9002

Executive Director and Board of Commissioners  
Region II Housing Authority  
664 Alta Vista  
Santa Fe, NM 87504

**SUBJECT:** Audit Report—Region II Housing Authority—December 31, 2004, 2005, 2006 and 2007  
Fiscal Year--Prepared by State Auditor's Office

Your agency audit report was received by the Office of the State Auditor (Office) on December 11, 2008. The State Auditor examination of the audit report required by Section 12-6-14 (D), NMSA 1978, has been completed.

This Office is making the report public record immediately. The audit report will be:

- released by the Office of the State Auditor to the Legislative Finance Committee, and the Department of Finance and Administration; the Mortgage Finance Authority Act Oversight Committee; and
- presented by the agency to a quorum of the agency's governing authority at a public meeting, for approval, per Section 2.2.2.10.J.(3)(d) of 2.2.2 NMAC *Requirements for Contracting and Conducting Audits of Agencies*.

The Office's findings and comments are included in the audit report on pages 34 - 44. **It is ultimately the responsibility of the governing authority of the agency to take corrective action on all findings and comments.**

HECTOR H. BALDERAS  
STATE AUDITOR

cc: Legislative Finance Committee  
Department of Finance and Administration-  
Local Government Division  
Mortgage Finance Authority Act Oversight Committee



## **OFFICE OF THE STATE AUDITOR**

**Hector H. Balderas**

January 14, 2009

SAO Ref. No. 9003

Executive Director and Board of Directors  
Region III Housing Authority  
809 Copper Ave.  
Albuquerque, NM 87102

**SUBJECT:** Audit Report—Region III Housing Authority—December 31, 2005, 2006 and 2007  
Fiscal Year--Prepared by State Auditor's Office

Your agency audit report was received by the Office of the State Auditor (Office) on January 8, 2009. The State Auditor examination of the audit report required by Section 12-6-14 (D), NMSA 1978, has been completed.

This Office is making the report public record immediately. The audit report will be:

- released by the Office of the State Auditor to the Legislative Finance Committee, and the Department of Finance and Administration; the Mortgage Finance Authority Act Oversight Committee; and
- presented by the agency to a quorum of the agency's governing authority at a public meeting, for approval, per Section 2.2.2.10.J.(3)(d) of 2.2.2 NMAC *Requirements for Contracting and Conducting Audits of Agencies*.

The Office's findings and comments are included in the audit report on pages 40-54. **It is ultimately the responsibility of the governing authority of the agency to take corrective action on all findings and comments.**

HECTOR H. BALDERAS  
STATE AUDITOR

cc: Legislative Finance Committee  
Department of Finance and Administration-  
Local Government Division  
Mortgage Finance Authority Act Oversight Committee



## **OFFICE OF THE STATE AUDITOR**

**Hector H. Balderas**

January 14, 2009

SAO Ref. No. 9004

Executive Director and Board of Commissioners  
Region IV Housing Authority  
600 Mitchell Street  
Clovis, NM 88202

**SUBJECT:** Audit Report—Region IV Housing Authority—December 31, 2004, 2005, 2006 and  
2007 Fiscal Year--Prepared by State Auditor's Office

Your agency audit report was received by the Office of the State Auditor (Office) on December 8, 2008. The State Auditor examination of the audit report required by Section 12-6-14 (D), NMSA 1978, has been completed.

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- presented by the agency to a quorum of the agency's governing authority at a public meeting, for approval, per Section 2.2.2.10.J.(3)(d) of 2.2.2 NMAC *Requirements for Contracting and Conducting Audits of Agencies*.

The Office's findings and comments are included in the audit report on pages 35 - 56. **It is ultimately the responsibility of the governing authority of the agency to take corrective action on all findings and comments.**

HECTOR H. BALDERAS  
STATE AUDITOR

cc: Legislative Finance Committee  
Department of Finance and Administration-  
Local Government Division  
Mortgage Finance Authority Act Oversight Committee



## **OFFICE OF THE STATE AUDITOR**

**Hector H. Balderas**

January 14, 2009

SAO Ref. No. 9007

Executive Director and Board of Commissioners  
Region VII Housing Authority  
809 Copper Ave. NW  
Albuquerque, NM 87102

**SUBJECT:** Audit Report—Region VII Housing Authority—December 31, 2006 and 2007 Fiscal Year--Prepared by State Auditor's Office

Your agency audit report was received by the Office of the State Auditor (Office) on December 9, 2008. The State Auditor examination of the audit report required by Section 12-6-14 (D), NMSA 1978, has been completed.

This Office is making the report public record immediately. The audit report will be:

- released by the Office of the State Auditor to the Legislative Finance Committee, and the Department of Finance and Administration; the Mortgage Finance Authority Act Oversight Committee: and
- presented by the agency to a quorum of the agency's governing authority at a public meeting, for approval, per Section 2.2.2.10.J.(3)(d) of 2.2.2 NMAC *Requirements for Contracting and Conducting Audits of Agencies*.

The Office's findings and comments are included in the audit report on pages 18 - 24. **It is ultimately the responsibility of the governing authority of the agency to take corrective action on all findings and comments.**

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HECTOR H. BALDERAS  
STATE AUDITOR

cc: Legislative Finance Committee  
Department of Finance and Administration-  
Local Government Division  
Mortgage Finance Authority Act Oversight Committee