



ricci&company llc

Certified Public Accountants

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING  
AUTHORITY**

**FINANCIAL STATEMENTS**

**JUNE 30, 2011**



**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY**

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STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY

*Official Roster*

**Board of Directors**

Michael Gonzales	Chairperson
Gerard Gonzales	Co-Chairperson
John Wheeler	Board Member
Virginia Soto	Board Member
Lawrence Elmer Longacre	Board Member

**Management**

Ed Romero	Executive Director
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## Independent Auditor's Report

To the Board of Directors, Santa Fe Civic Housing Authority and  
City Council, City of Santa Fe, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Santa Fe Civic Housing Authority (the Authority), a component unit of the City of Santa Fe, as of and for the year ended June 30, 2011, which collectively comprise the Authority's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Authority's non-major enterprise funds and budgetary comparisons for all the major and non-major funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. 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 with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Authority are intended to present the financial position and the changes in financial position of each major fund and of the Authority. They do not purport to, and do not, present fairly the financial position of the entire City of Santa Fe, New Mexico as of June 30, 2011, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Authority as of June 30, 2011, and the respective changes in financial position and cash flows thereof, and the budgetary comparison for each major governmental fund's activities, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Directors, Santa Fe Civic Housing Authority and  
City Council, City of Santa Fe, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major enterprise fund of the Authority and the respective changes in financial position and cash flows thereof, and the budgetary comparison statements referred to above present fairly, in all material respects, the budgetary comparisons for the funds of the Authority for the year then ended in conformity with the budgetary basis approved by the US Department of Housing and Urban Development, and more fully described in Note 2, which is a basis of accounting consistent with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 18, 2011, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons that collectively comprise the Authority's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Not-for-Profit Organizations*, and is not a required part of the basic financial statements. The combined schedule of deposits and investments, schedule of pledged collateral market value, and the financial data schedule are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Ricci & Company LLC*

Albuquerque, New Mexico  
November 18, 2011

**SANTA FE CIVIC HOUSING AUTHORITY**  
**(A Component Unit of the City of Santa Fe)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2011**

This section of the Santa Fe Civic Housing Authority's (Authority) annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the Authority's financial statements, which follow this section.

**Operational Highlights**

The 2011 fiscal year had several significant extraordinary changes as follows:

- The Authority continued its expenditure of ARRA Funds awarded in 2009 and expended approximately \$1.7 million during this period.
- The Authority began receiving Housing replacement factor funds in the amount of \$124,000 resulting from the demolition of 104 public housing units within its Santa Fe Public Housing portfolio. It is anticipated that \$1.8 million will eventually be allocated to SFCHA over the next ten years.
- The Authority continued the redevelopment program at the site of the demolished units and has completed Phase I & II of 110 apartments through separate 9%LITHC and 4%LITHC programs. Phase III and Phase IV will be implemented in FYE 2012. The Authority is the developer and general partner in Phases I-III and the developer in Phase IV.
- The Region II program has been closed and assets transferred to the Cielo Azul program.

**Financial Highlights**

- Net assets of the Authority increased \$1,523,008 to \$ 22,157,799 as of June 30, 2011 primarily due to the effect of the Santa Fe CFRG grant which had approximately \$1.4 million in funds received this period. These transactions will represent a one-time spike in revenues/net assets that were the result of stimulus and development programs and may never happen again.
- Operating revenues of the Authority's enterprise units decreased by approximately \$2m primarily due the slow down of ARRA CFRG grants which decreased by approximately \$1.2m, Public Housing operating subsidy decreasing by approximately \$640,000, public housing rental income decreasing by approximately \$95k and other operating income such as bond issuance fees decreasing by \$130k. It is highly likely given the economic issues that rental income for public housing will continue to decrease with rent based upon a 30 percent of household income and more of our households being unemployed.
- The Authority's net capital assets increased by approximately \$640k. Again stimulus funding, development/disposition activity and consolidation of other housing authority programs were the driving factor in these increases with future years projected to be flatline or negative growth.

**SANTA FE CIVIC HOUSING AUTHORITY**  
**(A Component Unit of the City of Santa Fe)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2011**

**Overview of the Financial Statements**

The financial statements consist of three parts - Management's Discussion and Analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Authority:

- The first two statements are government-wide financial statements that provide information about the Authority's overall financial position and results. These statements, which are presented on an accrual basis, consist of the Statement of Net Assets and the Statement of Activities.
- The remaining statements are fund financial statements of the Authority's six distinct programs which all follow an accrual basis of accounting.
- The basic financial statements also include a "Notes to Financial Statements" section that explains some of the information in the Authority-wide and fund financial statements and provides more detailed data.

The remainder of this overview section of Management's Discussion and Analysis explains the structure and contents of each of these statements. The prior year results referred to throughout this section for comparison purposes are as previously reported.

The Authority-wide statements report information about the Authority as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Assets includes all of the Authority's assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. Most of the Authority's activities are business-type and are reported in its proprietary funds.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Authority's most significant funds and not the Authority as a whole. The Authority has one fund type:

- Proprietary Fund - The Authority's activities are in its proprietary funds, which activities are accounted for in a manner similar to businesses operating in the public sector. Funding has primarily arisen through the issuances of bonds, both tax-exempt and taxable, the proceeds of which are primarily used to make various types of loans to finance low and moderate-income housing. The net assets of these funds represent accumulated earnings since their inception and are generally restricted for program purposes.

**Financial Analysis of the Authority as a Whole**

**Net Assets.** The combined net assets of the Authority increased by \$1,523,008 from the June 30, 2010 amount. The following table shows a summary of changes from prior year amounts.



**SANTA FE CIVIC HOUSING AUTHORITY**  
**(A Component Unit of the City of Santa Fe)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2011**

	Proprietary		Increase (Decrease)	%
	2011	2010	Amt	
Cash and investments	\$ 6,236,289	6,964,339	(728,050)	(10)
Accounts receivable	102,358	96,440	5,918	6
Federal grants receivable	629,149	628,798	351	1
Other receivables	1,962,409	1,135,700	826,709	72
Other current assets	119,177	113,261	5,916	5
Total current assets	9,049,382	8,938,538	110,844	1
Other Assets	76,393	82,269	(5,876)	(7)
Fixed assets (net)	18,034,739	17,396,624	638,115	4
Total assets	27,160,514	26,417,431	743,083	3
Accounts payable	89,142	312,405	(223,263)	(71)
Compensated absences payable	198,686	181,353	17,333	10
Tenant security deposits	69,890	75,739	(5,849)	(8)
Notes payable	782,283	781,036	(1,247)	(1)
Escrows and deposits	157,181	136,096	21,085	15
Due to other funds	-	-	-	-
Deferred revenue	-	507,963	(507,963)	(100)
Total current liabilities	1,297,182	1,994,592	(697,410)	(35)
Notes payable	3,705,533	3,788,048	(82,515)	(2)
Total liabilities	5,002,715	5,782,640	(779,925)	(13)
Net assets	\$ 22,157,799	20,634,791	1,523,008	7%

**SANTA FE CIVIC HOUSING AUTHORITY**  
**(A Component Unit of the City of Santa Fe)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2011**

Cash and investments decreased \$728,050 primarily due to the decrease in accounts payable by \$223,263, the increase of other current assets such as the Villa Alegre projects which resulted in a Due from other funds increase of \$826,709.

**Combining Statement of Revenues, Expenses and Changes in Net Assets.** This Statement shows the sources of the Authority's changes in net assets as they arise from the seven programs and functions. The increase in net assets occurred primarily from the items in the operation section above. All programs demonstrated positive cash flow activities prior to depreciation.

A condensed Statement of Revenues, Expenses and Changes in Net Assets for the fiscal years ended June 30, 2011 and 2010 is shown in the table below.

Santa Fe Civic Housing Authority's  
Statement of Revenues, Expenses  
and Changes in Net Assets

	2011	2010	Increase (Decrease) Amount	%
Facility rentals	\$ 2,157,994	2,252,801	(94,807)	4
HUD grant and subsidy	11,032,843	12,786,213	(1,753,370)	(14)
Other revenue	243,131	385,129	(141,998)	(37)
Total operating revenue	<u>13,433,968</u>	<u>15,424,143</u>	<u>(1,990,175)</u>	<u>(13)</u>
Operating expenses	11,767,722	11,369,627	398,095	4
Operating income	<u>1,666,246</u>	<u>4,054,516</u>	<u>(2,388,270)</u>	<u>(59)</u>
Total non-operating revenues (expenses)	<u>(143,238)</u>	<u>(1,620,556)</u>	<u>1,477,318</u>	<u>91</u>
Change in net assets	1,523,008	2,433,960	(910,952)	(37)
Capital contributions	<u>-</u>	<u>(460,221)</u>	<u>460,221</u>	<u>100</u>
Total change in net assets	<u>\$ 1,523,008</u>	<u>1,973,739</u>	<u>(450,731)</u>	<u>(23)</u>

**SANTA FE CIVIC HOUSING AUTHORITY**  
**(A Component Unit of the City of Santa Fe)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2011**

Facility rental income decreased by \$94,807 in public housing due to the economy and its effect on employed tenants. All other programs remained stable. Other revenue decreases reflect the expected one-time spike in 2010. HUD grant and subsidy decreased due to more activity in 2010 related to ARRA one-time grants. These grants will expire in FYE 2012 resulting in an additional decrease of \$1.4 million in 2013 financials. In addition subsidy levels are projected at 80% moving forward. We expect revenues to flat-line or decrease in foreseeable future.

Operating expenses increased \$398,095. The practice of expending within Capital Funds accounts for about \$275,000 of this increase. Of this, about \$180,000 is attributable to the ARRA program capital funds and will expire in 2013. The Public housing program expenditure accounted for an increase of \$300,000 primarily to an increase in repairs and maintenance due to attempts to meet 504 access requirements. Other programs remained stable in comparison.

**Budgetary Highlights**

There were budget adjustments occurring during this fiscal year in Housing Authority, HCV, SF Housing Development, and Cielo Azul. In all the funds, except for the Espanola Housing Authority fund, budgeted expenditures exceeded actual expenditures. The primary reason why the Espanola Housing Authority is over budget is due to depreciation which was omitted from the budget by mistake.

**Net Asset Analysis**

Program	Increase (Decrease)
Housing Authority	\$ 1,029,302
Section 8	522,626
SF Housing Development	(40,472)
Cielo Azul	127,034
Non-Major Funds	<u>(115,482)</u>
Total operational increase	<u>\$ 1,523,008</u>

Again operational items noted in the first paragraph were the primary factor in these increases.

**SANTA FE CIVIC HOUSING AUTHORITY  
(A Component Unit of the City of Santa Fe)  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
June 30, 2011**

The increase in Section 8 Voucher was the result of no recapture of excess HAP funds which occurred during this cycle. As such, the Authority recognizes that most of the fund balance in the Voucher programs could be affected by HUD recapturing such balances in future years.

**Capital Asset and Debt Administration**

- Capital assets increased by approximately \$638,115 primarily from total additions of \$2,396,986, depreciation expense in the amount of \$1,626,914, and \$131,955 of construction in progress not being capitalized. The additions are related to the Public Housing Capital and ARRA Grants.

**Economic Factors and Next Year's Budgets**

Funding is determined at the federal level and 2011 budgets have been appropriated by HUD at 80%. It is further anticipated that the SFCHA could be subject to as much as \$1,000,000 of the 2012 budget being paid by set aside from its operating reserves. This will have significant impact on cash flow, and operational and REAC scores. It should be noted that \$1,000,000 reflects over 5 years of successful operational cash flow revenues. This will affect operational strategies that the Authority will undertake in years to come.

**Requests for Information**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information would be addressed to the Executive Director, 664 Alta Vista, Santa Fe, NM 87501.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
June 30, 2011**

**ASSETS**

Current Assets

Cash, investments and equivalents	\$ 5,564,599
Tenant receivable, net	102,358
Other receivables	1,962,409
Federal grants receivable	629,149
Prepaid expenses	105,721
Inventory	13,456
Cash, investments and equivalents - restricted	<u>671,690</u>

**Total current assets** 9,049,382

Capital Assets

Land	1,142,589
Construction in progress	4,074,955
Buildings and improvements	33,547,720
Furniture and fixtures	882,914
Machinery, equipment and vehicles	208,291
Vehicles	403,568
Accumulated depreciation	<u>(22,225,298)</u>

**Total capital assets (net of accumulated depreciation)** 18,034,739

Other Assets

Loan issuance costs, net	<u>76,393</u>
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**Total assets** \$ 27,160,514

**LIABILITIES**

Current Liabilities

Accounts payable	\$ 89,142
Tenant security deposits	69,890
Compensated absences payable	198,686
Notes payable	784,624
Escrows and deposits	<u>157,181</u>

**Total current liabilities** 1,299,523

Noncurrent Liabilities

Notes payable, less current portion	<u>3,703,192</u>
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**Total liabilities** \$ 5,002,715

**NET ASSETS**

Invested in capital assets, net of related debt	\$ 13,546,923
Unrestricted	<u>8,610,876</u>

**Total net assets** \$ 22,157,799

*The Notes to the Financial Statements are an integral part of this statement.*

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2011**

Program expenses	
Housing	<u>\$ 11,937,095</u>
Program revenues	
Charges for services	2,157,994
Capital grants and contributions	2,633,867
Operating grants and contributions	8,398,976
<b>Total program revenues</b>	<u>13,190,837</u>
<b>Net revenues</b>	<u>1,253,742</u>
General revenues	
Interest income	26,135
Other revenues	243,131
<b>Total general revenues</b>	<u>269,266</u>
<b>Change in net assets</b>	1,523,008
Net assets, beginning	<u>20,634,791</u>
<b>Net assets, ending</b>	<u><u>\$ 22,157,799</u></u>

*The Notes to the Financial Statements are an integral part of this statement.*

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
GOVERNMENT-WIDE STATEMENT OF CASH FLOWS  
Year Ended June 30, 2011**

Cash Flows From Operating Activities	
Cash received from customers and grantors	\$ 11,322,042
Cash payments to suppliers for goods and services	(7,491,053)
Cash payments to employees for services	<u>(1,551,546)</u>
<b>Net cash provided by operating activities</b>	<u>2,279,443</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition and construction of capital assets	<u>(2,396,986)</u>
<b>Net cash used by capital and related financing activities</b>	<u>(2,396,986)</u>
Cash Flows From Noncapital Financing Activities	
Cash transfers from other funds	(386,001)
Principal paid on debt maturities	(81,268)
Interest paid on debt	<u>(169,373)</u>
<b>Net cash used by noncapital financing activities</b>	<u>(636,642)</u>
Cash Flows From Investing Activities	
Interest and dividends on investments	<u>26,135</u>
<b>Net cash provided by investing activities</b>	<u>26,135</u>
<b>Net decrease in cash and cash equivalents</b>	(728,050)
Cash investments and cash equivalents at beginning of year	<u>6,964,339</u>
<b>Cash investments and cash equivalents at end of year</b>	<u><u>\$ 6,236,289</u></u>

*The Notes to the Financial Statements are an integral part of this statement.*

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**GOVERNMENT-WIDE STATEMENT OF CASH FLOWS (CONTINUED)**  
**Year Ended June 30, 2011**

Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 1,666,246
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	1,632,792
Construction in progress not capitalized	131,955
Change in assets and liabilities	
Accounts receivable	(770,658)
Prepaid expenses	(5,916)
Due from other funds	1,667,380
Accounts payable	(223,264)
Escrow and deposits	21,085
Compensated absences payable	17,333
Deposits	(5,897)
Due to other funds	(1,343,698)
Deferred revenues	(507,915)
<b>Total adjustments</b>	<u>613,197</u>
<b>Net cash provided by operating activities</b>	<u>\$ 2,279,443</u>

*The Notes to the Financial Statements are an integral part of this statement.*



STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
STATEMENT OF NET ASSETS  
ENTERPRISE FUNDS  
June 30, 2011

	Housing Authority	Section 8 Voucher	Capital Projects	Santa Fe Capital Fund CFRC
<b>ASSETS</b>				
Current Assets				
Cash, investments and equivalents	\$ 333,805	2,745,520	-	-
Tenant receivable	92,033	-	-	-
Federal grants receivable	629,149	-	-	-
Other receivable	1,542,316	-	-	-
Due from other funds	65,504	18,130	-	-
Prepaid expenses	86,056	-	-	-
Inventory	13,456	-	-	-
Cash, investments and equivalents - restricted	671,690	-	-	-
<b>Total current assets</b>	<b>3,434,009</b>	<b>2,763,650</b>	<b>-</b>	<b>-</b>
Capital Assets				
Land	299,637	-	-	-
Construction in progress	4,074,955	-	-	-
Buildings and improvements	26,915,940	-	-	-
Furniture and fixtures	682,336	-	-	-
Machinery and equipment	200,969	-	-	-
Vehicles	403,568	-	-	-
Accumulated depreciation	(18,239,300)	-	-	-
<b>Total capital assets (net of depreciation)</b>	<b>14,338,105</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Assets				
Loan issuance costs, net	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 17,772,114</b>	<b>2,763,650</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	\$ 83,699	-	-	-
Tenant security deposits	50,017	-	-	-
Compensated absences payable	198,686	-	-	-
Notes payable	500,000	-	-	-
Escrows and deposits	157,181	-	-	-
Due to other funds	18,130	-	-	-
<b>Total current liabilities</b>	<b>1,007,713</b>	<b>-</b>	<b>-</b>	<b>-</b>
Noncurrent Liabilities				
Notes payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>\$ 1,007,713</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	\$ 13,838,105	-	-	-
Unrestricted	2,926,296	2,763,650	-	-
<b>Total net assets</b>	<b>\$ 16,764,401</b>	<b>2,763,650</b>	<b>-</b>	<b>-</b>

The Notes to the Financial Statements are an integral part of this statement.

Santa Fe Capital Fund CFRG	Espanola Capital Fund CFRG	SF Housing Development Corporation	Cielo Azul	Non-Major Funds	Total
-	-	2,075,255	209,235	200,784	5,564,599
-	-	6,686	-	3,639	102,358
-	-	-	-	-	629,149
-	-	363,820	56,273	-	1,962,409
-	-	-	-	-	83,634
-	-	10,043	4,914	4,708	105,721
-	-	-	-	-	13,456
-	-	-	-	-	671,690
-	-	2,455,804	270,422	209,131	9,133,016
-	-	268,652	330,000	244,300	1,142,589
-	-	-	-	-	4,074,955
-	-	3,708,510	1,449,513	1,473,757	33,547,720
-	-	200,578	-	-	882,914
-	-	2,907	-	4,415	208,291
-	-	-	-	-	403,568
-	-	(3,262,145)	(329,763)	(394,090)	(22,225,298)
-	-	918,502	1,449,750	1,328,382	18,034,739
-	-	76,393	-	-	76,393
-	-	500,000	-	-	500,000
-	-	3,950,699	1,720,172	1,537,513	27,744,148
-	-	5,409	-	34	89,142
-	-	14,519	-	5,354	69,890
-	-	-	-	-	198,686
-	-	65,577	219,047	-	784,624
-	-	-	-	-	157,181
-	-	54,490	-	11,014	83,634
-	-	139,995	219,047	16,402	1,383,157
-	-	2,993,210	709,982	-	3,703,192
-	-	-	500,000	-	500,000
-	-	2,993,210	1,209,982	-	4,203,192
-	-	3,133,205	1,429,029	16,402	5,586,349
-	-	(2,140,285)	520,721	1,328,382	13,546,923
-	-	2,957,779	(229,578)	192,729	8,610,876
-	-	817,494	291,143	1,521,111	22,157,799

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
ENTERPRISE FUNDS  
Year Ended June 30, 2011

	Housing Authority	Section 8 Voucher	Capital Projects	Santa Fe Capital Fund CFRC	Santa Fe Capital Fund CFRG
<b>Operating Revenues</b>					
Facilities rentals	\$ 1,127,636	-	-	-	-
HUD grant and subsidy	1,247,999	7,150,977	947,135	1,436,632	225,100
Other revenue	118,303	66,142	-	-	-
<b>Total operating revenues</b>	<b>2,493,938</b>	<b>7,217,119</b>	<b>947,135</b>	<b>1,436,632</b>	<b>225,100</b>
<b>Operating Expenses</b>					
Salaries, wages and benefits	786,368	592,594	-	-	-
Community welfare	148,702	5,974,072	-	-	-
Contractual services and utilities	495,679	537	93,342	81,514	75,000
Repairs and maintenance	826,023	-	-	-	-
Depreciation and amortization expense	1,147,352	-	-	-	-
Insurance	115,413	-	-	-	-
Other	316,115	132,379	-	-	-
<b>Total operating expenses</b>	<b>3,835,652</b>	<b>6,699,582</b>	<b>93,342</b>	<b>81,514</b>	<b>75,000</b>
<b>Operating income (loss)</b>	<b>(1,341,714)</b>	<b>517,537</b>	<b>853,793</b>	<b>1,355,118</b>	<b>150,100</b>
<b>Nonoperating Revenues (Expenses)</b>					
Interest on investments	12,005	5,089	-	-	-
Interest expense	-	-	-	-	-
Operating transfers in	2,359,011	-	-	-	-
Operating transfers out	-	-	(2,359,011)	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>2,371,016</b>	<b>5,089</b>	<b>(2,359,011)</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>1,029,302</b>	<b>522,626</b>	<b>(1,505,218)</b>	<b>1,355,118</b>	<b>150,100</b>
Net assets, beginning of year	15,735,099	2,241,024	-	-	-
Equity transfers	-	-	1,505,218	(1,355,118)	(150,100)
<b>Net assets, end of year</b>	<b>\$ 16,764,401</b>	<b>2,763,650</b>	<b>-</b>	<b>-</b>	<b>-</b>

*The Notes to the Financial Statements are an integral part of this statement.*

Espanola Capital Fund CFRG	SF Housing Development Corporation	Cielo Azul	Non-Major Funds	Total
-	736,975	172,802	120,581	2,157,994
25,000	-	-	-	11,032,843
-	11,100	47,374	212	243,131
25,000	748,075	220,176	120,793	13,433,968
-	148,366	-	41,551	1,568,879
-	-	-	1,150	6,123,924
25,000	75,652	38,149	34,786	919,659
-	46,772	17,984	20,680	911,459
-	370,554	50,809	64,076	1,632,791
-	18,999	4,640	6,204	145,256
-	7,944	5,151	4,165	465,754
25,000	668,287	116,733	172,612	11,767,722
-	79,788	103,443	(51,819)	1,666,246
-	6,628	1,312	1,101	26,135
-	(126,888)	(42,485)	-	(169,373)
-	-	64,764	-	2,423,775
-	-	-	(64,764)	(2,423,775)
-	(120,260)	23,591	(63,663)	(143,238)
-	(40,472)	127,034	(115,482)	1,523,008
-	857,966	164,109	1,636,593	20,634,791
-	-	-	-	-
-	817,494	291,143	1,521,111	22,157,799

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
Year Ended June 30, 2011

	Housing Authority	Section 8 Voucher	Capital Projects	Santa Fe Capital Fund CFRC
Cash Flows from Operating Activities				
Cash received from customers and grantors	\$ 1,346,060	6,730,663	947,135	1,436,632
Cash payments to suppliers for goods and services	(1,697,293)	(5,146,656)	(93,342)	(81,514)
Cash payments to employees for services	(769,035)	(592,594)	-	-
<b>Net cash provided (used) by operating activities</b>	<b>(1,120,268)</b>	<b>991,413</b>	<b>853,793</b>	<b>1,355,118</b>
Cash Flows from Capital Financing Activities				
Acquisition and construction of capital assets	(2,396,986)	-	-	-
<b>Net cash used by capital financing activities</b>	<b>(2,396,986)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash Flows from Noncapital Financing Activities				
Cash transfers (to) from other funds	2,359,011	-	(853,793)	(1,355,118)
Principal paid on debt maturities	-	-	-	-
Interest paid on debt	-	-	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>2,359,011</b>	<b>-</b>	<b>(853,793)</b>	<b>(1,355,118)</b>
Cash Flows from Investing Activities				
Interest and dividends on investments	12,005	5,089	-	-
<b>Net cash provided by investing activities</b>	<b>12,005</b>	<b>5,089</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,146,238)</b>	<b>996,502</b>	<b>-</b>	<b>-</b>
Cash investments and cash equivalents at beginning of year	2,151,733	1,749,018	-	-
<b>Cash investments and cash equivalents at end of year</b>	<b>\$ 1,005,495</b>	<b>2,745,520</b>	<b>-</b>	<b>-</b>
Reconciliation of operating income to net cash provided by operating activities				
Operating (loss) income	\$ (1,341,714)	517,537	853,793	1,355,118
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation/amortization	1,147,352	-	-	-
Construction in progress not capitalized	131,955	-	-	-
Change in assets and liabilities				
Accounts receivable	(754,078)	21,507	-	-
Prepaid expenses	(5,350)	-	-	-
Due from other funds	240,191	1,486,384	-	-
Accounts payable	(162,157)	(60,000)	-	-
Escrow and deposits	21,085	-	-	-
Compensated absences payable	17,333	-	-	-
Deposits	(6,073)	-	-	-
Due to other funds	(408,812)	(466,052)	-	-
Deferred revenues	-	(507,963)	-	-
<b>Total adjustments</b>	<b>221,446</b>	<b>473,876</b>	<b>-</b>	<b>-</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ (1,120,268)</b>	<b>991,413</b>	<b>853,793</b>	<b>1,355,118</b>

The Notes to the Financial Statements are an integral part of this statement.

Santa Fe Capital Fund CFRG	Espanola Capital Fund CFRG	SF Housing Development Corporation	Cielo Azul	Non-Major Funds	Total
225,100	25,000	291,584	198,664	121,204	<b>11,322,042</b>
(75,000)	(25,000)	(215,187)	(61,385)	(95,676)	<b>(7,491,053)</b>
-	-	(148,366)	-	(41,551)	<b>(1,551,546)</b>
150,100	-	(71,969)	137,279	(16,023)	<b>2,279,443</b>
-	-	-	-	-	<b>(2,396,986)</b>
-	-	-	-	-	<b>(2,396,986)</b>
(150,100)	-	-	(13,956)	(372,045)	<b>(386,001)</b>
-	-	(63,179)	(12,317)	(5,772)	<b>(81,268)</b>
-	-	(126,888)	(42,485)	-	<b>(169,373)</b>
(150,100)	-	(190,067)	(68,758)	(377,817)	<b>(636,642)</b>
-	-	6,628	1,312	1,101	<b>26,135</b>
-	-	6,628	1,312	1,101	<b>26,135</b>
-	-	(255,408)	69,833	(392,739)	<b>(728,050)</b>
-	-	2,330,663	139,402	593,523	<b>6,964,339</b>
-	-	2,075,255	209,235	200,784	<b>6,236,289</b>
150,100	-	79,788	103,443	(51,819)	<b>1,666,246</b>
-	-	370,555	50,809	64,076	<b>1,632,792</b>
-	-	-	-	-	<b>131,955</b>
-	-	(5,877)	(32,573)	363	<b>(770,658)</b>
-	-	(909)	(61)	404	<b>(5,916)</b>
-	-	(63,820)	4,625	-	<b>1,667,380</b>
-	-	(1,092)	-	(15)	<b>(223,264)</b>
-	-	-	-	-	<b>21,085</b>
-	-	-	-	-	<b>17,333</b>
-	-	176	-	-	<b>(5,897)</b>
-	-	(450,790)	11,036	(29,080)	<b>(1,343,698)</b>
-	-	-	-	48	<b>(507,915)</b>
-	-	(151,757)	33,836	35,796	<b>613,197</b>
150,100	-	(71,969)	137,279	(16,023)	<b>2,279,443</b>

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011**

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

*Reporting Entity.* The Santa Fe Civic Housing Authority (Authority) serves all the citizens of the City of Santa Fe (City) by providing safe and affordable housing. The City is financially accountable for the component unit since the mayor, with approval of the City Council, appoints a voting majority of the governing board and can impose will on the entity.

The financial statements present only the financial position, results of operations and cash flows of the Authority and are not intended to present fairly the City's financial position, results of operations and cash flows of its proprietary fund types in conformity with accounting principles generally accepted in the United States of America. The Housing Authority had no blended or discrete component units during the fiscal year ended June 30, 2011.

*Government-Wide and Fund Financial Statements.* The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Housing Authority had no governmental-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment and include depreciation expense. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

When resources are available from both restricted and unrestricted sources, the Housing Authority spends restricted resources first.

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The Housing Authority had no fiduciary funds.

*Measurement Focus, Basis of Accounting and Basis of Presentation.* The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is 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.

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their entity-wide statements, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

Enterprise 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 propriety fund's principal ongoing operations.

The County reports the following major governmental funds:

The *Housing Authority Fund* is comprised of the Authority's primary operating fund. It accounts for all the financial resources of the entity, except those required to be accounted for separately. The activity from Santa Fe and Espanola has been combined to create one major fund.

The *Section 8 Voucher Fund* is used to account for the resources and expenditures that are directly related to the US Housing and Urban Development's Section 8 program. The activity from Santa Fe and Espanola has been combined to create one major fund.

The *SF Housing Development Corporation Fund* is used to account for the Section 8 property on Camino Consuelo Street.

The *Capital Projects Fund* is used to account for the activities of the Capital Projects Grant. This fund was also created to ease compliance with the HUD requirements. The activity from Santa Fe and Espanola has been combined to create one major fund.

The *Cielo Azul Fund* is used to account for the activity of an affordable housing project purchased in October 2005. The primary function is to house residents whose income is less than or equal to 80% of the area's median income.

*Estimates.* The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011**

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

*Assets, Liabilities and Net Assets*

*Cash, Investments and Equivalents.* For financial statement presentation, all demand deposits, money market accounts, petty cash funds, and short-term financial instruments with original maturities of three months or less are considered to be cash and cash equivalents.

*Cash, Investments and Equivalents - Restricted.* Considered restricted as to use since the cash deposits are related to escrow and security deposits. There are no outside restrictions on these deposits. These amounts are included in total cash, investments and equivalents for cash flow purposes.

*Interfund Receivables and Payables.* Short-term amounts owed between funds are classified as “due to/from other funds”. Interfund loans are classified as “advances to/from other funds” and are offset by a fund balance reserve account. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Grant receivables are considered to be 100% collectible and an allowance was not created.

*Inventories.* The inventories held consist of expendable supplies held for consumption and recorded at cost. The cost is recorded as expenditure at the time of consumption. Inventories for the Authority are valued at cost. Inventories are included as part of current assets.

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

*Capital Assets.* Property, plant and equipment owned by the Authority are recorded at cost or, if contributed property, at their fair market value at contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. Assets capitalized have an original cost of \$5,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method, and included as a direct expense in the government-wide statements. Estimated useful lives are as follows:

	Years
Structures and improvements	40
Furniture, fixtures, machinery & equipment	5-7
Vehicles	5-8

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

**STATE OF NEW MEXICO  
 SANTA FE CIVIC HOUSING AUTHORITY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2011**

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*Loan Issuance Costs.* Loan issuance costs of \$88,145 have been capitalized and are being amortized using straight-line over the life of the related loan. Accumulated amortization as of June 30, 2011 is \$11,752.

*Budgetary Information.* Annual budgets are adopted on a basis consistent with accounting principles approved by the US Department of Housing and Urban Development (HUD). This basis is consistent with principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all of the Authority's funds.

Due to no activity, the Mainstream Vouchers and Mora County funds were not budgeted in the current year.

Prior to June 1, the Authority's Director submits to the Board of Directors and HUD a proposed operating budget for the subsequent fiscal year. The operating budget includes proposed expenditures and the budgeted revenues.

The Authority's Director is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Authority's Board of Directors.

Formal budgetary integration is employed as a management control device during the year for all funds. The Authority at the functional level performs this budgetary control. The legal level of budgetary control is at the fund level.

Region II was not a budgeted fund for the year ended June 30, 2011.

**NOTE 3. DEPOSITS AND INVESTMENTS**

Cash and investments held by the Authority consist of cash on deposit with financial institutions and certificates of deposit. Deposits are secured by both federal depository insurance and collateral pledged in the Authority's name. Under New Mexico law, all deposits with financial institutions must be collateralized in an amount not less than 50% (102% for overnight deposits) of the uninsured balance. Market values of all cash and deposits approximate the cost of those assets.

Depository Accounts (bank balances)	
Insured	\$ 750,000
Collateral held by pledging bank's trust department not in the Authority's name	4,731,048
Uninsured and uncollateralized	<u>1,544,625</u>
<b>Total deposits</b>	<b><u>\$ 7,025,673</u></b>

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)**

*Interest Rate Risk.* The Authority's investment policy requires investment maturities to be scheduled to meet projected cash flow.

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. As of June 30, 2011, \$6,275,673 of the Authority's bank balance of \$7,025,673 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,544,625
Uninsured and collateral held by pledging bank's trust department not in the Authority's name	<u>4,731,048</u>
<b>Total</b>	<b><u>\$ 6,275,673</u></b>

The Authority's funds shall be invested in accordance with New Mexico Statute 6-10-36. Funds that are declared excess due to the inability of local financial institutions to accept these deposits may be invested in U.S. government securities, or as otherwise provided by law. The Authority will diversify use of investment instruments to avoid incurring unreasonable risks inherent to over-investing in specific instruments, individual financial institutions or maturities.

At June 30, 2011, the Housing Authority had the following investments. All the investments are part of the SF Housing Development Corporation. Investments are valued at fair value based on quoted market prices as of June 30, 2011.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificates of deposit		
Los Alamos Nat'l Bank	12/15/11	\$ 53,920
First Community Bank	10/28/11	504,000
First Community Bank	7/17/11	<u>515,036</u>
Total certificates of deposit		<u>1,072,956</u>
Petty cash and other imprest		225
Bank deposits (book value)		<u>5,163,108</u>
Total deposits and other		<u>5,163,333</u>
<b>Total certificates of deposit, deposits and other</b>		<b><u>\$ 6,236,289</u></b>

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 4. TENANT RECEIVABLE**

The Authority has a policy of allowing for all tenant receivables that are from participants that are no longer in the program. Tenant receivables are considered past due after 30 days. Interest is not accrued on past-due receivables. The tenant receivable and allowance for each fund are as follows:

	Tenant Receivable	Allowance	Net Tenant Receivable
Housing Authority	\$ 284,737	192,704	92,033
SF Housing Development Corp	6,686	-	6,686
La Cieneguita	3,639	-	3,639
<b>Total tenant receivables</b>	<u>\$ 295,062</u>	<u>192,704</u>	<u>102,358</u>

**NOTE 5. INTERFUND ACTIVITY**

The compositions of interfund balances as of June 30, 2011, are as follows:

Receivable		Payable	
Fund	Amount	Fund	Amount
<b>Current</b>			
Housing Authority	\$ 54,490	Housing Development Corp.	\$ 54,490
Housing Authority	11,014	La Cieneguita	11,014
Section 8 Voucher	18,130	Housing Authority	18,130
Housing Development Corp.	<u>500,000</u>	Cielo Azul	<u>500,000</u>
<b>Total</b>	<u>\$ 583,634</u>		<u>\$ 583,634</u>

The interfund balances are related to various deposits and disbursements made into or from the general bank account in which the activity is related to a different fund.

The compositions of interfund transfers are related to grant activity and are as follows:

Housing Authority Fund from Capital Projects Fund	\$ 2,359,011
Region II to Cielo Azul	<u>64,764</u>
<b>Total transfers</b>	<u>\$ 2,423,775</u>

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 5. INTERFUND ACTIVITY (CONTINUED)**

The compositions of equity transfers, for grant close-out purposes, as of June 30, 2011, are as follows:

Capital projects from Santa Fe Capital Fund CFRC	\$ 1,355,118
Capital projects from Santa Fe Capital Fund CFRG	<u>150,100</u>
<b>Total equity transfers</b>	<b><u>\$ 1,505,218</u></b>

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Deletions/ Reclasses	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,142,589	-	-	1,142,589
Construction in progress	<u>3,765,612</u>	<u>2,359,011</u>	<u>2,049,668</u>	<u>4,074,955</u>
Total	<u>4,908,201</u>	<u>2,359,011</u>	<u>2,049,668</u>	<u>5,217,544</u>
Capital assets being depreciated				
Buildings and improvements	31,625,927	1,921,793	-	33,547,720
Furniture and fixtures	882,914	-	-	882,914
Machinery and equipment	198,875	9,416	-	208,291
Vehicles	<u>379,090</u>	<u>24,478</u>	<u>-</u>	<u>403,568</u>
Total	<u>33,086,806</u>	<u>1,955,687</u>	<u>-</u>	<u>35,042,493</u>
Less accumulated depreciation	<u>20,598,383</u>	<u>1,626,915</u>	<u>-</u>	<u>22,225,298</u>
Total capital assets being depreciated, net	<u>12,488,423</u>	<u>328,772</u>	<u>-</u>	<u>12,817,195</u>
<b>Total capital assets</b>	<b><u>\$ 17,396,624</u></b>	<b><u>2,687,783</u></b>	<b><u>2,049,668</u></b>	<b><u>18,034,739</u></b>

Depreciation expense for the year ended June 30, 2011 totaled \$1,626,915. The entire amount has been included in the Statement of Activities as a Housing Program expenditure.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 6. CAPITAL ASSETS (CONTINUED)**

**Construction Commitments**

The Authority has active construction projects as of June 30, 2011. The projects are either new housing developments or are housing development related. At year end, the Authority's commitments with contractors are as follows:

<u>Project</u>	<u>Authorized</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
CFP - 09	\$ 696,926	539,215	157,711
CFP - 10	691,583	130,000	561,583
CFP - 11	652,617	-	652,617
CFP - 11	124,082	-	124,082
<b>Total</b>	<u>\$ 2,165,208</u>	<u>669,215</u>	<u>1,495,993</u>

**NOTE 7. LONG-TERM DEBT**

*Changes in Long-Term Liabilities.* During the year ended June 30, 2011, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>	<u>Due Within One Year</u>
Notes payable	\$ 4,569,084	-	(81,268)	4,487,816	784,624
Compensated absences	181,353	198,686	(181,353)	198,686	198,686
<b>Total</b>	<u>\$ 4,750,437</u>	<u>198,686</u>	<u>(262,621)</u>	<u>4,686,502</u>	<u>983,310</u>

For the year ended June 30, 2011, the Authority incurred \$169,373 of interest expense that has been included in the Statement of Activities as a Housing Program expenditure.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

**Notes Payable**

The Housing Authority entered into an agreement with First Community Bank in the form of a note payable on September 29, 2010 in the original principal amount of \$500,000 for the purpose of additional working capital. The note has an interest rate of 3% and matures on September 29, 2011. The principal amount of the note is secured by the assignment of a deposit account in the form of a certificate of deposit described in Note 3. The balance of the note as of June 30, 2011 is \$500,000.

The Housing Authority entered into a loan with Casas De Buena Ventura for the purposes of paying off a loan to the Church of Holy Faith in the amount of \$200,000 on November 1, 2009. The note has an interest rate of 1% per annum. The note has a current maturity date of November 1, 2015 with the option to extend the note for an additional five years at the discretion of the Authority. The Authority may extend the principal balance of the note for an additional five years for a maximum of five extensions. At any time the note can be forgiven by Casas De Buena Ventura and treated as an advanced charitable contribution.

The Housing Authority assumed a \$109,620 note with MFA upon being granted ownership of Region II Vouchers. The note has an interest rate of 5.0% with a maturity date of December 2021. The balance of the note as of June 30, 2011 is \$90,762. The Housing Authority entered into a commercial mortgage with a Los Alamos National Bank, for the purpose of paying off the SFHDC 1993A Bonds and the \$200,000 commercial renovation note for \$2,780,000 at 4.25% interest with a maturity date of October 15, 2024 and has monthly payments of \$13,676. The balance of the note as of June 30, 2011 is \$2,700,658.

The Housing Authority assumed a \$390,000 note with MFA, for the purpose of rehabilitating or constructing La Resolana units. The note has an interest rate of 3.0% with a maturity date of June 17, 2028. The balance of the note as of June 30, 2011 is \$358,281.

The Housing Authority entered into a note, a commercial mortgage with a bank, for the purpose of acquiring the Cielo Azul property for \$700,000 at 6% interest with a maturity date of October 2034, secured by property. The balance of the note as of 6/30/11 is \$638,267.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

Total aggregate maturing of the notes payable at June 30, 2011, is as follows:

Year	<u>Commercial Mortgage</u>		<u>Commercial Mortgage</u>	
	Principal	Interest	Principal	Interest
2012	\$ 12,311	38,055	50,307	113,805
2013	13,070	37,296	52,487	111,625
2014	13,876	36,490	54,762	109,350
2015	14,732	35,634	57,135	106,977
2016	15,641	34,725	59,611	104,501
2017 – 2021	93,921	157,908	339,118	481,442
2022 – 2026	126,685	125,144	2,087,238	277,528
2027 – 2031	170,879	80,950	-	-
2032 – 2036	177,152	22,747	-	-
<b>Total</b>	<b>\$ 638,267</b>	<b>568,949</b>	<b>2,700,658</b>	<b>1,305,228</b>

Year	<u>FSB Note</u>		<u>Casas Note</u>	
	Principal	Interest	Principal	Interest
2012	\$ 500,000	-	200,000	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017 – 2021	-	-	-	-
2022 – 2026	-	-	-	-
2027 – 2031	-	-	-	-
2032 – 2036	-	-	-	-
<b>Total</b>	<b>\$ 500,000</b>	<b>-</b>	<b>200,000</b>	<b>-</b>



**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 7. LONG-TERM DEBT (CONTINUED)**

Year	MFA Note 1		MFA Note 2		Total Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 6,736	4,380	15,270	10,686	784,624	166,926
2013	7,081	4,036	15,739	10,217	88,377	163,174
2014	7,443	3,673	16,222	9,734	92,303	159,247
2015	7,824	3,292	16,720	9,236	96,411	155,139
2016	8,224	2,892	17,234	8,722	100,710	150,840
2017 – 2021	47,879	7,702	94,440	35,340	575,358	682,392
2022 – 2026	5,575	81	109,858	19,922	2,329,356	422,675
2027 – 2031	-	-	72,646	3,522	243,525	84,472
2032 – 2036	-	-	-	-	177,152	22,747
<b>Total</b>	<b>\$ 90,762</b>	<b>26,056</b>	<b>358,129</b>	<b>107,379</b>	<b>4,487,816</b>	<b>2,007,612</b>

**NOTE 8. PENSION PLAN - PUBLIC EMPLOYEES' RETIREMENT**

*Plan Description.* Substantially all of the Authority's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

*Funding Policy.* Plan members are required to contribute 13.15% of their gross salary. The Authority is required to contribute 9.15% of the gross covered salary. The contribution requirements of plan members and the Authority are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the Legislature. The Authority's contributions to PERA for the fiscal years ending June 30, 2011, 2010 and 2009 were \$109,970, \$97,097, and \$89,196, respectively, which equal the amount of the required contributions for each fiscal year.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 9. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH  
CARE PLAN**

*Plan Description.* The Authority contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the health care plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post-employment health care plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for health care benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.666% of each participating employee's annual salary. Each participating employee is required to contribute .833% of their salary.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 9. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH  
CARE PLAN (CONTINUED)**

In the fiscal years ending June 30, 2012 through June 30, 2013, the contribution rates for employees who are not members of an enhanced retirement plan will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	1.834%	.917%
FY13	2.000%	1.000%

Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The Authority's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$20,023, \$13,795, and \$12,673, respectively, which equal the required contributions for each year.

**NOTE 10. RELATED PARTY TRANSACTIONS**

The Authority assisted in the establishment of the not-for-profit entity, Casas de Buena Ventura. This entity maintains a separate Board. However, there are certain Authority employees who sit on the Board. The Authority exercises no authority over this not-for-profit organization. In addition, the individual contracted to maintain the records for the Housing Development Fund is related by marriage to the Executive Director. The contract was awarded via competitive bid by the past Executive Director.

**NOTE 11. BUDGET DEFICIT**

Actual expenses exceeded budgeted expenses for the Espanola Public Housing Authority fund. The Authority was able to make up the shortfall by using cash that existed in each fund.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 12. CONTINGENCIES AND RISK MANAGEMENT**

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

The Authority is involved in various legal actions arising from the ordinary course of operations. With respect to these actions, their counsel believes the outcome will not have a material adverse effect on the Authority's financial position. The Authority mitigates the risk of loss by purchasing commercial insurance. The Authority has the following policies:

- Worker's Compensation
- Property
- General Liability
- Auto Liability
- Employee Theft/Dishonesty/Crime Blanket Coverage
- Director's Liability Coverage
- Civil Rights

The Authority has not had any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the Authority which exceeds the insurance coverage, the Authority would be responsible for a loss in excess of the coverage amounts. There has not been any significant change in coverage from the previous years.

**NOTE 13. CAPITAL GRANT CLOSEOUT**

The following are the Public Housing Capital Fund expenditures incurred by the Authority:

Santa Fe - NM02P009501-08	
1406 Operations	\$ 50,000
1410 Administration	40,000
1411 Audit	5,000
1450 Site Improvement	80,000
1460 Dwelling Structures	301,223
1470 Non-Dwelling Structures	<u>150,000</u>
<b>Total grant expenditures</b>	<b><u>\$ 626,223</u></b>

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 13. CAPITAL GRANT CLOSEOUT (CONTINUED)**

Espanola - NM02P010501-05	
1430 Fees and Costs	\$ 19,947
1460 Dwelling Structures	178,000
1465 Dwelling Equipment	64,500
1475 Non-Dwelling Equipment	<u>30,000</u>
<b>Total grant expenditures</b>	<b>\$ <u>292,447</u></b>
Espanola - NM02P010501-06	
1408 Management Improvement	\$ 57,453
1410 Administration	28,726
1450 Site Improvement	<u>201,086</u>
<b>Total grant expenditures</b>	<b>\$ <u>287,265</u></b>
Espanola - NM02P010501-07	
1406 Operations	\$ 50,000
1410 Administration	28,000
1450 Site Improvement	<u>205,033</u>
<b>Total grant expenditures</b>	<b>\$ <u>283,033</u></b>
Espanola - NM02P010501-08	
1410 Administration	\$ 28,000
1450 Site Improvement	137,548
1460 Dwelling Structures	<u>123,421</u>
<b>Total grant expenditures</b>	<b>\$ <u>288,969</u></b>
Espanola - NM02S010501-09	
1410 Administration	\$ 25,000
1450 Site Improvement	70,777
1460 Dwelling Structures	<u>270,000</u>
<b>Total grant expenditures</b>	<b>\$ <u>365,777</u></b>

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
PUBLIC HOUSING COMBINING STATEMENT OF NET ASSETS  
ENTERPRISE FUNDS  
June 30, 2011

	Santa Fe Housing Authority	Espanola Housing Authority	Total
<b>ASSETS</b>			
Current Assets			
Cash, investments and equivalents	\$ 100,331	233,474	333,805
Tenant receivable	74,183	17,850	92,033
Federal grants receivable	490,567	138,582	629,149
Other receivable	1,542,316	-	1,542,316
Due from other funds	65,504	-	65,504
Prepaid expenses	3,089	82,967	86,056
Inventory	13,456	-	13,456
Cash, investments and equivalents - restricted	671,690	-	671,690
<b>Total current assets</b>	<b>2,961,136</b>	<b>472,873</b>	<b>3,434,009</b>
Capital Assets			
Land	22,200	277,437	299,637
Construction in progress	3,886,264	188,691	4,074,955
Buildings and improvements	14,701,227	12,214,713	26,915,940
Furniture and fixtures	43,183	639,153	682,336
Machinery and equipment	200,969	-	200,969
Vehicles	264,809	138,759	403,568
Accumulated depreciation	(11,163,349)	(7,075,951)	(18,239,300)
<b>Total capital assets (net of depreciation)</b>	<b>7,955,303</b>	<b>6,382,802</b>	<b>14,338,105</b>
Other Assets			
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ 10,916,439</b>	<b>6,855,675</b>	<b>17,772,114</b>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 83,699	-	83,699
Tenant security deposits	40,245	9,772	50,017
Compensated absences payable	179,310	19,376	198,686
Bonds payable	-	-	-
Notes payable	500,000	-	500,000
Escrows and deposits	157,181	-	157,181
Due to other funds	18,130	-	18,130
Due to Espanola	(27,098)	27,098	-
Deferred revenue	-	-	-
Accrued interest	-	-	-
<b>Total current liabilities</b>	<b>951,467</b>	<b>56,246</b>	<b>1,007,713</b>
Noncurrent Liabilities			
Bonds payable	-	-	-
Notes payable	-	-	-
Due to other funds	-	-	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>\$ 951,467</b>	<b>56,246</b>	<b>1,007,713</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 7,455,303	6,382,802	13,838,105
Unrestricted	2,509,669	416,627	2,926,296
<b>Total net assets</b>	<b>\$ 9,964,972</b>	<b>6,799,429</b>	<b>16,764,401</b>

The Notes to the Financial Statements are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
PUBLIC HOUSING COMBINING STATEMENT  
OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
ENTERPRISE FUNDS  
Year Ended June 30, 2011

	Santa Fe Housing Authority	Espanola Housing Authority	Total
Operating Revenues			
Facilities rentals	\$ 925,537	202,099	1,127,636
HUD grant and subsidy	904,449	343,550	1,247,999
Other revenue	110,622	7,681	118,303
<b>Total operating revenues</b>	<b>1,940,608</b>	<b>553,330</b>	<b>2,493,938</b>
Operating Expenses			
Salaries, wages and benefits	467,239	319,129	786,368
Community welfare	148,702	-	148,702
Contractual services and utilities	376,369	119,310	495,679
Repairs and maintenance	669,939	156,084	826,023
Depreciation expense	799,190	348,162	1,147,352
Insurance	99,677	15,736	115,413
Other	166,922	149,193	316,115
<b>Total operating expenses</b>	<b>2,728,038</b>	<b>1,107,614</b>	<b>3,835,652</b>
<b>Operating loss</b>	<b>(787,430)</b>	<b>(554,284)</b>	<b>(1,341,714)</b>
Nonoperating Revenues (Expenses)			
Interest on investments	9,512	2,493	12,005
Interest expense	-	-	-
State grant	-	-	-
Loss on disposition of assets	-	-	-
Operating transfers in	2,352,011	7,000	2,359,011
Operating transfers out	-	-	-
<b>Total nonoperating revenues</b>	<b>2,361,523</b>	<b>9,493</b>	<b>2,371,016</b>
<b>Change in net assets</b>	<b>1,574,093</b>	<b>(544,791)</b>	<b>1,029,302</b>
Net assets, beginning of year	8,390,879	7,344,220	15,735,099
<b>Net assets, end of year</b>	<b>\$ 9,964,972</b>	<b>6,799,429</b>	<b>16,764,401</b>

*The Notes to the Financial Statements are an integral part of this statement.*

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
PUBLIC HOUSING COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
Year Ended June 30, 2011

	Santa Fe Housing Authority	Espanola Housing Authority	Total
Cash Flows from Operating Activities			
Cash received from customers and grantors	\$ 936,428	409,632	1,346,060
Cash payments to suppliers for goods and services	(1,347,738)	(349,555)	(1,697,293)
Cash payments to employees for services	(450,890)	(318,145)	(769,035)
<b>Net cash used by operating activities</b>	<b>(862,200)</b>	<b>(258,068)</b>	<b>(1,120,268)</b>
Cash Flows from Capital Financing Activities			
Insurance reimbursement	-	-	-
Acquisition and construction of capital assets	(2,385,906)	(11,080)	(2,396,986)
<b>Net cash used by financing activities</b>	<b>(2,385,906)</b>	<b>(11,080)</b>	<b>(2,396,986)</b>
Cash Flows from Noncapital Financing Activities			
Cash transfers (to) from other funds	2,352,011	7,000	2,359,011
Proceeds from long-term debt	-	-	-
Principal paid on debt maturities	-	-	-
Interest paid on debt	-	-	-
<b>Net cash provided by noncapital financing activities</b>	<b>2,352,011</b>	<b>7,000</b>	<b>2,359,011</b>
Cash Flows from Investing Activities			
Proceeds from state grants	-	-	-
Interest and dividends on investments	9,512	2,493	12,005
	9,512	2,493	12,005
<b>Net decrease in cash and cash equivalents</b>	<b>(886,583)</b>	<b>(259,655)</b>	<b>(1,146,238)</b>
Cash investments and cash equivalents at beginning of year	1,685,702	466,031	2,151,733
<b>Cash investments and cash equivalents at end of year</b>	<b>\$ 799,119</b>	<b>206,376</b>	<b>1,005,495</b>
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	\$ (787,430)	(554,284)	(1,341,714)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation/amortization	799,190	348,162	1,147,352
Construction in progress not capitalized	25,955	106,000	131,955
Change in assets and liabilities			
Accounts receivable	(977,405)	223,327	(754,078)
Prepaid expenses	26,994	(32,344)	(5,350)
Due from other funds	216,651	23,540	240,191
Other current assets	-	-	-
Accounts payable	(155,729)	(6,428)	(162,157)
Accrued interest	-	-	-
Escrow and deposits	21,085	-	21,085
Compensated absences payable	16,349	984	17,333
Deposits	(2,635)	(3,438)	(6,073)
Due to other funds	(45,225)	(363,587)	(408,812)
Due to HUD	-	-	-
Deferred revenues	-	-	-
<b>Total adjustments</b>	<b>(74,770)</b>	<b>296,216</b>	<b>221,446</b>
<b>Net cash used by operating activities</b>	<b>\$ (862,200)</b>	<b>(258,068)</b>	<b>(1,120,268)</b>

The Notes to the Financial Statements are an integral part of this statement.



STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
CAPITAL PROJECTS COMBINING STATEMENT OF NET ASSETS  
ENTERPRISE FUNDS  
June 30, 2011

	Santa Fe Capital Projects	Espanola Capital Projects	Total
<b>ASSETS</b>			
Current Assets			
Cash, investments and equivalents	\$ -	-	-
Tenant receivable	-	-	-
Federal grants receivable	-	-	-
Other receivable	-	-	-
Due from other funds	-	-	-
Prepaid expenses	-	-	-
Other current assets	-	-	-
<b>Total current assets</b>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets			
Land	-	-	-
Construction in progress	-	-	-
Buildings and improvements	-	-	-
Furniture and fixtures	-	-	-
Machinery and equipment	-	-	-
Vehicles	-	-	-
Accumulated depreciation	-	-	-
<b>Total capital assets</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>(net of depreciation)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Other Assets			
Due from other funds	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ -	-	-
Tenant security deposits	-	-	-
Compensated absences payable	-	-	-
Bonds payable	-	-	-
Notes payable	-	-	-
Escrows and deposits	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Accrued interest	-	-	-
<b>Total current liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent Liabilities			
Bonds payable	-	-	-
Notes payable	-	-	-
Due to other funds	-	-	-
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ -	-	-
Unrestricted	-	-	-
<b>Total net assets</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>

The Notes to the Financial Statements are an integral part of this statement.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
CAPITAL PROJECTS COMBINING STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET ASSETS  
ENTERPRISE FUNDS  
Year Ended June 30, 2011**

	Santa Fe CFP Projects	Espanola Capital Projects	Total
Operating Revenues			
Facilities rentals	\$ -	-	-
HUD grant and subsidy	940,135	7,000	947,135
Other revenue	-	-	-
<b>Total operating revenues</b>	<b>940,135</b>	<b>7,000</b>	<b>947,135</b>
Operating Expenses			
Salaries, wages and benefits	-	-	-
Community welfare	-	-	-
Contractual services and utilities	93,342	-	93,342
Repairs and maintenance	-	-	-
Depreciation expense	-	-	-
Insurance	-	-	-
Other	-	-	-
<b>Total operating expenses</b>	<b>93,342</b>	<b>-</b>	<b>93,342</b>
<b>Operating income</b>	<b>846,793</b>	<b>7,000</b>	<b>853,793</b>
Nonoperating Revenues (Expenses)			
Interest on investments	-	-	-
Interest expense	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(2,352,011)	(7,000)	(2,359,011)
<b>Total nonoperating expenses</b>	<b>(2,352,011)</b>	<b>(7,000)</b>	<b>(2,359,011)</b>
<b>Change in net assets</b>	<b>(1,505,218)</b>	<b>-</b>	<b>(1,505,218)</b>
Net assets, beginning of year	-	-	-
Equity transfers	1,505,218		1,505,218
<b>Net assets, end of year</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>

*The Notes to the Financial Statements are an integral part of this statement.*

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
CAPITAL PROJECTS COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
Year Ended June 30, 2011

	Santa Fe Capital Projects	Espanola Capital Projects	Total
Cash Flows from Operating Activities			
Cash received from customers and grantors	\$ 940,135	7,000	947,135
Cash payments to suppliers for goods and services	(93,342)	-	(93,342)
Cash payments to employees for services	-	-	-
<b>Net cash provided by operating activities</b>	<b>846,793</b>	<b>7,000</b>	<b>853,793</b>
Cash Flows from Capital Financing Activities			
Acquisition and construction of capital assets	-	-	-
Cash Flows from Noncapital Financing Activities			
Cash transfers to other funds	(846,793)	(7,000)	(853,793)
Principal paid on debt maturities	-	-	-
Interest paid on debt	-	-	-
<b>Net cash used by noncapital financing activities</b>	<b>(846,793)</b>	<b>(7,000)</b>	<b>(853,793)</b>
Cash Flows from Investing Activities			
Capital contributions	-	-	-
Interest and dividends on investments	-	-	-
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash investments and cash equivalents at beginning of year	-	-	-
<b>Cash investments and cash equivalents at end of year</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 846,793	7,000	853,793
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	-	-	-
Change in assets and liabilities			
Accounts receivable	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	-
Other current assets	-	-	-
Accounts payable	-	-	-
Accrued interest	-	-	-
Compensated absences payable	-	-	-
Deposits	-	-	-
Due to other funds	-	-	-
Due to HUD	-	-	-
Deferred revenues	-	-	-
<b>Total adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash provided by operating activities</b>	<b>\$ 846,793</b>	<b>7,000</b>	<b>853,793</b>

The Notes to the Financial Statements are an integral part of this statement.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SUMMARY OF NON-MAJOR FUNDS  
Year Ended June 30, 2011**

The Authority reports the following non-major enterprise funds:

The *La Cieneguita Fund* is used to account for the Section 202 project opened in November 2001.

The *Region II Fund* is used to account for the resources and expenditures that are directly related to the US Housing and Urban Development's Voucher Program for Region II.

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR ENTERPRISE FUNDS  
June 30, 2011

	La Cieneguita	Region II	Total
<b>ASSETS</b>			
Current Assets			
Cash, investments and equivalents	\$ 200,784	-	200,784
Tenant receivable	3,639	-	3,639
Federal grants receivable	-	-	-
Other receivable	-	-	-
Due from other funds	-	-	-
Prepaid expenses	4,708	-	4,708
Other current assets	-	-	-
<b>Total current assets</b>	<u>209,131</u>	<u>-</u>	<u>209,131</u>
Capital Assets			
Land	244,300	-	244,300
Construction in progress	-	-	-
Buildings and improvements	1,473,757	-	1,473,757
Furniture and fixtures	-	-	-
Machinery and equipment	4,415	-	4,415
Vehicles	-	-	-
Accumulated depreciation	(394,090)	-	(394,090)
<b>Total capital assets (net of depreciation)</b>	<u>1,328,382</u>	<u>-</u>	<u>1,328,382</u>
Other Assets			
Due from other funds	-	-	-
<b>Total assets</b>	<u>\$ 1,537,513</u>	<u>-</u>	<u>1,537,513</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 34	-	34
Tenant security deposits	5,354	-	5,354
Compensated absences payable	-	-	-
Bonds payable	-	-	-
Notes payable	-	-	-
Escrows and deposits	-	-	-
Due to other funds	11,014	-	11,014
Deferred revenue	-	-	-
Accrued interest	-	-	-
<b>Total current liabilities</b>	<u>16,402</u>	<u>-</u>	<u>16,402</u>
Noncurrent Liabilities			
Bonds payable	-	-	-
Notes payable	-	-	-
Due to other funds	-	-	-
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>\$ 16,402</u>	<u>-</u>	<u>16,402</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 1,328,382	-	1,328,382
Unrestricted	192,729	-	192,729
<b>Total net assets</b>	<u>\$ 1,521,111</u>	<u>-</u>	<u>1,521,111</u>

The Notes to the Financial Statements are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
NON-MAJOR ENTERPRISE FUNDS  
Year Ended June 30, 2011

	La Cieneguita	Region II	Total
Operating Revenues			
Facilities rentals	\$ 120,581	-	120,581
HUD grant and subsidy	-	-	-
Other revenue	212	-	212
<b>Total operating revenues</b>	<b>120,793</b>	<b>-</b>	<b>120,793</b>
Operating Expenses			
Salaries, wages and benefits	41,551	-	41,551
Community welfare	1,150	-	1,150
Contractual services and utilities	34,786	-	34,786
Repairs and maintenance	20,680	-	20,680
Depreciation expense	64,076	-	64,076
Insurance	6,204	-	6,204
Other	4,165	-	4,165
<b>Total operating expenses</b>	<b>172,612</b>	<b>-</b>	<b>172,612</b>
<b>Operating loss</b>	<b>(51,819)</b>	<b>-</b>	<b>(51,819)</b>
Nonoperating Revenues (Expenses)			
Interest on investments	1,101	-	1,101
Interest expense	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	(64,764)	(64,764)
<b>Total nonoperating revenues (expenses)</b>	<b>1,101</b>	<b>(64,764)</b>	<b>(63,663)</b>
<b>Change in net assets</b>	<b>(50,718)</b>	<b>(64,764)</b>	<b>(115,482)</b>
Net assets, beginning of year	1,571,829	64,764	1,636,593
<b>Net assets, end of year</b>	<b>\$ 1,521,111</b>	<b>-</b>	<b>1,521,111</b>

*The Notes to the Financial Statements are an integral part of this statement.*

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
Year Ended June 30, 2011**

	La Cieneguita	Region II	Total
Cash Flows from Operating Activities			
Cash received from customers and grantors	\$ 121,204	-	121,204
Cash received from other funds	-	-	-
Cash payments to suppliers for goods and services	(95,676)	-	(95,676)
Cash payments to other funds	-	-	-
Cash payments to employees for services	(41,551)	-	(41,551)
<b>Net cash used by operating activities</b>	<u>(16,023)</u>	<u>-</u>	<u>(16,023)</u>
Cash Flows from Capital Financing Activities			
Acquisition and construction of capital assets	-	-	-
Cash Flows from Noncapital Financing Activities			
Cash transfers (to) from other funds	-	(372,045)	(372,045)
Principal paid on debt maturities	-	(5,772)	(5,772)
Interest paid on debt	-	-	-
<b>Net cash used by noncapital financing activities</b>	<u>-</u>	<u>(377,817)</u>	<u>(377,817)</u>
Cash Flows from Investing Activities			
Capital contributions	-	-	-
Interest and dividends on investments	1,101	-	1,101
<b>Net cash provided by investing activities</b>	<u>1,101</u>	<u>-</u>	<u>1,101</u>
<b>Net decrease in cash and cash equivalents</b>	(14,922)	(377,817)	(392,739)
Cash investments and cash equivalents at beginning of year	215,706	377,817	593,523
<b>Cash investments and cash equivalents at end of year</b>	<u>\$ 200,784</u>	<u>-</u>	<u>200,784</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating loss	\$ (51,819)	-	(51,819)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	64,076	-	64,076
Change in assets and liabilities			
Accounts receivable	363	-	363
Prepaid expenses	404	-	404
Due from other funds	-	-	-
Other current assets	-	-	-
Accounts payable	(15)	-	(15)
Accrued interest	-	-	-
Compensated absences payable	-	-	-
Deposits	-	-	-
Due to other funds	(29,080)	-	(29,080)
Due to HUD	-	-	-
Deferred revenues	48	-	48
<b>Total adjustments</b>	<u>35,796</u>	<u>-</u>	<u>35,796</u>
<b>Net cash used by operating activities</b>	<u>\$ (16,023)</u>	<u>-</u>	<u>(16,023)</u>

*The Notes to the Financial Statements are an integral part of this statement.*

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS (BUDGET TO ACTUAL) -  
SANTA FE HOUSING AUTHORITY  
Year Ended June 30, 2011

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 1,100,000	1,100,000	925,537	(174,463)
HUD grants and subsidy	1,010,000	1,090,000	904,449	(185,551)
Other operating revenues	67,000	127,000	110,622	(16,378)
<b>Total operating revenues</b>	<b>2,177,000</b>	<b>2,317,000</b>	<b>1,940,608</b>	<b>(376,392)</b>
Operating Expenses				
Operating	365,000	390,000	467,239	(77,239)
Community welfare	233,000	268,000	148,702	119,298
Utilities	347,000	385,000	376,369	8,631
Repairs and maintenance	700,000	910,000	669,939	240,061
General	280,000	370,000	266,599	103,401
Depreciation	900,000	1,200,000	799,190	400,810
<b>Total operating expenses</b>	<b>2,825,000</b>	<b>3,523,000</b>	<b>2,728,038</b>	<b>794,962</b>
<b>Operating income (loss)</b>	<b>(648,000)</b>	<b>(1,206,000)</b>	<b>(787,430)</b>	<b>418,570</b>
Nonoperating Revenues (Expenses)				
Operating transfers in	-	-	2,352,011	2,352,011
Operating transfers out	-	-	-	-
State grants	-	-	-	-
Loss on disposition of assets	-	-	-	-
Interest on investments	4,000	1,500	9,512	8,012
<b>Total nonoperating revenues</b>	<b>4,000</b>	<b>1,500</b>	<b>2,361,523</b>	<b>2,360,023</b>
<b>Change in net assets</b>	<b>(644,000)</b>	<b>(1,204,500)</b>	<b>1,574,093</b>	<b>2,778,593</b>
Net assets, beginning of year	8,390,879	8,390,879	8,390,879	-
Net assets, end of year	\$ 7,746,879	7,186,379	9,964,972	2,778,593



STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS (BUDGET TO ACTUAL) -  
ESPANOLA HOUSING AUTHORITY  
Year Ended June 30, 2011

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 240,000	240,000	202,099	(37,901)
HUD grants and subsidy	570,000	570,000	343,550	(226,450)
Other operating revenues	5,000	5,000	7,681	2,681
<b>Total operating revenues</b>	<b>815,000</b>	<b>815,000</b>	<b>553,330</b>	<b>(261,670)</b>
Operating Expenses				
Operating	197,500	197,500	319,129	(121,629)
Community welfare	-	-	-	-
Utilities	81,000	81,000	119,310	(38,310)
Repairs and maintenance	393,000	393,000	156,084	236,916
General	148,000	148,000	164,929	(16,929)
Depreciation	90,000	90,000	348,162	(258,162)
<b>Total operating expenses</b>	<b>909,500</b>	<b>909,500</b>	<b>1,107,614</b>	<b>(198,114)</b>
<b>Operating income (loss)</b>	<b>(94,500)</b>	<b>(94,500)</b>	<b>(554,284)</b>	<b>(459,784)</b>
Nonoperating Revenues (Expenses)				
Operating transfers in	-	-	7,000	7,000
Operating transfers out	-	-	-	-
Interest on investments	5,000	5,000	2,493	(2,507)
<b>Total nonoperating revenues</b>	<b>5,000</b>	<b>5,000</b>	<b>9,493</b>	<b>4,493</b>
<b>Change in net assets</b>	<b>(89,500)</b>	<b>(89,500)</b>	<b>(544,791)</b>	<b>(455,291)</b>
Net assets, beginning of year	7,344,220	7,344,220	7,344,220	-
<b>Net assets, end of year</b>	<b>\$ 7,254,720</b>	<b>7,254,720</b>	<b>6,799,429</b>	<b>(455,291)</b>

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS (BUDGET TO ACTUAL) -  
SANTA FE SECTION 8 VOUCHER  
Year Ended June 30, 2011

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 6,660,000	7,320,000	6,674,223	(645,777)
Port-in HAP reimbursement	300,000	450,000	396,386	(53,614)
Port-admin fees	30,000	40,000	30,967	(9,033)
TBRA revenues	-	75,000	49,401	(25,599)
Other revenue	2,000	2,000	66,142	64,142
<b>Total operating revenues</b>	<b>6,992,000</b>	<b>7,887,000</b>	<b>7,217,119</b>	<b>(669,881)</b>
Operating Expenses				
Community welfare	6,601,000	7,070,000	6,248,692	821,308
Port HAP	300,000	450,000	388,504	61,496
TBRA expenses	-	75,000	62,386	12,614
<b>Total operating expenses</b>	<b>6,901,000</b>	<b>7,595,000</b>	<b>6,699,582</b>	<b>895,418</b>
<b>Operating income</b>	<b>91,000</b>	<b>292,000</b>	<b>517,537</b>	<b>225,537</b>
Nonoperating revenues (expenses)				
Interest income	20,000	20,000	5,089	(14,911)
<b>Total nonoperating expenses</b>	<b>20,000</b>	<b>20,000</b>	<b>5,089</b>	<b>(14,911)</b>
<b>Change in net assets</b>	<b>111,000</b>	<b>312,000</b>	<b>522,626</b>	<b>210,626</b>
Net assets, beginning of year	2,241,024	2,241,024	2,241,024	-
<b>Net assets, end of year</b>	<b>\$ 2,352,024</b>	<b>2,553,024</b>	<b>2,763,650</b>	<b>210,626</b>

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS (BUDGET TO ACTUAL) -  
SANTA FE CAPITAL PROJECTS FUND  
Year Ended June 30, 2011

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 1,663,191	1,663,191	940,135	(723,056)
<b>Total operating revenues</b>	<b>1,663,191</b>	<b>1,663,191</b>	<b>940,135</b>	<b>(723,056)</b>
Operating Expenses				
Contractual services	255,000	255,000	93,342	161,658
<b>Total operating expenses</b>	<b>255,000</b>	<b>255,000</b>	<b>93,342</b>	<b>161,658</b>
<b>Operating income</b>	<b>1,408,191</b>	<b>1,408,191</b>	<b>846,793</b>	<b>(561,398)</b>
Other Operating Revenues (Expenses)				
Operating transfers in	2,755,844	2,755,844	1,505,218	(1,250,626)
Operating transfers out	(4,164,035)	(4,164,035)	(2,352,011)	1,812,024
<b>Total nonoperating expenses</b>	<b>(1,408,191)</b>	<b>(1,408,191)</b>	<b>(846,793)</b>	<b>561,398</b>
<b>Change in net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net assets, beginning of year	-	-	-	-
<b>Net assets, end of year</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS (BUDGET TO ACTUAL) -  
ESPANOLA CAPITAL PROJECTS FUND  
Year Ended June 30, 2011

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 126,809	126,809	7,000	(119,809)
<b>Total operating revenues</b>	<u>126,809</u>	<u>126,809</u>	<u>7,000</u>	<u>(119,809)</u>
Operating Expenses				
Contractual services	80,000	80,000	-	80,000
<b>Total operating expenses</b>	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>80,000</u>
<b>Operating income</b>	<u>46,809</u>	<u>46,809</u>	<u>7,000</u>	<u>(39,809)</u>
Other Operating Revenues (Expenses)				
Operating transfers in	-	-	-	-
Operating transfers out	(46,809)	(46,809)	(7,000)	39,809
<b>Total nonoperating expenses</b>	<u>(46,809)</u>	<u>(46,809)</u>	<u>(7,000)</u>	<u>39,809</u>
<b>Change in net assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, beginning of year	-	-	-	-
<b>Net assets, end of year</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS (BUDGET TO ACTUAL) -  
SANTA FE CFRC GRANT  
Year Ended June 30, 2011

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 2,725,744	2,725,744	1,436,632	(1,289,112)
<b>Total operating revenues</b>	<u>2,725,744</u>	<u>2,725,744</u>	<u>1,436,632</u>	<u>(1,289,112)</u>
Operating Expenses				
Contractual services	120,000	120,000	81,514	38,486
<b>Total operating expenses</b>	<u>120,000</u>	<u>120,000</u>	<u>81,514</u>	<u>38,486</u>
<b>Operating income</b>	<u>2,605,744</u>	<u>2,605,744</u>	<u>1,355,118</u>	<u>(1,250,626)</u>
Other Operating Revenues (Expenses)				
Operating transfers in	-	-	-	-
Operating transfers out	(2,605,744)	(2,605,744)	(1,355,118)	1,250,626
<b>Total nonoperating expenses</b>	<u>(2,605,744)</u>	<u>(2,605,744)</u>	<u>(1,355,118)</u>	<u>1,250,626</u>
<b>Change in net assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, beginning of year	-	-	-	-
Net assets, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS (BUDGET TO ACTUAL) -  
SANTA FE CFRG GRANT  
Year Ended June 30, 2011

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 225,100	225,100	225,100	-
<b>Total operating revenues</b>	<u>225,100</u>	<u>225,100</u>	<u>225,100</u>	<u>-</u>
Operating Expenses				
Contractual services	75,000	75,000	75,000	-
<b>Total operating expenses</b>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
<b>Operating income</b>	<u>150,100</u>	<u>150,100</u>	<u>150,100</u>	<u>-</u>
Other Operating Revenues (Expenses)				
Operating transfers in	-	-	-	-
Operating transfers out	(150,100)	(150,100)	(150,100)	-
<b>Total nonoperating expenses</b>	<u>(150,100)</u>	<u>(150,100)</u>	<u>(150,100)</u>	<u>-</u>
<b>Change in net assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, beginning of year	-	-	-	-
Net assets, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS (BUDGET TO ACTUAL) -  
ESPANOLA CFRG GRANT  
Year Ended June 30, 2011

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 25,000	25,000	25,000	-
<b>Total operating revenues</b>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Operating Expenses				
Contractual services	25,000	25,000	25,000	-
<b>Total operating expenses</b>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
<b>Operating income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Operating Revenues (Expenses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>Total nonoperating expenses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in net assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, beginning of year	-	-	-	-
Net assets, end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS (BUDGET TO ACTUAL) -  
SANTA FE HOUSING DEVELOPMENT CORPORATION  
Year Ended June 30, 2011

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 750,000	750,000	736,975	(13,025)
Other operating revenues	15,800	24,000	11,100	(12,900)
<b>Total operating revenues</b>	<b>765,800</b>	<b>774,000</b>	<b>748,075</b>	<b>(25,925)</b>
Operating Expenses				
Operating	119,600	129,600	148,366	(18,766)
Contractual services and utilities	89,000	99,000	75,652	23,348
Repairs and maintenance	183,000	226,000	46,772	179,228
General	81,000	86,000	26,943	59,057
Depreciation and amortization	300,000	300,000	370,554	(70,554)
<b>Total operating expenses</b>	<b>772,600</b>	<b>840,600</b>	<b>668,287</b>	<b>172,313</b>
<b>Operating income (loss)</b>	<b>(6,800)</b>	<b>(66,600)</b>	<b>79,788</b>	<b>146,388</b>
Nonoperating Revenues (Expenses)				
Interest on investments	8,000	8,000	6,628	(1,372)
Interest expense	(142,000)	(192,000)	(126,888)	65,112
<b>Total nonoperating expenses</b>	<b>(134,000)</b>	<b>(184,000)</b>	<b>(120,260)</b>	<b>63,740</b>
<b>Change in net assets</b>	<b>(140,800)</b>	<b>(250,600)</b>	<b>(40,472)</b>	<b>210,128</b>
Net assets, beginning of year	857,966	857,966	857,966	(163,738)
<b>Net assets, end of year</b>	<b>\$ 717,166</b>	<b>607,366</b>	<b>817,494</b>	<b>46,390</b>



STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS (BUDGET TO ACTUAL) -  
CIELO AZUL  
Year Ended June 30, 2011

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 140,000	160,000	172,802	12,802
Other operating revenues	-	49,500	47,374	(2,126)
<b>Total operating revenues</b>	<b>140,000</b>	<b>209,500</b>	<b>220,176</b>	<b>10,676</b>
Operating Expenses				
Operating	4,000	6,000	-	6,000
Contractual services and utilities	15,500	17,500	38,149	(20,649)
Repairs and maintenance	32,000	74,000	17,984	56,016
General	11,000	11,000	5,151	5,849
Insurance	-	-	4,640	(4,640)
Depreciation	50,000	50,000	50,809	(809)
<b>Total operating expenses</b>	<b>112,500</b>	<b>158,500</b>	<b>116,733</b>	<b>41,767</b>
<b>Operating income</b>	<b>27,500</b>	<b>51,000</b>	<b>103,443</b>	<b>52,443</b>
Nonoperating Revenues (Expenses)				
Transfers in	-	-	64,764	64,764
Interest on investments	-	-	1,312	1,312
Interest expense	(35,000)	(72,000)	(42,485)	29,515
<b>Total nonoperating revenues</b>	<b>(35,000)</b>	<b>(72,000)</b>	<b>23,591</b>	<b>95,591</b>
<b>Change in net assets</b>	<b>(7,500)</b>	<b>(21,000)</b>	<b>127,034</b>	<b>148,034</b>
Net assets, beginning of year	164,109	164,109	164,109	-
<b>Net assets, end of year</b>	<b>\$ 156,609</b>	<b>143,109</b>	<b>291,143</b>	<b>148,034</b>

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS (BUDGET TO ACTUAL) -  
LA CIENEGUITA  
Year Ended June 30, 2011

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 125,000	125,000	120,581	(4,419)
Other operating revenues	100	100	212	112
<b>Total operating revenues</b>	<b>125,100</b>	<b>125,100</b>	<b>120,793</b>	<b>(4,307)</b>
Operating Expenses				
Operating	39,000	45,000	41,551	3,449
Community welfare	1,200	1,800	1,150	650
Contractual services and utilities	19,600	21,100	34,786	(13,686)
Repairs and maintenance	50,700	57,700	20,680	37,020
Depreciation	70,000	70,000	64,076	5,924
General	27,000	27,000	10,369	16,631
<b>Total operating expenses</b>	<b>207,500</b>	<b>222,600</b>	<b>172,612</b>	<b>49,988</b>
<b>Operating loss</b>	<b>(82,400)</b>	<b>(97,500)</b>	<b>(51,819)</b>	<b>45,681</b>
Nonoperating Revenues				
Operating transfers out	-	-	(64,764)	(64,764)
Interest on investments	4,000	4,000	1,101	(2,899)
<b>Change in net assets</b>	<b>(78,400)</b>	<b>(93,500)</b>	<b>(115,482)</b>	<b>(21,982)</b>
Net assets, beginning of year	1,571,829	1,571,829	1,571,829	21,790
<b>Net assets, end of year</b>	<b>\$ 1,493,429</b>	<b>1,478,329</b>	<b>1,456,347</b>	<b>(192)</b>

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
COMBINED SCHEDULE OF DEPOSITS AND INVESTMENTS  
(RECONCILIATION OF BANK BALANCE TO CARRYING BALANCE)  
ALL FUNDS  
June 30, 2011

	Type of Account	Bank Balance	Outstanding Checks	Deposits in Transit	Carrying Balance	Fair Value
Change, imprest funds	Petty Cash	\$ -	-	-	225	225
Deposits with financial institutions:						
NM Bank & Trust						
Operating (Camino Consuelo)	Savings	274,375	-	-	274,375	274,375
Market max 757 (La Cieneguita)	Savings	11,667	-	-	11,667	11,667
Market max 765 (La Cieneguita)	Savings	130,795	-	-	130,795	130,795
Market max 856 (La Cieneguita)	Savings	53,371	-	-	53,371	53,371
Market max 864 (La Cieneguita)	Savings	5,225	-	-	5,225	5,225
Replacement Reserve (La Cieneguita)	Savings	34	-	-	34	34
Operating (La Cieneguita)	Checking	15,161	15,470	-	(309)	(309)
Operating (Espanola)	Checking	270,732	76,704	-	194,028	194,028
Security Deposits (Espanola)	Checking	38,616	100	156	38,672	38,672
Savings (Espanola)	Savings	774	-	-	774	774
First Community Bank						
General Fund Operating	Checking	166,138	220,518	-	(54,380)	(54,380)
Operating (Voucher)	Checking	2,650,908	494,016	43,117	2,200,009	2,200,009
FSB Reserve	Savings	78,361	-	-	78,361	78,361
FSS Escrow	Checking	119,263	-	-	119,263	119,263
Los Alamos National Bank						
Board Account	Savings	859,081	-	-	859,081	859,081
Operating (Camino Consuelo)	Checking	362,289	25,229	-	337,060	337,060
Security Deposit (Camino Consuelo)	Checking	19,311	-	7	19,318	19,318
Rehabilitation (SF Hsg Dev Corp)	Savings	284,735	-	-	284,735	284,735
Repair and Replace (SF Hsg Dev Corp)	Savings	130,719	-	-	130,719	130,719
Operating (Cielo Azul)	Checking	208,503	1,404	-	207,099	207,099
Debt Service Reserve (SF Hsg Dev Corp)	Savings	169,967	-	-	169,967	169,967
Security Deposit (Housing Authority)	Checking	24,889	516	-	24,373	24,373
Employee Fund (Cielo Azul)	Checking	2,136	-	-	2,136	2,136
TBRA (Section 8)	Checking	42,161	650	-	41,511	41,511
FSS PH (Operating)	Checking	33,506	-	1,718	35,224	35,224
<b>Total deposits</b>		<b>5,952,717</b>	<b>834,607</b>	<b>44,998</b>	<b>5,163,333</b>	<b>5,163,333</b>
Investments						
Los Alamos National Bank						
Certificates of Deposit (Operating)	Certificate of Deposit	53,920	-	-	53,920	53,920
First Community Bank						
Certificates of Deposit (Operating)	Certificate of Deposit	515,036	-	-	515,036	515,036
Certificates of Deposit (Voucher)	Certificate of Deposit	504,000	-	-	504,000	504,000
<b>Total investments</b>		<b>1,072,956</b>	<b>-</b>	<b>-</b>	<b>1,072,956</b>	<b>1,072,956</b>
<b>Total deposits and investments</b>		<b>\$ 7,025,673</b>	<b>834,607</b>	<b>44,998</b>	<b>6,236,289</b>	<b>6,236,289</b>

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF PLEDGED COLLATERAL  
MARKET VALUE  
June 30, 2011

	Maturity Date	Bank Balance	Federal Depository Insurance	Total Unsecured Public Funds	Required Collateral	Pledged Securities Market Value	Over/ (Under)
<u>New Mexico Bank &amp; Trust</u>							
Checking and Savings	None	\$ 800,750	250,000	550,750	275,375	-	-
Collateral:							
Eastern NM Univ Rev, Cusip 276785UD1 3.8%, \$245,000 face	4/1/17	-	-	-	-	255,846	(19,529)
<u>First Community Bank:</u>							
Checking and Savings	None	3,014,670	250,000	2,764,670	1,382,335	-	-
Certificate of Deposit	8/17/11	1,019,036	-	1,019,036	509,518	-	-
Collateral held at FRB Dallas:							
MBS GNMA I Platinum, Cusip 3624KM47 6%, \$890,606		-	-	-	-	976,371	-
GNR 2009-65 CB, Cusip 38373AHC3 5.5%, \$154,289		-	-	-	-	160,451	-
GNR 2009-67 GA, Cusip 38373AQS8 5.5%, \$195,626		-	-	-	-	210,005	-
GNR 2009-58 PA, Cusip 38375DLM8 5.5%, \$1,540,708		-	-	-	-	1,657,110	-
GNR 2009-93 PB, Cusip 38376KLZ2 3.0%, \$139,333		-	-	-	-	143,175	-
GNR 2009-87 CA, Cusip 38376KNR8 5.0%, \$300,039		-	-	-	-	300,039	1,555,298
<u>Los Alamos National Bank</u>							
Checking and Savings	None	2,191,217	250,000	1,941,217	970,609	-	-
Collateral:							
FHLB Bullet, Cusip 3133955V2 6.435%, \$5,000,000 face 20% pledge	12/12/11	-	-	-	-	1,028,051	57,443

STATE OF NEW MEXICO  
 SANTA FE CIVIC HOUSING AUTHORITY  
 FINANCIAL DATA SCHEDULE  
 June 30, 2011

Entity Wide Balance Sheet Summary

	Fiscal Year End: 06/30/2011									
	14,871 Housing Choice Vouchers	14,182 N/C S/R Section 8 Programs	1 Business Activities	14,885 Formula Capital Fund Stimulus Grant	14,884 Competitive Capital Fund Stimulus Grant	14,870 Resident Opportunity and Supportive Services	8 Other Federal Program 1	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$333,805	\$2,745,520	\$2,055,937	\$209,235			\$200,784	\$5,545,281		\$5,545,281
112 Cash - Restricted - Modernization and										
113 Cash - Other Restricted	\$633,018							\$633,018		\$633,018
114 Cash - Tenant Security Deposits	\$38,672	\$19,318						\$57,990		\$57,990
115 Cash - Restricted for Payment of Current										
100 Total Cash	\$1,005,495	\$2,745,520	\$2,075,255	\$209,235			\$200,784	\$6,236,289		\$6,236,289
121 Accounts Receivable - PHA Projects			\$56,273					\$56,273		\$56,273
122 Accounts Receivable - HUD Other Projects	\$2,171,465							\$2,171,465		\$2,171,465
124 Accounts Receivable - Other Government										
125 Accounts Receivable - Miscellaneous			\$363,820					\$363,820		\$363,820
126 Accounts Receivable - Tenants	\$92,033		\$6,686				\$3,639	\$102,358		\$102,358
126.1 Allowance for Doubtful Accounts - Tenants	\$0		\$0				\$0	\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0				\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current										
128 Fraud Recovery	\$192,704							\$192,704		\$192,704
128.1 Allowance for Doubtful Accounts - Fraud	-\$192,704							-\$192,704		-\$192,704
129 Accrued Interest Receivable										
120 Total Receivables, Net of Allowances for Doubtful	\$2,263,498	\$0	\$370,506	\$56,273			\$3,639	\$2,693,916		\$2,693,916
131 Investments - Unrestricted										
132 Investments - Restricted										
135 Investments - Restricted for Payment of Current										
142 Prepaid Expenses and Other Assets	\$86,056		\$10,043	\$4,914			\$4,708	\$105,721		\$105,721
143 Inventories	\$13,456							\$13,456		\$13,456
143.1 Allowance for Obsolete Inventories	\$0							\$0		\$0
144 Inter Program Due From	\$65,504	\$18,130	\$500,000					\$583,634		\$583,634
145 Assets Held for Sale										
150 Total Current Assets	\$3,434,009	\$2,763,650	\$2,955,804	\$270,422			\$209,131	\$9,633,016		\$9,633,016
161 Land	\$299,637		\$268,652	\$330,000			\$244,300	\$1,142,589		\$1,142,589
162 Buildings	\$26,915,940		\$3,708,510	\$1,449,513			\$1,473,757	\$33,547,720		\$33,547,720
163 Furniture, Equipment & Machinery - Dwellings	\$883,305		\$203,485				\$4,415	\$1,091,205		\$1,091,205
164 Furniture, Equipment & Machinery - Administration										
165 Leasehold Improvements										
166 Accumulated Depreciation	-\$18,239,300		-\$3,262,145	-\$329,763			-\$394,090	-\$22,225,298		-\$22,225,298
167 Construction in Progress	\$4,074,955							\$4,074,955		\$4,074,955
168 Infrastructure										
160 Total Capital Assets, Net of Accumulated	\$13,934,537	\$0	\$918,502	\$1,449,750			\$1,328,382	\$17,631,171		\$17,631,171
171 Notes, Loans and Mortgages Receivable - Non-										
172 Notes, Loans, & Mortgages Receivable - Non										
173 Grants Receivable - Non Current			\$76,393					\$479,961		\$479,961
174 Other Assets	\$403,568									
176 Investments in Joint Ventures										
180 Total Non-Current Assets	\$14,338,105	\$0	\$994,895	\$1,449,750			\$1,328,382	\$18,111,132		\$18,111,132
190 Total Assets	\$17,772,114	\$2,763,650	\$3,950,699	\$1,720,172			\$1,537,513	\$27,744,148		\$27,744,148

STATE OF NEW MEXICO  
 SANTA FE CIVIC HOUSING AUTHORITY  
 FINANCIAL DATA SCHEDULE  
 June 30, 2011

Entity Wide Balance Sheet Summary

	Project Total	14,871 Housing Choice Vouchers	14,182 NYC S/R Section 8 Programs	1 Business Activities	14,885 Formula Capital Fund Stimulus Grant	14,884 Competitive Capital Fund Stimulus Grant	14,870 Resident Opportunity and Supportive Services	8 Other Federal Program 1	Subtotal	ELIM	Total
311. Bank Overdraft											
312. Accounts Payable <= 90 Days	\$83,699		\$5,489					\$34	\$89,142		\$89,142
313. Accounts Payable >90 Days Past Due											
321. Accrued Wage/Payroll Taxes Payable											
322. Accrued Compensated Absences - Current Portion	\$198,686								\$198,686		\$198,686
324. Accrued Contingency Liability											
325. Accrued Interest Payable											
331. Accounts Payable - HUD PHA Programs											
332. Account Payable - PHA Projects											
333. Accounts Payable - Other Government											
341. Tenant Security Deposits	\$50,017		\$14,519					\$5,354	\$69,890		\$69,890
342. Deferred Revenues											
343. Current Portion of Long-term Debt - Capital			\$65,577	\$219,047					\$284,624		\$284,624
344. Current Portion of Long-term Debt - Operating											
345. Other Current Liabilities	\$157,181								\$157,181		\$157,181
346. Accrued Liabilities - Other	\$18,130		\$54,490	\$500,000				\$11,014	\$583,634		\$583,634
347. Inter Program - Due To											
348. Loan Liability - Current		\$0	\$139,995	\$719,047				\$16,402	\$1,383,157		\$1,383,157
310. Total Current Liabilities	\$507,713	\$0	\$139,995	\$719,047				\$16,402	\$1,383,157		\$1,383,157
351. Long-term Debt, Net of Current - Capital			\$2,983,210	\$709,982					\$3,703,192		\$3,703,192
352. Long-term Debt, Net of Current - Operating	\$500,000								\$500,000		\$500,000
353. Non-current Liabilities - Other											
354. Accrued Compensated Absences - Non Current											
355. Loan Liability - Non Current											
356. FASB 5 Liabilities											
357. Accrued Pension and OPEB Liabilities	\$500,000	\$0	\$2,983,210	\$709,982				\$0	\$4,203,192		\$4,203,192
350. Total Non-Current Liabilities	\$1,007,713	\$0	\$3,133,205	\$1,429,029				\$16,402	\$5,586,349		\$5,586,349
300. Total Liabilities	\$1,007,713	\$0	\$3,133,205	\$1,429,029				\$16,402	\$5,586,349		\$5,586,349
508.1. Invested In Capital Assets, Net of Related Debt	\$13,838,105								\$13,838,105		\$13,838,105
509.2. Fund Balance Reserved											
511.2. Unreserved, Designated Fund Balance											
511.1. Restricted Net Assets	\$2,926,296	\$2,763,650	\$2,957,779	\$229,578				\$192,729	\$8,610,876		\$8,610,876
512.1. Unrestricted Net Assets											
512.2. Unreserved, Undesignated Fund Balance	\$16,764,401	\$2,763,650	\$817,494	\$291,143				\$1,521,111	\$22,157,799		\$22,157,799
513. Total Equity/Net Assets	\$16,764,401	\$2,763,650	\$817,494	\$291,143				\$1,521,111	\$22,157,799		\$22,157,799
600. Total Liabilities and Equity/Net Assets	\$17,772,114	\$2,763,650	\$3,950,699	\$1,720,172				\$1,537,513	\$27,744,148		\$27,744,148

STATE OF NEW MEXICO  
 SANTA FE CIVIC HOUSING AUTHORITY  
 FINANCIAL DATA SCHEDULE  
 June 30, 2011

Entity Wide Revenue and Expense Summary

		Fiscal Year End: 06/30/2011											
		Submission Type: Audited/A-133											
		14,871 Housing Choice Vouchers	14,162 NIC/SIR Section 8 Programs	1 Business Activities	14,885 Formula Capital Fund Stimulus Grant	14,884 Competitive Capital Fund Stimulus Grant	14,870 Resident Opportunity and Supportive Services	8 Other Federal Program 1	Subtotal	ELIM	Total		
70300	Net Tenant Rental Revenue												
70400	Tenant Revenue - Other												
70500	Total Tenant Revenue	\$0	\$736,975	\$172,802	\$0	\$0	\$0	\$120,581	\$2,157,994		\$2,157,994		
70600	HUD PHA Operating Grants												
70610	Capital Grants	\$6,718,891				\$1,461,632	\$46,590		\$7,966,890		\$7,966,890		
70710	Management Fee								\$2,633,867		\$2,633,867		
70720	Asset Management Fee												
70730	Book Keeping Fee												
70740	Front Line Service Fee												
70750	Other Fees												
70700	Total Fee Revenue												
70800	Other Government Grants												
71100	Investment Income - Unrestricted	\$5,089	\$6,628	\$1,312				\$1,101	\$26,135		\$26,135		
71200	Mortgage Interest Income												
71300	Proceeds from Disposition of Assets Held for												
71310	Cost of Sale of Assets												
71400	Fraud Recovery	\$10,061							\$10,061		\$10,061		
71500	Other Revenue	\$488,167	\$11,100	\$47,374				\$212	\$665,156		\$665,156		
72000	Investment Income - Restricted												
70000	Total Revenue	\$7,222,208	\$754,703	\$221,488	\$225,100	\$1,461,632	\$46,590	\$121,894	\$13,460,103		\$13,460,103		
91100	Administrative Salaries	\$373,197	\$80,710					\$27,946	\$621,457		\$621,457		
91200	Auditing Fees	\$26,401							\$72,630		\$72,630		
91300	Management Fee												
91310	Book-keeping Fee												
91400	Advertising and Marketing												
91500	Employee Benefit Contributions - Administrative	\$164,029	\$43,474					\$13,605	\$221,108		\$221,108		
91600	Office Expenses	\$18,711	\$7,848	\$5,151				\$4,070	\$297,108		\$297,108		
91700	Legal Expense							\$95	\$18,449		\$18,449		
91800	Travel	\$995	\$96						\$5,771		\$5,771		
91810	Allocated Overhead												
91900	Other	\$24,000		\$42,485					\$66,485		\$66,485		
91000	Total Operating - Administrative	\$607,333	\$132,128	\$47,636	\$0	\$0	\$46,590	\$45,716	\$1,303,008		\$1,303,008		
92000	Asset Management Fee												
92100	Tenant Services - Salaries	\$53,870							\$139,953		\$139,953		
92200	Relocation Costs												
92300	Employee Benefit Contributions - Tenant												
92400	Tenant Services - Other												
92500	Total Tenant Services	\$53,870	\$0	\$0	\$0	\$0	\$0	\$1,150	\$289,805		\$289,805		
93100	Water												
93200	Electricity		\$22,178	\$5,980				\$7,951	\$189,513		\$189,513		
93300	Gas		\$5,874	\$67				\$2,236	\$61,539		\$61,539		
93400	Fuel		\$23,002	\$128				\$2,169	\$145,891		\$145,891		
93500	Labor												
93600	Sewer												
93700	Employee Benefit Contributions - Utilities		\$24,598	\$5,501				\$5,194	\$122,418		\$122,418		
93800	Other Utilities Expense												
93000	Total Utilities	\$0	\$75,652	\$11,676	\$0	\$0	\$0	\$22,560	\$32,740		\$32,740		
94100	Ordinary Maintenance and Operations - Labor												
94200	Ordinary Maintenance and Operations -		\$24,182	\$17,984				\$20,680	\$348,155		\$348,155		
94300	Ordinary Maintenance and Operations	\$537	\$46,772	\$26,473	\$75,000	\$106,514		\$12,226	\$660,306		\$660,306		
94500	Employee Benefit Contributions - Ordinary												
94000	Total Maintenance	\$537	\$70,954	\$44,457	\$75,000	\$106,514	\$0	\$32,906	\$1,849,404		\$1,849,404		
	Project Total	\$1,127,636	\$1,127,636	\$1,201,409	\$947,135								

STATE OF NEW MEXICO  
 SANTA FE CIVIC HOUSING AUTHORITY  
 FINANCIAL DATA SCHEDULE  
 June 30, 2011

Entity Wide Revenue and Expense Summary

	Project Total	14,871 Housing Choice Vouchers	14,182 N/C/S/R Section 8 Programs	1 Business Activities	14,885 Formula Capital Fund Stimulus Grant	14,884 Competitive Capital Fund Stimulus Grant	14,870 Resident Opportunity and Supportive Services	8 Other Federal Program 1	Subtotal	ELIM	Total
95100 Protective Services - Labor											
95200 Protective Services - Other Contract Costs											
95300 Protective Services - Other											
95500 Employee Benefit Contributions - Protective		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96110 Property Insurance	\$115,413	\$1,384	\$18,999	\$4,640				\$6,204	\$146,640		\$146,640
96120 Liability Insurance											
96130 Workmen's Compensation											
96140 All Other Insurance											
96100 Total Insurance Premiums	\$115,413	\$1,384	\$18,999	\$4,640	\$0	\$0	\$0	\$6,204	\$146,640		\$146,640
96200 Other General Expenses		\$62,386							\$62,386		\$62,386
96210 Compensated Absences											
96300 Payments in Lieu of Taxes											
96400 Bad debt - Tenant Rents											
96500 Bad debt - Mortgages											
96600 Bad debt - Other											
96800 Severance Expense											
96000 Total Other General Expenses	\$0	\$62,386	\$0	\$0	\$0	\$0	\$0	\$0	\$62,386		\$62,386
96710 Interest of Mortgage (or Bonds) Payable											
96720 Interest on Notes Payable (Short and Long)			\$126,888						\$126,888		\$126,888
96730 Amortization of Bond Issue Costs											
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$126,888	\$0	\$0	\$0	\$0	\$0	\$126,888		\$126,888
96900 Total Operating Expenses	\$2,735,052	\$725,510	\$424,621	\$108,409	\$75,000	\$106,514	\$46,590	\$108,536	\$4,330,232		\$4,330,232
97000 Excess of Operating Revenue over Operating	\$671,436	\$6,496,698	\$330,082	\$113,079	\$150,100	\$1,355,118	\$0	\$13,358	\$9,129,871		\$9,129,871
97100 Extraordinary Maintenance											
97200 Casualty Losses - Non-capitalized											
97300 Housing Assistance Payments		\$5,585,568							\$5,585,568		\$5,585,568
97350 HAP Portability-In		\$388,504							\$388,504		\$388,504
97400 Depreciation Expense	\$1,147,352		\$370,554	\$50,809				\$64,076	\$1,632,791		\$1,632,791
97500 Fraud Losses											
97600 Capital Outlays - Governmental Funds											
97700 Debt Principal Payment - Governmental Funds											
97800 Dwelling Units Rent Expense											
90000 Total Expenses	\$3,882,404	\$6,699,582	\$795,175	\$159,218	\$75,000	\$106,514	\$46,590	\$172,612	\$11,937,095		\$11,937,095
10010 Operating Transfer In	\$3,864,229			\$64,764					\$3,928,993		\$3,928,993
10020 Operating Transfer Out	-\$2,359,011								-\$3,928,993		-\$3,928,993
10030 Operating Transfers from/to Primary											
10040 Operating Transfers from/to Component Unit											
10050 Proceeds from Notes, Loans and Bonds											
10060 Proceeds from Property Sales											
10070 Extraordinary Items, Net Gain/Loss											
10080 Special Items (Net Gain/Loss)											
10091 Inter Project Excess Cash Transfer In											
10092 Inter Project Excess Cash Transfer Out											
10093 Transfers between Program and Project - In											
10094 Transfers between Project and Program - Out											
10100 Total Other financing Sources (Uses)	\$1,505,218	\$0	\$0	\$64,764	-\$150,100	-\$1,355,118	\$0	-\$64,764	\$0		\$0
10000 Excess (Deficiency) of Total Revenue Over	\$1,029,302	\$522,626	-\$40,472	\$127,034	\$0	\$0	\$0	-\$115,482	\$1,523,008		\$1,523,008



STATE OF NEW MEXICO  
 SANTA FE CIVIC HOUSING AUTHORITY  
 FINANCIAL DATA SCHEDULE  
 June 30, 2011

Entity Wide Revenue and Expense Summary

	Project Total	14,871 Housing Choice Vouchers	14,182 NIC S/R Section 8 Programs	1 Business Activities	14,885 Formula Capital Fund Stimulus Grant	14,884 Competitive Capital Fund Stimulus Grant	14,870 Resident Opportunity and Supportive Services	8 Other Federal Program 1	Subtotal	ELIM	Total
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$15,735,099	\$2,241,024	\$857,966	\$164,109	\$0	\$0	\$0	\$1,636,593	\$20,634,791		\$20,634,791
11040 Prior Period Adjustments, Equity Transfers and											
11050 Changes in Compensated Absence Balance											
11060 Changes in Contingent Liability Balance											
11070 Changes in Unrecognized Pension Transition											
11080 Changes in Special Term/Severance Benefits											
11090 Changes in Allowance for Doubtful Accounts -											
11100 Administrative Fee Equity		\$351,753							\$351,753		\$351,753
11180 Housing Assistance Payments Equity		\$2,411,897	1200						\$2,411,897		\$2,411,897
11190 Unit Months Available		12,144	1164						13,344		13,344
11210 Number of Unit Months Leased		11,146							12,310		12,310
11270 Excess Cash	\$1,934,952								\$1,934,952		\$1,934,952
11610 Land Purchases	\$0								\$0		\$0
11620 Building Purchases	\$0								\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0								\$0		\$0
11640 Furniture & Equipment - Administrative	\$0								\$0		\$0
11650 Leasehold Improvements Purchases	\$0								\$0		\$0
11660 Infrastructure Purchases	\$0								\$0		\$0
13510 CFFP Debt Service Payments	\$0								\$0		\$0
13901 Replacement Housing Factor Funds	\$0								\$0		\$0

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2011**

Federal Grantor/ Program Title	Federal CFDA Number	Receivable		Expenditures		Receipts		Receivable	
		(Deferred Revenue) July 1, 2010	HAP Equity July 1, 2010	Admin Equity July 1, 2010	Transfers Equity	Cash Receipts	Expenditures	June 30, 2011 HAP Equity	Admin Equity July 1, 2011
<b>Department of Housing and Urban Development</b>									
Public Housing Subsidy	14.850	\$ 219,411	-	-	-	1,350,747	1,131,336	-	-
Resident Opportunity and Supportive Services	14.855	-	-	-	-	46,590	46,590	-	-
Capital Projects Fund	14.872	243,369	-	-	-	856,230	947,135	334,274	-
Competitive CFP Stimulus	14.884	(4,152)	-	-	-	1,141,723	1,440,750	294,875	-
Formula CFP Stimulus	14.885	199,121	-	-	-	455,735	256,614	-	-
BTOP	14.557	-	-	-	-	45,073	45,073	-	-
Section 8 Housing	14.871	-	2,017,851	223,173	-	7,222,208	6,699,582	-	2,411,897
<b>Total Department of Housing and Urban Development</b>		\$ 657,749	2,017,851	223,173	-	11,118,306	10,567,080	629,149	2,411,897
									351,753

**NOTE 1.**

The accompanying Schedule of Expenditures of Federal Awards presents the federal financial assistance programs of the Authority and does not include those expenditures of the City of Santa Fe, New Mexico.

**NOTE 2.**

This schedule has been prepared on the accrual basis of accounting.

# Ricci & Company LLC

CERTIFIED PUBLIC ACCOUNTANTS  
6200 UPTOWN BLVD. NE - SUITE 400  
ALBUQUERQUE, NM 87110

## **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***

To the Board of Directors, Santa Fe Civic Housing Authority and  
City Council, City of Santa Fe, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

We have audited the accompanying financial statements of the business-type activities, each major fund, the aggregate remaining fund information, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the Santa Fe Civic Housing Authority (the Authority), a component unit of the City of Santa Fe, as of and for the year ended June 30, 2011, and have issued our report thereon dated November 18, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A deficiency in internal controls 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.

To the Board of Directors, Santa Fe Civic Housing Authority and  
City Council, City of Santa Fe, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting as finding 11-01. A significant deficiency is a deficiency, or 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.

#### Compliance and Other Matters

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

We noted certain matters that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as Findings 07-04, 09-02 and 10-05.

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

This report is intended solely for the information and use of management, others within the Authority, Office of the State Auditor, New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

*Ricci & Company LLC*

Albuquerque, New Mexico  
November 18, 2011

# Ricci & Company LLC

CERTIFIED PUBLIC ACCOUNTANTS  
6200 UPTOWN BLVD. NE - SUITE 400  
ALBUQUERQUE, NM 87110

## **Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133**

To the Board of Directors, Santa Fe Civic Housing Authority and  
City Council, City of Santa Fe, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

### Compliance

We have audited the compliance of the State of New Mexico Santa Fe Civic Housing Authority (the Authority) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2011. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 10-01, 10-03, 11-02, 11-03, 11-04 and 11-05.

Board of Directors, Santa Fe Civic Housing Authority and  
City Council, City of Santa Fe, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

### Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the 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 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 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.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

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

This report is intended solely for the information and use of management, others within the Authority, Office of the State Auditor, the New Mexico Legislature, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Ricci & Company LLC*

Albuquerque, New Mexico  
November 18, 2011

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2011**

07-04	Budgetary Compliance	Updated and Included
09-01	Financial Status – Late Audit	Resolved
09-02	Employee Travel and Per Diem	Updated and Included
10-01	Reporting	Updated and Included
10-02	Cash Management	Resolved
10-03	Rent Reasonableness	Updated and Included
10-04	Data Collection Form	Resolved
10-05	Pledged Collateral	Updated and Included

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011**

**A. SUMMARY OF AUDIT RESULTS**

*Financial Statements*

Type of auditor's report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiency(s) identified that are not considered to be material weakness(es)?   X   Yes      None Reported

Non-compliance material to financial statements noted?      Yes   X   No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiency(s) identified that are not considered to be material weakness(es)      Yes   X   None Reported

Type of auditor's report issued on compliance for Major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 501(a) of Circular A-133?   X   Yes      No

Identification of major programs tested

#14.871	Section 8 Housing
#14.872	Public Housing Capital Fund
#14.884	Public Housing Capital Fund Competitive (Recovery Act Funded)
#14.885	Public Housing Capital Fund Stimulus, Formula (Recovery Act Funded)

Dollar threshold used to distinguish between Type A and Type B programs \$            317,012

Auditee qualified as low-risk auditee?      Yes   X   No



**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**11-01 SAS 115 Compliance – Significant Deficiency**

**CRITERIA**

Statement on Auditing Standards (SAS) 115, Communication of Internal Control Related Matters Identified in an Audit, requires that management clearly accept responsibility for the internal controls over financial reporting. In addition, the internal controls over financial reporting should be effective and efficient.

**CONDITION**

As field work began, the Authority had not reconciled all balances, specifically not completing the analysis and reconciliations of the equity balances, accounts receivable listing, security deposits, inter-company accounts and several accounts related to the Camino Consuelo fund.

**CAUSE**

The daily demands and the increased volume of the daily transactions did not allow the Authority to complete the reconciliations in a timely manner.

**EFFECT**

Since the Authority relies on its trial balances for various business decisions, the Authority may be relying on noncurrent information. In addition, this increases the risk of inaccurate reporting to various external entities.

**RECOMMENDATION**

The Authority should prioritize a more timely reconciliation process for all monthly closings.

**MANAGEMENT RESPONSE**

We concur; reconciliations of all accounts will be prioritized and an analysis of current staff and resources allocated for this purpose as well as all deliverables is currently being implemented.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011**

**C. FINDING – FEDERAL MAJOR AWARD PROGRAMS**

**10-01 Reporting - Other**

**14.872 – Capital Fund Program**

**Questioned Costs – None**

**CRITERIA**

Per the OMB A-133 Compliance Supplement, the Authority is required to submit a Form HUD 60002, Section 3 Summary Report by January 10<sup>th</sup> each year.

**CONDITION**

The Authority did not submit the required HUD 60002 report for the funds received from the Capital Fund Project Grant (Grant #NM02P009501-10).

**CAUSE**

The Authority submitted three other required HUD 60002 reports related to different capital fund grants, but did not submit the report for the Capital Fund Project 2010 Grant due to a delay in identifying that the funds had been spent prior to December 31, 2010.

**EFFECT**

If the Authority does not comply with all reporting requirements, there is a risk that they could lose or have a reduction in future funding.

**RECOMMENDATION**

We recommend that the Authority establish internal controls around reporting, possibly a reporting checklist, to help identify what reports need to be submitted and by what date. In addition, all reconciliations related to grant reporting should be completed on a monthly basis.

**MANAGEMENT RESPONSE**

We concur; internal controls will be established before year end.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011**

**C. FINDING – FEDERAL MAJOR AWARD PROGRAMS**

**10-03 Rent Reasonableness - Other  
14.871 – Section 8 Voucher**

**Questioned Costs – None**

**CRITERIA**

Per 24 CFR 982.4, .54(d)(15), .158(f)(7), and .507 SFCHA is required to maintain records which document the basis for the determination that rent to the owner is reasonable.

**CONDITION**

In our test work, we have determined that out of our sample of 25, SFCHA failed to maintain the records of 3 of the individuals selected. The individuals were located in a single region with minimal rental properties for comparisons. However, we were able to determine that the rents paid were reasonable.

**EFFECT**

Rent determination for individuals in the Section 8 program may be inappropriately determined and result in rent paid to a landlord which is above the average Fair Market Rate (FMR).

**CAUSE**

Management was unaware that the files did not contain all required documentation.

**RECOMMENDATION**

Reviews should be made of all tenant files in order to determine that all required documentation is in place and compliance requirements are being met.

**MANAGEMENT RESPONSE**

We concur; our quality review program will be intensified to ensure the accuracy of our records.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011**

**C. FINDING – FEDERAL MAJOR AWARD PROGRAMS**

**11-02 Eligibility – Rent Calculation - Other  
14.871 – Section 8 Voucher Program**

**Questioned Costs – None**

**CRITERIA**

Per the OMB A-133 Compliance Supplement, the Authority is required to determine income eligibility and calculate the tenant's rent payment using the documentation from third party verifications in accordance with 24 CFR 5.601, 982.201, .515, and .516.

**CONDITION**

In one of twenty five participants tested, the Authority performed the income verification and had proper documentation related to the family's income, however miscalculated the tenants rent obligation.

**CAUSE**

While completing the rent calculation, the total earnings noted as part of the annual re-examination was not used in the obligation calculation. A lapse in the review process of tenant files also lead to the calculation error not being caught in a timely manner.

**EFFECT**

This resulted in a \$511.80 per month discrepancy in the amount of housing assistance provided to the participant and therefore, the Authority is not in compliance with eligibility requirements.

**RECOMMENDATION**

We recommend that the Authority perform thorough quality control reviews, which would help to detect these types of inconsistencies.

**MANAGEMENT RESPONSE**

We concur; our quality review program will be intensified to ensure the accuracy of our records.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011**

**C. FINDING – FEDERAL MAJOR AWARD PROGRAMS**

**11-03 Section 8 funding Used to Pay Public Housing Expenditures - Other**  
**14.871 – Section 8 Voucher Program** **Questioned Costs – None**

**CRITERIA**

Per 24 CFR sections 982.151 and 982.152, the Housing Authority may use the Housing Choice Voucher Program funds only for housing assistance payments to participating owners and administrative fees.

**CONDITION**

In our test work over Section 8 allowability, three items in our sample of twenty-five disbursements were used to pay utility payments for Public Housing tenants. The total payments noted were \$237 and we were able to determine that the Authority made transfers from the Public Housing Program to the Section 8 Program to reimburse all similar transactions.

**CAUSE**

The Authority was operating with the understanding that they could make the disbursement from the Section 8 program and reimburse the program through Public Housing funds as long as it was done in a timely manner.

**EFFECT**

The Authority was not in compliance with all allowability requirements.

**RECOMMENDATION**

We recommend that the Authority avoid using Section 8 funds for any non Section 8 transaction, or transfer funds to the Section 8 program before transactions are made.

**MANAGEMENT RESPONSE**

We concur; the Authority will avoid using Section 8 Funds for any non-Section 8 transactions or transfer of funds as of this date.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011**

**C. FINDING – FEDERAL MAJOR AWARD PROGRAMS**

**11-04 HUD Depository Agreement - Other  
14.871 – Section 8 Voucher Program**

**Questioned Costs – None**

**CRITERIA**

Per 24 CFR sections 982.155, the Housing Authority is required to enter into a depository agreement with their financial institution using form HUD-51999.

**CONDITION**

During our test of special provisions under the Section 8 Voucher program we noted that the Authority did not have form HUD-51999 in place with their financial institution in order to safeguard federal funds by providing third party rights to HUD.

**CAUSE**

The Authority was unaware of the requirement for the HUD depository agreement with their financial institution.

**EFFECT**

The Authority is not in compliance with all the special tests and provisions.

**RECOMMENDATION**

We recommend that the Authority enter into a depository agreement with their financial institution.

**MANAGEMENT RESPONSE**

We concur; the Authority will enter into a depository agreement ASAP.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011**

**C. FINDING – FEDERAL MAJOR AWARD PROGRAMS**

**11-05 HUD Reporting - Other**

**14.871 – Section 8 Voucher Program**

**Questioned Costs – None**

**14.872 – Public Housing Capital Fund (CFP) Cluster**

**CRITERIA**

Per 24 CFR Sections 5.801, the Housing Authority is required to submit unaudited financial statements within 2 months after the fiscal year end.

**CONDITION**

During our final inquiry of the Housing Authority, it was discovered that the Authority had not submitted their unaudited financial reports to HUD prior to August 31, 2011.

**CAUSE**

The Authority was untimely in the reconciliation of their trial balances which resulted in an untimely submission of their unaudited financials.

**EFFECT**

If the Authority does not comply with all grant requirements, there is a risk that they could lose future funding.

**RECOMMENDATION**

We recommend that the Authority reconcile their account balances in order to maintain current and correct records.

**MANAGEMENT RESPONSE**

We concur; account balances will be balanced on a timely basis.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011**

**D. FINDING – COMPLIANCE AND OTHER MATTERS**

**07-04 Budgetary Compliance - Other**

**CRITERIA**

Actual expenses exceeded budgeted expenses for the Espanola Public Housing Authority by \$198,114.

**CONDITION**

Per SAO Rule 2.2.2.10 P(1), “If actual expenditures exceed budgeted expenditures at the legal level of budgetary compliance, that fact must be reported in a finding.”

**CAUSE**

The Authority only budgeted \$90,000 for depreciation expense. However, actual depreciation expense was \$348,162. This caused the fund as a whole to be over budget.

**EFFECT**

The Authority is not in compliance with SAO Rule 2.2.2.10P(1).

**RECOMMENDATION**

We recommend that the Authority comply with legal budget requirements as outlined in the State Auditor Rule.

**MANAGEMENT RESPONSE**

We concur; the Authority will comply with budget requirements pursuant to the State Auditor Rule.



**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011**

**D. FINDING – COMPLIANCE AND OTHER MATTERS**

**09-02 Travel and Per Diem - Other**

**Questioned Costs – None**

**CRITERIA**

Per 10-8-4 NMSA 1978 and 2.42.2.9 NMAC, “The public officer or employee must submit receipts for the actual meal and lodging expenses incurred. Under circumstances when the loss of receipts would create a hardship, an affidavit from the officer or employee attesting to the expenses may be substituted for actual receipts.”

**CONDITION**

In our testing of travel and per diem compliance, in the three transactions tested we noted the following:

- One in which the travel reimbursement report lacked detailed receipts and was not submitted in a timely manner. The receipts submitted that did not contain detail were for \$651.09.
- One in which the settlement of a travel advance did not happen within 5 days from the return of travel. The total advance of \$90 was subsequently returned to the Authority.

**CAUSE**

The Authority has not stressed the importance of submitting travel reimbursement reports in a timely manner.

**EFFECT**

The Authority is currently not in compliance with travel and per diem regulations.

**RECOMMENDATION**

We recommend that the Authority require employees turn in detailed receipts when paying for actual expenses in lieu of per diem rates. If the receipts cannot be found and submitted in a timely manner and the case would cause a hardship, they should have the employee submit an affidavit citing the loss of the receipts. In addition, when advances are given to employees, settlements should be completed in a timely manner, even in cases in which the Authority will be required to pay the traveler additional funds.

**MANAGEMENT RESPONSE**

We concur; policy has been established so no advances are authorized and notice to employees about timely filing for per diem. We will follow the recommendation on the loss of receipts.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011**

**D. FINDING – COMPLIANCE AND OTHER MATTERS**

**10-05 Pledged Collateral - Other**

**CRITERIA**

Section 6-10-17 NMSA 1978 states that any financial institution designated as a depository of public money shall deliver securities having an aggregate value of at least one-half of the amount of public money to be deposited to a custodial bank and shall deliver a joint safekeeping receipt issued by the custodial bank to the public official from whom the money is received for deposit.

**CONDITION**

During our review of cash, we noted that the Authority keeps checking and savings accounts for several of the Authority’s funds at New Mexico Bank & Trust (NMB&T). Although collateral was provided, there was not enough to cover at least one-half of the public funds deposited with the bank as of June 30, 2010. The Authority was under collateralized by \$19,529.

**CAUSE**

Near year-end, the Authority transferred funds from a different bank into NMB&T and additional collateral was not provided to cover the new bank balance.

**EFFECT**

The Authority is not in compliance with State law and does not have its cash balance properly secured.

**RECOMMENDATION**

We recommend that the Authority work with NMB&T to ensure that pledged collateral is maintained at adequate levels.

**MANAGEMENT RESPONSE**

We concur; the Authority has resolved this issue prior to the release of the audit report. We have ensured that we have adequate pledged collateral in place with NMB&T in accordance with New Mexico State Statutes.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
EXIT CONFERENCE  
Year Ended June 30, 2011**

**Exit Conference**

An exit conference was held on November 8, 2011 to discuss the annual financial report. Attending were the following:

Representing the Santa Fe Civic Housing Authority:

Board of Director

Virginia Soto, Member

Management

Ed Romero, Executive Director

Rudy Gallegos, Deputy Executive Director

Anna Chavez, Administrative Supervisor

Representing the Independent Auditor:

Herman Chavez, CPA, Manager

Jake Bowe, Staff

Note: Management is responsible for the context of the report, even though the financial statements were prepared substantially by the independent auditor.