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Certified Public Accountants

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

FINANCIAL STATEMENTS

JUNE 30, 2013

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

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STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY

Official Roster

Board of Directors

Michael Gonzales

Chairperson

Gerard Gonzales

Co-Chairperson

John Wheeler

Board Member

Virginia Soto

Board Member

Jana Lujan

Board Member

Management

Ed Romero

Executive Director

Independent Auditor's Report

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

Report on the Financial Statements

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), as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents. We also have audited the budgetary comparisons for the major enterprise funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2013, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for each major enterprise fund for the year then ended in accordance 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the Authority's financial statements, the combining and individual fund financial statements, and budgetary comparisons. The Schedule of Expenditures of federal awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the other 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 basic financial statements.

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

The Schedule of Expenditures of federal awards and other schedules listed as “Supplemental Information” in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of federal awards and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2013, 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* in considering the Authority’s internal control over financial reporting and compliance.

Ricci, Porch & Company LLC

Albuquerque, New Mexico
November 27, 2013

SANTA FE CIVIC HOUSING AUTHORITY
(A Component Unit of the City of Santa Fe)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013

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, 2013. Please read it in conjunction with the Authority's financial statements, which follow this section.

Operational Highlights

The 2013 fiscal year had several significant extraordinary changes as follows:

- The Authority closed its CFRC grant received in 2009 resulting in two longterm cash flow notes from its Villa Alegre Family and Villa Alegre Senior for a total of \$3,974,724.
- 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 \$1.2 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 2014. 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) PHA program has been transferred and incorporated into the SFCHA effective July 1, 2013.

Financial Highlights

- Net position of the Authority decreased \$110,356 to \$23,872,117 as of June 30, 2013. The Authority had losses related to the closeout of construction in progress that were not capitalized, however, this was offset by development operations in Cielo Azul which had a net increase of over \$1.2 million. These transactions will represent a one-time spike in revenues and expenses that was the result of stimulus and development programs as well as a housing tax credit project that may never happen again.
- The total operating revenues of the Authority's enterprise units decreased by approximately \$436,000. Further analysis will detect that HUD subsidies for both the Public Housing and the Voucher programs continue to decrease. The increase in revenue to the Voucher program was primarily due to the increase of 200 vouchers from the Town of Bernalillo transferred into SFCHA and not to an overall grant increase. These decreases are a cause for concern because the Authority is forced to utilize cash reserves built up within the programs. This caused both programs to have negative cash flow from operations for the second year in a row. While our reserves continue to be substantial this practice of utilizing reserves to balance our budgets could undermine 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 2013. On the positive side facilities rentals increased by approximately \$134,000 indicating our core business is prospering. Cielo Azul was the beneficiary of approximately \$1,305,331 in developer fees and sustainable tax credits for the Villa Alegre project and were transferred to separate non-federal funds from federal funds. This was done in a pro-active manner to prevent additional offsets in the future.

SANTA FE CIVIC HOUSING AUTHORITY
(A Component Unit of the City of Santa Fe)
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013

- The Authority's net capital assets decreased by approximately \$5,600,000, which is related to the close-out of construction in progress that was not capitalized and depreciation on existing assets. However, the Authority did add approximately \$1,150,000 in new capital assets in the FY13.

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 Position and the Statement of Activities.
- The remaining statements are fund financial statements of the Authority's six distinct programs which all follow an accrual basis of accounting.
- The basic financial statements also include a "Notes to Financial Statements" section that explains some of the information in the Authority-wide and fund financial statements and provides more detailed data.

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

The Authority-wide statements report information about the Authority as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position 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.

SANTA FE CIVIC HOUSING AUTHORITY
(A Component Unit of the City of Santa Fe)
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2013

Financial Analysis of the Authority as a Whole

Net Position. The combined net position of the Authority decreased by \$110,356 from the June 30, 2012 amount. The following table shows a summary of changes from prior year amounts.

	Proprietary		Increase	%
	2013	2012	Increase (Decrease) Amt	
Cash and investments	6,594,445	6,341,837	252,608	3 %
Accounts receivable	2,538,841	1,374,142	1,164,699	85 %
Federal grants receivable	192,418	465,543	(273,125)	(59)%
Other current assets	54,344	64,686	(10,342)	(15)%
Total current assets	9,380,048	8,246,208	1,133,840	14 %
Other Assets	4,501,777	70,517	4,431,260	6,284 %
Fixed assets (net)	14,530,183	20,161,062	(5,630,879)	(28)%
Total assets	28,412,008	28,477,787	(65,799)	- %
Accounts payable	123,665	86,975	(36,690)	(42)%
Compensated absences payable	241,352	207,696	(33,656)	(16)%
Tenant security deposits	229,715	126,499	(103,216)	(82)%
Notes payable	292,303	288,377	(3,926)	(1)%
Due to other governments	40,278	-	(40,278)	(100)%
Escrows and deposits	90,827	171,267	80,440	(47)%
Total current liabilities	1,018,140	880,814	(137,326)	16 %
Notes payable	3,521,751	3,614,500	92,749	3%
Total liabilities	4,539,891	4,495,314	(44,577)	(1)%
Net position	23,872,117	23,982,473	(110,356)	-%

SANTA FE CIVIC HOUSING AUTHORITY
(A Component Unit of the City of Santa Fe)
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2013

Cash and investments increased \$252,608 primarily due to cash collections on development income and the earnings from utilizing those funds. The increase of other receivables in our development activities also drove our current assets increase of \$1,133,840 as developer fees were earned and loaned to new development activities.

Statement of Activities. This Statement shows the sources of the Authority's changes in net position as they arise from the seven programs and functions. The increase in net position occurred primarily from the items in the operation section above. All programs demonstrated positive cash flow activities prior to depreciation.

A condensed Statement of Activities for the fiscal years ended June 30, 2013 and 2012 is shown in the table below.

Santa Fe Civic Housing Authority's Statement of Activities				
	2013	2012	Increase (Decrease) Amount	%
Facility rentals	\$2,394,198	2,260,578	133,620	6 %
HUD grant and subsidy	10,524,881	11,094,674	(569,793)	(5)%
Other revenue	1,610,787	1,102,450	508,337	46 %
Total operating revenue	14,529,866	14,457,702	72,164	1 %
Operating expenses	14,748,621	12,633,028	2,115,593	17%
Operating income	(218,755)	1,824,674	(2,043,429)	(112)%
Total non-operating revenues (expenses)	-	-	-	-%
Change in net position	(218,755)	1,824,674	(2,043,429)	(112)%
Capital contributions	108,399	-	108,399	100%
Total change in net position	(110,356)	1,824,674	(1,935,003)	(106)%

SANTA FE CIVIC HOUSING AUTHORITY
(A Component Unit of the City of Santa Fe)
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2013

Facility rental income increased by \$133,620. 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. We expect revenues to flat-line or decrease in foreseeable future.

Operating expenses increased \$2,115,593. Incorporation of the Town of Bernalillo Voucher program and the cost out of construction in progress to non-capital items accounts for most of this increase.

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 HCV program fund, budgeted expenditures exceeded actual expenditures. The primary reason why the HCV program is over budget is due to consolidation of TOB voucher program, which was omitted from the budget by mistake.

Fund Balance Analysis

Program	Increase (Decrease)
Housing Authority	\$ 3,666,106
Vouchers	167,379
Capital Fund	(5,165,693)
Housing Development Corp.	103,185
Cielo Azul	1,209,467
La Cieneguita	<u>(90,800)</u>
 Total operational increase	 <u>\$ (110,356)</u>

Again operational items noted in the first paragraph were the primary factor in net decrease. The increase in Cielo Azul was the result of continued development activities.

Capital Asset and Debt Administration

- Capital assets decreased by approximately \$5,630,879 primarily from the CFRC grant closeout which reclassified construction work in process of approximately \$5,338,800 to long term loans in Villa Alegre developments.
- The Authority did not acquire any additional debt during FY13. In addition, the Authority only made scheduled payments on all notes, decreasing total notes payable by approximately \$89,000.

SANTA FE CIVIC HOUSING AUTHORITY
(A Component Unit of the City of Santa Fe)
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2013

Economic Factors and Next Year's Budgets

Funding is determined at the federal level and 2014 budgets have not been appropriated by HUD at this time.

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 POSITION
June 30, 2013

ASSETS

Current Assets

Cash, investments and equivalents	\$ 6,325,779
Tenant receivable, net	119,799
Other receivables - related parties	2,420,445
Other receivables	41,284
Federal grants receivable	149,731
Prepaid expenses	40,888
Inventory	13,456
Cash, investments and equivalents - restricted	<u>268,666</u>

Total current assets 9,380,048

Capital Assets

Land	1,142,589
Construction in progress	-
Buildings and improvements	36,520,555
Furniture and fixtures	882,914
Machinery, equipment and vehicles	127,486
Vehicles	438,601
Accumulated depreciation	<u>(24,581,962)</u>

Total capital assets (net of accumulated depreciation) 14,530,183

Other Assets

Notes receivable	4,437,136
Loan issuance costs, net	<u>64,641</u>

Total assets \$ 28,412,008

LIABILITIES

Current Liabilities

Accounts payable	\$ 123,665
Tenant security deposits	229,715
Compensated absences payable	241,352
Due to other governments	40,278
Notes payable	292,303
Escrows and deposits	<u>90,827</u>

Total current liabilities 1,018,140

Noncurrent Liabilities

Notes payable, less current portion	<u>3,521,751</u>
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Total liabilities \$ 4,539,891

NET POSITION

Net invested in capital assets	\$ 9,515,899
Unrestricted	<u>14,356,218</u>

Total net position \$ 23,872,117

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, 2013

Program expenses	
Housing	<u>\$ 14,748,621</u>
Program revenues	
Charges for services	2,394,198
Capital grants and contributions	945,655
Operating grants and contributions	9,579,226
Total program revenues	<u>12,919,079</u>
Net revenues	<u>(1,829,542)</u>
General revenues	
Development fees	1,305,331
Interest income	16,804
Other revenues	288,652
Total general revenues	<u>1,610,787</u>
Change in net position	(218,755)
Net position, beginning	<u>23,982,473</u>
Contributed Capital	<u>108,399</u>
Net position, ending	<u><u>\$ 23,872,117</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, 2013**

Cash Flows From Operating Activities	
Cash received from customers and grantors	\$ 14,428,305
Cash payments to suppliers for goods and services	(10,506,928)
Cash payments to employees for services	<u>(2,040,288)</u>
Net cash provided by operating activities	<u>1,881,089</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition and construction of capital assets	<u>(99,213)</u>
Net cash used by capital and related financing activities	<u>(99,213)</u>
Cash Flows From Noncapital Financing Activities	
Capital cash contributions	108,399
Principal paid on debt maturities	(88,823)
Interest paid on debt	<u>(162,692)</u>
Net cash used by noncapital financing activities	<u>(143,116)</u>
Cash Flows From Investing Activities	
Loans made to other entities	(1,402,956)
Interest and dividends on investments	<u>16,804</u>
Net cash provided by investing activities	<u>(1,386,152)</u>
Net increase in cash and cash equivalents	252,608
Cash investments and cash equivalents at beginning of year	<u>6,341,837</u>
Cash investments and cash equivalents at end of year	<u><u>\$ 6,594,445</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, 2013

Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ (72,867)
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	1,161,654
Construction in progress not capitalized	599,591
Change in assets and liabilities	
Accounts receivable	48,970
Prepaid expenses	10,342
Due from other funds	53,124
Other current assets	158,062
Accounts payable	36,689
Compensated absences payable	33,656
Deposits	16,426
Due to other funds	(164,558)
Total adjustments	1,953,956
Net cash provided by operating activities	\$ 1,881,089

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 POSITION
ENTERPRISE FUNDS
June 30, 2013

	Housing Authority	Section 8 Voucher	Capital Projects	Santa Fe Capital Fund CFRC
ASSETS				
Current Assets				
Cash, investments and equivalents	\$ 601,824	2,432,912	-	-
Tenant receivable	104,412	-	-	-
Federal grants receivable	149,731	-	-	-
Other receivables - related parties	1,069,475	-	-	-
Other receivables	30,117	-	-	-
Due from other funds	480,768	-	-	-
Prepaid expenses	20,874	-	-	-
Inventory	13,456	-	-	-
Cash, investments and equivalents - restricted	172,589	90,827	-	-
Total current assets	2,643,246	2,523,739	-	-
Capital Assets				
Land	299,637	-	-	-
Construction in progress	-	-	-	-
Buildings and improvements	29,888,775	-	-	-
Furniture and fixtures	682,336	-	-	-
Machinery and equipment	120,164	-	-	-
Vehicles	438,601	-	-	-
Accumulated depreciation	(20,174,413)	-	-	-
Total capital assets (net of depreciation)	11,255,100	-	-	-
Other Assets				
Notes receivable	3,974,724	-	-	-
Loan issuance costs, net	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 17,873,070	2,523,739	-	-
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 118,256	-	-	-
Tenant security deposits	199,680	-	-	-
Compensated absences payable	241,352	-	-	-
Due to other governments	-	40,278	-	-
Notes payable	-	-	-	-
Escrows and deposits	-	90,827	-	-
Due to other funds	-	116,607	-	-
Total current liabilities	559,288	247,712	-	-
Noncurrent Liabilities				
Notes payable	-	-	-	-
Due to other funds	-	-	-	-
Total noncurrent liabilities	-	-	-	-
Total liabilities	\$ 559,288	247,712	-	-
NET POSITION				
Net invested in capital assets	\$ 11,255,100	-	-	-
Unrestricted	6,058,682	2,276,027	-	-
Total net position	\$ 17,313,782	2,276,027	-	-

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

SF Housing Development Corporation	Cielo Azul	La Cieneguita	Total
2,097,185	951,122	242,736	6,325,779
8,358	6,809	220	119,799
-	-	-	149,731
363,820	987,150	-	2,420,445
-	11,167	-	41,284
-	-	-	480,768
9,139	5,635	5,240	40,888
-	-	-	13,456
5,250	-	-	268,666
<u>2,483,752</u>	<u>1,961,883</u>	<u>248,196</u>	<u>9,860,816</u>
268,652	330,000	244,300	1,142,589
-	-	-	-
3,708,510	1,449,513	1,473,757	36,520,555
200,578	-	-	882,914
2,907	-	4,415	127,486
-	-	-	438,601
<u>(3,458,910)</u>	<u>(426,397)</u>	<u>(522,242)</u>	<u>(24,581,962)</u>
<u>721,737</u>	<u>1,353,116</u>	<u>1,200,230</u>	<u>14,530,183</u>
-	462,412	-	4,437,136
64,641	-	-	64,641
500,000	-	-	500,000
<u>3,770,130</u>	<u>3,777,411</u>	<u>1,448,426</u>	<u>29,392,776</u>
5,409	-	-	123,665
17,603	6,350	6,082	229,715
-	-	-	241,352
-	-	-	40,278
70,984	221,319	-	292,303
-	-	-	90,827
122,173	70,000	171,988	480,768
<u>216,169</u>	<u>297,669</u>	<u>178,070</u>	<u>1,498,908</u>
2,853,716	668,035	-	3,521,751
-	500,000	-	500,000
<u>2,853,716</u>	<u>1,168,035</u>	<u>-</u>	<u>4,021,751</u>
<u>3,069,885</u>	<u>1,465,704</u>	<u>178,070</u>	<u>5,520,659</u>
(2,202,963)	463,762	-	9,515,899
<u>2,903,208</u>	<u>1,847,945</u>	<u>1,270,356</u>	<u>14,356,218</u>
<u>700,245</u>	<u>2,311,707</u>	<u>1,270,356</u>	<u>23,872,117</u>

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
Year Ended June 30, 2013

	Housing Authority	Section 8 Voucher	Capital Projects	Santa Fe Capital Fund CFRC
Operating Revenues				
Facilities rentals	\$ 1,196,425	-	-	-
HUD grant and subsidy	1,145,525	8,433,701	892,548	53,107
Development fees	-	-	-	-
Other revenue	163,682	92,233	-	-
Total operating revenues	2,505,632	8,525,934	892,548	53,107
Operating Expenses				
Salaries, wages and benefits	1,124,376	689,532	-	-
Community welfare	119,988	7,632,106	-	-
Contractual services and utilities	418,533	1,201	1,340,427	53,107
Repairs and maintenance	670,788	-	-	-
Depreciation and amortization expense	944,942	-	-	-
Insurance	94,939	-	-	-
Other	184,792	144,388	-	-
Total operating expenses	3,558,358	8,467,227	1,340,427	53,107
Operating income (loss)	(1,052,726)	58,707	(447,879)	-
Nonoperating Revenues (Expenses)				
Interest on investments	1,018	273	-	-
Interest expense	-	-	-	-
Operating transfers in	4,717,814	-	-	-
Operating transfers out	-	-	(4,717,814)	-
Total nonoperating revenues (expenses)	4,718,832	273	(4,717,814)	-
Change in net position	3,666,106	58,980	(5,165,693)	-
Net position, beginning of year	13,647,676	2,108,648	5,165,693	-
Equity transfers and contributions	-	108,399	-	-
Net position, end of year	\$ 17,313,782	2,276,027	-	-

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

SF Housing Development Corporation	Cielo Azul	La Cieneguita	Total
772,114	231,083	194,576	2,394,198
-	-	-	10,524,881
-	1,305,331	-	1,305,331
7,201	25,536	-	288,652
<u>779,315</u>	<u>1,561,950</u>	<u>194,576</u>	<u>14,513,062</u>
172,923	70,000	87,113	2,143,944
-	-	1,150	7,753,244
78,139	94,276	106,171	2,091,854
173,586	11,617	14,232	870,223
104,318	48,317	64,076	1,161,653
19,317	44,205	6,925	165,386
9,792	54,679	5,974	399,625
<u>558,075</u>	<u>323,094</u>	<u>285,641</u>	<u>14,585,929</u>
<u>221,240</u>	<u>1,238,856</u>	<u>(91,065)</u>	<u>(72,867)</u>
3,475	11,773	265	16,804
(121,530)	(41,162)	-	(162,692)
-	-	-	4,717,814
-	-	-	(4,717,814)
<u>(118,055)</u>	<u>(29,389)</u>	<u>265</u>	<u>(145,888)</u>
103,185	1,209,467	(90,800)	(218,755)
597,060	1,102,240	1,361,156	23,982,473
-	-	-	108,399
<u>700,245</u>	<u>2,311,707</u>	<u>1,270,356</u>	<u>23,872,117</u>

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
Year Ended June 30, 2013

	Housing Authority	Section 8 Voucher	Capital Projects	Santa Fe Capital Fund CFRC
Cash Flows from Operating Activities				
Cash received from customers and grantors	\$ 2,505,048	8,492,310	892,548	53,107
Cash payments to suppliers for goods and services	(1,336,865)	(7,658,457)	(892,548)	(53,107)
Cash payments to employees for services	(1,090,720)	(689,532)	-	-
Net cash provided by operating activities	77,463	144,321	-	-
Cash Flows from Capital Financing Activities				
Acquisition and construction of capital assets	(99,213)	-	-	-
Net cash used by capital financing activities	(99,213)	-	-	-
Cash Flows from Noncapital Financing Activities				
Cash transfers (to) from other funds	-	-	-	-
Capital cash contributions	-	108,399	-	-
Principal paid on debt maturities	-	-	-	-
Interest paid on debt	-	-	-	-
Net cash provided (used) by noncapital financing activities	-	108,399	-	-
Cash Flows from Investing Activities				
Loans made to other entities	-	-	-	-
Interest and dividends on investments	1,018	273	-	-
Net cash provided (used) by investing activities	1,018	273	-	-
Net (decrease) increase in cash and cash equivalents	(20,732)	252,993	-	-
Cash investments and cash equivalents at beginning of year	795,145	2,270,746	-	-
Cash investments and cash equivalents at end of year	\$ 774,413	2,523,739	-	-
Reconciliation of operating income to net cash provided by operating activities				
Operating (loss) income	\$ (1,052,726)	58,707	(447,879)	-
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation/amortization	944,942	-	-	-
Construction in progress not capitalized	151,712	-	447,879	-
Change in assets and liabilities				
Accounts receivable	213	46,816	-	-
Prepaid expenses	11,159	-	-	-
Due from other funds	12,846	40,278	-	-
Other current assets	151,712	-	-	-
Accounts payable	36,690	-	-	-
Compensated absences payable	33,656	-	-	-
Deposits	97,066	(80,440)	-	-
Due to other funds	(309,807)	78,960	-	-
Total adjustments	1,130,189	85,614	447,879	-
Net cash provided by operating activities	\$ 77,463	144,321	-	-

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

SF Housing Development Corporation	Cielo Azul	La Cieneguita	Total
721,487	1,568,300	195,505	14,428,305
(281,426)	(204,250)	(80,275)	(10,506,928)
(172,923)	-	(87,113)	(2,040,288)
267,138	1,364,050	28,117	1,881,089
-	-	-	(99,213)
-	-	-	(99,213)
-	-	-	-
-	-	-	108,399
(68,537)	(20,286)	-	(88,823)
(121,530)	(41,162)	-	(162,692)
(190,067)	(61,448)	-	(143,116)
-	(1,402,956)	-	(1,402,956)
3,475	11,773	265	16,804
3,475	(1,391,183)	265	(1,386,152)
80,546	(88,581)	28,382	252,608
2,021,889	1,039,703	214,354	6,341,837
2,102,435	951,122	242,736	6,594,445
221,240	1,238,856	(91,065)	(72,867)
104,319	48,317	64,076	1,161,654
-	-	-	599,591
1,416	-	525	48,970
(592)	527	(752)	10,342
-	-	-	53,124
-	6,350	-	158,062
(1)	-	-	36,689
-	-	-	33,656
(604)	-	404	16,426
(58,640)	70,000	54,929	(164,558)
45,898	125,194	119,182	1,953,956
267,138	1,364,050	28,117	1,881,089

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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. Based on GASB 14 and GASB 61 it was determined that the Authority is no longer a component unit of the City of Santa Fe. The City of Santa Fe is no longer responsible for the Authority's debt as a result of a HUD release. It was also determined that even though the mayor of the City of Santa Fe appoints the Authority's Board of Directors, the City of Santa Fe cannot impose its will on the Authority. The Housing Authority had no blended or discrete component units during the fiscal year ended June 30, 2013.

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*.

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. Gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange transactions are recognized when the exchange takes place. 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, 2013

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, 2013

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 Position

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 and equipment	5-7
Vehicles	5-8

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2013 is \$23,504.

Net Position. Net position represents the difference between assets plus deferred outflows of resources and liabilities less deferred inflows of resources. The Housing Authority classifies net position in the following three components:

- Net investment in capital assets - This account represents the total of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. The Housing Authority had no restricted net positions at June 30, 2013.
- Unrestricted net position - Consists of all other net assets that do not meet the definition of "restricted" or "net investment in capital assets".

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

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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.

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.

STATE OF NEW MEXICO
 SANTA FE CIVIC HOUSING AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

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	\$ 1,126,419
Collateral held by pledging bank's trust department not in the Authority's name	3,521,824
Uninsured and uncollateralized	<u>-</u>
Total deposits	<u>\$ 4,648,243</u>

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, 2013, \$3,521,824 of the Authority's bank balance of \$4,648,243 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ -
Uninsured and collateral held by pledging bank's trust department not in the Authority's name	<u>3,521,824</u>
Total	<u>\$ 3,521,824</u>

The Authority has multiple accounts with Charles Schwab & Co., Inc. These accounts are in money market funds that are only invested in United States Treasury Bills. The risk of loss on these accounts is only if the United States of America were to default on the Treasury Bills. These accounts are not subject to custodial credit risk. The total funds held at Charles Schwab & Co., Inc. were \$2,186,343 on June 30, 2013.

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.

STATE OF NEW MEXICO
 SANTA FE CIVIC HOUSING AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

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	\$ 297,116	192,704	104,412
SF Housing Development Corp	8,358	-	8,358
Cielo Azul	6,809	-	6,809
La Cieneguita	220	-	220
Total tenant receivables	<u>\$ 312,503</u>	<u>192,704</u>	<u>119,799</u>

NOTE 5. INTERFUND ACTIVITY

The compositions of interfund balances as of June 30, 2013, are as follows:

Receivable		Payable	
Fund	Amount	Fund	Amount
Current			
Housing Authority	\$ 122,173	Housing Development Corp.	\$ 122,173
Housing Authority	171,988	La Cieneguita	171,988
Housing Authority	116,607	Section 8 Voucher	116,607
Housing Authority	70,000	Cielo Azul	70,000
Non Current			
Housing Development Corp.	<u>500,000</u>	Cielo Azul	<u>500,000</u>
Total	<u>\$ 980,768</u>		<u>\$ 980,768</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	\$ 4,717,814
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STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 6. RELATED PARTY BALANCES

The Authority assisted in the establishment of various tax exempt entities. These entities maintain separate Boards. However, there are certain Authority employees who sit on the Boards. The Authority exercises no authority over these tax exempt organizations.

Receivables due from these organizations are as follows:

Other Receivables	
Santa Fe Housing	
RAD Santa Fe, LLC	\$ 163,386
RAD Espanola, LLC	26,657
RAD Bernalillo, LLC	18,955
Villa Alegre Family	388,691
Camino Campo	429,099
Espanola Housing	
RAD Santa Fe	42,687
SF Housing Development Corporation	
Villa Alegre Family	363,820
Cielo Azul	
RAD Bernalillo, LLC	386,550
RAD Espanola, LLC	300,300
RAD Santa Fe, LLC	<u>300,300</u>
Total other receivables	<u>\$ 2,420,445</u>
Notes Receivable – long term	
Santa Fe Housing	
Villa Alegre Family	\$ 476,974
Villa Alegre Senior	3,497,750
Cielo Azul	
Camino Campo	<u>462,412</u>
Total notes receivable – long term	<u>\$ 4,437,136</u>

The notes due from Villa Alegre Family and Villa Alegre Senior are interest free notes. The notes are paid with excess cash flows from the respective entity. Any remaining balance is due on June 30, 2042.

The note due from Camino Campo carries interest at 6%. Annual interest payments are required. Principal balances are paid from the excess cash flows. Any remaining balance is due on June 30, 2042.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 6. RELATED PARTY BALANCES (CONTINUED)

Payables due to these organizations are as follows:

Notes Payable (see Note 8)

Cielo Azul

Casas Buena Ventura \$ 200,000

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,142,589	-	-	1,142,589
Construction in progress	5,624,554	1,037,715	6,662,269	-
Total	<u>6,767,143</u>	<u>1,037,715</u>	<u>6,662,269</u>	<u>1,142,589</u>
Capital assets being depreciated				
Buildings and improvements	35,389,412	1,131,143	-	36,520,555
Furniture and fixtures	882,914	-	-	882,914
Machinery and equipment	208,291	-	(80,805)	127,486
Vehicles	420,292	18,309	-	438,601
Total	<u>36,900,909</u>	<u>1,149,452</u>	<u>(80,505)</u>	<u>37,969,556</u>
Less accumulated depreciation	<u>23,506,990</u>	<u>1,155,777</u>	<u>(80,805)</u>	<u>24,581,962</u>
Total capital assets being depreciated, net	<u>13,393,919</u>	<u>(6,325)</u>	<u>-</u>	<u>13,387,594</u>
Total capital assets	<u>\$ 20,161,062</u>	<u>1,031,390</u>	<u>6,662,269</u>	<u>14,530,183</u>

Depreciation expense for the year ended June 30, 2013 totaled \$1,155,777. The entire amount has been included in the Statement of Activities as a Housing Program expenditure.

Construction Commitments

The Authority has active construction projects as of June 30, 2013.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 8. LONG-TERM DEBT

Changes in Long-Term Liabilities. During the year ended June 30, 2013, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013	Due Within One Year
Notes payable	\$ 3,902,877	-	(88,823)	3,814,054	292,303
Compensated absences	207,696	241,352	(207,696)	241,352	241,352
Total	<u>\$ 4,110,573</u>	<u>241,352</u>	<u>(296,519)</u>	<u>4,055,406</u>	<u>533,655</u>

For the year ended June 30, 2013, the Authority incurred \$162,692 of interest expense that has been included in the Statement of Activities as a Housing Program expenditure.

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, 2013 is \$76,649.

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, 2013 is \$2,597,884.

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, 2013 is \$326,816.

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, 2013 is \$612,705.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 8. LONG-TERM DEBT (CONTINUED)

Total aggregate maturing of the notes payable at June 30, 2013, is as follows:

Year	<u>Commercial Mortgage</u>		<u>Commercial Mortgage</u>	
	Principal	Interest	Principal	Interest
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	17,630	32,736	64,890	99,222
2019 – 2023	105,864	145,965	369,148	451,411
2024 – 2028	142,794	109,036	1,930,144	106,419
2029 – 2033	192,608	59,221	-	-
2034 – 2036	92,955	6,032	-	-
Total	\$ 612,705	493,599	2,597,884	1,079,798

Year	<u>Casas Note</u>		<u>MFA Note 1</u>	
	Principal	Interest	Principal	Interest
2014	\$ 200,000	-	7,443	3,673
2015	-	-	7,824	3,292
2016	-	-	8,224	2,892
2017	-	-	8,645	2,471
2018	-	-	9,087	2,029
2019 – 2023	-	-	35,426	3,283
2024 – 2028	-	-	-	-
2029 – 2033	-	-	-	-
2034 – 2036	-	-	-	-
Total	\$ 200,000	-	76,649	17,640

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 8. LONG-TERM DEBT (CONTINUED)

Year	MFA Note 2		Total Notes	
	Principal	Interest	Principal	Interest
2014	\$ 16,222	9,734	292,303	159,247
2015	16,720	9,236	96,411	155,139
2016	17,234	8,722	100,710	150,840
2017	17,764	8,193	105,208	146,342
2018	18,308	7,648	109,915	141,635
2019 – 2023	100,329	29,451	610,767	630,110
2024 – 2028	116,708	13,072	2,189,646	228,527
2029 – 2033	23,531	420	216,139	59,641
2034 – 2036	-	-	92,955	6,032
Total	\$ 326,816	86,476	3,814,054	1,677,513

NOTE 9. 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, 2013, 2012 and 2011 were \$137,388, \$118,974, and \$109,970, 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, 2013

**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 employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013**

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

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. During the fiscal year ended June 30, 2013, the statute requires each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee is required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Authority's contributions to the RHCA for the years ended June 30, 2013, 2012, and 2011 were \$30,030, \$ 23,847, and \$20,023, respectively, which equal the required contributions for each year.

NOTE 10. 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, 2013

NOTE 11. BUDGET DEFICIT

Actual expenses exceeded budgeted expenses for the Section 8 Vouchers fund. The Authority was able to make up the shortfall by using cash that existed in each fund.

NOTE 12. CAPITAL GRANT CLOSEOUT

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

Santa Fe – NM02P009501-10	
1411 Audit	\$ 5,000
1460 Dwelling Structures	<u>686,583</u>
Total grant expenditures	<u>\$ 691,583</u>

Santa Fe – NM02P009501-11	
1406 Operations	\$ 130,000
1410 Administrative	55,000
1411 Audit	5,000
1450 Site Improvement	70,000
1460 Dwelling Structures	<u>392,617</u>
Total grant expenditures	<u>\$ 652,617</u>

Santa Fe – NM02S009501-09 CFRC	
1410 Administration	\$ 131,704
1430 Fees and Costs	1,977,926
1460 Dwelling Structures	282,000
1485 Demolition	<u>805,000</u>
Total grant expenditures	<u>\$3,196,630</u>

NOTE 13. SUBSEQUENT EVENT

On July 1, 2012, the Authority began operating the Housing Choice Voucher program for the Town of Bernalillo. The ultimate responsibility for this program remained with the Town of Bernalillo for the year ended June 30, 2013 and was not audited as part of the Authority.

Effective July 1, 2013, Town of Bernalillo Housing Authority was transferred to Santa Fe Civic Housing Authority. All operations of the Town of Bernalillo Housing Authority will be included as part of the Authority of the year ending June 30, 2014.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
PUBLIC HOUSING COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2013

	Santa Fe Housing Authority	Espanola Housing Authority	Total
ASSETS			
Current Assets			
Cash, investments and equivalents	\$ 378,182	223,642	601,824
Tenant receivable	82,426	21,986	104,412
Federal grants receivable	149,731	-	149,731
Other receivables - related parties	1,026,788	42,687	1,069,475
Other receivables	30,117	-	30,117
Due from other funds	480,768	-	480,768
Due from Espanola	-	-	-
Prepaid expenses	15,702	5,172	20,874
Inventory	13,456	-	13,456
Cash, investments and equivalents - restricted	172,589	-	172,589
Total current assets	2,349,759	293,487	2,643,246
Capital Assets			
Land	22,200	277,437	299,637
Construction in progress	-	-	-
Buildings and improvements	17,159,612	12,729,163	29,888,775
Furniture and fixtures	43,183	639,153	682,336
Machinery and equipment	120,164	-	120,164
Vehicles	281,533	157,068	438,601
Accumulated depreciation	(12,248,925)	(7,925,488)	(20,174,413)
Total capital assets (net of depreciation)	5,377,767	5,877,333	11,255,100
Other Assets			
Long term receivables	3,974,724	-	3,974,724
Total assets	\$ 11,702,250	6,170,820	17,873,070
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 118,256	-	118,256
Tenant security deposits	172,589	27,091	199,680
Compensated absences payable	219,505	21,847	241,352
Bonds payable	-	-	-
Notes payable	-	-	-
Escrows and deposits	-	-	-
Due to Espanola	53,849	(53,849)	-
Deferred revenue	-	-	-
Accrued interest	-	-	-
Total current liabilities	564,199	(4,911)	559,288
Noncurrent Liabilities			
Bonds payable	-	-	-
Notes payable	-	-	-
Due to other funds	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	\$ 564,199	(4,911)	559,288
NET POSITION			
Net invested in capital assets	\$ 5,377,767	5,877,333	11,255,100
Unrestricted	5,760,284	298,398	6,058,682
Total net position	\$ 11,138,051	6,175,731	17,313,782

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 POSITION
ENTERPRISE FUNDS
Year Ended June 30, 2013

	Santa Fe Housing Authority	Espanola Housing Authority	Total
Operating Revenues			
Facilities rentals	\$ 962,338	234,087	1,196,425
HUD grant and subsidy	788,487	357,038	1,145,525
Other revenue	163,682	-	163,682
Total operating revenues	1,914,507	591,125	2,505,632
Operating Expenses			
Salaries, wages and benefits	748,791	375,585	1,124,376
Community welfare	119,988	-	119,988
Contractual services and utilities	378,404	40,129	418,533
Repairs and maintenance	511,540	159,248	670,788
Depreciation expense	518,025	426,917	944,942
Insurance	64,320	30,619	94,939
Other	160,050	24,742	184,792
Total operating expenses	2,501,118	1,057,240	3,558,358
Operating loss	(586,611)	(466,115)	(1,052,726)
Nonoperating Revenues (Expenses)			
Interest on investments	964	54	1,018
Interest expense	-	-	-
State grant	-	-	-
Loss on disposition of assets	-	-	-
Operating transfers in	4,717,814	-	4,717,814
Operating transfers out	-	-	-
Total nonoperating revenues	4,718,778	54	4,718,832
Change in net position	4,132,167	(466,061)	3,666,106
Net position, beginning of year	7,005,884	6,641,792	13,647,676
Equity transfers	-	-	-
Net position, end of year	\$ 11,138,051	6,175,731	17,313,782

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, 2013

	Santa Fe Housing Authority	Espanola Housing Authority	Total
Cash Flows from Operating Activities			
Cash received from customers and grantors	\$ 2,108,890	396,158	2,505,048
Cash payments to suppliers for goods and services	(1,200,917)	(135,948)	(1,336,865)
Cash payments to employees for services	(717,983)	(372,737)	(1,090,720)
Net cash provided (used) by operating activities	<u>189,990</u>	<u>(112,527)</u>	<u>77,463</u>
Cash Flows from Capital Financing Activities			
Insurance reimbursement	-	-	-
Acquisition and construction of capital assets	-	(99,213)	(99,213)
Net cash used by financing activities	<u>-</u>	<u>(99,213)</u>	<u>(99,213)</u>
Cash Flows from Noncapital Financing Activities			
Cash transfers (to) from other funds	-	-	-
Proceeds from long-term debt	-	-	-
Principal paid on debt maturities	-	-	-
Interest paid on debt	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities			
Proceeds from state grants	-	-	-
Interest and dividends on investments	964	54	1,018
	<u>964</u>	<u>54</u>	<u>1,018</u>
Net increase (decrease) in cash and cash equivalents	190,954	(211,686)	(20,732)
Cash investments and cash equivalents at beginning of year	359,817	435,328	795,145
Cash investments and cash equivalents at end of year	<u>\$ 550,771</u>	<u>223,642</u>	<u>774,413</u>
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	\$ (586,611)	(466,115)	(1,052,726)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation/amortization	518,025	426,917	944,942
Construction in progress not capitalized	-	151,712	151,712
Change in assets and liabilities			
Accounts receivable	(208,957)	209,170	213
Prepaid expenses	(9,768)	20,927	11,159
Due from other funds	164,558	(151,712)	12,846
Other current assets	151,712	-	151,712
Accounts payable	36,690	-	36,690
Accrued interest	-	-	-
Escrow and deposits	-	-	-
Compensated absences payable	30,808	2,848	33,656
Deposits	93,533	3,533	97,066
Due to other funds	-	(309,807)	(309,807)
Due to HUD	-	-	-
Deferred revenues	-	-	-
Total adjustments	<u>776,601</u>	<u>353,588</u>	<u>1,130,189</u>
Net cash provided (used) by operating activities	<u>\$ 189,990</u>	<u>(112,527)</u>	<u>77,463</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 POSITION
ENTERPRISE FUNDS
June 30, 2013

	Santa Fe Capital Projects	Espanola Capital Projects	Total
ASSETS			
Current Assets			
Cash, investments and equivalents	\$ -	-	-
Tenant receivable	-	-	-
Federal grants receivable	-	-	-
Other receivables - related parties	-	-	-
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	-	-	-
Buildings and improvements	-	-	-
Furniture and fixtures	-	-	-
Machinery and equipment	-	-	-
Vehicles	-	-	-
Accumulated depreciation	-	-	-
Total capital assets	<u>-</u>	<u>-</u>	<u>-</u>
(net of depreciation)	<u>-</u>	<u>-</u>	<u>-</u>
Other Assets			
Due from other funds	-	-	-
Total assets	<u>\$ -</u>	<u>-</u>	<u>-</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 POSITION			
Net invested in capital assets	\$ -	-	-
Unrestricted	-	-	-
Total net position	<u>\$ -</u>	<u>-</u>	<u>-</u>

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
CAPITAL PROJECTS COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
Year Ended June 30, 2013

	Santa Fe CFP Projects	Espanola Capital Projects	Total
Operating Revenues			
Facilities rentals	\$ -	-	-
HUD grant and subsidy	892,548	-	892,548
Other revenue	-	-	-
Total operating revenues	892,548	-	892,548
Operating Expenses			
Salaries, wages and benefits	-	-	-
Community welfare	-	-	-
Contractual services and utilities	1,340,427	-	1,340,427
Repairs and maintenance	-	-	-
Depreciation expense	-	-	-
Insurance	-	-	-
Other	-	-	-
Total operating expenses	1,340,427	-	1,340,427
Operating income	(447,879)	-	(447,879)
Nonoperating Revenues (Expenses)			
Interest on investments	-	-	-
Interest expense	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(4,717,814)	-	(4,717,814)
Total nonoperating expenses	(4,717,814)	-	(4,717,814)
Change in net position	(5,165,693)	-	(5,165,693)
Net position, beginning of year	5,165,693	-	5,165,693
Equity transfers	-	-	-
Net position, end of year	\$ -	-	-

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, 2013

	Santa Fe Capital Projects	Espanola Capital Projects	Total
Cash Flows from Operating Activities			
Cash received from customers and grantors	\$ 892,548	-	892,548
Cash payments to suppliers for goods and services	(892,548)	-	(892,548)
Cash payments to employees for services	-	-	-
Net cash provided by operating activities	-	-	-
Cash Flows from Capital Financing Activities			
Expense of non-capital construction in progress	-	-	-
Cash Flows from Noncapital Financing Activities			
Cash transfers to other funds	-	-	-
Cash transfers from other funds	-	-	-
Principal paid on debt maturities	-	-	-
Interest paid on debt	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-
Cash Flows from Investing Activities			
Capital contributions to other funds	-	-	-
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	\$ (447,879)	-	(447,879)
Adjustments to reconcile operating income to net cash provided by operating activities			
Construction in progress not capitalized	447,879	-	447,879
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	447,879	-	447,879
Net cash provided by operating activities	\$ -	-	-

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 POSITION (BUDGET TO ACTUAL) -
SANTA FE HOUSING AUTHORITY
Year Ended June 30, 2013

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 940,000	940,000	962,338	22,338
HUD grants and subsidy	770,000	900,000	788,487	(111,513)
Other operating revenues	78,000	78,000	163,682	85,682
Total operating revenues	1,788,000	1,918,000	1,914,507	(3,493)
Operating Expenses				
Operating	365,000	360,000	748,791	(388,791)
Community welfare	208,000	238,000	119,988	118,012
Utilities	385,000	410,000	378,404	31,596
Repairs and maintenance	790,000	1,065,000	511,540	553,460
General	370,000	400,000	224,370	175,630
Depreciation	1,400,000	1,400,000	518,025	881,975
Total operating expenses	3,518,000	3,873,000	2,501,118	1,371,882
Operating income (loss)	(1,730,000)	(1,955,000)	(586,611)	1,368,389
Nonoperating Revenues (Expenses)				
Operating transfers in	-	-	4,717,814	4,717,814
Operating transfers out	-	-	-	-
State grants	-	-	-	-
Interest expense	(6,000)	(6,000)	-	6,000
Interest on investments	17,000	17,000	964	(16,036)
Total nonoperating revenues	11,000	11,000	4,718,778	4,707,778
Change in net position	(1,719,000)	(1,944,000)	4,132,167	6,076,167
Net position, beginning of year	7,005,884	7,005,884	7,005,884	-
Equity transfers	-	-	-	-
Net position, end of year	<u>\$ 5,286,884</u>	<u>5,061,884</u>	<u>11,138,051</u>	<u>6,076,167</u>

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
ESPANOLA HOUSING AUTHORITY
Year Ended June 30, 2013

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 250,000	260,000	234,087	(25,913)
HUD grants and subsidy	570,000	500,000	357,038	(142,962)
Other operating revenues	5,000	5,000	-	(5,000)
Total operating revenues	825,000	765,000	591,125	(173,875)
Operating Expenses				
Operating	207,500	267,500	375,585	(108,085)
Community welfare	-	-	-	-
Utilities	81,000	53,000	40,129	12,871
Repairs and maintenance	398,000	378,000	159,248	218,752
General	148,000	181,000	55,361	125,639
Depreciation	430,000	430,000	426,917	3,083
Total operating expenses	1,264,500	1,309,500	1,057,240	252,260
Operating income (loss)	(439,500)	(544,500)	(466,115)	78,385
Nonoperating Revenues (Expenses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Interest on investments	5,000	5,000	54	(4,946)
Total nonoperating revenues	5,000	5,000	54	(4,946)
Change in net position	(434,500)	(539,500)	(466,061)	73,439
Net position, beginning of year	6,641,792	6,641,792	6,641,792	-
Equity Transfers	-	-	-	-
Net position, end of year	\$ 6,207,292	6,102,292	6,175,731	73,439

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
SANTA FE SECTION 8 VOUCHER
Year Ended June 30, 2013

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 7,070,000	7,070,000	7,218,776	148,776
Port-in HAP reimbursement	700,000	700,000	1,130,659	430,659
Port-admin fees	60,000	60,000	43,549	(16,451)
TBRA revenues	35,000	35,000	40,717	5,717
Other revenue	12,000	12,000	92,233	80,233
Total operating revenues	7,877,000	7,877,000	8,525,934	648,934
Operating Expenses				
Community welfare	6,998,000	6,998,000	7,212,442	(214,442)
Port HAP	700,000	700,000	1,213,444	(513,444)
TBRA expenses	35,000	35,000	41,341	(6,341)
Total operating expenses	7,733,000	7,733,000	8,467,227	(734,227)
Operating income	144,000	144,000	58,707	(85,293)
Nonoperating revenues (expenses)				
Interest income	5,000	5,000	273	(4,727)
Total nonoperating revenues	5,000	5,000	273	(4,727)
Change in net position	149,000	149,000	58,980	(90,020)
Net position, beginning of year	2,108,648	2,108,648	2,108,648	-
	-	-	108,399	108,399
Net position, end of year	\$ 2,257,648	2,257,648	2,276,027	18,379

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
SANTA FE CAPITAL PROJECTS FUND
Year Ended June 30, 2013

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 1,040,670	1,040,670	892,548	(148,122)
Total operating revenues	1,040,670	1,040,670	892,548	(148,122)
Operating Expenses				
Contractual services	1,344,200	1,344,200	1,340,427	3,773
Total operating expenses	1,344,200	1,344,200	1,340,427	3,773
Operating income	(303,530)	(303,530)	(447,879)	(144,349)
Other Operating Revenues (Expenses)				
Operating transfers in	3,200,000	3,200,000	-	(3,200,000)
Operating transfers out	(1,100,000)	(1,100,000)	(4,717,814)	(3,617,814)
Total nonoperating revenues	2,100,000	2,100,000	(4,717,814)	(6,817,814)
Change in net position	1,796,470	1,796,470	(5,165,693)	(6,962,163)
Net position, beginning of year	5,165,693	5,165,693	5,165,693	-
Net position, end of year	\$ 6,962,163	6,962,163	-	(6,962,163)

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
ESPANOLA CAPITAL PROJECTS FUND
Year Ended June 30, 2013

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 37,654	37,654	-	(37,654)
Total operating revenues	37,654	37,654	-	(37,654)
Operating Expenses				
Contractual services	37,654	37,654	-	37,654
Total operating expenses	37,654	37,654	-	37,654
Operating income	-	-	-	-
Other Operating Revenues (Expenses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total nonoperating expenses	-	-	-	-
Change in net position	-	-	-	-
Net position, beginning of year	-	-	-	-
Net position, end of year	\$ -	-	-	-

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
SANTA FE CFRC GRANT
Year Ended June 30, 2013

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 98,639	98,639	53,107	(45,532)
Total operating revenues	98,639	98,639	53,107	(45,532)
Operating Expenses				
Contractual services	98,639	98,639	53,107	45,532
Total operating expenses	98,639	98,639	53,107	45,532
Operating income	-	-	-	-
Other Operating Revenues (Expenses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total nonoperating expenses	-	-	-	-
Change in net position	-	-	-	-
Net position, beginning of year	-	-	-	-
Net position, end of year	\$ -	-	-	-

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
SANTA FE HOUSING DEVELOPMENT CORPORATION
Year Ended June 30, 2013

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 780,000	800,000	772,114	(27,886)
Other operating revenues	24,000	24,000	7,201	(16,799)
Total operating revenues	804,000	824,000	779,315	(44,685)
Operating Expenses				
Operating	141,600	131,600	172,923	(41,323)
Contractual services and utilities	99,000	104,000	78,139	25,861
Repairs and maintenance	405,000	325,000	173,586	151,414
General	86,000	86,000	29,109	56,891
Depreciation and amortization	310,000	310,000	104,318	205,682
Total operating expenses	1,041,600	956,600	558,075	398,525
Operating income (loss)	(237,600)	(132,600)	221,240	353,840
Nonoperating Revenues (Expenses)				
Interest on investments	8,000	8,000	3,475	(4,525)
Interest expense	(175,000)	(180,000)	(121,530)	58,470
Total nonoperating expenses	(167,000)	(172,000)	(118,055)	53,945
Change in net position	(404,600)	(304,600)	103,185	407,785
Net position, beginning of year	597,060	597,060	597,060	-
Net position, end of year	\$ 192,460	292,460	700,245	407,785

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
CIELO AZUL
Year Ended June 30, 2013

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 160,000	160,000	231,083	71,083
Development activities	-	1,200,000	1,305,331	105,331
Other operating revenues	50,000	50,000	25,536	(24,464)
Total operating revenues	210,000	1,410,000	1,561,950	151,950
Operating Expenses				
Operating	61,000	171,000	70,000	101,000
Contractual services and utilities	63,500	137,500	94,276	43,224
Repairs and maintenance	28,000	58,000	11,617	46,383
General	6,000	30,000	54,679	(24,679)
Insurance	8,000	8,000	44,205	(36,205)
Depreciation	70,000	70,000	48,317	21,683
Total operating expenses	236,500	474,500	323,094	151,406
Operating income	(26,500)	935,500	1,238,856	303,356
Nonoperating Revenues (Expenses)				
Transfers in	-	-	-	-
Interest on investments	-	-	11,773	11,773
Interest expense	(72,000)	(82,000)	(41,162)	40,838
Total nonoperating expenses	(72,000)	(82,000)	(29,389)	52,611
Change in net position	(98,500)	853,500	1,209,467	355,967
Net position, beginning of year	(55,391)	(55,391)	1,102,240	1,157,631
Net position, end of year	\$ (153,891)	798,109	2,311,707	1,513,598

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
LA CIENEGUITA
Year Ended June 30, 2013

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 140,000	190,000	194,576	4,576
Other operating revenues	100	100	-	(100)
Total operating revenues	140,100	190,100	194,576	4,476
Operating Expenses				
Operating	105,000	110,000	87,113	22,887
Community welfare	1,800	1,800	1,150	650
Contractual services and utilities	76,500	58,500	106,171	(47,671)
Repairs and maintenance	57,000	55,000	14,232	40,768
Depreciation	70,000	70,000	64,076	5,924
General	6,000	6,000	12,899	(6,899)
Total operating expenses	316,300	301,300	285,641	15,659
Operating loss	(176,200)	(111,200)	(91,065)	20,135
Nonoperating Revenues				
Operating transfers out	-	-	-	-
Interest on investments	1,000	1,000	265	(735)
Change in net position	(175,200)	(110,200)	(90,800)	19,400
Net position, beginning of year	1,303,129	1,303,129	1,361,156	58,027
Net position, end of year	\$ 1,127,929	1,192,929	1,270,356	77,427

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, 2013

	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 (La Cieneguita)	Checking	50,770	22,869	-	27,901	27,901
Operating (Espanola)	Checking	187,004	7,450	385	179,939	179,939
Security Deposits (Espanola)	Checking	43,514	585	-	42,929	42,929
Operating (Camino Consuelo)	Savings	275,527	-	-	275,527	275,527
Market max 757 (La Cieneguita)	Savings	12,230	-	-	12,230	12,230
Market max 765 (La Cieneguita)	Savings	131,516	-	-	131,516	131,516
Market max 856 (La Cieneguita)	Savings	65,858	-	-	65,858	65,858
Market max 864 (La Cieneguita)	Savings	5,231	-	-	5,231	5,231
Savings (Espanola)	Savings	774	-	-	774	774
US Bank						
General Fund Operating	Checking	454,787	195,880	100	259,007	259,007
Operating (Voucher)	Checking	1,647,556	4,947	28,704	1,671,313	1,671,313
FSS Escrow (Voucher)	Checking	90,827	-	-	90,827	90,827
Bernalillo Operating (Voucher)	Checking	706,830	-	-	706,830	706,830
FSB Reserve (Operating)	Savings	78,652	-	-	78,652	78,652
Los Alamos National Bank						
Operating (SF Hsg Dev Corp)	Checking	371,816	23,042	-	348,774	348,774
Security Deposit (SF Hsg Dev Corp)	Checking	5,472	222	-	5,250	5,250
Operating (Cielo Azul)	Checking	153,088	13,791	-	139,297	139,297
Security Deposit (Operating)	Checking	31,662	304	50	31,408	31,408
Villa Alegre Subsidy (Operating)	Checking	50,490	-	-	50,490	50,490
Employee Fund (Cielo Azul)	Checking	2,735	-	-	2,735	2,735
Development Account (Cielo Azul)	Checking	102,717	-	-	102,717	102,717
Security Deposits (Cielo Azul)	Checking	352	-	-	352	352
TBRA (Voucher)	Checking	55,060	290	-	54,770	54,770
FSS PH (Operating)	Checking	76,008	-	-	76,008	76,008
Board Account (SF Hsg Dev Corp)	Savings	19,850	-	-	19,850	19,850
Rehabilitation (SF Hsg Dev Corp)	Savings	10,941	-	-	10,941	10,941
Repair and Replace (SF Hsg Dev Corp)	Savings	6,280	-	-	6,280	6,280
Debt Service Reserve (SF Hsg Dev Corp)	Savings	10,696	-	-	10,696	10,696
Total deposits		4,648,243	269,380	29,239	4,408,102	4,408,102
Investments						
Charles Schwab						
Operating Deposits (Operating)	Treasury Bill	55,204	-	-	55,204	55,204
Rehabilitation (SF Hsg Dev Corp)	Treasury Bill	275,004	-	-	275,004	275,004
Repair and Replace (SF Hsg Dev Corp)	Treasury Bill	125,001	-	-	125,001	125,001
Debt Service Reserve (SF Hsg Dev Corp)	Treasury Bill	160,002	-	-	160,002	160,002
Board Account (SF Hsg Dev Corp)	Treasury Bill	850,111	-	-	850,111	850,111
Security Deposit (SF Hsg Dev Corp)	Treasury Bill	15,000	-	-	15,000	15,000
Development Account (Cielo Azul)	Treasury Bill	700,021	-	-	700,021	700,021
Security Deposits (Cielo Azul)	Treasury Bill	6,000	-	-	6,000	6,000
Total investments		2,186,343	-	-	2,186,343	2,186,343
Total petty cash, deposits and investments		\$ 6,834,586	269,380	29,239	6,594,445	6,594,445
Shown on the Statement of Net Position as:						
Cash, investments and equivalents					\$ 6,325,779	
Cash, investments and equivalents - restricted					268,666	
Total cash, investments and equivalents					\$ 6,594,445	

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF PLEDGED COLLATERAL
MARKET VALUE
June 30, 2013

	Maturity Date	Bank Balance	Federal Depository Insurance	Total Uninsured Public Funds	Required Collateral	Pledged Securities Market Value	Over/ (Under)
<u>New Mexico Bank & Trust</u>							
Checking	None	\$ 281,288	250,000	31,288	15,644	-	-
Savings	None	491,136	250,000	241,136	120,568	-	-
Collateral:							
Oakland Cnty Mich Crt Partn, Cusip 672440AV6 6.25%, \$1,280,000 face	4/1/27	-	-	-	-	1,323,251	
Eastern NM Univ Rev, Cusip 276785UD2 3.8%, \$245,000 face	4/1/17	-	-	-	-	254,188	1,441,227
<u>US Bank:</u>							
Checking	None	2,900,000	250,000	2,650,000	1,325,000	-	-
Savings	None	78,652	78,652	-	-	-	-
Collateral held at FRB Dallas:							
FNMA Pool AE5486, Cusip 31419GKY8 3.5%, \$5,415,000	10/1/25	-	-	-	-	3,000,287	1,675,287
<u>Los Alamos National Bank</u>							
Checking	None	849,400	250,000	599,400	299,700	-	-
Savings	None	47,767	47,767	-	-	-	-
Collateral:							
FNMA, Cusip 31398A3G5 1.5%, \$2,000,000 face 50% pledge	9/14/12	-	-	-	-	1,014,607	714,907

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE
Year Ended June 30, 2013

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.182 NIC/SR Section 8 Programs	14.181 Supportive Housing for Persons with Disabilities	14.864 Competitive Capital Fund Stimulus Grant	9 Other Federal Program 1	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$438,640		\$2,432,912	\$2,984,833			\$184,847	\$842,035	\$6,053,375		\$6,963,375
112 Cash - Restricted - Modernization and Development											
113 Cash - Other Restricted	\$135,785		\$90,827					\$2,737	\$301,355		\$301,355
114 Cash - Tenant Security Deposits	\$198,680			\$17,803			\$8,982	\$8,350	\$228,715		\$228,715
115 Cash - Restricted for Payment of Current Liabilities											
100 Total Cash	\$774,413	\$0	\$2,523,739	\$2,102,436	\$0	\$0	\$242,735	\$851,122	\$6,584,445	\$0	\$6,584,445
121 Accounts Receivable - PHA Projects											
122 Accounts Receivable - HUD Other Projects	\$149,801							\$1,480,729	\$1,480,729		\$1,480,729
124 Accounts Receivable - Other Government									\$148,831		\$148,831
125 Accounts Receivable - Miscellaneous	\$1,098,182			\$383,023					\$1,481,012		\$1,481,012
128 Accounts Receivable - Tenants	\$194,412			\$8,358			\$220	\$8,809	\$119,789		\$119,789
128.1 Allowance for Doubtful Accounts - Tenants	\$0			\$0			\$0	\$0	\$0		\$0
130.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0			\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgage Receivable - Current											
128 Fraud Recovery	\$182,704								\$182,704		\$182,704
128.1 Allowance for Doubtful Accounts - Fraud	-\$182,704								-\$182,704		-\$182,704
129 Accrued Interest Receivable											
120 Total Receivables, Net of Allowance for Doubtful Accounts	\$1,353,535	\$0	\$0	\$372,178	\$0	\$0	\$220	\$1,467,538	\$3,163,471	\$0	\$3,163,471
131 Investments - Unrestricted											
132 Investments - Restricted											
135 Investments - Restricted for Payment of Current Liability											
142 Prepaid Expenses and Other Assets	\$20,874			\$9,139			\$5,240	\$5,635	\$40,888		\$40,888
143 Inventories	\$13,459								\$13,459		\$13,459
143.1 Allowance for Obsolete Inventories	\$0			\$500,000					\$0		\$0
144 Inter Program Due From	\$480,869								\$980,988		\$980,988
145 Assets Held for Sale											
150 Total Current Assets	\$2,643,248	\$0	\$2,523,739	\$2,983,753	\$0	\$0	\$248,195	\$2,424,285	\$10,823,228	\$0	\$10,823,228
161 Land	\$289,837			\$288,852					\$1,142,589		\$1,142,589
162 Buildings	\$20,888,775			\$3,708,510			\$244,300	\$330,000	\$1,142,589		\$20,528,555
163 Furniture, Equipment & Machinery - Dwellings	\$1,241,101			\$203,485			\$1,473,758	\$1,448,513	\$38,820,556		\$1,440,001
164 Furniture, Equipment & Machinery - Administration									\$1,440,001		\$1,440,001
165 Leasehold Improvements											
166 Accumulated Depreciation	-\$20,174,413			-\$3,458,810			-\$522,242	-\$428,367	-\$24,581,662		-\$24,581,662
167 Construction in Progress											
168 Infrastructure											
160 Total Capital Assets, Net of Accumulated Depreciation	\$11,255,100	\$0	\$0	\$721,737	\$0	\$0	\$1,200,231	\$1,383,118	\$14,530,184	\$0	\$14,530,184
171 Notes, Loans and Mortgage Receivable - Non-Current	\$3,974,724								\$3,974,724		\$3,974,724
172 Notes, Loans, & Mortgage Receivable - Non Current - Plant Due											
173 Grants Receivable - Non Current											
174 Other Assets									\$84,840		\$84,840
176 Investments in Joint Ventures											
180 Total Non-Current Assets	\$15,229,824	\$0	\$0	\$786,377	\$0	\$0	\$1,200,231	\$1,383,118	\$18,588,548	\$0	\$18,588,548
190 Total Assets	\$17,873,070	\$0	\$2,523,739	\$3,770,130	\$0	\$0	\$1,448,470	\$3,777,411	\$29,392,770	\$0	\$29,392,770

STATE OF NEW MEXICO
 SANTA FE CIVIC HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULE

Year Ended June 30, 2013

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.192 N/C/S/R Section 8 Programs	14.181 Supportive Housing for Persons with Disabilities	14.884 Competitive Capital Fund Stimulus Grant	8 Other Federal Program 1	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$1,196,425			\$772,114			\$194,576	\$231,083	\$2,394,198		\$2,394,198
70400 Tenant Revenue - Other		\$0	\$0								
70500 Total Tenant Revenue	\$1,196,425	\$0	\$0	\$772,114	\$0	\$0	\$194,576	\$231,083	\$2,394,198	\$0	\$2,394,198
70600 HUD PHA Operating Grants	\$1,361,609	\$23,727	\$6,725,115		\$149,468				\$8,259,919		\$8,259,919
70610 Capital Grants						\$98,639			\$98,639		\$98,639
70710 Management Fee	\$74,118								\$74,118		\$74,118
70720 Asset Management Fee											
70730 Book Keeping Fee											
70740 Front Line Service Fee											
70750 Other Fees											
70700 Total Fee Revenue									\$0	\$0	\$0
70800 Other Government Grants											
71100 Investment Income - Unrestricted	\$1,018		\$273	\$3,475			\$285	\$11,773	\$16,804		\$16,804
71200 Mortgage Interest Income											
71300 Proceeds from Disposition of Assets Held for Sale											
71310 Cost of Sale of Assets											
71400 Fraud Recovery			\$20,835						\$20,835		\$20,835
71500 Other Revenue	\$163,682		\$1,245,606	\$7,201				\$1,330,867	\$2,747,356		\$2,747,356
71600 Gain or Loss on Sale of Capital Assets											
72000 Investment Income - Restricted											
70000 Total Revenue	\$3,436,652	\$23,727	\$7,997,929	\$782,790	\$149,468	\$98,639	\$194,841	\$1,573,723	\$14,251,869	\$0	\$14,251,869
91100 Administrative Subsidies	\$300,343		\$436,082	\$71,221	\$9,404		\$53,142	\$70,000	\$940,792		\$940,792
91200 Auditing Fees	\$13,252		\$9,169	\$916			\$3,619		\$26,955		\$26,955
91300 Management Fee											
91310 Book-keeping Fee											
91400 Advertising and Marketing											
91500 Employee Benefit Contributions - Administrative	\$384,603		\$191,529	\$48,396			\$33,971		\$638,499		\$638,499
91600 Office Expenses	\$169,053		\$33,869	\$8,803			\$3,005	\$32,693	\$246,423		\$246,423
91700 Legal Expense	\$5,915							\$394	\$6,309		\$6,309
91800 Travel	\$12,800		\$105	\$73				\$714	\$13,692		\$13,692
91810 Allocated Overhead											
91800 Other			\$24,000					\$91,817	\$115,817		\$115,817
91000 Total Operating - Administrative	\$885,565	\$0	\$684,753	\$129,409	\$9,404	\$0	\$93,737	\$195,619	\$1,988,487	\$0	\$1,988,487
92000 Asset Management Fee											
92100 Tenant Services - Salaries	\$88,083	\$48,331	\$57,877						\$192,291		\$192,291
92200 Relocation Costs											
92300 Employee Benefit Contributions - Tenant Services											
90400 Tenant Services - Other	\$119,988						\$500		\$120,488		\$120,488
92500 Total Tenant Services	\$206,071	\$48,331	\$57,877	\$0	\$0	\$0	\$500	\$0	\$312,779	\$0	\$312,779

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE

Year Ended June 30, 2013

93100 Water	\$153,515	\$27,835	\$10,359	\$5,595	\$197,304	\$197,304
93200 Electricity	\$52,488	\$6,169	\$3,001		\$61,678	\$61,678
93300 Gas	\$130,418	\$17,874	\$1,553	\$199	\$150,044	\$150,044
93400 Fuel						
93500 Labor						
93600 Sewer	\$89,454	\$26,241	\$6,524	\$5,249	\$118,468	\$118,468
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense	\$29,563		\$4,372		\$33,935	\$33,935
93900 Total Utilities	\$446,436	\$78,139	\$25,809	\$11,043	\$561,427	\$561,427
94100 Ordinary Maintenance and Operations - Labor	\$359,179	\$51,784	\$27,933		\$438,876	\$438,876
94200 Ordinary Maintenance and Operations - Materials and Other	\$315,629	\$47,465	\$14,232	\$11,617	\$388,943	\$388,943
94300 Ordinary Maintenance and Operations Contracts	\$1,711,555	\$127,063	\$52,429	\$93,396	\$2,004,361	\$2,004,361
94500 Employee Benefit Contributions - Ordinary Maintenance						
94000 Total Maintenance	\$2,386,373	\$226,892	\$94,594	\$105,013	\$2,812,872	\$2,812,872
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$94,939	\$19,317	\$6,925	\$4,265	\$125,446	\$125,446
96120 Liability Insurance						
96130 Workmen's Compensation						
96140 All Other Insurance	\$11,306				\$11,306	\$11,306
96100 Total Insurance Premiums	\$84,939	\$19,317	\$6,925	\$4,265	\$116,752	\$116,752
96200 Other General Expenses	\$69,984				\$107,792	\$107,792
96210 Compensated Absences						
96230 Payments in Lieu of Taxes						
96400 Bad debt - Tenant Rent						
96500 Bad debt - Mortgage						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	\$0	\$37,808	\$0	\$0	\$107,792	\$107,792
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs	\$121,530				\$121,530	\$121,530
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$121,530	\$121,530
96900 Total Operating Expenses	\$3,999,385	\$575,287	\$221,565	\$315,909	\$6,095,947	\$6,095,947
97000 Excess of Operating Revenue over Operating Expenses	\$-952,333	\$207,503	\$-28,724	\$1,257,784	\$8,155,922	\$8,155,922
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments	\$6,418,882		\$102,256		\$6,521,138	\$6,521,138
97350 HAP Portability-in	\$1,213,444				\$1,213,444	\$1,213,444
97400 Depreciation Expense	\$948,942	\$104,318	\$64,076	\$48,317	\$1,165,653	\$1,165,653
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense	\$4,944,327	\$8,467,227	\$285,641	\$364,256	\$14,991,852	\$14,991,852
98000 Total Expenses	\$4,944,327	\$8,467,227	\$285,641	\$364,256	\$14,991,852	\$14,991,852

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
FINANCIAL DATA SCHEDULE

Year Ended June 30, 2013

10010	Operating Transfer In	\$4,717,814																			\$4,717,814	
10020	Operating Transfer Out																				\$4,717,814	
10030	Operating Transfers from the Primary Government																					
10040	Operating Transfers from the Component Unit																					\$24,604
10050	Proceeds from Notes, Loans and Bonds																					
10060	Proceeds from Property Sales																					
10070	Extraordinary Items, Net Gains/Loss																					
10080	Special Items (Net Gains/Loss)																					
10091	Inter-Project Excess Cash Transfer In																					
10092	Inter-Project Excess Cash Transfer Out																					
10093	Transfers between Project and Project - In																					
10094	Transfers between Project and Program - Out																					
10100	Total Other Financing Sources (Uses)	\$4,717,814	\$24,604	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10990	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$3,210,339	\$0	\$-475,388	\$103,185	\$0	\$0	\$-590,800	\$1,209,487	\$3,956,793	\$0	\$0	\$3,956,793	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,956,793
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030	Beginning Equity	\$18,813,369	\$0	\$2,108,648	\$597,060	\$0	\$0	\$1,361,156	\$1,102,240	\$23,982,473	\$0	\$0	\$23,982,473	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,982,473
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$-4,709,826	\$0	\$642,777	\$0	\$0	\$0	\$0	\$0	\$-4,067,149	\$0	\$0	\$-4,067,149	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-4,067,149
11050	Changes in Contingent Liability Balance																					
11060	Changes in Unrecognized Pension Transition Liability																					
11080	Changes in Special Term/Sovereign Benefits Liability																					
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents																					
11100	Changes in Allowance for Doubtful Accounts - Other																					
11170	Administrative Fee Equity			\$427,035						\$427,035			\$427,035									\$427,035
11180	Housing Assistance Payments Equity			\$1,846,932						\$1,846,932			\$1,846,932									\$1,846,932
11190	Unit Months Available		6420	12144	1200	240	384			20388	0		20388									20388
11210	Number of Unit Months Let		6303	11024	1175	213	378			19673	0		19673									19673
11270	Excess Cash	\$1,570,716	\$0							\$1,570,716			\$1,570,716									\$1,570,716
11610	Land Purchases	\$0	\$0							\$0			\$0									\$0
11620	Building Purchases	\$0	\$0							\$0			\$0									\$0
11630	Furniture & Equipment - Dwelling Purchases	\$0	\$0							\$0			\$0									\$0
11640	Furniture & Equipment - Administrative Purchases	\$0	\$0							\$0			\$0									\$0
11650	Leasehold Improvements Purchases	\$0	\$0							\$0			\$0									\$0
11680	Infrastructure Purchases	\$0	\$0							\$0			\$0									\$0
13510	FFFP Debt Service Payments	\$0	\$0							\$0			\$0									\$0
13801	Replacement Housing Factor Funds	\$0	\$0							\$0			\$0									\$0

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013**

Federal Grantor/ Program Title	Federal CFDA Number	Receivable		Admin Equity July 1, 2012	HAP Equity July 1, 2012	Transfers Equity July 1, 2012	Cash Receipts	Expenditures	Receivable		
		(Deferred Revenue) July 1, 2012	(Deferred Revenue) June 30, 2013						HAP Equity June 30, 2013	Admin Equity July 1, 2013	
Department of Housing and Urban Development											
Public Housing Subsidy	14.850	\$ -	-	-	-	-	1,121,798	1,121,798	-	-	
Resident Opportunity and Supportive Services	14.855	-	-	-	-	-	23,727	23,727	-	-	
Public Housing Capital Fund	14.872	268,950	-	-	-	-	1,075,366	956,147	149,731	-	
Public Housing Capital Fund Competitive (ARRA)	14.884	122,106	-	-	-	-	175,213	53,107	-	-	
Public Housing Capital Fund Formula (ARRA)	14.885	-	-	-	-	-	-	-	-	-	
BTOP	14.557	-	-	-	-	-	-	-	-	-	
Section 8 Housing	14.871	-	1,740,593	368,055	108,399	-	8,526,207	8,467,227	-	1,848,992	427,035
Total Department of Housing and Urban Development		\$ 391,056	1,740,593	368,055	108,399	10,922,311	10,622,006	149,731	1,848,992	427,035	

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, Porch & 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*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the 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), as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 27, 2013.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*, and Section 12-6-5, NMSA 1978, and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2007-04.

Authority's Response to Findings

The Authority's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Ricci, Porch & Company LLC

Albuquerque, New Mexico
November 27, 2013

Ricci, Porch & Company LLC

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

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by OMB Circular A-133

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the State of New Mexico Santa Fe Civic Housing Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133, Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Authority's compliance.

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of 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, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, 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 2012-04, 2013-01 and 2013-02. Our opinion on each major federal program is not modified with respect to these matters.

The Authority's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

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

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

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

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Ricci, Pouch & Company LLC

Albuquerque, New Mexico
November 27, 2013

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2013**

07-04	Budgetary Compliance	Updated and Included as 2007-04
10-03	Rent Reasonableness	Resolved
10-05	Pledged Collateral	Resolved
12-01	Accounts Receivable	Resolved
10-03	Rent Reasonableness	Resolved
12-02	Section 8 – Eligibility	Resolved
12-03	Data Collection Form	Resolved
12-04	Short Term Waiting List	Updated and Included as 2012-04
12-05	PERA Withholdings and Employer Contributions	Resolved
12-06	Late Submission of Report	Resolved

STATE OF NEW MEXICO
 SANTA FE CIVIC HOUSING AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2013

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

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

Non-compliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 501(a) of Circular A-133?

Yes No

Identification of major programs tested

#14.850	Public Housing Subsidy
#14.871	Section 8 Housing

Dollar threshold used to distinguish between Type A and Type B programs

\$ 300,000

Auditee qualified as low-risk auditee?

Yes No

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013**

B. FINDING – FINANCIAL STATEMENT

None

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013**

C. FINDING – FEDERAL MAJOR AWARD PROGRAMS

2012-04 Short Term Waiting List - Compliance

14.850 Public Housing, HUD, #NM009-00000113D (2013), NM009-00000213D (2013), NM009-00000313D (2013), NM009-00000413D (2013), NM009-00000513D (2013), NM009-00000613D (2013)

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, five 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 with this finding and will make the necessary change to quality control to reduce if not eliminate the possibility of this recurring. The waiting list will be reviewed monthly to ensure updates are timely recorded and list is purged accordingly.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013**

C. FINDING – FEDERAL MAJOR AWARD PROGRAMS

2013-01 Rent Calculations - Compliance

14.850 Public Housing, HUD, #NM009-00000113D (2013), NM009-00000213D (2013), NM009-00000313D (2013), NM009-00000413D (2013), NM009-00000513D (2013), NM009-00000613D (2013)

CRITERIA

Per 24 CFR 960.253, .255 & .259, individuals and families may pay no more than 30% of their verified income to rent.

CONDITION

Of the twenty-five individuals selected for testing, one individual was paying more than 30%. It was determined that the income calculation was over-written causing the amount used to calculate the rent to be different than the verified rent. The individual should have had a rent of \$181 and was paying \$182.

QUESTIONED COSTS

None

EFFECT

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

CAUSE

System generated calculations were over written by manual entries.

RECOMMENDATION

The Housing Authority should continue to provide software training and increase its reviews of tenant files to help eliminate potential similar errors.

MANAGEMENT RESPONSE

The Authority concurs and will follow the recommendation by providing software training plus the recommendation to increase its reviews of tenant files to help eliminate potential similar errors.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013**

C. FINDING – FEDERAL MAJOR AWARD PROGRAMS

2013-02 Eligibility - Compliance

14.871 Section 8 Vouchers, HUD, NM009-VO-0077

CRITERIA

Per the Section 8 grant requirements, all individuals eighteen and older are required to sign the release and privacy notice forms.

CONDITION

Of the twenty-five individuals selected for testing, the file for one of the individuals did not include the required release and privacy notice forms.

QUESTIONED COSTS

None

EFFECT

The Authority is not in compliance with all required eligibility provisions under the Section 8 Vouchers program.

CAUSE

Management was unaware that the file did not include all required forms. It was noted that this file was not selected for its internal inspection.

RECOMMENDATION

Reviews should be made of all tenant files before official entry into the Section 8 program in order to determine that all required documents are included in the tenant file.

MANAGEMENT RESPONSE

The Authority concurs and will follow the recommendation to review the tenant files before official entry into the Section 8 Program in order to determine that all required documents are included in the tenants file.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013**

D. FINDING – COMPLIANCE AND OTHER MATTERS

2007-04 Budgetary Compliance - Other

CRITERIA

Actual expenses exceeded budgeted expenses for the Section 8 Vouchers fund by \$734,227.

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

In the Section 8 Vouchers fund, the Authority managed more portable HAP individuals than they anticipated. The Authority has no control over individuals who port in. Budget adjustments were not made to account for these individuals. In addition, when the Authority began managing the Town of Bernalillo Voucher program, budget adjustments were not formally made to account for this change.

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

The Authority concurs and will take steps to ensure that it complies with legal budget requirements as outlined in the State Auditor Rule.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
EXIT CONFERENCE
Year Ended June 30, 2013**

Exit Conference

An exit conference was held on November 22, 2013 to discuss the annual financial report. Attending were the following:

Representing the Santa Fe Civic Housing Authority:

Board of Director

Jana Lujan, Board Member

Management

Ed Romero, Executive Director

Rudy Gallegos, Deputy Director

Anna Chavez, Administrative Supervisor

Nellie Olivas, Accountant

Amy Jimenez, Accountant

Representing the Independent Auditor:

Herman Chavez, CPA, Manager

Christina Cosme, Staff

AUDITOR PREPARED FINANCIAL STATEMENTS

Management is responsible for the context of the report, even though the financial statements were prepared substantially by the independent auditor. It would be preferred and desirable for the Authority to prepare its own financial statements and footnotes; although the Authority is capable or preparing, reviewing and approving the financial statements and footnotes, it is felt the Authority's personnel do not have the time to prepare them