



ricci&company llc

Certified Public Accountants

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

FINANCIAL STATEMENTS

JUNE 30, 2012

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

Official Roster	1
Independent Auditor's Report	2
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-Wide Statement of Net Assets	12
Government-Wide Statement of Activities	13
Government-Wide Statement of Cash Flows	14
Statement of Net Assets – Enterprise Funds	16
Statement of Revenues, Expenses and Changes in Net Assets – Enterprise Funds	18
Statement of Cash Flows – Enterprise Funds	20
Notes to Financial Statements	22
Combining and Individual Fund Statements and Schedules	
Public Housing Combining Statement of Net Assets	37
Public Housing Combining Statement of Revenues, Expenses and Changes in Net Assets	38
Public Housing Combining Statement of Cash Flows	39
Capital Projects Combining Statement of Net Assets	40
Capital Projects Combining Statement of Revenues, Expenses and Changes in Net Assets	41
Capital Projects Combining Statement of Cash Flows	42
Schedules of Revenues, Expenses and Changes in Net Assets - Budget to Actual	
Housing Authority – Santa Fe	43
Housing Authority - Espanola	44
Section 8 Voucher – Santa Fe	45
Capital Projects – Santa Fe	46
Capital Projects - Espanola	47
Santa Fe CFRC Grant	48
Santa Fe Housing Development Corporation	49
Cielo Azul	50
La Cieneguita	51



Supplemental Information

Combined Schedule of Deposits and Investments	52
Schedule of Pledged Collateral	53
Financial Data Schedule	54

Single Audit Information

Schedule of Expenditures of Federal Awards	59
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	60
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	62
Summary Schedule of Prior Audit Findings	64
Schedule of Findings and Questioned Costs	65
Exit Conference	75

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
Jana Lujan	Board Member

Management

Ed Romero	Executive Director
-----------	--------------------

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, 2012, which collectively comprise the Authority's basic financial statements as listed in the table of contents. We also have audited the budgetary comparisons for all the major enterprise funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control over financial reporting. According, we express no such opinion. 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, 2012, 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.

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 our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major enterprise fund, and the aggregate remaining fund information of the Authority, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and major enterprise funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. The budgetary comparisons of the Authority are presented 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 29, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 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. 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 additional schedules listed as "Supplemental Information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ricci & Company LLC

Albuquerque, New Mexico
November 29, 2012

SANTA FE CIVIC HOUSING AUTHORITY
(A Component Unit of the City of Santa Fe)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012

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, 2012. Please read it in conjunction with the Authority's financial statements, which follow this section.

Operational Highlights

The 2012 fiscal year had several significant extraordinary changes as follows:

- The Authority continued its expenditure of CFRC grant received in 2009 for an approximate increase of \$2.6 million in capital funds received during this period.
- The Authority continued 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 III of 29 apartments through the 9% LITHC program. Phase IV will be implemented in FYE 2013. The Authority was the developer and general partner in Phases I-III and will be the developer and owner in Phase IV.
- The Town of Bernalillo (TOB) HCV program has been transferred and incorporated into the SFCHA effective July 1, 2013. Approval documents have been forwarded to HUD for potential transfer of the TOB the Public Housing program to SFCHA.

Financial Highlights

- The Authority's net capital assets increased by \$1.8 million. 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.
- Net assets of the Authority increased \$1,824,674 to \$23,982,473 as of June 30, 2012 primarily due to the effect of CFRC grant which had \$2.6 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. In addition, when this grant is closed, approximately \$5.3 million will be reclassified to a cash flow note with the Villa Alegre properties. Due to its location within the operating agreements for Villa Alegre, it is not anticipated that substantial repayment of these notes will occur during the next 15 years.

SANTA FE CIVIC HOUSING AUTHORITY
(A Component Unit of the City of Santa Fe)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012

- While the Operating revenues of the Authority's enterprise units increased by approximately \$1,000,000, further analysis will detect that HUD subsidies for both the Public Housing and the Voucher programs decreased by approximately \$900,000. These decreases are a cause for concern because HUD utilized offsets of cash reserves built up within the programs over the past 9 years of about \$1,000,000. This caused both programs to have negative cash flow from operations for the first time in our history. While our reserves continue to be substantial, this practice of offset subsidy could detrimentally affect the stability of the Authority. As such, the Authority has entered into a class action suit to recover public housing subsidy offsets of up to \$800,000 during calendar year 2012. On the positive side, facilities rentals increased by \$97,000 indicating our core business is prospering. Cielo Azul was the beneficiary of approximately \$820,825 in New Mexico Sustainable Credits received for the Villa Alegre project and transferred to separate non-federal funds from federal funds. This was done in a pro-active manner to prevent additional offsets in the future. Again, we have one-time revenues of \$2.6 million in the CFRC fund without which HUD grant and subsidy would have decreased by \$800,000. Additional offsets do not appear to be planned by HUD for 2013.

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.

SANTA FE CIVIC HOUSING AUTHORITY
(A Component Unit of the City of Santa Fe)
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2012

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 \$1,824,674 from the June 30, 2011 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, 2012

			Increase (Decrease)	
	2012	Proprietary 2011	Amt	%
Cash and investments	6,341,837	6,236,289	105,548	1.7%
Accounts receivable	138,816	102,358	36,458	35.6%
Federal grants receivable	465,543	629,149	(163,606)	-26.0%
Other receivables	1,235,326	1,962,409	(727,083)	-37.1%
Other current assets	64,686	119,177	(54,491)	-45.7%
Total current assets	<u>8,246,208</u>	<u>9,049,382</u>	<u>(803,174)</u>	-8.9%
Other assets	70,517	76,393	(5,876)	-7.7%
Fixed assets (net)	<u>20,161,062</u>	<u>18,034,739</u>	<u>2,126,323</u>	11.8%
Total assets	28,477,787	27,160,514	1,317,273	4.9%
Accounts payable	86,975	89,142	(2,167)	-2.4%
Compensated absences payable	207,696	198,686	9,010	4.5%
Tenant security deposits	126,499	69,890	56,609	81.0%
Bonds and notes payable	288,377	782,283	(493,906)	63.2%
Escrows and deposits	171,267	157,181	14,086	9.0%
Total current liabilities	<u>880,814</u>	<u>1,297,182</u>	<u>(416,368)</u>	32.1%
Notes payable	<u>3,614,500</u>	<u>3,705,533</u>	<u>91,033</u>	2.5%
Total liabilities	<u>4,495,314</u>	<u>5,002,715</u>	<u>(507,401)</u>	-10.1%
Net Assets	23,982,473	22,157,799	1,824,674	8.2%

SANTA FE CIVIC HOUSING AUTHORITY
(A Component Unit of the City of Santa Fe)
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2012

The decrease of current assets was the result the collection of receivables related to the redevelopment program and cash spent on construction projects which resulted in a fixed asset increase of \$2,126,323.

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, 2012 and 2011 is shown in the table below.

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

	2012	2011	Increase (Decrease) Amount	%
Facility rentals	\$2,260,578	\$2,157,994	102,584	4.8%
HUD grant and subsidy	11,094,674	11,032,843	61,831	0.6%
Other revenue	1,088,924	243,131	845,793	347.9%
Total operating revenue	14,444,176	13,433,968	1,010,208	7.5%
Operating expenses	12,447,921	11,767,722	680,199	5.8%
Operating income	1,996,255	1,666,246	330,009	19.8%
Total non-operating revenues (expenses)	(171,581)	(143,238)	(28,343)	19.8%
Change in net assets	1,824,674	1,523,008	301,666	19.8%
Capital contributions	-	-	-	n/a
Total change in net assets	1,824,674	1,523,008	301,666	19.8%

SANTA FE CIVIC HOUSING AUTHORITY
(A Component Unit of the City of Santa Fe)
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2012

Facility rental income increased by \$102,584. All other programs remained stable. Other revenue increases does not reflect accuracy as one time increases from non-federal activities were completed and revenues received in a lump sum. HUD grant and subsidy as offsets were applied to SFCHA's operating reserves in public housing and voucher programs. In addition, subsidy levels are projected at 30% for the first half the 2013 fiscal year and 80% for the second half. We expect revenues to flat-line or decrease in foreseeable future.

Operating expenses increased \$680,199. The practice of expending within Capital Funds account for \$200,000 of this increase. Also extensive remodeling was conducted at our Housing Development Corporation and La Cieneguita sites. 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	\$ 132,500
SF Housing Development	(220,434)
Capital Fund	1,916,468
Section 8	(655,002)
Cielo Azul	811,097
La Cieneguita	<u>(159,955)</u>
 Total operational increase	 <u>\$ 1,824,674</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, 2012

The decrease in Section 8 Voucher was the result of 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 \$2,126,323 primarily from the CFRC grant expenditures of \$2,634,134.
- Long term debt decreased by \$584,939. There were no new notes during the year ended June 30, 2012 and only scheduled debt payments were made.

Economic Factors and Next Year's Budgets

Funding is determined at the federal level and 2013 budgets have been appropriated by HUD at 80%. It is further anticipated that the SFCHA could be subject to as much as \$700,000 of the 2012 CY budget being paid by set aside from its operating reserves. This will have significant impact on cash flow, and operational and REAC scores. 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 87502.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
June 30, 2012

ASSETS

Current Assets

Cash, investments and equivalents	\$ 6,010,216
Tenant receivable, net	138,816
Other receivables	1,235,326
Federal grants receivable	465,543
Prepaid expenses	51,230
Inventory	13,456
Cash, investments and equivalents - restricted	<u>331,621</u>

Total current assets 8,246,208

Capital Assets

Land	1,142,589
Construction in progress	5,624,554
Buildings and improvements	35,389,412
Furniture and fixtures	882,914
Machinery, equipment and vehicles	208,291
Vehicles	420,292
Accumulated depreciation	<u>(23,506,990)</u>

Total capital assets (net of accumulated depreciation) 20,161,062

Other Assets

Loan issuance costs, net	<u>70,517</u>
--------------------------	---------------

Total assets \$ 28,477,787

LIABILITIES

Current Liabilities

Accounts payable	\$ 86,975
Tenant security deposits	126,499
Compensated absences payable	207,696
Notes payable	288,377
Escrows and deposits	<u>171,267</u>

Total current liabilities 880,814

Noncurrent Liabilities

Notes payable, less current portion	<u>3,614,500</u>
-------------------------------------	------------------

Total liabilities \$ 4,495,314

NET ASSETS

Invested in capital assets, net of related debt	\$ 14,993,879
Unrestricted	<u>8,988,594</u>

Total net assets \$ 23,982,473

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, 2012

Program expenses	
Housing	\$ 12,633,028
Program revenues	
Charges for services	2,260,578
Capital grants and contributions	3,617,896
Operating grants and contributions	7,476,778
Total program revenues	<u>13,355,252</u>
Net revenues	<u>722,224</u>
General revenues	
Interest income	13,526
Other revenues	1,088,924
Total general revenues	<u>1,102,450</u>
Change in net assets	1,824,674
Net assets, beginning	<u>22,157,799</u>
Net assets, ending	<u><u>\$ 23,982,473</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, 2012**

Cash Flows From Operating Activities	
Cash received from customers and grantors	\$ 15,477,295
Cash payments to suppliers for goods and services	(9,333,170)
Cash payments to employees for services	<u>(1,874,042)</u>
Net cash provided by operating activities	<u>4,270,083</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition and construction of capital assets	<u>(3,408,015)</u>
Net cash used by capital and related financing activities	<u>(3,408,015)</u>
Cash Flows From Noncapital Financing Activities	
Principal paid on debt maturities	(584,939)
Interest paid on debt	<u>(185,107)</u>
Net cash used by noncapital financing activities	<u>(770,046)</u>
Cash Flows From Investing Activities	
Interest and dividends on investments	<u>13,526</u>
Net cash provided by investing activities	<u>13,526</u>
Net increase in cash and cash equivalents	105,548
Cash investments and cash equivalents at beginning of year	<u>6,236,289</u>
Cash investments and cash equivalents at end of year	<u><u>\$ 6,341,837</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, 2012

Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 1,996,255
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	1,287,569
Construction in progress not capitalized	-
Change in assets and liabilities	
Accounts receivable	854,231
Prepaid expenses	54,491
Due from other funds	(632,457)
Accounts payable	(2,168)
Escrow and deposits	(157,181)
Compensated absences payable	9,010
Deposits	227,552
Due to other funds	632,457
Deferred revenues	324
Total adjustments	<u>2,273,828</u>
Net cash provided by operating activities	<u>\$ 4,270,083</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, 2012

	Housing Authority	Section 8 Voucher	Capital Projects
ASSETS			
Current Assets			
Cash, investments and equivalents	\$ 634,791	2,099,479	-
Tenant receivable	121,488	-	-
Federal grants receivable	418,727	46,816	-
Other receivable	813,733	-	-
Due from other funds	335,519	-	-
Prepaid expenses	32,033	-	-
Inventory	13,456	-	-
Cash, investments and equivalents - restricted	160,354	171,267	-
Total current assets	2,530,101	2,317,562	-
Capital Assets			
Land	299,637	-	-
Construction in progress	458,861	-	5,165,693
Buildings and improvements	28,757,632	-	-
Furniture and fixtures	682,336	-	-
Machinery and equipment	200,969	-	-
Vehicles	420,292	-	-
Accumulated depreciation	(19,310,276)	-	-
Total capital assets (net of depreciation)	11,509,451	-	5,165,693
Other Assets			
Loan issuance costs, net	-	-	-
Due from other funds	-	-	-
Total assets	\$ 14,039,552	2,317,562	5,165,693
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 81,566	-	-
Tenant security deposits	102,614	-	-
Compensated absences payable	207,696	-	-
Bonds payable	-	-	-
Notes payable	-	-	-
Escrows and deposits	-	171,267	-
Due to other funds	-	37,647	-
Total current liabilities	391,876	208,914	-
Noncurrent Liabilities			
Notes payable	-	-	-
Due to other funds	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	\$ 391,876	208,914	-
NET ASSETS			
Invested in capital assets, net of related debt	\$ 11,509,451	-	5,165,693
Unrestricted	2,138,225	2,108,648	-
Total net assets	\$ 13,647,676	2,108,648	5,165,693

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

Santa Fe Capital Fund CFRC	SF Housing Development Corporation	Cielo Azul	La Cieneguita	Total
-	2,021,889	1,039,703	214,354	6,010,216
-	9,774	6,809	745	138,816
-	-	-	-	465,543
-	363,820	57,773	-	1,235,326
-	-	-	-	335,519
-	8,547	6,162	4,488	51,230
-	-	-	-	13,456
-	-	-	-	331,621
-	2,404,030	1,110,447	219,587	8,581,727
-	268,652	330,000	244,300	1,142,589
-	-	-	-	5,624,554
-	3,708,510	1,449,513	1,473,757	35,389,412
-	200,578	-	-	882,914
-	2,907	-	4,415	208,291
-	-	-	-	420,292
-	(3,360,468)	(378,080)	(458,166)	(23,506,990)
-	820,179	1,401,433	1,264,306	20,161,062
-	70,517	-	-	70,517
-	500,000	-	-	500,000
-	3,794,726	2,511,880	1,483,893	29,313,306
-	5,409	-	-	86,975
-	18,207	-	5,678	126,499
-	-	-	-	207,696
-	-	-	-	-
-	68,226	220,151	-	288,377
-	-	-	-	171,267
-	180,813	-	117,059	335,519
-	272,655	220,151	122,737	1,216,333
-	2,925,011	689,489	-	3,614,500
-	-	500,000	-	500,000
-	2,925,011	1,189,489	-	4,114,500
-	3,197,666	1,409,640	122,737	5,330,833
-	(2,173,058)	491,793	-	14,993,879
-	2,770,118	610,447	1,361,156	8,988,594
-	597,060	1,102,240	1,361,156	23,982,473

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
ENTERPRISE FUNDS
Year Ended June 30, 2012

	Housing Authority	Section 8 Voucher	Capital Projects	Santa Fe Capital Fund CFRC
Operating Revenues				
Facilities rentals	\$ 1,167,243	-	-	-
HUD grant and subsidy	1,147,610	6,329,168	945,268	2,672,628
Other revenue	212,638	35,416	-	-
Total operating revenues	2,527,491	6,364,584	945,268	2,672,628
Operating Expenses				
Salaries, wages and benefits	975,427	647,570	-	-
Community welfare	124,053	6,221,001	-	-
Contractual services and utilities	424,339	2,241	181,118	38,486
Repairs and maintenance	964,873	-	-	-
Depreciation and amortization expense	1,070,976	-	-	-
Insurance	171,049	-	-	-
Other	132,631	150,731	-	-
Total operating expenses	3,863,348	7,021,543	181,118	38,486
Operating income (loss)	(1,335,857)	(656,959)	764,150	2,634,142
Nonoperating Revenues (Expenses)				
Interest on investments	5,061	1,957	-	-
Interest expense	(18,528)	-	-	-
Operating transfers in	1,481,824	-	2,634,142	-
Operating transfers out	-	-	(1,481,824)	(2,634,142)
Total nonoperating revenues (expenses)	1,468,357	1,957	1,152,318	(2,634,142)
Change in net assets	132,500	(655,002)	1,916,468	-
Net assets, beginning of year	16,764,401	2,763,650	-	-
Equity transfers	(3,249,225)	-	3,249,225	-
Net assets, end of year	\$ 13,647,676	2,108,648	5,165,693	-

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

SF Housing Development Corporation	Cielo Azul	La Cieneguita	Total
766,697	197,558	129,080	2,260,578
-	-	-	11,094,674
20,145	820,725	-	1,088,924
<hr/>			
786,842	1,018,283	129,080	14,444,176
<hr/>			
173,940	161	86,115	1,883,213
-	-	1,150	6,346,204
79,719	102,378	102,624	930,905
491,118	1,482	27,613	1,485,086
104,199	48,317	64,076	1,287,568
20,095	7,984	5,800	204,928
18,835	5,743	2,077	310,017
<hr/>			
887,906	166,065	289,455	12,447,921
<hr/>			
(101,064)	852,218	(160,375)	1,996,255
<hr/>			
5,147	941	420	13,526
(124,517)	(42,062)	-	(185,107)
-	-	-	4,115,966
-	-	-	(4,115,966)
<hr/>			
(119,370)	(41,121)	420	(171,581)
<hr/>			
(220,434)	811,097	(159,955)	1,824,674
817,494	291,143	1,521,111	22,157,799
-	-	-	-
<hr/>			
597,060	1,102,240	1,361,156	23,982,473
<hr/>			

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
Year Ended June 30, 2012

	Housing Authority	Section 8 Voucher	Capital Projects	Santa Fe Capital Fund CFRC	SF Housing Development Corporation
Cash Flows from Operating Activities					
Cash received from customers and grantors	\$ 3,314,327	6,489,035	945,268	2,672,628	913,765
Cash payments to suppliers for goods and services	(2,035,070)	(6,318,196)	(181,118)	(38,486)	(608,271)
Cash payments to employees for services	(966,417)	(647,570)	-	-	(173,940)
Net cash provided (used) by operating activities	312,840	(476,731)	764,150	2,634,142	131,554
Cash Flows from Capital Financing Activities					
Acquisition and construction of capital assets	(1,491,547)	-	(1,916,468)	-	-
Net cash used by capital financing activities	(1,491,547)	-	(1,916,468)	-	-
Cash Flows from Noncapital Financing Activities					
Cash transfers (to) from other funds	1,481,824	-	1,152,318	(2,634,142)	-
Principal paid on debt maturities	(500,000)	-	-	-	(65,550)
Interest paid on debt	(18,528)	-	-	-	(124,517)
Net cash provided (used) by noncapital financing activities	963,296	-	1,152,318	(2,634,142)	(190,067)
Cash Flows from Investing Activities					
Loans made to other entities	-	-	-	-	-
Interest and dividends on investments	5,061	1,957	-	-	5,147
Net cash provided by investing activities	5,061	1,957	-	-	5,147
Net increase (decrease) in cash and cash equivalents	(210,350)	(474,774)	-	-	(53,366)
Cash investments and cash equivalents at beginning of year	1,005,495	2,745,520	-	-	2,075,255
Cash investments and cash equivalents at end of year	\$ 795,145	2,270,746	-	-	2,021,889
Reconciliation of operating income to net cash provided by operating activities					
Operating (loss) income	\$ (1,335,857)	(656,959)	764,150	2,634,142	(101,064)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation/amortization	1,070,976	-	-	-	104,200
Construction in progress not capitalized	-	-	-	-	-
Change in assets and liabilities					
Accounts receivable	909,550	(46,816)	-	-	(3,088)
Prepaid expenses	54,023	-	-	-	1,496
Due from other funds	(650,587)	18,130	-	-	-
Other current assets	-	-	-	-	-
Accounts payable	(2,133)	-	-	-	(1)
Accrued interest	-	-	-	-	-
Escrow and deposits	(157,181)	-	-	-	-
Compensated absences payable	9,010	-	-	-	-
Deposits	52,597	171,267	-	-	3,688
Due to other funds	362,442	37,647	-	-	126,323
Due to HUD	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Total adjustments	1,648,697	180,228	-	-	232,618
Net cash provided (used) by operating activities	\$ 312,840	(476,731)	764,150	2,634,142	131,554

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

Cielo Azul	La Cieneguita	Total
1,009,974	132,298	15,477,295
(118,996)	(33,033)	(9,333,170)
-	(86,115)	(1,874,042)
890,978	13,150	4,270,083
-	-	(3,408,015)
-	-	(3,408,015)
-	-	-
(19,389)	-	(584,939)
(42,062)	-	(185,107)
(61,451)	-	(770,046)
-	-	-
941	420	13,526
941	420	13,526
830,468	13,570	105,548
209,235	200,784	6,236,289
1,039,703	214,354	6,341,837
852,218	(160,375)	1,996,255
48,317	64,076	1,287,569
-	-	-
(8,309)	2,894	854,231
(1,248)	220	54,491
-	-	(632,457)
-	-	-
-	(34)	(2,168)
-	-	-
-	-	(157,181)
-	-	9,010
-	-	227,552
-	106,045	632,457
-	-	-
-	324	324
38,760	173,525	2,273,828
890,978	13,150	4,270,083

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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, 2012.

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, 2012

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.

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

STATE OF NEW MEXICO
 SANTA FE CIVIC HOUSING AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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	5-50
Furniture, fixtures, machinery & equipment	5-7
Vehicles	5-8

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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.

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, 2012 is \$17,628.

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.

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	4,098,331
Uninsured and uncollateralized	<u>1,681,970</u>
Total deposits	<u>\$ 6,530,301</u>

STATE OF NEW MEXICO
 SANTA FE CIVIC HOUSING AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2012

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, 2012, \$5,780,301 of the Authority's bank balance of \$6,530,301 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,681,970
Uninsured and collateral held by pledging bank's trust department not in the Authority's name	<u>4,098,331</u>
Total	<u>\$ 5,780,301</u>

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, 2012, 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, 2012.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificates of deposit		
Los Alamos Nat'l Bank	12/15/12	\$ 54,513
New Mexico Bank & Trust	10/28/12	<u>504,948</u>
Total certificates of deposit		<u>559,461</u>
Bank deposits (book value)		<u>5,970,840</u>
Total certificates of deposit, deposits and other		<u>\$ 6,530,301</u>

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

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	\$ 314,192	192,704	121,488
SF Housing Development Corp	9,774	-	9,774
Cielo Azul	6,809	-	6,809
La Cieneguita	745	-	745
Total tenant receivables	\$ 331,520	192,704	138,816

NOTE 5. INTERFUND ACTIVITY

The compositions of interfund balances as of June 30, 2012, are as follows:

<u>Receivable</u>		<u>Payable</u>	
Fund	Amount	Fund	Amount
Current			
Housing Authority	\$ 180,813	Housing Development Corp.	\$ 180,813
Housing Authority	117,059	La Cieneguita	117,059
Housing Authority	37,647	Section 8 Voucher	37,647
Housing Development Corp.	<u>500,000</u>	Cielo Azul	<u>500,000</u>
Total	<u>\$ 835,519</u>		<u>\$ 835,519</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	\$ 1,481,824
Capital Projects Fund from Santa Fe Capital Fund CFRC	<u>2,634,142</u>
Total transfers	<u>\$ 4,115,966</u>

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 5. INTERFUND ACTIVITY (CONTINUED)

The compositions of equity transfers, for grant close-out purposes, as of June 30, 2012, are as follows:

Capital projects from Santa Fe Housing Authority Fund \$ 3,249,225

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,142,589	-	-	1,142,589
Construction in progress	4,074,955	3,391,291	1,841,692	5,624,554
Total	<u>5,217,544</u>	<u>3,391,291</u>	<u>1,841,692</u>	<u>6,767,143</u>
Capital assets being depreciated				
Buildings and improvements	33,547,720	1,841,692	-	35,389,412
Furniture and fixtures	882,914	-	-	882,914
Machinery and equipment	208,291	-	-	208,291
Vehicles	403,568	16,724	-	420,292
Total	<u>35,042,493</u>	<u>1,858,416</u>	<u>-</u>	<u>36,900,909</u>
Less accumulated depreciation	<u>22,225,298</u>	<u>1,281,692</u>	<u>-</u>	<u>23,506,990</u>
Total capital assets being depreciated, net	<u>12,817,195</u>	<u>576,724</u>	<u>-</u>	<u>13,393,919</u>
Total capital assets	<u>\$ 18,034,739</u>	<u>3,968,015</u>	<u>1,841,692</u>	<u>20,161,062</u>

Depreciation expense for the year ended June 30, 2012 totaled \$1,281,692. 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, 2012

NOTE 6. CAPITAL ASSETS (CONTINUED)

Construction Commitments

The Authority has active construction projects as of June 30, 2012. 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>	Authorized	Spent-to-Date	Remaining Commitment
CFP - 10	\$ 691,583	388,053	303,530
CFP - 11	652,617	70,808	581,809
CFP - 12	616,925	-	616,925
Total	<u>\$ 1,961,125</u>	<u>458,861</u>	<u>1,502,264</u>

NOTE 7. LONG-TERM DEBT

Changes in Long-Term Liabilities. During the year ended June 30, 2012, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012	Due Within One Year
Notes payable	\$ 4,487,816	-	(584,939)	3,902,877	288,377
Compensated absences	198,686	207,696	(198,686)	207,696	207,696
Total	<u>\$ 4,686,502</u>	<u>207,696</u>	<u>(783,625)</u>	<u>4,110,573</u>	<u>496,073</u>

For the year ended June 30, 2012, the Authority incurred \$185,107 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, 2012**

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable

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 and secured by real property. 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%, secured by real property and with a maturity date of December 2021. The balance of the note as of June 30, 2012 is \$83,711.

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, secured by real property, and with a maturity date of October 15, 2024 and has monthly payments of \$13,676. The balance of the note as of June 30, 2012 is \$2,650,530.

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%, secured by real property, and with a maturity date of June 17, 2028. The balance of the note as of June 30, 2012 is \$342,707.

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, secured by real property, and with a maturity date of October 2034, secured by property. The balance of the note as of June 30, 2012 is \$625,929.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 7. LONG-TERM DEBT (CONTINUED)

Total aggregate maturing of the notes payable at June 30, 2012, is as follows:

Year	<u>Commercial Mortgage</u>		<u>Commercial Mortgage</u>	
	Principal	Interest	Principal	Interest
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	16,605	33,760	62,194	101,918
2018 – 2022	99,713	152,116	353,815	466,745
2023 – 2027	134,499	117,330	2,010,526	190,307
2028 – 2032	181,418	70,411	-	-
2033 – 2036	136,375	13,133	-	-
Total	\$ 625,929	530,895	2,650,530	1,191,423

Year	<u>Casas Note</u>		<u>MFA Note 1</u>	
	Principal	Interest	Principal	Interest
2013	\$ 200,000	-	7,081	4,036
2014	-	-	7,443	3,673
2015	-	-	7,824	3,292
2016	-	-	8,224	2,892
2017	-	-	8,645	2,471
2018 – 2022	-	-	44,494	5,312
2023 – 2027	-	-	-	-
2028 – 2032	-	-	-	-
2033 – 2036	-	-	-	-
Total	\$ 200,000	-	83,711	21,676

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 7. LONG-TERM DEBT (CONTINUED)

Year	MFA Note 2		Total Notes	
	Principal	Interest	Principal	Interest
2013	\$ 15,739	10,217	288,377	163,174
2014	16,222	9,734	92,303	159,247
2015	16,720	9,236	96,411	155,139
2016	17,234	8,722	100,710	150,840
2017	17,763	8,193	105,208	146,342
2018 – 2022	97,340	32,440	595,362	656,613
2023 – 2027	113,231	16,548	2,258,256	324,186
2028 – 2032	48,458	1,603	229,876	72,013
2033 – 2036	-	-	136,374	13,133
Total	\$ 342,707	96,693	3,902,877	1,840,687

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.

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, 2012, 2011 and 2010 were \$118,974, \$109,970, and \$97,097, 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, 2012

**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.

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 1.834% of each participating employee's annual salary. Each participating employee is required to contribute .917% of their salary.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

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

In the fiscal year ending 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>
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, 2012, 2011, and 2010 were \$ 23,847, \$20,023, and \$13,795, 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.

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, 2012**

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.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 13. CAPITAL GRANT CLOSEOUT

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

Santa Fe – NM02P009501-09	
1408 Management Improvement	\$ 50,000
1410 Administration	50,000
1411 Audit	5,000
1450 Site Improvement	460,000
1460 Dwelling Structures	<u>131,926</u>
Total grant expenditures	<u>\$ 696,926</u>
Santa Fe – NM02S009501-09 CFRC	
1410 Administration	\$ 75,000
1450 Site Improvement	282,000
1460 Dwelling Structures	<u>435,674</u>
Total grant expenditures	<u>\$ 792,674</u>
Espanola – NM02P010501-10	
1410 Administration	\$ 20,000
1450 Site Improvement	235,950
1460 Dwelling Structures	<u>50,000</u>
Total grant expenditures	<u>\$ 305,950</u>

NOTE 14. SUBSEQUENT EVENT

On July 1, 2012, the Housing Choice Voucher for the Town of Bernalillo was transferred to Santa Fe Civic Housing Authority. As of the audit date, the necessary paperwork to transfer the Public Housing program of the Town of Bernalillo is under review by HUD officials. It is anticipated that this transfer will most likely be backdated to July 1, 2012.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
PUBLIC HOUSING COMBINING STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
June 30, 2012

	Santa Fe Housing Authority	Espanola Housing Authority	Total
ASSETS			
Current Assets			
Cash, investments and equivalents	\$ 199,463	435,328	634,791
Tenant receivable	84,654	36,834	121,488
Federal grants receivable	181,718	237,009	418,727
Other receivable	813,733	-	813,733
Due from other funds	335,519	-	335,519
Due from Espanola	407,670	(407,670)	-
Prepaid expenses	5,934	26,099	32,033
Inventory	13,456	-	13,456
Cash, investments and equivalents - restricted	160,354	-	160,354
Total current assets	2,202,501	327,600	2,530,101
Capital Assets			
Land	22,200	277,437	299,637
Construction in progress	388,053	70,808	458,861
Buildings and improvements	16,028,469	12,729,163	28,757,632
Furniture and fixtures	43,183	639,153	682,336
Machinery and equipment	200,969	-	200,969
Vehicles	281,533	138,759	420,292
Accumulated depreciation	(11,811,705)	(7,498,571)	(19,310,276)
Total capital assets (net of depreciation)	5,152,702	6,356,749	11,509,451
Other Assets			
Due from other funds	-	-	-
Total assets	\$ 7,355,203	6,684,349	14,039,552
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 81,566	-	81,566
Tenant security deposits	79,056	23,558	102,614
Compensated absences payable	188,697	18,999	207,696
Bonds payable	-	-	-
Notes payable	-	-	-
Escrows and deposits	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Accrued interest	-	-	-
Total current liabilities	349,319	42,557	391,876
Noncurrent Liabilities			
Bonds payable	-	-	-
Notes payable	-	-	-
Due to other funds	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	\$ 349,319	42,557	391,876
NET ASSETS			
Invested in capital assets, net of related debt	\$ 5,152,702	6,356,749	11,509,451
Unrestricted	1,853,182	285,043	2,138,225
Total net assets	\$ 7,005,884	6,641,792	13,647,676

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, 2012

	Santa Fe Housing Authority	Espanola Housing Authority	Total
Operating Revenues			
Facilities rentals	\$ 949,514	217,729	1,167,243
HUD grant and subsidy	772,552	375,058	1,147,610
Other revenue	66,568	146,070	212,638
Total operating revenues	1,788,634	738,857	2,527,491
Operating Expenses			
Salaries, wages and benefits	618,457	356,970	975,427
Community welfare	124,053	-	124,053
Contractual services and utilities	382,139	42,200	424,339
Repairs and maintenance	627,185	337,688	964,873
Depreciation expense	648,356	422,620	1,070,976
Insurance	66,146	104,903	171,049
Other	96,855	35,776	132,631
Total operating expenses	2,563,191	1,300,157	3,863,348
Operating loss	(774,557)	(561,300)	(1,335,857)
Nonoperating Revenues (Expenses)			
Interest on investments	4,965	96	5,061
Interest expense	(18,528)	-	(18,528)
State grant	-	-	-
Loss on disposition of assets	-	-	-
Operating transfers in	1,078,257	403,567	1,481,824
Operating transfers out	-	-	-
Total nonoperating revenues	1,064,694	403,663	1,468,357
Change in net assets	290,137	(157,637)	132,500
Net assets, beginning of year	9,964,972	6,799,429	16,764,401
Equity transfers	(3,249,225)	-	(3,249,225)
Net assets, end of year	\$ 7,005,884	6,641,792	13,647,676

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, 2012

	Santa Fe Housing Authority	Espanola Housing Authority	Total
Cash Flows from Operating Activities			
Cash received from customers and grantors	\$ 2,298,523	1,015,804	3,314,327
Cash payments to suppliers for goods and services	(1,571,371)	(463,699)	(2,035,070)
Cash payments to employees for services	(609,070)	(357,347)	(966,417)
Net cash provided by operating activities	<u>118,082</u>	<u>194,758</u>	<u>312,840</u>
Cash Flows from Capital Financing Activities			
Insurance reimbursement	-	-	-
Acquisition and construction of capital assets	(1,094,980)	(396,567)	(1,491,547)
Net cash used by financing activities	<u>(1,094,980)</u>	<u>(396,567)</u>	<u>(1,491,547)</u>
Cash Flows from Noncapital Financing Activities			
Cash transfers (to) from other funds	1,078,257	403,567	1,481,824
Proceeds from long-term debt	-	-	-
Principal paid on debt maturities	(500,000)	-	(500,000)
Interest paid on debt	(18,528)	-	(18,528)
Net cash provided by noncapital financing activities	<u>559,729</u>	<u>403,567</u>	<u>963,296</u>
Cash Flows from Investing Activities			
Proceeds from state grants	-	-	-
Interest and dividends on investments	4,965	96	5,061
	<u>4,965</u>	<u>96</u>	<u>5,061</u>
Net increase (decrease) in cash and cash equivalents	(412,204)	201,854	(210,350)
Cash investments and cash equivalents at beginning of year	<u>772,021</u>	<u>233,474</u>	<u>1,005,495</u>
Cash investments and cash equivalents at end of year	<u>\$ 359,817</u>	<u>435,328</u>	<u>795,145</u>
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	\$ (774,557)	(561,300)	(1,335,857)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation/amortization	648,356	422,620	1,070,976
Construction in progress not capitalized	-	-	-
Change in assets and liabilities			
Accounts receivable	1,026,961	(117,411)	909,550
Prepaid expenses	(2,845)	56,868	54,023
Due from other funds	(650,587)	-	(650,587)
Other current assets	-	-	-
Accounts payable	(2,133)	-	(2,133)
Accrued interest	-	-	-
Escrow and deposits	(157,181)	-	(157,181)
Compensated absences payable	9,387	(377)	9,010
Deposits	38,811	13,786	52,597
Due to other funds	(18,130)	380,572	362,442
Due to HUD	-	-	-
Deferred revenues	-	-	-
Total adjustments	<u>892,639</u>	<u>756,058</u>	<u>1,648,697</u>
Net cash provided by operating activities	<u>\$ 118,082</u>	<u>194,758</u>	<u>312,840</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 NET ASSETS
ENTERPRISE FUNDS
June 30, 2012

	Santa Fe Capital Projects	Espanola Capital Projects	Total
ASSETS			
Current Assets			
Cash, investments and equivalents	\$ -	-	-
Tenant receivable	-	-	-
Federal grants receivable	-	-	-
Other receivable	-	-	-
Due from other funds	-	-	-
Prepaid expenses	-	-	-
Other current assets	-	-	-
Total current assets	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets			
Land	-	-	-
Construction in progress	5,165,693	-	5,165,693
Buildings and improvements	-	-	-
Furniture and fixtures	-	-	-
Machinery and equipment	-	-	-
Vehicles	-	-	-
Accumulated depreciation	-	-	-
Total capital assets (net of depreciation)	<u>5,165,693</u>	<u>-</u>	<u>5,165,693</u>
Other Assets			
Due from other funds	-	-	-
Total assets	<u>\$ 5,165,693</u>	<u>-</u>	<u>5,165,693</u>
LIABILITIES			
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	-	-	-
Total current liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent Liabilities			
Bonds payable	-	-	-
Notes payable	-	-	-
Due to other funds	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ -</u>	<u>-</u>	<u>-</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 5,165,693	-	5,165,693
Unrestricted	-	-	-
Total net assets	<u>\$ 5,165,693</u>	<u>-</u>	<u>5,165,693</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, 2012

	Santa Fe CFP Projects	Espanola Capital Projects	Total
Operating Revenues			
Facilities rentals	\$ -	-	-
HUD grant and subsidy	441,701	503,567	945,268
Other revenue	-	-	-
Total operating revenues	441,701	503,567	945,268
Operating Expenses			
Salaries, wages and benefits	-	-	-
Community welfare	-	-	-
Contractual services and utilities	81,118	100,000	181,118
Repairs and maintenance	-	-	-
Depreciation expense	-	-	-
Insurance	-	-	-
Other	-	-	-
Total operating expenses	81,118	100,000	181,118
Operating income	360,583	403,567	764,150
Nonoperating Revenues (Expenses)			
Interest on investments	-	-	-
Interest expense	-	-	-
Operating transfers in	2,634,142	-	2,634,142
Operating transfers out	(1,078,257)	(403,567)	(1,481,824)
Total nonoperating expenses	1,555,885	(403,567)	1,152,318
Change in net assets	1,916,468	-	1,916,468
Net assets, beginning of year	-	-	-
Equity transfers	3,249,225		3,249,225
Net assets, end of year	\$ 5,165,693	-	5,165,693

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, 2012

	Santa Fe Capital Projects	Espanola Capital Projects	Total
Cash Flows from Operating Activities			
Cash received from customers and grantors	\$ 441,701	503,567	945,268
Cash payments to suppliers for goods and services	(81,118)	(100,000)	(181,118)
Cash payments to employees for services	-	-	-
Net cash provided by operating activities	360,583	403,567	764,150
Cash Flows from Capital Financing Activities			
Acquisition and construction of capital assets	(1,916,468)	-	(1,916,468)
Cash Flows from Noncapital Financing Activities			
Cash transfers to other funds	(1,078,257)	(403,567)	(1,481,824)
Cash transfers from other funds	2,634,142		2,634,142
Principal paid on debt maturities	-	-	-
Interest paid on debt	-	-	-
Net cash provided (used) by noncapital financing activities	1,555,885	(403,567)	1,152,318
Cash Flows from Investing Activities			
Capital contributions	-	-	-
Interest and dividends on investments	-	-	-
Net cash provided by investing activities	-	-	-
Net increase in cash and cash equivalents	-	-	-
Cash investments and cash equivalents at beginning of year	-	-	-
Cash investments and cash equivalents at end of year	\$ -	-	-
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 360,583	403,567	764,150
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	-	-	-
Total adjustments	-	-	-
Net cash provided by operating activities	\$ 360,583	403,567	764,150

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, 2012

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 1,100,000	940,000	949,514	9,514
HUD grants and subsidy	1,090,000	770,000	772,552	2,552
Other operating revenues	127,000	78,000	66,568	(11,432)
Total operating revenues	2,317,000	1,788,000	1,788,634	634
Operating Expenses				
Operating	380,000	365,000	618,457	(253,457)
Community welfare	268,000	268,000	124,053	143,947
Utilities	385,000	385,000	382,139	2,861
Repairs and maintenance	910,000	940,000	627,185	312,815
General	370,000	370,000	163,001	206,999
Depreciation	1,200,000	1,400,000	648,356	751,644
Total operating expenses	3,513,000	3,728,000	2,563,191	1,164,809
Operating income (loss)	(1,196,000)	(1,940,000)	(774,557)	1,165,443
Nonoperating Revenues (Expenses)				
Operating transfers in	-	-	1,078,257	1,078,257
Operating transfers out	-	-	-	-
State grants	-	-	-	-
Interest expense	-	(6,000)	(18,528)	(12,528)
Interest on investments	2,000	17,000	4,965	(12,035)
Total nonoperating revenues	2,000	11,000	1,064,694	1,053,694
Change in net assets	(1,194,000)	(1,929,000)	290,137	2,219,137
Net assets, beginning of year	7,186,379	7,186,379	9,964,972	2,778,593
Equity transfers	-	(3,249,225)	(3,249,225)	-
Net assets, end of year	\$ 5,992,379	2,008,154	7,005,884	4,997,730

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, 2012

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 250,000	250,000	217,729	(32,271)
HUD grants and subsidy	570,000	570,000	375,058	(194,942)
Other operating revenues	5,000	5,000	146,070	141,070
Total operating revenues	825,000	825,000	738,857	(86,143)
Operating Expenses				
Operating	207,500	207,500	356,970	(149,470)
Community welfare	-	-	-	-
Utilities	81,000	81,000	42,200	38,800
Repairs and maintenance	398,000	398,000	337,688	60,312
General	148,000	148,000	140,679	7,321
Depreciation	85,000	85,000	422,620	(337,620)
Total operating expenses	919,500	919,500	1,300,157	(380,657)
Operating income (loss)	(94,500)	(94,500)	(561,300)	(466,800)
Nonoperating Revenues (Expenses)				
Operating transfers in	-	-	403,567	403,567
Operating transfers out	-	-	-	-
Interest on investments	5,000	5,000	96	(4,904)
Total nonoperating revenues	5,000	5,000	403,663	398,663
Change in net assets	(89,500)	(89,500)	(157,637)	(68,137)
Net assets, beginning of year	7,254,720	7,254,720	6,799,429	(455,291)
Net assets, end of year	\$ 7,165,220	7,165,220	6,641,792	(523,428)

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, 2012

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 7,320,000	7,070,000	5,852,414	(1,217,586)
Port-in HAP reimbursement	450,000	700,000	396,386	(303,614)
Port-admin fees	40,000	60,000	30,967	(29,033)
TBRA revenues	75,000	35,000	49,401	14,401
Other revenue	2,000	12,000	35,416	23,416
Total operating revenues	7,887,000	7,877,000	6,364,584	(1,512,416)
Operating Expenses				
Community welfare	7,070,000	6,998,000	6,580,960	417,040
Port HAP	450,000	700,000	423,451	276,549
TBRA expenses	75,000	35,000	17,132	17,868
Total operating expenses	7,595,000	7,733,000	7,021,543	711,457
Operating income	292,000	144,000	(656,959)	(800,959)
Nonoperating revenues (expenses)				
Interest income	20,000	5,000	1,957	(3,043)
Total nonoperating revenues	20,000	5,000	1,957	(3,043)
Change in net assets	312,000	149,000	(655,002)	(804,002)
Net assets, beginning of year	2,553,027	2,553,027	2,763,650	210,623
Net assets, end of year	\$ 2,865,027	2,702,027	2,108,648	(593,379)

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, 2012

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 450,000	450,000	441,701	(8,299)
Total operating revenues	<u>450,000</u>	<u>450,000</u>	<u>441,701</u>	<u>(8,299)</u>
Operating Expenses				
Contractual services	100,000	100,000	81,118	18,882
Total operating expenses	<u>100,000</u>	<u>100,000</u>	<u>81,118</u>	<u>18,882</u>
Operating income	<u>350,000</u>	<u>350,000</u>	<u>360,583</u>	<u>10,583</u>
Other Operating Revenues (Expenses)				
Operating transfers in	3,200,000	3,200,000	2,634,142	(565,858)
Operating transfers out	(1,100,000)	(1,100,000)	(1,078,257)	21,743
Total nonoperating revenues	<u>2,100,000</u>	<u>2,100,000</u>	<u>1,555,885</u>	<u>(544,115)</u>
Change in net assets	<u>2,450,000</u>	<u>2,450,000</u>	<u>1,916,468</u>	<u>(533,532)</u>
Net assets, beginning of year	-	-	-	-
Equity transfers	-	3,249,225	3,249,225	-
Net assets, end of year	<u>\$ 2,450,000</u>	<u>5,699,225</u>	<u>5,165,693</u>	<u>(533,532)</u>

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, 2012

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 500,000	500,000	503,567	3,567
Total operating revenues	<u>500,000</u>	<u>500,000</u>	<u>503,567</u>	<u>3,567</u>
Operating Expenses				
Contractual services	100,000	100,000	100,000	-
Total operating expenses	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Operating income	<u>400,000</u>	<u>400,000</u>	<u>403,567</u>	<u>3,567</u>
Other Operating Revenues (Expenses)				
Operating transfers in	-	-	-	-
Operating transfers out	(400,000)	(400,000)	(403,567)	(3,567)
Total nonoperating expenses	<u>(400,000)</u>	<u>(400,000)</u>	<u>(403,567)</u>	<u>(3,567)</u>
Change in net assets	-	-	-	-
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 CFRC GRANT
Year Ended June 30, 2012

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 2,725,000	2,725,000	2,672,628	(52,372)
Total operating revenues	2,725,000	2,725,000	2,672,628	(52,372)
Operating Expenses				
Contractual services	50,000	50,000	38,486	11,514
Total operating expenses	50,000	50,000	38,486	11,514
Operating income	2,675,000	2,675,000	2,634,142	(40,858)
Other Operating Revenues (Expenses)				
Operating transfers in	-	-	-	-
Operating transfers out	(2,675,000)	(2,675,000)	(2,634,142)	40,858
Total nonoperating expenses	(2,675,000)	(2,675,000)	(2,634,142)	40,858
Change in net assets	-	-	-	-
Net assets, beginning of year	-	-	-	-
Net assets, end of year	\$ -	-	-	-

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, 2012

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 750,000	770,000	766,697	(3,303)
Other operating revenues	24,000	24,000	20,145	(3,855)
Total operating revenues	774,000	794,000	786,842	(7,158)
Operating Expenses				
Operating	141,600	141,600	173,940	(32,340)
Contractual services and utilities	99,000	99,000	79,719	19,281
Repairs and maintenance	226,000	575,000	491,118	83,882
General	86,000	86,000	38,930	47,070
Depreciation and amortization	310,000	310,000	104,199	205,801
Total operating expenses	862,600	1,211,600	887,906	323,694
Operating income (loss)	(88,600)	(417,600)	(101,064)	316,536
Nonoperating Revenues (Expenses)				
Interest on investments	8,000	8,000	5,147	(2,853)
Interest expense	(192,000)	(192,000)	(124,517)	67,483
Total nonoperating expenses	(184,000)	(184,000)	(119,370)	64,630
Change in net assets	(272,600)	(601,600)	(220,434)	381,166
Net assets, beginning of year	607,366	607,366	817,494	210,128
Net assets, end of year	\$ 334,766	5,766	597,060	591,294

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, 2012

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 160,000	160,000	197,558	37,558
Other operating revenues	10,000	10,000	820,725	810,725
Total operating revenues	170,000	170,000	1,018,283	848,283
Operating Expenses				
Operating	6,000	17,000	161	16,839
Contractual services and utilities	17,500	17,500	102,378	(84,878)
Repairs and maintenance	74,000	178,000	1,482	176,518
General	11,000	14,000	5,743	8,257
Insurance	-	-	7,984	(7,984)
Depreciation	50,000	70,000	48,317	21,683
Total operating expenses	158,500	296,500	166,065	130,435
Operating income	11,500	(126,500)	852,218	978,718
Nonoperating Revenues (Expenses)				
Transfers in	-	-	-	-
Interest on investments	-	-	941	941
Interest expense	(72,000)	(72,000)	(42,062)	29,938
Total nonoperating expenses	(72,000)	(72,000)	(41,121)	30,879
Change in net assets	(60,500)	(198,500)	811,097	1,009,597
Net assets, beginning of year	143,109	143,109	291,143	148,034
Net assets, end of year	\$ 82,609	(55,391)	1,102,240	1,157,631

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, 2012

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 140,000	140,000	129,080	(10,920)
Other operating revenues	100	100	-	(100)
Total operating revenues	140,100	140,100	129,080	(11,020)
Operating Expenses				
Operating	45,000	70,000	86,115	(16,115)
Community welfare	1,800	1,800	1,150	650
Contractual services and utilities	21,100	23,300	102,624	(79,324)
Repairs and maintenance	67,700	110,200	27,613	82,587
Depreciation	70,000	70,000	64,076	5,924
General	26,000	41,000	7,877	33,123
Total operating expenses	231,600	316,300	289,455	26,845
Operating loss	(91,500)	(176,200)	(160,375)	15,825
Nonoperating Revenues				
Operating transfers out	-	-	-	-
Interest on investments	4,000	1,000	420	(580)
Change in net assets	(87,500)	(175,200)	(159,955)	15,245
Net assets, beginning of year	1,478,329	1,478,329	1,521,111	42,782
Net assets, end of year	\$ 1,390,829	1,303,129	1,361,156	58,027

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, 2012

Type of Account	Bank Balance	Outstanding Checks	Deposits in Transit	Carrying Balance	Fair Value
Change, imprest funds	Petty Cash	\$ -	-	-	-
Deposits with financial institutions:					
NM Bank & Trust					
Operating (Camino Consuelo)	Savings	275,157	-	275,157	275,157
Market max 757 (La Cieneguita)	Savings	11,816	-	11,816	11,816
Market max 765 (La Cieneguita)	Savings	131,319	-	131,319	131,319
Market max 856 (La Cieneguita)	Savings	59,634	-	59,634	59,634
Market max 864 (La Cieneguita)	Savings	5,229	-	5,229	5,229
Replacement Reserve (La Cieneguita)	Savings	-	-	-	-
Operating (La Cieneguita)	Checking	22,925	16,569	6,356	6,356
Operating (Espanola)	Checking	412,404	17,243	395,161	395,161
Security Deposits (Espanola)	Checking	39,614	221	39,393	39,393
Savings (Espanola)	Savings	774	-	774	774
US Bank					
General Fund Operating	Checking	278,995	117,040	161,955	161,955
Operating (Voucher)	Checking	1,582,584	24,780	1,557,804	1,557,804
FSB Reserve	Savings	78,504	-	78,504	78,504
FSS Escrow	Checking	171,267	-	171,267	171,267
Los Alamos National Bank					
Board Account	Savings	861,235	-	861,235	861,235
Operating (SF Hsg Dev Corp)	Checking	293,185	15,421	277,764	277,764
Security Deposit (SF Hsg Dev Corp)	Checking	20,843	-	20,843	20,843
Rehabilitation (SF Hsg Dev Corp)	Savings	285,449	-	285,449	285,449
Repair and Replace (SF Hsg Dev Corp)	Savings	131,047	-	131,047	131,047
Operating (Cielo Azul)	Checking	178,691	1,491	177,200	177,200
Debt Service Reserve (SF Hsg Dev Corp)	Savings	170,393	-	170,393	170,393
Security Deposit (Housing Authority)	Checking	29,025	1,096	27,929	27,929
Employee Fund (Cielo Azul)	Checking	1,484	-	1,484	1,484
Development Account (Cielo Azul)	Checking	854,019	-	854,019	854,019
Security Deposits (Cielo Azul)	Checking	7,000	-	7,000	7,000
TBRA (Section 8)	Checking	34,937	1,400	36,727	36,727
FSS PH (Operating)	Checking	33,310	-	36,917	36,917
Total deposits		5,970,840	195,261	5,782,376	5,782,376
Investments					
Los Alamos National Bank					
Certificates of Deposit (Operating)	Certificate of Deposit	54,513	-	54,513	54,513
NMB&T					
Certificates of Deposit (Operating)	Certificate of Deposit	-	-	-	-
Certificates of Deposit (Voucher)	Certificate of Deposit	504,948	-	504,948	504,948
Total investments		559,461	-	559,461	559,461
Total petty cash, deposits and investments		\$ 6,530,301	195,261	6,341,837	6,341,837

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF PLEDGED COLLATERAL
MARKET VALUE
June 30, 2012

	Maturity Date	Bank Balance	Federal Depository Insurance	Total Unsecured Public Funds	Required Collateral	Pledged Securities Market Value	Over/ (Under)
<u>New Mexico Bank & Trust</u>							
Checking and Savings	None	\$ 958,872	250,000	708,872	354,436	-	-
Certificate of Deposit	8/17/12	504,948	-	504,948	252,474	-	-
Collateral:							
Oakland Cnty Mich Crt Partn, Cusip 672440AV6							
6.25%, \$1,280,000 face	4/1/27	-	-	-	-	1,317,568	
Eastern NM Univ Rev, Cusip 276785UD2							
3.8%, \$245,000 face	4/1/17	-	-	-	-	255,846	966,504
<u>US Bank:</u>							
Checking and Savings	None	2,111,350	250,000	1,861,350	930,675	-	-
Collateral held at FRB Dallas:							
GNMA Remic 2010-166 MF, Cusip 38377RUU7							
4.0%, \$3,100,000	3/1/38	-	-	-	-	2,767,720	1,837,045
<u>Los Alamos National Bank</u>							
Checking and Savings	None	2,900,618	250,000	2,650,618	1,325,309	-	-
Certificate of Deposit	11/12/12	54,513	-	54,513	27,257	-	-
Collateral:							
FNMA, Cusip 31398A3G5							
1.5%, \$2,000,000 face 50% pledge	9/14/12	-	-	-	-	1,023,161	(329,405)

STATE OF NEW MEXICO
 SANTA FE CIVIC HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULE
 June 30, 2012

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2012

	Project Total	14,871 Housing Choice Vouchers	14,182 NUC, S/R Section 8 Programs	8 Other Federal Program 1	9 Other Federal Program 2	14,181 Supportive Housing for Persons with Disabilities	14,894 Competitive Capital Fund Stimulus Grant	14,870 Resident Opportunity and Supportive Services	1 Business Activities	Total
111 Cash - Unrestricted	\$557,114	\$2,082,752	\$2,001,046	\$142,804					\$1,031,219	\$5,795,035
112 Cash - Restricted - Modernization and Development										
113 Cash - Other Restricted	\$170,709	\$207,894		\$71,450					\$1,484	\$451,636
114 Cash - Tenant Security Deposits	\$87,323		\$20,843						\$7,000	\$95,166
115 Cash - Restricted for Payment of Current Liabilities										
100 Total Cash	\$795,145	\$2,270,746	\$2,021,889	\$214,354	\$0	\$0	\$0	\$0	\$1,039,703	\$9,347,837
121 Accounts Receivable - PHA Projects									\$64,582	\$64,582
122 Accounts Receivable - HUD Other Projects										\$0
124 Accounts Receivable - Other Government		\$46,816								\$46,816
125 Accounts Receivable - Miscellaneous			\$863,820							\$863,820
126 Accounts Receivable - Tenants	\$121,488		\$9,774	\$745						\$132,007
128.1 Allowance for Doubtful Accounts - Tenants	\$0		\$0	\$0						\$0
128.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgage Receivable - Current										
129 Fraud Recovery	\$192,704									\$192,704
128.1 Allowance for Doubtful Accounts - Fraud	-\$192,704									-\$192,704
129 Accrued Interest Receivable										
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$121,488	\$46,816	\$873,594	\$745	\$0	\$0	\$0	\$0	\$64,582	\$1,107,225
131 Investments - Unrestricted										
132 Investments - Restricted										
135 Investments - Restricted for Payment of Current Liability										
142 Prepaid Expenses and Other Assets	\$32,033		\$6,547	\$4,488					\$6,182	\$51,230
143 Inventories	\$13,456									\$13,456
143.1 Allowance for Obsolete Inventories	\$0									\$0
144 Inter Program Due From	\$1,567,979									\$1,567,979
145 Assets Held for Sale										
150 Total Current Assets	\$2,590,101	\$2,317,562	\$2,904,030	\$219,587	\$0	\$0	\$0	\$0	\$1,110,447	\$9,081,727
161 Land										
162 Buildings	\$299,637		\$289,852	\$244,300					\$930,000	\$1,142,589
163 Furniture, Equipment & Machinery - Dwellings	\$28,797,632		\$3,708,510	\$1,473,757					\$1,449,513	\$36,399,412
164 Furniture, Equipment & Machinery - Administration	\$1,303,597		\$203,485	\$4,415						\$1,511,497
165 Leasehold Improvements										
166 Accumulated Depreciation	-\$19,310,276		-\$3,080,468	-\$458,166					-\$378,080	-\$23,506,990
167 Construction in Progress										
168 Infrastructure	\$5,024,554									\$5,024,554
169 Total Capital Assets, Net of Accumulated Depreciation	\$18,675,144	\$0	\$920,179	\$1,284,906	\$0	\$0	\$0	\$0	\$1,401,433	\$20,191,662

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
June 30, 2012

Entity Wide Revenue and Expense Summary

		Submission Type: Audited/A-133										Fiscal Year End: 06/30/2012											
		Project Total	14,871 Housing Choice Vouchers	14,182 NIC S/R Section 8 Programs	8 Other Federal Program 1	8 Other Federal Program 2	14,181 Supportive Housing for Persons with Disabilities	14,884 Competitive Capital Fund Stimulus Grant	14,870 Resident Opportunity and Supportive Services	Business Activities	Total												
70500	Net Tenant Rental Revenue	\$1,132,693		\$786,842	\$120,080																	\$2,246,173	
70400	Tenant Revenue - Other																						
70500	Total Tenant Revenue	\$1,132,693	\$0	\$786,842	\$120,080	\$0	\$0	\$0	\$0	\$197,558	\$2,246,173												
70600	HUD PHA Operating Grants	\$1,236,442	\$5,874,465					\$39,490	\$47,088		\$7,200,381												
70810	Capital Grants	\$784,150				\$41,298		\$2,634,142			\$3,439,590												
70710	Management Fee																						
70720	Asset Management Fee																						
70730	Book Keeping Fee																						
70740	Front Line Service Fee																						
70750	Other Fee																						
70700	Total Fee Revenue																						
70800	Other Government Grants																						
71100	Investment Income - Unrestricted	\$5,061	\$1,057	\$5,147	\$420					\$941	\$13,528												
71200	Mortgage Interest Income																						
71300	Proceeds from Disposition of Assets Held for Sale																						
71310	Cost of Sale of Assets	\$300		\$12,555							\$12,856												
71400	Fraud Recovery	\$240,888	\$477,563							\$820,725	\$1,545,176												
71500	Other Revenue																						
71600	Gain or Loss on Sale of Capital Assets																						
72000	Investment Income - Restricted	\$3,086,524	\$0,398,541	\$791,889	\$120,500	\$41,288	\$92,460	\$2,672,628	\$47,088	\$1,016,224	\$14,550,182												
70000	Total Revenue	\$3,086,524	\$0,398,541	\$791,889	\$120,500	\$41,288	\$92,460	\$2,672,628	\$47,088	\$1,016,224	\$14,550,182												
91100	Administrative Salaries	\$207,845	\$402,518	\$88,116	\$52,690		\$9,310		\$2,530		\$74,853												
91200	Auditing Fees	\$11,517	\$49,884								\$61,551												
91300	Management Fee																						
91310	Book-keeping Fee																						
91400	Advertising and Marketing																						
91500	Employee Benefit Contributions - Administrative																						
91600	Office Expense	\$113,436	\$60,577	\$16,270	\$2,727					\$6,450	\$196,477												
91700	Legal Expense	\$9,229	\$549	\$1,052							\$10,830												
91800	Travel	\$11,272	\$2,624	\$1,504							\$15,400												
91810	Allocated Overhead																						
91600	Other	\$24,000	\$24,000								\$27,620												
91000	Total Operating - Administrative	\$353,288	\$716,370	\$160,070	\$68,842	\$0	\$9,310	\$0	\$2,530	\$10,079	\$1,340,468												
92000	Asset Management Fee																						
92100	Tenant Services - Salaries	\$68,093	\$54,924								\$141,017												
92200	Relocation Costs																						
92300	Employee Benefit Contributions - Tenant Services																						
92400	Tenant Services - Other	\$37,247	\$500	\$500	\$500	\$41,288			\$45,458		\$124,563												
92500	Total Tenant Services	\$123,390	\$54,924	\$0	\$500	\$41,288	\$0	\$0	\$45,458	\$0	\$285,570												

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012**

Federal Grantor/ Program Title	Federal CFDA Number	Receivable		Admin		Equity		Cash Receipts	Expenditures	Receivable		
		(Deferred Revenue) July 1, 2011	(Deferred Revenue) July 1, 2012	HAP Equity July 1, 2011	HAP Equity July 1, 2012	Admin Equity July 1, 2011	Admin Equity July 1, 2012			(Deferred Revenue) June 30, 2012	(Deferred Revenue) June 30, 2012	
Department of Housing and Urban Development												
Public Housing Subsidy	14.850	\$ -	-	-	-	-	-	1,058,324	1,058,324	-	-	
Resident Opportunity and Supportive Services	14.855	-	-	-	-	-	-	47,988	47,988	-	-	
Public Housing Capital Fund	14.872	334,273	-	-	-	-	-	1,003,591	938,268	268,950	-	
Public Housing Capital Fund Competitive (ARRA)	14.884	294,865	-	-	-	-	-	2,845,386	2,672,627	122,106	-	
Public Housing Capital Fund Formula (ARRA)	14.885	-	-	-	-	-	-	-	-	-	-	
BTOP	14.557	-	-	-	-	-	-	41,298	41,298	-	-	
Section 8 Housing	14.871	-	2,411,897	351,753	-	-	-	6,366,541	7,021,543	-	1,740,593	
Total Department of Housing and Urban Development		\$ 629,138	2,411,897	351,753	-	-	-	11,363,128	11,780,048	391,056	1,740,593	
											368,055	

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, 2012, and have issued our report thereon dated November 29, 2012. 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 12-01. 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 disclosed instances of noncompliance or other matters that are required to be reported under *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, 10-05, 12-05 and 12-06.

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 29, 2012

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, 2012. 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, 2012. 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 10-03, 12-02, 12-03 and 12-04.

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 29, 2012

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2012**

07-04	Budgetary Compliance	Updated and Included
09-02	Employee Travel and Per Diem	Resolved
10-01	Reporting	Resolved
10-03	Rent Reasonableness	Updated and Included
10-05	Pledged Collateral	Updated and Included
11-01	SAS 115 Compliance	Resolved
11-02	Eligibility – Rent Calculation	Resolved
11-03	Section 8 Funding Used to Pay Public Housing Expenditures	Resolved
11-04	HUD Depository Agreement	Resolved
11-05	HUD Reporting	Resolved

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012**

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

#14.850	Public Housing Subsidy
#14.871	Section 8 Housing
#14.872	Public Housing Capital Fund
#14.884	Public Housing Capital Fund Competitive (Recovery Act Funded)

Dollar threshold used to distinguish between Type A and Type B programs \$ 353,401

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, 2012**

B. FINDING – FINANCIAL STATEMENT

12-01 Accounts Receivable – Significant Deficiency

CRITERIA

Sound internal controls require that in the normal course of operations, employees be able to prevent, detect and correct errors and misstatements on a timely basis. In addition, support for all accounting transactions be readily available.

CONDITION

As part of testing accounts receivable, it was noted that the software utilized to track tenant accounts receivable places significant limitations on producing a receivables report timely. The software does not allow the Authority to produce a receivable report for any given date, just a report for the current receivables balance. In addition, the software used had internal errors on several occasions while reports were attempted to be produced that caused it to “crash.”

EFFECT

The Authority may not be able to prevent, detect and correct errors and misstatements on a timely basis due to these limitations.

CAUSE

The software utilized has internal flaws in it. In addition, the Authority does not have procedures in place to ensure proper reports are produced on key dates, such as the last day of the month.

RECOMMENDATION

The Authority should develop procedures to ensure all required receivables reports are produced monthly. In addition, the Authority should utilize an accounts receivable software that better suits the needs of the Authority.

MANAGEMENT RESPONSE

We concur with this finding and will procure the necessary software or make alteration to our current software and procedure to ensure all required receivables reports are produced. Our target date for correction is March 31, 2013.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012**

C. FINDING – FEDERAL MAJOR AWARD PROGRAMS

**10-03 Rent Reasonableness - Other
14.871 – Section 8 Voucher, Housing & Urban Development (HUD),
#NM16-0003-001 (2012)**

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 1 of the individuals selected that shows the Authority completed a rent comparison. However, we were able to determine that the rents paid were reasonable.

QUESTIONED COSTS

None

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 with this finding and we will increase our test population for quality assurance accordingly. We will also review all tenant files in cases where the case manager is not experienced and has not shown a high accuracy record.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012**

C. FINDING – FEDERAL MAJOR AWARD PROGRAMS

12-02 Eligibility - Other

14.871 – Section 8 Voucher, HUD, #NM16-0003-001 (2012)

CRITERIA

Per 24 CFR 982.4, .54(d)(15), .158(f)(7), and .507 SFCHA is required to obtain signatures that allows for the release of financial information.

CONDITION

In our test-work we have determined that out of our sample of 25, SFCHA failed to maintain the records of 1 of the individuals selected that shows the Authority obtained the participant's signature for the release of financial information.

QUESTIONED COSTS

None

EFFECT

The Authority is not in compliance for obtaining all required signatures for eligibility requirements..

CAUSE

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

RECOMMENDATION

Reviews should be made of all tenant files before official entry into the Section 8 program in order to determine that all required documentation is in place and compliance requirements are being met.

MANAGEMENT RESPONSE

We concur with this finding and we will increase our test population for quality assurance accordingly. We will also review all tenant files in cases where the case manager is not experienced and has not shown a high accuracy record.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012**

C. FINDING – FEDERAL MAJOR AWARD PROGRAMS

12-03 Data Collection Form

- 14.850 Public Housing, HUD, #NM009-00000111D (2011), NM009-00000211D (2011), NM009-00000311D (2011), NM010-00000111D (2011), NM010-00000112D (2012)**
- 14.871 Section 8 Voucher, HUD, #-NM16-0003-001 (2012)**
- 14.872 Public Housing Capital Fund, HUD, #-NM02P009501-09 (2009), NM02P009501-10 (2010), NM02P010501-09 (2009), NM02P010501-10 (2010)**
- 14.884 Public Housing Capital Fund Competitive, HUD, #NM00900000109G (2009)**

CRITERIA

Per OMB Circular A-133 Subsection .320(a) requires all entities that undergo an OMB A-133 Single Audit requires entities to submit their respective Data Collection Form to the Federal Clearinghouse the sooner of 30 days of the release of the audit report or 9 months from year end.

CONDITION

The final audit report was released on December 19, 2011 and the Data Collection Form was not submitted to the Federal Clearinghouse until March 27, 2012.

QUESTIONED COSTS

None

EFFECT

The Authority is not in compliance with for obtaining all required signatures for eligibility requirements.

CAUSE

The Data Collection Form was submitted only taking into account the 9 months from year end and did not consider the release date of the audit report.

RECOMMENDATION

The Data Collection Form should be added to reporting requirement lists maintained by the Authority to ensure a timely submission.

MANAGEMENT RESPONSE

We concur and will follow the recommendation as noted.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012**

C. FINDING – FEDERAL MAJOR AWARD PROGRAMS

12-04 Short Term Waiting List

14.850 Public Housing, HUD, #NM009-00000111D (2011), NM009-00000211D (2011), NM009-00000311D (2011), NM010-00000111D (2011), NM010-00000112D (2012)

CRITERIA

Per 24 CFR 960.202(a)(2)(iv), individuals and families who are on the short-term waiting list for more than one year must reapply annually. If they have not returned an annual application, they are to be removed from the waiting list.

CONDITION

Of the twenty-five individuals selected from the waiting list, six of the individuals had not filed a new application for an annual update.

QUESTIONED COSTS

None

EFFECT

The Authority is not in compliance with all required special provisions under the public housing grant.

CAUSE

The Authority reviews the waiting lists regularly; however, individuals that did not resubmit applications annually have not been removed from the waiting list.

RECOMMENDATION

The Housing Authority should continue to review the waiting list on a recurring basis and establish a system to ensure individuals that have not complied with eligibility and waiting list requirements be removed from the list.

MANAGEMENT RESPONSE

We concur; we will continue to review the waiting list and will require a monthly report to reflect total applicants, applicants added and applicants removed.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012**

D. FINDING – COMPLIANCE AND OTHER MATTERS

07-04 Budgetary Compliance - Other

CRITERIA

Actual expenses exceeded budgeted expenses for the Espanola Public Housing Authority by \$380,657.

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 \$85,000 for depreciation expense. However, actual depreciation expense was \$422,620. In addition, the Authority was over budget in the operating line item. 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 and will ensure compliance with SAO Rule 2.2.2.10P(1).

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012**

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 Los Alamos National Bank (LANB). 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, 2012. The Authority was under collateralized by \$329,405.

CAUSE

Although pledged collateral is monitored by both LANB and the Authority, both failed to detect that the current pledged collateral in place was not sufficient to meet statutory requirements.

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 LANB to ensure that pledged collateral is maintained at adequate levels.

MANAGEMENT RESPONSE

We concur and will work with LANB to correct this issue.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012**

D. FINDING – COMPLIANCE AND OTHER MATTERS

12-05 PERA Withholdings and Employer Contributions

CRITERIA

NMSA 1978 10-11-26.6 requires that retirement contributions be made on all wages earned by employees of entities associated with New Mexico Public Employees Retirement Association (PERA).

CONDITION

In 1 of 7 payroll transactions tested, we noted that retirement contributions were not withheld and paid to PERA on an employee's final paycheck. In addition, we noted that the Authority did not submit the employer portion of their retirement contributions on these wages. \$52.75 should have been withheld from the employees paycheck and \$36.71 of employer contributions should have been submitted.

CAUSE

It is the practice of the Authority to not withhold or contribute retirement contributions to PERA on terminated employees' final paycheck.

EFFECT

The Authority is not in compliance with State statutes as it pertains to retirement contributions.

RECOMMENDATION

We recommend that the Authority begin withholding retirement contributions on final paychecks and make the required matching employer contributions to PERA.

MANAGEMENT RESPONSE

We concur and will begin withholding accordingly.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012**

D. FINDING – COMPLIANCE AND OTHER MATTERS

12-06 Late Submission of Report -Other

CRITERIA

The due date of December 1, 2012 is established in Section 2.2.2.9NMAC of the 2012 State Auditor Rule.

CONDITION

The audit report for the fiscal year ended June 30, 2012 was not filed timely by December 1, 2012 as required.

CAUSE

The originally submitted report was rejected by the New Mexico State auditor and the report containing required corrections was submitted after December 1, 2012.

EFFECT

The report was not made available on a timely basis for use by the Legislature, the administration, or by other users.

RECOMMENDATION

Future required reports should be filed as timely as possible.

MANAGEMENT RESPONSE

The Authority relies on its auditors for compliance with financial statement reporting. The Authority will work with its auditors to ensure all required reporting elements are submitted timely.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
EXIT CONFERENCE
Year Ended June 30, 2012**

Exit Conference

An exit conference was held on November 21, 2012 to discuss the annual financial report. Attending were the following:

Representing the Santa Fe Civic Housing Authority:

Board of Director

Michael Gonzales, Chairperson

Management

Ed Romero, 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.