

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

**Financial Statements
For the Year Ended June 30, 2015**

(With Independent Auditor's Report Thereon)

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
June 30, 2015**

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**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
June 30, 2015**

Official Roster

Board of Directors

Michael Gonzales	Chairperson
Gerard Gonzales	Co-Chairperson
Jana Lujan	Board Member
Virginia Soto	Board Member
John Wheeler	Board Member

Management

Ed Romero	Executive Director
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Robert J. Rivera, CPA, PC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors -
Santa Fe Civic Housing Authority
and
Mr. Timothy M. Keller
New Mexico State Auditor
Santa Fe, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, the aggregate remaining fund information of the Santa Fe Civic Housing Authority (the Housing Authority) as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the Housing 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 section as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

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

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

Opinions

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the business-type activities, each major enterprise fund, and the aggregate remaining fund information of the Housing Authority, as of June 30, 2015, and the respective changes in financial position and cash flows thereof, and the respective budgetary comparisons for the 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 Housing Authority are presented in conformity with the budgetary basis approved by the US Department of Housing and Urban Development, and described in Note 2, which is a basis of accounting consistent with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, during the year ended June 30, 2015, the Housing Authority adopted new accounting guidance, GASB Statement 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter

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 ix through xiv and GASB required supplementary pension schedules on pages 41 through 43 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 Housing Authority's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards (Schedule 7) as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, the combining and individual fund financial statements presented as supplementary information and the other schedules 3 and 4 required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Financial Data Schedule (Schedule 6) is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and is not a required part of the financial statements.

The Schedule of Expenditures of Federal Awards (Schedule 7) and other schedules 3, 4 and 6 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 the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, the combining and individual fund financial statements, and other supplemental information schedules 3, 4 and 6 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT), (Schedule 5) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2016, on our consideration of the Housing 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 Housing Authority's internal control over financial reporting and compliance.



Robert J. Rivera, CPA, PC

Santa Fe, New Mexico

February 3, 2016

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

This section of the Santa Fe Civic Housing Authority's (Housing 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, 2015. Please read it in conjunction with the Authority's financial statements, which follow this section.

Operational Highlights

The 2015 fiscal year had several significant extraordinary changes as follows:

- The Housing Authority closed two RAD redevelopment deals which convert Public Housing units to site based voucher properties utilizing Low Income Housing Tax Credits and public private partnerships. One Santa Fe Community Living involves 120 family public housing units in Santa Fe and other Village in the Bosque converted 78 public housing units in Bernalillo.
- Cielo Azul purchased Paseo del Sol, an 80 unit apartment complex that was exiting in compliance period under the LIHTC project. This rather unconventional transaction involved the trade of general partnerships ownership between the Housing Authority and Tierra Contenta Partners. The complex will continue to serve the affordable and eventually, be renovated through the LIHTC program.
- The Housing Authority finished the redevelopment program at the site of the demolished units and has completed Phase IV which encompassed 10 units. In summary, the project demolished 104 dilapidated public housing units and replaced them with 151 mixed income units across 4 different sites..
- The Town of Bernalillo (TOB) PHA program was transferred and incorporated into the SFCHA effective July 1, 2013. It has since been converted into VITB as mentioned above.

Financial Highlights

- Net position of the Housing Authority increased significantly by \$8,739,939, from \$25,687,900 to \$34,427,839 as of June 30, 2015. The primary reasons for the increase were notes receivable increased by \$12,446,340, notes payable increased by \$1,068,264 and net pension liability of \$1,485,324 was recorded as required by GASB Statement 68 effective for June 30, 2015. However, the Housing Authority showed negative cash flows of \$2,283,386, primarily as it relates to operations.
- The total operating revenues of the Housing Authority's enterprise units increased by approximately \$3,291,291 as a result of an increase of \$4,098,797 of other development and asset management fees. Facility rental income decreased by \$(157,996) and HUD subsidies and grants decreased by \$(649,950). Further analysis will detect that HUD subsidies for both the Public Housing and the Voucher programs continue to decrease. These decreases are a cause for concern because the Housing Authority is forced to utilize cash reserves built up within the programs. This caused the Vouchers program to have negative cash flow from operations for the fourth 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 Housing Authority. As such the authority has

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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

entered into a class action suit to recover public housing subsidy offsets of up to \$800,000 during calendar year 2013, an outcome has yet to be determined. Cielo Azul was the beneficiary of approximately \$385,132 in developer fees and sustainable tax credits. This was approximately the same as the prior year. Additionally, other development and asset management fees generated \$4,384,052.

- Net non-operating revenue and expenses increased by \$8,151,609, resulting primarily from the gain on sale of land and buildings totaling \$8,208,680.
- Two key indicators of financial health, current ratio and debt to equity, remain very strong. Most consider a current ratio of over 2:1 to be very healthy. The Housing Authority's current ratio continues to be near 9:1. In addition, the debt to equity ratio remains about .14 times, where many consider anything less than .5 times to be very healthy. Another way to explain it, for every \$1 of debt the Authority has, it has approximately \$8.50 of equity.
- The Authority's net capital assets decreased by approximately \$265,000, which is related to the disposal of the Bernalillo Housing Authority.

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 Housing 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 Housing 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 Housing 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 Housing Authority as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the Housing 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 Housing Authority's activities are business-type and are reported in its proprietary funds.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

Fund Financial Statements

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

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

Financial Analysis of the Authority as a Whole

Net Position. The combined net position of the Housing Authority increased by \$8,739,940 from the June 30, 2014, amount. The following table shows a summary of changes from prior year amounts.

	Proprietary		Increase (Decrease)	%
	2015	2014	Amt	
Cash and investments	4,650,883	6,934,269	(2,283,386)	(33)%
Accounts receivable	4,735,150	2,751,663	1,983,487	72%
Other current assets	91,804	57,335	34,469	60%
Total current assets	9,477,837	9,743,267	265,430	3%
Other Assets	16,876,624	4,430,284	12,446,340	281%
Fixed assets (net)	15,579,380	15,976,488	(397,108)	3%
Deferred outflows	61,939	-	61,939	100%
Total assets & deferred outflows	41,995,780	30,150,039	11,845,741	39%
Accounts payable	-	32,656	(32,656)	100 %
Accrued liabilities	182,069	142,107	39,962	28%
Compensated absences payable	258,534	241,547	16,987	7%
Tenant security deposits	99,030	112,393	(13,363)	(12)%
Notes payable	278,847	296,411	(17,564)	(6)%
Due to other governments	12,000	-	12,000	100%
Escrows and deposits	158,459	211,280	(52,821)	(25)%
Total current liabilities	988,939	1,036,394	(47,455)	5%
Notes payable	4,511,573	3,425,745	1,085,825	32%

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SANTA FE CIVIC HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

Net pension liability	1,485,324	-	1,485,324	100%
Total liabilities	6,985,836	4,462,139	2,523,697	57%
Deferred inflows	582,105	-	582,105	100%
Net position	34,427,839	25,687,899	8,739,940	34%
Total liabilities, deferred outflows and net position	41,995,780	30,150,039	11,845,741	39%

Cash and investments decreased by \$2,283,386. Fixed assets decreased by a net of \$397,108 resulting from the disposal of the Bernalillo Housing land, buildings and related accumulated depreciation to the Village in the Bosque, and the disposal of a portion of the Santa Fe Housing's land, buildings and associated accumulated depreciation to the Santa Fe Community Living. Additionally, there were other capital asset additions. Total liabilities increased by \$2,523,697, which was about 57% of total liabilities. Notes payable increased by \$1,068,264 and the net pension liability of \$1,485,324 was recorded in accordance with GASB Statement 68.

Statement of Activities. This Statement shows the sources of the Housing 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, 2015 and 2014 is shown in the table below.

Santa Fe Civic Housing Authority's
Statement of Activities

	2015	2014	Increase (Decrease) Amount	%
Facility rentals	2,298,048	2,456,044	(157,996)	(6)%
HUD grant and subsidy	8,224,330	8,873,840	(649,510)	(7)%
Other revenue	4,769,184	670,387	4,098,797	611%
Total operating revenue	15,291,562	12,000,271	3,291,291	27%
Operating expenses	12,568,098	12,687,525	(119,427)	(0.9)%
Operating income	2,723,464	(687,254)	3,410,718	496%

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SANTA FE CIVIC HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

Total non-operating revenues (expenses)	<u>8,027,560</u>	<u>(124,049)</u>	<u>8,151,609</u>	<u>6,571%</u>
Change in net position	10,751,004	(811,303)	11,562,307	1,425%
Equity transfers and contributions	<u>-</u>	<u>2,691,727</u>	<u>(2,691,727)</u>	<u>(100)%</u>
Total change in net position	10,751,004	1,880,424	8,870,580	471%

HUD grants and subsidies showed the biggest dollar decrease of \$(649,510). This is related to the decrease in capital grants, in which there were none in the current year. In addition, other operating revenues, most notably development income and management fees due to 2014 being higher than average, increased by \$ 4,098,797. We anticipate revenues to flat-line or decrease in foreseeable future, unless tax credit projects, similar to 2015, were to materialize.

Operating expenses decreased insignificantly by \$(119,427), or about (0.9)%.

Budgetary Highlights

The Authority did not have any significant budgetary adjustments from the original budgets that were approved by the Board of Directors and HUD. All the funds actual expenditures were under budgeted amounts except for the Santa Fe Section 8 Voucher Program which was over budget by \$103,747, and the Cielo Azul Fund which was over budget by \$78,969. The primary reasons for the over budget in the two funds was due to an oversight in which the budgets were not amended accordingly at year end.

Fund Balance Analysis

<u>Program</u>	<u>Increase (Decrease)</u>
Housing Authority	\$ 8,788,966
Vouchers	(1,004,174)
Housing Development Corp.	203,355
Cielo Azul	2,799,951
La Cieneguita	<u>(37,094)</u>
Total operational increase	<u>\$10,751,004</u>

Again the acquisition/merger of the Bernalillo Housing Authority noted above and with capital assets

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

is the primary factor in net increase. The increase in Cielo Azul was the result of continued development activities.

Capital Asset and Debt Administration

- Fixed assets decreased by a net of \$397,108 resulting from the disposal of the Bernalillo Housing land, buildings and related accumulated depreciation to the Village in the Bosque, and the disposal of a portion of the Santa Fe Housing's land, buildings and associated accumulated depreciation to the Santa Fe Community Living. Additionally, there were other capital asset additions.
- The Housing Authority acquired additional debt during FY15 of \$1,165,000. All scheduled payments were made on all notes. Notes payable balance increased from \$3,722,156 at June 30, 2014 to \$4,790,420 at June 30, 2015.

Economic Factors and Next Year's Budgets

Funding is determined at the federal level and 2016 budgets have not been appropriated by HUD at this time. However, we are anticipating level to lower funding from HUD. This has minimal to no impact on current operations since all of the funds of the Housing Authority have a strong Net Asset position.

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, 2015

Exhibit A

ASSETS	Business-Type Activities
ASSETS	
Current Assets	
Cash, investments and equivalents	\$ 4,393,394
Tenant receivable, net	164,823
Other receivables - related parties	4,563,099
Other receivables	7,228
Prepaid expenses	91,804
Inventory	-
Cash, investments and equivalents - restricted	<u>257,489</u>
Total current assets	<u>9,477,837</u>
Non-current Assets	
Capital Assets	
Land	1,142,589
Construction in progress	1,570,318
Buildings and improvements	33,496,114
Furniture and fixtures	882,914
Machinery, equipment and vehicles	127,486
Vehicles	438,601
Accumulated depreciation	<u>(22,078,642)</u>
Total capital assets (net of accumulated depreciation)	<u>15,579,380</u>
Other non-current Assets	
Notes receivable	<u>16,876,624</u>
Total other non-current assets	<u>16,876,624</u>
Total non-current current assets	<u>32,456,004</u>
Total assets	41,933,841
DEFERRED OUTFLOWS	
Employer contributions subsequent to measurement date	<u>61,939</u>
Total assets and deferred outflows	<u>\$ 41,995,780</u>
LIABILITIES	
Current Liabilities (payable from unrestricted assets)	
Compensated absences payable	\$ 258,534
Accrued liabilities	182,069
Due to other governments	12,000
Notes payable	<u>278,847</u>
Total current liabilities (payable from unrestricted assets)	<u>731,450</u>
Current Liabilities (payable from restricted assets)	
Tenant security deposits	99,030
Escrows and deposits	<u>158,459</u>
Total current liabilities (payable from restricted assets)	<u>257,489</u>
Total current liabilities	<u>988,939</u>
Noncurrent Liabilities	
Notes payable, less current portion	4,511,573
Net PERA pension liability	<u>1,485,324</u>
Total non-current liabilities	<u>5,996,897</u>
Total liabilities	<u>6,985,836</u>
DEFERRED INFLOWS	
Change in assumptions	1,007
Net difference between expected and actual earnings	<u>581,098</u>
Total deferred inflows	<u>582,105</u>
NET POSITION	
Net invested in capital assets	10,788,960
Unrestricted	<u>23,638,879</u>
Total net position	<u>34,427,839</u>
Total liabilities, deferred inflows and net position	<u>\$ 41,995,780</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 ACTIVITIES
Year Ended December 31, 2015**

	Business-Type Activities
Program expenses	
Housing	\$ 12,790,391
Program revenues	
Charges for services	2,298,048
Capital grants and contributions	-
Operating grants and contributions	8,224,310
Total program revenues	10,522,358
Net revenues	(2,268,033)
General revenues	
Development fees	385,132
Interest income	41,173
Gain on disposal of assets	8,208,680
Other revenues	4,384,052
Total general revenues	13,019,037
Change in net position	10,751,004
Net position, beginning	25,687,900
Restatements:	
Prior-period adjustment (note 13)	(5,575)
Prior-period adjustment (note 13)	(2,005,490)
Net position, beginning, as restated	23,676,835
Contributed Capital	-
Net position, ending	\$ 34,427,839

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, 2015

	Business-Type Activities
Cash Flows From Operating Activities	
Cash received from customers and grantors	\$ 1,880,779
Cash payments to suppliers for goods and services	(9,285,913)
Cash payments to employees for services	(2,007,504)
Net cash provided by operating activities	(9,412,638)
Cash Flows From Capital and Related Financing Activities	
Disposal of capital assets	452,472
Acquisition and construction of capital assets	(1,345,205)
Net cash used by capital and related financing activities	(892,733)
Cash Flows From Noncapital Financing Activities	
Residual equity transaction	
Principal paid on debt maturities	
Interest paid on debt	(222,293)
Other	(5,575)
Net cash used by noncapital financing activities	(227,868)
Cash Flows From Investing Activities	
Loans made to other entities	8,208,680
Interest and dividends on investments	41,173
Net cash provided by investing activities	8,249,853
Net (decrease) in cash and cash equivalents	(2,283,386)
Cash investments and cash equivalents at beginning of year	6,934,269
Cash investments and cash equivalents at end of year	\$ 4,650,883
Reconciliation of operating income to net cash provided by operating activities	
Operating (loss) income	\$ 2,723,444
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	1,289,841
Construction in progress not capitalized	-
Change in assets and liabilities	
Accounts receivable	(845,472)
Prepaid expenses	(30,988)
Due from related parties	(859,357)
Other current assets	(282,139)
Long-term receivables	(12,446,340)
Accounts payable	(10,259)
Compensated absences payable	16,988
Security deposits	(66,184)
Due to related parties	12,000
Long-term debt	1,085,828
Total adjustments	(12,136,082)
Net cash provided by operating activities	\$ (9,412,638)

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, 2015

	Housing Authority	Section 8 Voucher	SF Housing Development Corporation	Cielo Azul	La Cieneguita	Sub- Total	Eliminations	Total
ASSETS								
Current Assets								
Cash, investments and equivalents	\$ 992,148	\$ 563,122	\$ 2,374,003	\$ 346,481	\$ 117,640	\$ 4,393,394	\$ -	\$ 4,393,394
Tenant receivable	162,893	-	1,474	-	456	164,823	-	164,823
Federal grants receivable	-	-	-	-	-	-	-	-
Other receivables - related parties	1,562,282	-	363,820	2,636,997	-	4,563,099	-	4,563,099
Other receivables	-	-	-	7,228	-	7,228	-	7,228
Due from other funds	463,835	-	-	20,863	-	484,698	(484,698)	-
Prepaid expenses	69,480	-	12,478	4,672	5,174	91,804	-	91,804
Inventory	-	-	-	-	-	-	-	-
Cash, investments and equivalents- restricted	118,036	97,814	19,039	16,600	6,000	257,489	-	257,489
Total current assets	3,368,674	660,936	2,770,814	3,032,841	129,270	9,962,535	(484,698)	9,477,837
Non-current assets								
Capital Assets								
Land	299,637	-	268,652	330,000	244,300	1,142,589	-	1,142,589
Construction in progress	1,570,318	-	-	-	-	1,570,318	-	1,570,318
Buildings and improvements	24,533,724	-	3,708,510	3,780,123	1,473,757	33,496,114	-	33,496,114
Furniture and fixtures	682,336	-	200,578	-	-	882,914	-	882,914
Machinery and equipment	120,164	-	2,907	-	4,415	127,486	-	127,486
Vehicles	438,601	-	-	-	-	438,601	-	438,601
Accumulated depreciation	(17,178,345)	-	(3,655,794)	(594,109)	(650,394)	(22,078,642)	-	(22,078,642)
Total capital assets (net of depreciation)	10,466,435	-	524,853	3,516,014	1,072,078	15,579,380	-	15,579,380
Other non-current assets								
Notes receivable	14,974,724	-	-	1,901,900	-	16,876,624	-	16,876,624
Due from other funds	-	-	500,000	-	-	500,000	(500,000)	-
Total other non-current assets	14,974,724	-	500,000	1,901,900	-	17,376,624	(500,000)	16,876,624
Total non-current assets	25,441,159	-	1,024,853	5,417,914	1,072,078	32,956,004	(500,000)	32,456,004
Total assets	28,809,833	660,936	3,795,667	8,450,755	1,201,348	42,918,539	(984,698)	41,933,841
DEFERRED OUTFLOWS								
Employer contributions subsequent to measurement date	27,235	19,275	5,593	7,222	2,614	61,939	-	61,939
Total assets and deferred outflows	\$ 28,837,068	\$ 680,211	\$ 3,801,260	\$ 8,457,977	\$ 1,203,962	\$ 42,980,478	\$ (984,698)	\$ 41,995,780
LIABILITIES								
Current Liabilities (payable from unrestricted assets)								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Compensated absences payable	258,534	-	-	-	-	258,534	-	258,534
Accrued liabilities	182,069	-	-	-	-	182,069	-	182,069
Other payables-related parties	-	12,000	-	-	-	12,000	-	12,000
Due to other governments	-	-	-	-	-	-	-	-
Notes payable	-	-	73,855	204,992	-	278,847	-	278,847
Due to other funds	-	-	-	463,835	20,863	484,698	(484,698)	-
Total current liabilities (payable from unrestricted assets)	440,603	12,000	73,855	668,827	20,863	1,216,148	(484,698)	731,450
Current Liabilities (payable from restricted assets)								
Tenant security deposits	57,391	-	19,039	16,600	6,000	99,030	-	99,030
Esercows and deposits	60,645	97,814	-	-	-	158,459	-	158,459
Total current liabilities (payable from unrestricted assets)	118,036	97,814	19,039	16,600	6,000	257,489	-	257,489
Total current liabilities	558,639	109,814	92,894	685,427	26,863	1,473,637	(484,698)	988,939
Noncurrent Liabilities								
Notes payable	-	-	2,705,714	1,805,859	-	4,511,573	-	4,511,573
Due to other funds (less current portion)	-	-	-	500,000	-	500,000	(500,000)	-
Net PERA pension liability	653,097	462,232	134,125	173,189	62,681	1,485,324	-	1,485,324
Total noncurrent liabilities	653,097	462,232	2,839,839	2,479,048	62,681	6,496,897	(500,000)	5,996,897
Total liabilities	1,211,736	572,046	2,932,733	3,164,475	89,544	7,970,534	(984,698)	6,985,836
DEFERRED INFLOWS								
Change in assumptions	443	313	91	118	42	1,007	-	1,007
Net difference between expected and actual earnings	255,509	180,838	52,473	67,756	24,522	581,098	-	581,098
Total deferred inflows	255,952	181,151	52,564	67,874	24,564	582,105	-	582,105
NET POSITION								
Net invested in capital assets	10,466,435	-	(2,254,716)	1,505,163	1,072,078	10,788,960	-	10,788,960
Unrestricted	16,902,945	(72,986)	3,070,679	3,720,465	17,776	23,638,879	-	23,638,879
Total net position	27,369,380	(72,986)	815,963	5,225,628	1,089,854	34,427,839	-	34,427,839
Total liabilities, deferred inflows and net position	\$ 28,837,068	\$ 680,211	\$ 3,801,260	\$ 8,457,977	\$ 1,203,962	\$ 42,980,478	\$ (984,698)	\$ 41,995,780

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
Year Ended June 30, 2015

	Housing Authority	Section 8 Voucher	SF Housing Development Corporation	Cielo Azul	La Cieneguita	Total
Operating Revenues						
Facilities rentals	\$ 1,015,543	\$ -	\$ 775,466	\$ 317,154	\$ 189,885	\$ 2,298,048
HUD grant and subsidy	1,192,235	7,032,075	-	-	-	8,224,310
Development fees	-	-	-	385,132	-	385,132
Other revenue	1,653,983	-	305	2,722,653	7,111	4,384,052
Total operating revenues	3,861,761	7,032,075	775,771	3,424,939	196,996	15,291,542
Operating Expenses						
Salaries, wages and benefits	983,238	515,137	200,851	212,933	93,049	2,005,208
Community welfare	116,009	7,341,528	-	-	-	7,457,537
Contractual services and utilities	432,240	24,735	83,951	20,639	41,501	603,066
Repairs and maintenance	650,619	34,201	57,478	177,792	21,312	941,402
Depreciation expense	1,007,927	-	98,442	119,395	64,076	1,289,840
Insurance	85,746	1,755	16,498	12,340	7,737	124,076
Other	16,451	119,391	-	4,643	6,484	146,969
Total operating expenses	3,292,230	8,036,747	457,220	547,742	234,159	12,568,098
Operating income (loss)	569,531	(1,004,672)	318,551	2,877,197	(37,163)	2,723,444
Nonoperating Revenues (Expenses)						
Interest on investments	10,755	498	870	28,982	68	41,173
Interest expense	-	-	(116,066)	(106,227)	-	(222,293)
Gain (loss) on disposition of assets	8,208,680	-	-	-	-	8,208,680
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total nonoperating revenues (expenses)	8,219,435	498	(115,196)	(77,245)	68	8,027,560
Income (loss) before contributions and transfers	8,788,966	(1,004,174)	203,355	2,799,952	(37,095)	10,751,004
Equity transfers and contributions	-	-	-	-	-	-
Change in net position	8,788,966	(1,004,174)	203,355	2,799,952	(37,095)	10,751,004
Net position, beginning of year	19,467,803	1,555,296	793,704	2,638,654	1,232,443	25,687,900
Restatement:						
Prior-period adjustment (note 13)	(5,575)	-	-	20,863	(20,863)	(5,575)
Prior-period adjustment (note 13)	(881,814)	(624,108)	(181,096)	(233,841)	(84,631)	(2,005,490)
Net position, beginning of year, as restated	18,580,414	931,188	612,608	2,425,676	1,126,949	23,676,835
Net position, end of year	\$ 27,369,380	\$ (72,986)	\$ 815,963	\$ 5,225,628	\$ 1,089,854	\$ 34,427,839

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
Year Ended June 30, 2015

	Housing Authority	Section 8 Voucher	SF Housing Development Corporation	Cielo Azul	La Cieneguita	Total
Cash Flows from Operating Activities						
Cash received from customers and grantors	\$ (8,340,383)	\$ 7,032,075	\$ 702,239	\$ 2,290,272	\$ 196,576	\$ 1,880,779
Cash payments to suppliers for goods and services	(1,114,753)	(7,617,394)	(258,561)	(139,826)	(155,379)	(9,285,913)
Cash payments to employees for services	(966,251)	(534,420)	(200,851)	(212,933)	(93,049)	(2,007,504)
Net cash provided by operating activities	<u>(10,421,387)</u>	<u>(1,119,739)</u>	<u>242,827</u>	<u>1,937,513</u>	<u>(51,852)</u>	<u>(9,412,638)</u>
Cash Flows from Capital Financing Activities						
Disposal of capital assets	452,472	-	-	-	-	452,472
Acquisition and construction of capital assets	804,682	-	-	(2,149,887)	-	(1,345,205)
Net cash used by capital financing activities	<u>1,257,154</u>	<u>-</u>	<u>-</u>	<u>(2,149,887)</u>	<u>-</u>	<u>(892,733)</u>
Cash Flows from Noncapital Financing Activities						
Residual equity transfer	-	-	-	-	-	-
Capital cash contributions	-	-	-	-	-	-
Principal paid on debt maturities	-	-	-	-	-	-
Interest paid on debt	-	-	(116,066)	(106,227)	-	(222,293)
Other	(5,575)	-	-	20,863	(20,863)	(5,575)
Net cash provided (used) by noncapital financing activities	<u>(5,575)</u>	<u>-</u>	<u>(116,066)</u>	<u>(85,364)</u>	<u>(20,863)</u>	<u>(227,868)</u>
Cash Flows from Investing Activities						
Gain on disposal of assets	8,208,680	-	-	-	-	8,208,680
Loans made to other entities	-	-	-	-	-	-
Interest and dividends on investments	10,755	498	870	28,982	68	41,173
Net cash provided (used) by investing activities	<u>8,219,435</u>	<u>498</u>	<u>870</u>	<u>28,982</u>	<u>68</u>	<u>8,249,853</u>
Net (decrease) increase in cash and cash equivalents	<u>(950,373)</u>	<u>(1,119,241)</u>	<u>127,631</u>	<u>(268,756)</u>	<u>(72,647)</u>	<u>(2,283,386)</u>
Cash investments and cash equivalents at beginning of year	2,060,557	1,780,177	2,265,411	631,837	196,287	6,934,269
Cash investments and cash equivalents at end of year	<u>\$ 1,110,184</u>	<u>\$ 660,936</u>	<u>\$ 2,393,042</u>	<u>\$ 363,081</u>	<u>\$ 123,640</u>	<u>\$ 4,650,883</u>
Reconciliation of operating income to net cash provided by operating activities						
Operating (loss) income	\$ 569,531	\$ (1,004,672)	\$ 318,551	\$ 2,877,197	\$ (37,163)	\$ 2,723,444
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation/amortization	1,007,928	-	98,442	119,395	64,076	1,289,841
Construction in progress not capitalized	-	-	-	-	-	-
Change in assets and liabilities	(844,678)	-	-	(339)	(455)	(845,472)
Accounts receivable	-	-	-	-	-	-
Prepaid expenses	(32,787)	-	591	1,083	125	(30,988)
Due from related parties	-	-	(2,890)	(856,467)	-	(859,357)
Due from other funds	264,517	-	-	(20,863)	-	243,654
Other current assets	(282,139)	-	-	-	-	(282,139)
Long-term receivable	(11,000,000)	-	-	(1,446,340)	-	(12,446,340)
Accounts payable	39,962	(32,656)	-	(17,565)	-	(10,259)
Accrued interest	-	-	-	-	-	-
Escrow and deposits	-	-	-	-	-	-
Compensated absences payable	16,987	-	-	-	-	16,987
Security deposits	(75,327)	580	(122)	8,650	35	(66,184)
Due to related parties	-	12,000	-	-	-	12,000
Due to other funds	(85,381)	(94,991)	(97,744)	112,933	(78,470)	(243,653)
Long-term debt	-	-	(74,001)	1,159,829	-	1,085,828
Due to HUD	-	-	-	-	-	-
Total adjustments	<u>(10,990,918)</u>	<u>(115,067)</u>	<u>(75,724)</u>	<u>(939,684)</u>	<u>(14,689)</u>	<u>(12,136,082)</u>
Net cash provided by operating activities	<u>\$ (10,421,387)</u>	<u>\$ (1,119,739)</u>	<u>\$ 242,827</u>	<u>\$ 1,937,513</u>	<u>\$ (51,852)</u>	<u>\$ (9,412,638)</u>

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. The Santa Fe Civic Housing Authority (Housing 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 Housing Authority is no longer a component unit of the City of Santa Fe. The City of Santa Fe is no longer responsible for the Housing 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 Housing Authority. The Housing Authority had no blended or discrete component units during the fiscal year ended June 30, 2015.

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, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 Housing Authority reports the following major governmental funds:

The *Housing Authority Fund* is comprised of the Housing Authority's primary operating fund. It accounts for all the financial resources of the entity, except those required to be accounted for separately. The Low Rent Public Housing Program activity from Santa Fe, Bernalillo, 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 which provide rental assistance to qualified families through rent subsidies paid directly to third-party landlords. The activity from Santa Fe, Bernalillo and Espanola has been combined to create one major fund. The Resident Opportunity and Supportive Services program is included in this fund.

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

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, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, Deferred Outflows, Liabilities Deferred Inflows 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 is 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 Housing Authority are valued at cost. Inventories are included as part of current assets.

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

Capital Assets. Property, plant and equipment owned by the Housing 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:

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

	<u>Years</u>
Structures and improvements	5-50
Furniture, fixtures, machinery and equipment	5-7
Vehicles	5-8

Deferred Outflows of Resources. In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The Housing Authority has only one type of item that qualifies for reporting in this category. Accordingly, the item, contributions subsequent to measurement date, is reported in the Statement of Net Position. This amount is deferred and recognized as an outflow of resources the next period. The Housing Authority has recorded \$133,252 related to contributions subsequent to the measurement date.

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

Deferred Inflows of Resources. In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflows of resources. The Housing Authority has two types of items, which arise due to the implementation of GASB Statement 68 and the related net pension liability. Accordingly, the items, net difference between expected and actual earnings and change in assumptions, are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Housing Authority has recorded \$1,007 related to change in assumptions and \$581,098 related to the net difference between expected and actual earnings.

Loan Issuance Costs and Restatement. Loan issuance costs are expensed in the year they are incurred in accordance with GASBS 65. The Housing Authority had no loan issuance costs during the year ended June 30, 2015.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, 2015.
- 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.

Budgets. 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 Housing Authority's funds.

Prior to June 1, the Housing 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 Housing 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 Housing Authority's Board of Directors.

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

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2. NEW ACCOUNTING STANDARDS ADOPTED

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

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

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

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015**

NOTE 2. NEW ACCOUNTING STANDARDS ADOPTED (CONT'D)

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

NOTE 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 Housing 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	\$ 1,158,909
Collateral held by pledging bank's trust department not in the Authority's name	2,125,728
Uninsured and uncollateralized	<u>-</u>
Total deposits	\$ <u>3,283,199</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, 2015, \$2,125,728 of the Authority's bank balance of \$3,283,199 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>2,125,728</u>
Total	\$ <u>2,125,728</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. was \$1,485,665 on June 30, 2015.

The Housing 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

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015**

NOTE 3. DEPOSITS AND INVESTMENTS (CONT'D)

may be invested in U.S. government securities, or as otherwise provided by law. The Housing Authority will diversify use of investment instruments to avoid incurring unreasonable risks inherent to over-investing in specific instruments, individual financial institutions or maturities.

NOTE 4. TENANT RECEIVABLE

The Housing 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:

	<u>Tenant Receivable</u>	<u>Allowance</u>	<u>Net Tenant Receivable</u>
Housing Authority	\$ 355,597	\$(192,704)	\$ 162,893
SF Housing Development Corp.	1,474	-	1,474
Cielo Azul	-	-	-
La Cieneguita	<u>456</u>	<u>-</u>	<u>456</u>
Total tenant receivables	\$ <u>357,527</u>	\$ <u>(192,704)</u>	\$ <u>164,823</u>

NOTE 5. INTERFUND ACTIVITY

The compositions of interfund balances as of June 30, 2015, are as follows:

<u>Due from other funds</u>		<u>Due to other funds</u>	
<u>Fund</u>	<u>Amount</u>	<u>Fund</u>	<u>Amount</u>
<u>Current</u>		<u>Current</u>	
Santa Fe Housing	\$463,865	Cielo Azul	\$463,835
Cielo Azul	<u>20,863</u>	La Cienegita	<u>20,863</u>
Total current	484,698	Total current	484,698
<u>Non current</u>		<u>Non current</u>	
Santa Fe Housing Dev. Corp.	<u>500,000</u>	Cielo Azul	<u>500,000</u>
	<u><u>\$984,698</u></u>		<u><u>\$984,698</u></u>

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

NOTE 5. INTERFUND ACTIVITY (CONT'D)

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.

NOTE 6. RELATED PARTY BALANCES

The Authority assisted in the establishment and has ownership in the following tax exempt entities:

<u>Entity</u>	<u>Ownership</u>
RAD Santa Fe, LLC	100%
RAD Espanola, LLC	100%
RAD Bernalillo, LLC	100%
Camino Alegria	0.001%
Villa Alegre Family	0.001%
Villa Alegre Senior	0.001%

The RAD titled entities have a sole member (SFCHA) with a managing member (the SFCHA Executive Director). The SFCHA Executive Director is the Treasurer on the Casas Board. Campo Alegria, Villa Alegre Family and Villa Alegre Senior are LIHTC developments with SFCHA the managing General Partner.

Receivables due from these organizations are as follows:

Santa Fe Housing	
RAD Espanola, LLC	\$ 53,654
RAD Bernalillo, LLC	163,385
Camino Campo	180,000
Village in the Bosque	95,930
Santa Fe Community Living	759,356
Town of Bernalillo	27,818
Espanola Housing	
RAD Santa Fe	181,939
Village in the Bosque	100,200
SF Housing Development Corporation	
Villa Alegre Family	363,820

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

NOTE 6. RELATED PARTY BALANCES (CONT'D)

Cielo Azul	
RAD Bernalillo, LLC	868,550
RAD Espanola, LLC	400,300
RAD Santa Fe, LLC	511,680
Villa Alegre Family, LLC	405,462
Villa Alegre Senior, LLC	<u>451,005</u>

Total other receivables	\$ <u>4,563,009</u>
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Notes Receivable – long	
Santa Fe Housing	
Villa Alegre Family, LLC	476,974
Villa Alegre Senior, LLC	3,497,750
Santa Fe Community Living	8,500,000
Bernalillo Housing	
VITB	2,500,000
Cielo Azul	
Santa Fe Community Living	1,395,517
TCII Paseo del Sol Partnership	56,867
Camino Campo	<u>449,516</u>
Total notes receivable – long term	\$ <u>16,876,624</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.

Payables due to these organizations are as follows:

Notes Payable (see Note 8)	
Cielo Azul	
Casas Buena Ventura	\$ 200,000

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015**

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Beginning Balance
Capital assets not being depreciated				
Land	\$ 1,174,589	\$ -	\$ 32,000	\$ 1,142,589
Construction in progress	216,875	216,875	(216,875)	1,570,318
Total	1,391,464	1,570,318	(248,875)	2,712,907
Capital assets being depreciated				
Buildings and improvements	39,060,338	2,330,611	(7,894,835)	33,496,114
Furniture and fixtures	882,914	-	-	882,914
Machinery and equipment	236,964	-	(109,478)	127,486
Vehicles	438,601	-	-	438,601
Total	40,618,817	2,330,611	(8,004,313)	34,945,115
Less accumulated depreciation	(26,033,793)	1,289,840	(5,244,991)	22,078,642
Total capital assets being depreciated, net	14,585,024	1,040,771	(2,759,322)	12,866,473
Total capital assets	\$ 15,976,488	\$ 2,611,089	\$(3,008,197)	\$15,579,380

Depreciation expense for the year ended June 30, 2015, totaled \$ 1,289,840. The entire amount has been included in the Statement of Activities as a Housing Program expenditure.

Construction Commitments

The Housing Authority has active construction projects as of June 30, 2015.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

NOTE 8. LONG-TERM DEBT

Changes in Long-Term Liabilities. During the year ended June 30, 2015, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance			Balance	Due
	6/30/14	Additions	Deductions	6/30/15	Within
					One Year
Notes payable	\$ 3,722,156	\$ 1,177,824	\$ (109,560)	\$ 4,790,420	\$ 278,847
Compensated absences	<u>241,547</u>	<u>258,534</u>	<u>(241,547)</u>	<u>258,534</u>	<u>258,534</u>
Total	<u>\$ 3,963,703</u>	<u>\$ 1,436,358</u>	<u>\$ (351,107)</u>	<u>\$ 5,048,954</u>	<u>\$ 537,387</u>

For the year ended June 30, 2015, the Authority incurred \$222,293 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, 2015 is \$62,034.

The Housing Authority entered into a commercial mortgage with 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, 2015, is \$2,486,001.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

NOTE 8. LONG-TERM DEBT (CONT'D)

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, 2015, is \$293,568.

The Housing Authority entered into a commercial mortgage with Los Alamos National Bank for the purpose of acquiring the Cielo Azul property for \$700,000 at 4.75% 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, 2015, is \$582,395.

The Housing Authority entered into a commercial mortgage with Los Alamos National Bank for the purpose of acquiring the Cielo Azul-Pacheco property for \$240,000 at 6% interest, secured by real property, and with a maturity date of March 2020, secured by property. The balance of the note as of June 30, 2015, is \$238,215.

The Housing Authority entered into a commercial mortgage with Los Alamos National Bank for the purpose of acquiring the Cielo Azul-Phase IV property for \$925,000 at 4.95% interest, secured by real property, and with a maturity date of April 2025, secured by property. The balance of the note as of June 30, 2015, is \$920,384.

Total aggregate maturing of the notes payable at June 30, 2015, is as follows:

<u>Year</u>	<u>Commercial Mortgage-LANB</u>		<u>Commercial Mortgage-LANB</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 14,146	\$ 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	18,717	31,649	67,702	96,410
2020-2024	112,393	139,436	385,147	435,413
2025-2029	151,601	100,228	1,846,457	26,006
2030-2034	204,488	47,341	-	-
2035-2036	46,815	1,599	-	-
	<u>\$ 582,395</u>	<u>\$ 421,474</u>	<u>\$ 2,486,001</u>	<u>\$ 863,470</u>

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
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<u>Year</u>	<u>Casas Note</u>		<u>MFA Note 1</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 200,000	\$ -	\$ 8,224	\$ 2,892
2017	-	-	8,645	2,471
2018	-	-	9,087	2,029
2019	-	-	9,552	2,029
2020-2024	-	-	26,526	1,719
2025-2029	-	-	-	-
2030-2034	-	-	-	-
2035-2036	-	-	-	-
	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 62,034</u>	<u>\$ 11,140</u>

<u>Year</u>	<u>MFA Note 2</u>		<u>Commercial Mortg.-LANB</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 17,234	\$ 8,722	\$ 7,445	\$ 11,171
2017	17,764	8,193	7,837	10,777
2018	18,308	7,648	8,201	10,413
2019	18,871	7,085	8,599	10,015
2020-2024	103,410	26,370	206,133	7,239
2025-2029	117,981	9,488	-	-
2030-2034	-	-	-	-
2035-2036	-	-	-	-
	<u>\$ 293,568</u>	<u>\$ 67,506</u>	<u>\$ 238,215</u>	<u>\$ 49,615</u>

<u>Year</u>	<u>Commercial Mortg.-LANB</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 17,799	\$ 45,273	\$ 324,459	\$ 207,284
2017	20,422	44,150	133,467	201,269
2018	21,382	43,189	139,498	195,237
2019	22,465	42,106	145,906	189,294
2020-2024	130,525	192,331	964,134	802,508
2025-2029	707,791	28,665	2,823,830	164,387
2030-2034	-	-	204,488	47,341
2035-2036	-	-	46,815	1,599
	<u>\$ 920,384</u>	<u>\$ 395,714</u>	<u>\$ 4,782,597</u>	<u>\$ 1,808,919</u>

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

NOTE 9. PENSION PLAN -PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

General Information about the Pension Plan

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

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

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at: http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Contributions. The contribution requirements of defined benefit plan members and the Santa Fe Civic Housing Authority (Housing Authority) are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at:

http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

**NOTE 9. PENSION PLAN -PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
(CONT'D)**

The PERA coverage options that apply to the Santa Fe Civic Housing Authority are: Municipal General Division. Statutorily required contributions to the pension plan from the Housing Authority were \$61,939 and there were no employer paid member benefits that were “picked up” by the employer for the year ended June 30, 2015.

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

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

For PERA Fund Municipal Division, at June 30, 2015, the Housing Authority reported a liability of \$1,485,324 for its proportionate share of the net pension liability. At June 30, 2014, the Housing Authority’s proportion was 0.1904 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015**

**NOTE 9. PENSION PLAN -PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
(CONT'D)**

For the year ended June 30, 2015, the Housing Authority recognized PERA Fund Municipal General Division pension expense of \$61,968. At June 30, 2015, the Housing Authority reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ -	\$ 1,007
Net difference between projected and actual earnings on pension plan investments	-	581,098
District contributions subsequent to the measurement date	<u>61,939</u>	<u>-</u>
Total	<u>\$ 61,939</u>	<u>\$ 582,105</u>

The \$61,939 reported as deferred outflows of resources related to pensions resulting from Housing Authority contributions subsequent to the measurement date June 30, 2014, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2016	\$ 145,525
2017	145,525
2018	145,525
2019	145,525
2020	5
Thereafter	-

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015**

**NOTE 9. PENSION PLAN -PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
(CONT'D)**

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

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

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

<u>ALL FUNDS - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	21.10%	5.00%
International Equity	24.80	5.20
Private Equity	7.00	8.20
Core and Global Fixed Income	26.10	1.85

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

**NOTE 9. PENSION PLAN -PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
(CONT'D)**

Fixed Income Plus Sectors	5.00	4.80
Real Estate	5.00	5.30
Real Assets	7.00	5.70
Absolute Return	<u>4.00</u>	4.15
Total	100.00%	

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

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

PERA Fund Municipal General Division	1% Decrease (6.75%)	Current Discount Rate	1% Increase (8.75%)
Housing Authority's proportionate share of the net pension liability	<u>\$2,800,170</u>	<u>\$1,485,324</u>	<u>\$469,543</u>

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

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

NOTE 10. POST EMPLOYMENT BENEFITS

Post-employment Benefits – State Retiree Health Care Plan

Plan Description. The Housing 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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

NOTE 10. POST EMPLOYMENT BENEFITS (CONT'D)

Post-employment Benefits – State Retiree Health Care Plan (Cont'd)

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.

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, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; each participating employee is required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1% 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, 2015, 2014, and 2013 were \$27895, \$30,906, and \$30,030, respectively, which equal the required contributions for each year.

NOTE 11. 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 Housing Authority expects such amounts, if any, to be immaterial.

The Housing 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 Housing Authority mitigates the risk of loss by purchasing commercial insurance. The Housing Authority has the following policies:

Worker's Compensation
Property

Director's Liability Coverage
Civil Rights

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

NOTE 11. CONTINGENCIES AND RISK MANAGEMENT (CONT'D)

General Liability
Auto Liability
Employee Theft/Dishonesty/Crime Blanket Coverage

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

NOTE 12. BUDGET DEFICIT

Actual expenses exceeded budgeted expenses for the following:

Santa Fe Section 8 Voucher	\$103,747
Cielo Azul	\$ 78,969

The Housing Authority was able to make up the shortfall by using cash that existed in each fund.

NOTE 13. NET POSITION RESTATEMENTS

Net position as of June 30, 2014 has been restated in the amount of \$(2,005,490) for the implementation of GASB Statement 68, which requires the inclusion of the Housing Authority's proportionate share of the net pension liability related to the Housing Authority's participation in the Public Employees Retirement Association. In addition, other miscellaneous adjustments to net position totaling \$(5,575) were required..

NOTE 14. SUBSEQUENT ACCOUNTING STANDARD PRONOUNCEMENTS

GASB Statement No. 72, *Fair Value Measurement and Application* issued in February 2015. This statement is effective for financial statements for reporting periods beginning after June 15, 2015. Earlier application is encouraged. The Housing Authority is still evaluating how the pronouncement will affect the financial statements.

GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That are not within the scope of GASB Statement 68*, and amendments to certain Provisions of GASB Statement 67

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

NOTE 14. SUBSEQUENT ACCOUNTING STANDARD PRONOUNCEMENTS (CONT'D)

and 68 was issued in June 2015. This Statement is effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged. The Housing Authority is still evaluating how the pronouncement will affect the financial statements.

GASB Statement 74, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* was issued in June 2015. This Statement is effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged. The pronouncement will not effect the Housing Authority's financial statements.

GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* was issued in June 2015. This Statement is effective for financial statements for periods beginning after June 15, 2017. The Housing Authority does not expect this pronouncement to have an effect on the financial statements as they do not participate in such a plan.

GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* was issued in June 2015. This Statement is effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The Housing Authority will implement this standard during the fiscal year ended June 30, 2016. The Housing Authority expects the pronouncement to have a material effect on the financial statements.

GASB Statement 77, *Tax Abatement Disclosures* was issued in August 2015. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The Housing Authority will implement this standard during the fiscal year ended June 30, 2017. The Housing Authority is still evaluating how this pronouncement will effect the financial statements.

NOTE 15. BERNALILLO HOUSING AUTHORITY

Effective July 1, 2013, Town of Bernalillo Housing Authority was transferred to Santa Fe Civic Housing Authority and the Authority early implemented *GASB 69 - Government Combinations and Disposals of Government Operations*, as it related to the combination/merger of a government. All operations of the Town of Bernalillo Housing Authority were included as part of the Housing Authority for the year ending June 30, 2014. For the year ended June 30, 2013, the Bernalillo Housing Authority received a disclaimer opinion over its financial statements. However, as part of activity in fiscal year 2014, many

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2015

NOTE 15. BERNALILLO HOUSING AUTHORITY (CONT'D)

of the balance sheet accounts, including cash, receivables, payables and respective liability accounts were determined to be correct.

The Housing Authority was unable to obtain sufficient evidence as to the cost basis of the buildings and improvements it obtained from Bernalillo. However, GASB 69 states that as part of the combination, the Authority should complete an impairment analysis. Subsequent to year end June 30, 2014, on July 14, 2015, all the land and buildings and improvements were sold for a price of \$2,500,000 to a related not for profit for the purposes of redevelopment and utilizing housing tax credits. Therefore, as part of the impairment analysis and determining the lower of cost or market, management elected to include the land and buildings and improvements with a total value of \$2,500,000 as of the combination date of July 1, 2013. It was determined that the vehicles, furniture and equipment should be fully depreciated, and therefore, were included on the Housing Authority's records as fully depreciated.

During the year ended June 30, 2015, the Housing Authority converted 78 Bernalillo Housing units to site based voucher properties utilizing Low Income Housing Tax Credits and public private partnerships. The project is referred to as the Village in the Bosque.

REQUIRED SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
PUBLIC HOUSING COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2015

	Santa Fe Housing Authority	Bernalillo Housing Authority	Española Housing Authority	Total
ASSETS				
Current Assets				
Cash, investments and equivalents	\$ 828,725	\$ 26,798	\$ 136,625	\$ 992,148
Tenant receivable	149,350	-	13,543	162,893
Federal grants receivable	-	-	-	-
Other receivables - related parties	1,280,143	282,139	-	1,562,282
Other receivables	-	-	-	-
Due from other funds	463,835	-	-	463,835
Prepaid expenses	34,387	-	35,093	69,480
Inventory	-	-	-	-
Cash, investments and equivalents - restricted	87,886	-	30,150	118,036
Total current assets	<u>2,844,326</u>	<u>308,937</u>	<u>215,411</u>	<u>3,368,674</u>
Non-current assets				
Capital Assets				
Land	22,200	-	277,437	299,637
Construction in progress	1,570,318	-	-	1,570,318
Buildings and improvements	11,732,778	-	12,800,946	24,533,724
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	(8,395,433)	-	(8,782,912)	(17,178,345)
Total capital assets (net of depreciation)	<u>5,374,743</u>	<u>-</u>	<u>5,091,692</u>	<u>10,466,435</u>
Other non-current assets				
Notes receivable	12,474,724	2,500,000	-	14,974,724
Total non-current assets	<u>17,849,467</u>	<u>2,500,000</u>	<u>5,091,692</u>	<u>25,441,159</u>
Total assets	<u>20,693,793</u>	<u>2,808,937</u>	<u>5,307,103</u>	<u>28,809,833</u>
DEFERRED OUTFLOWS				
Employer contributions subsequent to measurement date	17,163	346	9,726	27,235
Total assets and deferred outflows	<u>\$ 20,710,956</u>	<u>\$ 2,809,283</u>	<u>\$ 5,316,829</u>	<u>\$ 28,837,068</u>
LIABILITIES				
Current Liabilities (payable from unrestricted assets)				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Compensated absences payable	239,590	-	18,944	258,534
Accrued liabilities	182,069	-	-	182,069
Notes payable	-	-	-	-
Due to other funds	-	-	-	-
Accrued interest	-	-	-	-
Total current liabilities payable from unrestricted assets)	<u>421,659</u>	<u>-</u>	<u>18,944</u>	<u>440,603</u>
Current Liabilities (payable from restricted assets)				
Tenant security deposits	27,241	-	30,150	57,391
Escrows and deposits	60,645	-	-	60,645
Total current liabilities payable from restricted assets)	<u>87,886</u>	<u>-</u>	<u>30,150</u>	<u>118,036</u>
Noncurrent Liabilities				
Net PERA pension liability	416,022	6,531	230,544	653,097
Due to other funds	-	-	-	-
Total noncurrent liabilities	<u>416,022</u>	<u>6,531</u>	<u>230,544</u>	<u>653,097</u>
Total liabilities	<u>925,567</u>	<u>6,531</u>	<u>279,638</u>	<u>1,211,736</u>
DEFERRED INFLOWS				
Change in assumptions	282	5	156	443
Net difference between expected and actual earnings	162,759	2,555	90,195	255,509
Total deferred inflows	<u>163,041</u>	<u>2,560</u>	<u>90,351</u>	<u>255,952</u>
NET POSITION				
Net invested in capital assets	5,374,743	\$ -	\$ 5,091,692	10,466,435
Unrestricted	14,247,605	2,800,192	(144,852)	16,902,945
Total net position	<u>19,622,348</u>	<u>2,800,192</u>	<u>4,946,840</u>	<u>27,369,380</u>
Total liabilities, deferred inflows and net position	<u>\$ 20,710,956</u>	<u>\$ 2,809,283</u>	<u>\$ 5,316,829</u>	<u>\$ 28,837,068</u>

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, 2015

	<u>Santa Fe Housing Authority</u>	<u>Bernalillo Housing Authority</u>	<u>Espanola Housing Authority</u>	<u>Total</u>
Operating Revenues				
Facilities rentals	\$ 810,613	\$ -	\$ 204,930	\$ 1,015,543
HUD grant and subsidy	732,231	-	460,004	1,192,235
Other revenue	1,651,771	2,000	212	1,653,983
Total operating revenues	<u>3,194,615</u>	<u>2,000</u>	<u>665,146</u>	<u>3,861,761</u>
Operating Expenses				
Salaries, wages and benefits	626,482	9,109	347,647	983,238
Community welfare	116,009	-	-	116,009
Contractual services and utilities	334,429	1,164	96,647	432,240
Repairs and maintenance	302,651	7,468	340,500	650,619
Depreciation expense	577,420	-	430,507	1,007,927
Insurance	50,325	3,896	31,525	85,746
Other	16,425	-	26	16,451
Total operating expenses	<u>2,023,741</u>	<u>21,637</u>	<u>1,246,852</u>	<u>3,292,230</u>
Operating loss	<u>1,170,874</u>	<u>(19,637)</u>	<u>(581,706)</u>	<u>569,531</u>
Nonoperating Revenues (Expenses)				
Interest on investments	10,723	-	32	10,755
Interest expense	-	-	-	-
State grant	-	-	-	-
Gain (loss) on disposition of assets	8,083,680	125,000	-	8,208,680
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total nonoperating revenues	<u>8,094,403</u>	<u>125,000</u>	<u>32</u>	<u>8,219,435</u>
Income (loss) before contributions and transfers	9,265,277	105,363	(581,674)	8,788,966
Equity transfers	-	-	-	-
Change in net position	<u>9,265,277</u>	<u>105,363</u>	<u>(581,674)</u>	<u>8,788,966</u>
Net position beginning of year (as reported)	10,922,364	2,705,756	5,839,683	19,467,803
Restatements:				
Prior-period adjustment (note 13)	(3,393)	(2,182)	-	(5,575)
Prior-period adjustment (note 13)	(561,900)	(8,745)	(311,169)	(881,814)
Net position beginning of year (as restated)	<u>10,357,071</u>	<u>2,694,829</u>	<u>5,528,514</u>	<u>18,580,414</u>
Net position, end of year	<u>\$ 19,622,348</u>	<u>\$ 2,800,192</u>	<u>\$ 4,946,840</u>	<u>\$ 27,369,380</u>

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, 2015

	Santa Fe Housing Authority	Bernalillo Housing Authority	Española Housing Authority	Total
Cash Flows from Operating Activities				
Cash received from customers and grantors	\$ (6,272,214)	\$ (2,777,972)	\$ 709,803	\$ (8,340,383)
Cash payments to suppliers for goods and services	(695,827)	19,168	(438,094)	(1,114,753)
Cash payments to employees for services	(600,199)	(22,090)	(343,962)	(966,251)
Net cash provided (used) by operating activities	<u>(7,568,240)</u>	<u>(2,780,894)</u>	<u>(72,253)</u>	<u>(10,421,387)</u>
Cash Flows from Capital Financing Activities				
Disposal of capital assets	452,472	-	-	452,472
Acquisition and construction of capital assets	(1,570,318)	2,375,000	-	804,682
Net cash used by financing activities	<u>(1,117,846)</u>	<u>2,375,000</u>	<u>-</u>	<u>1,257,154</u>
Cash Flows from Noncapital Financing Activities				
Interest paid on debt	(3,393)	(2,182)	-	(5,575)
Other	(3,393)	(2,182)	-	(5,575)
Cash Flows from Investing Activities				
Gain (loss) on disposal of assets	8,083,680	125,000	-	8,208,680
Interest and dividends on investments	10,723	-	32	10,755
Net cash provided by noncapital financing activities	<u>8,094,403</u>	<u>125,000</u>	<u>32</u>	<u>8,219,435</u>
Net increase (decrease) in cash and cash equivalents	<u>(595,076)</u>	<u>(283,076)</u>	<u>(72,221)</u>	<u>(950,373)</u>
Cash investments and cash equivalents at beginning of year	<u>1,511,687</u>	<u>309,874</u>	<u>238,996</u>	<u>2,060,557</u>
Cash investments and cash equivalents at end of year	<u>\$ 916,611</u>	<u>\$ 26,798</u>	<u>\$ 166,775</u>	<u>\$ 1,110,184</u>
Reconciliation of operating loss to net cash provided by operating activities				
Operating loss	\$ 1,170,874	\$ (19,637)	\$ (581,706)	\$ 569,531
Adjustments to reconcile operating loss to net cash provided by operating activities				
Depreciation/amortization	577,420	-	430,508	1,007,928
Construction in progress not capitalized	-	-	-	-
Change in assets and liabilities:				
Accounts receivable	(895,350)	6,333	44,339	(844,678)
Prepaid expenses	(9,705)	3,896	(26,978)	(32,787)
Due from other funds	179,136	27,800	57,581	264,517
Other current assets	-	(282,139)	-	(282,139)
Long term receivable	(8,500,000)	(2,500,000)	-	(11,000,000)
Accounts payable	39,962	-	-	39,962
Compensated absences payable	26,283	(12,981)	3,685	16,987
Security deposits	(71,479)	(4,166)	318	(75,327)
Due to other funds	(85,381)	-	-	(85,381)
Total adjustments	<u>(8,739,114)</u>	<u>(2,761,257)</u>	<u>509,453</u>	<u>(10,990,918)</u>
Net cash provided (used) by operating activities	<u>\$ (7,568,240)</u>	<u>\$ (2,780,894)</u>	<u>\$ (72,253)</u>	<u>\$ (10,421,387)</u>

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

STATE OF NEW MEXICO
 SANTA FE CIVIC HOUSING AUTHORITY
 SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
 SANTA FE HOUSING AUTHORITY
 Year Ended June 30, 2015

	Annual Budget Amounts		Actual Amount	Variance with Final Budget - Favorable
	Original	Final		(Unfavorable)
Operating Revenues				
Facilities rentals	\$ 940,000	\$ 940,000	\$ 810,613	\$ (129,387)
HUD grants and subsidy	900,000	900,000	732,231	(167,769)
Other operating revenues	78,000	78,000	1,651,771	1,573,771
Total operating revenues	<u>1,918,000</u>	<u>1,918,000</u>	<u>3,194,615</u>	<u>1,276,615</u>
Operating Expenses				
Operating	365,000	350,000	626,482	(276,482)
Community welfare	238,000	238,000	116,009	121,991
Utilities	455,000	480,000	334,429	145,571
Repairs and maintenance	790,000	1,065,000	302,651	762,349
General	40,000	400,000	66,750	333,250
Depreciation	1,400,000	1,400,000	577,420	822,580
Total operating expenses	<u>3,288,000</u>	<u>3,933,000</u>	<u>2,023,741</u>	<u>1,909,259</u>
Operating income (loss)	<u>(1,370,000)</u>	<u>(2,015,000)</u>	<u>1,170,874</u>	<u>3,185,874</u>
Nonoperating Revenues (Expenses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Interest expense	(6,000)	(6,000)	-	6,000
Interest on investments	17,000	17,000	10,723	(6,277)
Insurance reimbursement	-	-	8,083,680	8,083,680
Total nonoperating revenues	<u>11,000</u>	<u>11,000</u>	<u>8,094,403</u>	<u>8,083,403</u>
Change in net position	<u>(1,359,000)</u>	<u>(2,004,000)</u>	<u>9,265,277</u>	<u>11,269,277</u>
Net position, beginning of year (as reported)	10,922,364	10,922,364	10,922,364	-
Restatements:				
Prior-period adjustment (note 13)	-	-	(3,393)	(3,393)
Prior-period adjustment (note 13)	-	-	(561,900)	(561,900)
Net position, beginning of year (as restated)	<u>10,922,364</u>	<u>10,922,364</u>	<u>10,357,071</u>	<u>(565,293)</u>
Net position, June 30, 2015	<u>\$ 9,563,364</u>	<u>\$ 8,918,364</u>	<u>\$ 19,622,348</u>	<u>\$ 10,703,984</u>

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
BERNALILLO HOUSING AUTHORITY
Year Ended June 30, 2015

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 180,600	\$ 180,600	\$ -	\$ (180,600)
HUD grants and subsidy	200,000	200,000	-	(200,000)
Other operating revenues	6,000	6,000	2,000	(4,000)
Total operating revenues	<u>386,600</u>	<u>386,600</u>	<u>2,000</u>	<u>(384,600)</u>
Operating Expenses				
Operating	112,000	75,000	9,109	65,891
Utilities	97,000	97,000	1,164	95,836
Repairs and maintenance	110,000	110,000	7,468	102,532
General	69,000	69,000	3,896	65,104
Depreciation	70,000	70,000	-	70,000
Total operating expenses	<u>458,000</u>	<u>421,000</u>	<u>21,637</u>	<u>399,363</u>
Operating income (loss)	<u>(71,400)</u>	<u>(34,400)</u>	<u>(19,637)</u>	<u>14,763</u>
Nonoperating Revenues (Expenses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Interest on investments	-	-	-	-
Gain on disposal of assets	-	-	125,000	125,000
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>125,000</u>
Income (loss) before contributions and transfers	<u>(71,400)</u>	<u>(34,400)</u>	<u>105,363</u>	<u>139,763</u>
Equity transfers	-	-	-	-
Change in net position	<u>(71,400)</u>	<u>(34,400)</u>	<u>105,363</u>	<u>139,763</u>
Net position, beginning of year (as reported)	2,705,756	2,705,756	2,705,756	-
Restatements:				
Prior-period adjustment (note 13)	-	-	(2,182)	(2,182)
Prior-period adjustment (note 13)	-	-	(8,745)	(8,745)
Net position, beginning of year (as restated)	<u>2,705,756</u>	<u>2,705,756</u>	<u>2,694,829</u>	<u>(10,927)</u>
Net position, June 30, 2015	<u>\$ 2,634,356</u>	<u>\$ 2,671,356</u>	<u>\$ 2,800,192</u>	<u>\$ 128,836</u>

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
ESPANOLA HOUSING AUTHORITY
Year Ended June 30, 2015

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 250,000	\$ 250,000	\$ 204,930	\$ (45,070)
HUD grants and subsidy	460,000	460,000	460,004	4
Other operating revenues	5,000	5,000	212	(4,788)
Total operating revenues	<u>715,000</u>	<u>715,000</u>	<u>665,146</u>	<u>(49,854)</u>
Operating Expenses				
Operating	179,500	197,500	347,647	(150,147)
Utilities	61,000	86,000	96,647	(10,647)
Repairs and maintenance	223,000	473,000	340,500	132,500
General	180,000	180,000	31,551	148,449
Depreciation	500,000	500,000	430,507	69,493
Total operating expenses	<u>1,143,500</u>	<u>1,436,500</u>	<u>1,246,852</u>	<u>189,648</u>
Operating income (loss)	<u>(428,500)</u>	<u>(721,500)</u>	<u>(581,706)</u>	<u>139,794</u>
Nonoperating Revenues (Expenses)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Interest on investments	5,000	5,000	32	(4,968)
Total nonoperating revenues	<u>5,000</u>	<u>5,000</u>	<u>32</u>	<u>(4,968)</u>
Change in net position	<u>(423,500)</u>	<u>(716,500)</u>	<u>(581,674)</u>	<u>134,826</u>
Net position, beginning of year (as reported)	5,389,683	5,389,683	5,839,683	450,000
Restatements:				
Prior-period adjustment (note 13)	-	-	(311,169)	(311,169)
Net position, beginning of year (as restated)	<u>5,389,683</u>	<u>5,389,683</u>	<u>5,528,514</u>	<u>138,831</u>
Net position, June 30, 2015	<u>\$ 4,966,183</u>	<u>\$ 4,673,183</u>	<u>\$ 4,946,840</u>	<u>\$ 273,657</u>

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
SANTA FE SECTION 8 VOUCHER
Year Ended June 30, 2015

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 7,070,000	\$ 7,070,000	\$ 6,220,365	\$ (849,635)
Port-in HAP reimbursement	700,000	700,000	760,248	60,248
Port-admin fees	60,000	60,000	51,462	(8,538)
TBRA revenues	35,000	35,000	-	(35,000)
Other revenue	12,000	12,000	-	(12,000)
Total operating revenues	<u>7,877,000</u>	<u>7,877,000</u>	<u>7,032,075</u>	<u>(844,925)</u>
Operating Expenses				
Community welfare	6,998,000	7,198,000	7,358,264	(160,264)
Port HAP	700,000	700,000	678,483	21,517
TBRA expenses	35,000	35,000	-	35,000
Total operating expenses	<u>7,733,000</u>	<u>7,933,000</u>	<u>8,036,747</u>	<u>(103,747)</u>
Operating income	<u>144,000</u>	<u>(56,000)</u>	<u>(1,004,672)</u>	<u>(948,672)</u>
Nonoperating revenues (expenses)				
Interest income	5,000	5,000	498	(4,502)
Total nonoperating revenues	<u>5,000</u>	<u>5,000</u>	<u>498</u>	<u>(4,502)</u>
Change in net position	<u>149,000</u>	<u>(51,000)</u>	<u>(1,004,174)</u>	<u>(953,174)</u>
Net position, beginning of year (as reported)	1,555,296	1,555,296	1,555,296	-
Restatements:				
Prior-period adjustment (note 13)	-	-	(624,108)	(624,108)
Net position, beginning of year (as restated)	<u>1,555,296</u>	<u>1,555,296</u>	<u>931,188</u>	<u>(624,108)</u>
Net position, June 30, 2015	<u>\$ 1,704,296</u>	<u>\$ 1,504,296</u>	<u>\$ (72,986)</u>	<u>\$ (1,577,282)</u>

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
SANTA FE HOUSING DEVELOPMENT CORPORATION
Year Ended June 30, 2015

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Facilities rentals	\$ 780,000	\$ 800,000	\$ 775,466	\$ (24,534)
Other operating revenues	24,000	24,000	305	(23,695)
Total operating revenues	<u>804,000</u>	<u>824,000</u>	<u>775,771</u>	<u>(48,229)</u>
Operating Expenses				
Operating	161,600	161,600	200,851	(39,251)
Contractual services and utilities	96,000	96,000	83,951	12,049
Repairs and maintenance	245,000	245,000	57,478	187,522
General	110,000	110,000	16,498	93,502
Depreciation	310,000	310,000	98,442	211,558
Total operating expenses	<u>922,600</u>	<u>922,600</u>	<u>457,220</u>	<u>465,380</u>
Operating income (loss)	<u>(118,600)</u>	<u>(98,600)</u>	<u>318,551</u>	<u>417,151</u>
Nonoperating Revenues (Expenses)				
Interest on investments	8,000	8,000	870	(7,130)
Interest expense	(180,000)	(180,000)	(116,066)	63,934
Total nonoperating expenses	<u>(172,000)</u>	<u>(172,000)</u>	<u>(115,196)</u>	<u>56,804</u>
Change in net position	<u>(290,600)</u>	<u>(270,600)</u>	<u>203,355</u>	<u>473,955</u>
Net position, beginning of year (as reported)	793,704	793,704	793,704	-
Restatements:				
Prior-period adjustment (note 13)	-	-	(181,096)	(181,096)
Net position, beginning of year (as restated)	<u>793,704</u>	<u>793,704</u>	<u>612,608</u>	<u>(181,096)</u>
Net position, June 30, 2015	<u>\$ 503,104</u>	<u>\$ 523,104</u>	<u>\$ 815,963</u>	<u>\$ 292,859</u>

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
CIELO AZUL
Year Ended June 30, 2015

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 160,000	\$ 424,800	\$ 317,154	\$ (107,646)
Development activities	1,200,000	484,000	385,132	(98,868)
Other operating revenues	10,000	78,000	2,722,653	2,644,653
Total operating revenues	<u>1,370,000</u>	<u>986,800</u>	<u>3,424,939</u>	<u>2,438,139</u>
Operating Expenses				
Operating	192,000	230,000	212,933	17,067
Contractual services and utilities	17,500	77,000	20,639	56,361
Repairs and maintenance	178,000	60,000	177,792	(117,792)
General	6,000	2,000	4,643	(2,643)
Insurance	8,000	20,000	12,340	7,660
Depreciation	70,000	150,000	119,395	30,605
Total operating expenses	<u>471,500</u>	<u>539,000</u>	<u>547,742</u>	<u>(8,742)</u>
Operating income	<u>898,500</u>	<u>447,800</u>	<u>2,877,197</u>	<u>2,429,397</u>
Nonoperating Revenues (Expenses)				
Transfers in	-	-	-	-
Interest on investments	-	-	28,982	28,982
Interest expense	(130,000)	(36,000)	(106,227)	(70,227)
Total nonoperating expenses	<u>(130,000)</u>	<u>(36,000)</u>	<u>(77,245)</u>	<u>(41,245)</u>
Change in net position	<u>768,500</u>	<u>411,800</u>	<u>2,799,952</u>	<u>2,388,152</u>
Net position, beginning of year (as reported)	2,638,654	2,638,654	2,638,654	-
Restatements:				
Prior-period adjustment (note 13)	-	-	20,863	20,863
Prior-period adjustment (note 13)	-	-	(233,841)	(233,841)
Net position, beginning of year (as restated)	<u>2,638,654</u>	<u>2,638,654</u>	<u>2,425,676</u>	<u>(212,978)</u>
Net position, June 30, 2015	<u>\$ 3,407,154</u>	<u>\$ 3,050,454</u>	<u>\$ 5,225,628</u>	<u>\$ 2,175,174</u>

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (BUDGET TO ACTUAL) -
LA CIENEGUITA
Year Ended June 30, 2015

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 190,000	\$ 190,000	\$ 189,885	\$ (115)
Other operating revenues	100	100	7,111	7,011
Total operating revenues	<u>190,100</u>	<u>190,100</u>	<u>196,996</u>	<u>6,896</u>
Operating Expenses				
Operating	113,000	119,274	93,049	26,225
Community welfare	1,800	1,800	-	1,800
Contractual services and utilities	67,200	116,819	41,501	75,318
Repairs and maintenance	24,000	22,311	21,312	999
Depreciation	70,000	70,000	64,076	5,924
General	9,000	18,268	14,221	4,047
Total operating expenses	<u>285,000</u>	<u>348,472</u>	<u>234,159</u>	<u>114,313</u>
Operating loss	<u>(94,900)</u>	<u>(158,372)</u>	<u>(37,163)</u>	<u>121,209</u>
Nonoperating Revenues				
Operating transfers out	-	-	-	-
Interest on investments	1,000	1,000	68	(932)
Change in net position	<u>(93,900)</u>	<u>(157,372)</u>	<u>(37,095)</u>	<u>120,277</u>
Net position, beginning of year (as reported)	1,232,443	1,232,443	1,232,443	-
Restatements:				
Prior-period adjustment (note 13)	-	-	(20,863)	(20,863)
Prior-period adjustment (note 13)	-	-	(84,631)	(84,631)
Net position, beginning of year (as restated)	<u>1,232,443</u>	<u>1,232,443</u>	<u>1,126,949</u>	<u>(105,494)</u>
Net position, June 30, 2015	<u>\$ 1,138,543</u>	<u>\$ 1,075,071</u>	<u>\$ 1,089,854</u>	<u>\$ 14,783</u>

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OF PERA MUNICIPAL GENERAL DIVISION
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
LAST 10 FISCAL YEARS *

	<u>2015</u>
Santa Fe Civic Housing Authority's proportion of the net pension liability	0.1904%
Santa Fe Civic Housing Authority's proportionate share of the net pension liability	\$ 1,485,324
Santa Fe Civic Housing Authority's covered-employee payroll	\$ 1,395,311
Santa Fe Civic Housing Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	106.45%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Santa Fe Civic Housing Authority will present information for those years for which information is available.

See independent auditor's report.
See notes to required supplementary information

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
PERA MUNICIPAL GENERAL DIVISION
LAST 10 FISCAL YEARS *

		2015
Contractually required contributions	\$	61,939
Contributions in relation to the contractually required contribution		(61,939)
Contribution deficiency (excess)	\$	-
Santa Fe Civic Housing Authority's covered employee payroll as a percentage of its covered-employee payroll	\$	1,395,311
Contributions as a percentage of covered-employee payroll		4.4%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Santa Fe Civic Housing Authority will present information for those years for which information is available.

See independent auditor's report.
See notes to required supplementary information

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY 14 audit report available at:
http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_PublicEmployees_Retirement_Association_2014pdf.

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

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

See independent auditor's report.

SUPPLEMENTAL INFORMATION

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, 2015

	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	104,181	(90,738)	-	13,443	13,443
Operating (Espanola)	Checking	104,970	(13,361)	35,754	127,363	127,363
Security Deposits (Espanola)	Checking	38,637	-	-	38,637	38,637
FSS Low Rent (Espanola)	Checking	774	-	-	774	774
Reserve Account (SF Hsg Dev Corp)	Savings	276,035	-	-	276,035	276,035
Market max 757 (La Cieneguita)	Savings	13,022	(30)	-	12,992	12,992
Market max 765 (La Cieneguita)	Savings	13,696	-	-	13,696	13,696
Market max 856 (La Cieneguita)	Savings	78,277	-	-	78,277	78,277
Market max 864 (La Cieneguita)	Savings	5,233	-	-	5,233	5,233
US Bank						
General Fund Operating	Checking	469,602	(114,302)	346,678	701,978	701,978
Operating (Voucher)	Checking	597,180	(103,770)	5,295	498,705	498,705
FSS Escrow (Voucher)	Checking	101,735	-	-	101,735	101,735
Bernalillo Operating	Checking	17,954	-	-	17,954	17,954
Bernalillo FSS	Checking	996	-	-	996	996
Bernalillo Security Deposit	Checking	7,847	-	-	7,847	7,847
General Fund Reserve Account (Operating)	Savings	78,838	-	-	78,838	78,838
Los Alamos National Bank						
Operating (SF Hsg Dev Corp)	Checking	710,542	(72,890)	1,500	639,152	639,152
Security Deposit (SF Hsg Dev Corp)	Checking	4,906	-	-	4,906	4,906
Repair and Replace (SF Hsg Dev Corp)	Checking	6,281	-	-	6,281	6,281
Debt Service Reserve (SF Hsg Dev Corp)	Checking	10,699	-	-	10,699	10,699
Development Board account (SF Hsg Dev Corp)	Checking	19,866	-	-	19,866	19,866
Operating (Cielo Azul)	Checking	125,373	(108,178)	-	17,195	17,195
Security Deposit (Operating)	Checking	15,100	(3,639)	-	11,461	11,461
Employee Fund (Cielo Azul)	Checking	2,621	-	-	2,621	2,621
Development Account (Cielo Azul)	Checking	315,687	-	-	315,687	315,687
Security Deposits (Cielo Azul)	Checking	10,803	(100)	-	10,703	10,703
Cielo Replacement Reserve (Cielo Azul)	Checking	11,576	-	-	11,576	11,576
TBRA (Voucher)	Checking	60,697	(200)	-	60,497	60,497
FSS PH (Operating)	Savings	69,128	-	-	69,128	69,128
Rehabilitation (SF Hsg Dev Corp)	Savings	10,943	-	-	10,943	10,943
Total deposits		<u>3,283,199</u>	<u>(507,208)</u>	<u>389,227</u>	<u>3,165,218</u>	<u>3,165,218</u>
Investments						
Charles Schwab						
Operating Deposits (Operating)	Treasury Bill	55,206	-	-	55,206	55,206
Rehabilitation (SF Hsg Dev Corp)	Treasury Bill	275,012	-	-	275,012	275,012
Repair and Replace (SF Hsg Dev Corp)	Treasury Bill	125,005	-	-	125,005	125,005
Debt Service Reserve (SF Hsg Dev Corp)	Treasury Bill	160,006	-	-	160,006	160,006
Board Account (SF Hsg Dev Corp)	Treasury Bill	850,136	-	-	850,136	850,136
Security Deposit (SF Hsg Dev Corp)	Treasury Bill	15,000	-	-	15,000	15,000
Security Deposits (Cielo Azul)	Treasury Bill	5,300	-	-	5,300	5,300
Total investments		<u>1,485,665</u>	<u>-</u>	<u>-</u>	<u>1,485,665</u>	<u>1,485,665</u>
Total petty cash, deposits and investments		<u>\$ 4,768,864</u>	<u>\$ (507,208)</u>	<u>\$ 389,227</u>	<u>\$ 4,650,883</u>	<u>\$ 4,650,883</u>
Shown on the Statement of Net Position as:						
Cash, investments and equivalents					\$ 4,393,394	
Cash, investments and equivalents - restricted					257,489	
Total cash, investments and equivalents					<u>\$ 4,650,883</u>	

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF PLEDGED COLLATERAL
MARKET VALUE
June 30, 2015

	<u>Maturity Date</u>	<u>Bank Balance</u>	<u>Federal Depository Insurance</u>	<u>Total Uninsured Public Funds</u>	<u>Required Collateral</u>	<u>Pledged Securities Market Value</u>	<u>Over/ (Under)</u>
<u>New Mexico Bank & Trust</u>							
Checking	None	\$ 248,562	\$ 250,000	\$ -	\$ -	\$ -	-
Savings	None	386,263	250,000	136,263	68,132	-	-
Collateral:							
Da Kalb Cnty III Unit S GO Sch Bds, CUSIP 240685HR1, 0.0%, \$200,000 face	1/1/22	-	-	-	-	165,184	
Eastern NM Univ Rev, Cusip 276785UD2 3.8%, \$245,000 face	4/1/17	-	-	-	-	244,656	341,709
<u>US Bank:</u>							
Checking	None	1,195,314	250,000	945,314	472,657	-	-
Savings	None	78,838	78,838	-	-	-	-
Collateral held at FRB Dallas:							
FNMA Pool AE5486, Cusip 31419GCY8 3.5%, \$6,930,000	10/1/25	-	-	-	-	2,770,449	
FHLMC Gold Pool G11356, Cusip 31283KQH4 3.5%, \$2,000,000	1/1/18	-	-	-	-	30,649	
FHLMC FGLMC C78550, Cusip 31288HQB9 3.5%, \$2,000,000	5/1/33	-	-	-	-	76,264	
FHLMC FHARM 787802, Cusip 31295LU34 3.5%, \$10,000,000	4/1/30	-	-	-	-	111,261	
FNMA FNCL 555647, Cusip 31385XHY6 3.5%, \$300,000	7/1/33	-	-	-	-	34,293	2,550,259
<u>Los Alamos National Bank</u>							
Checking	None	1,294,151	250,000	1,044,151	522,076	-	-
Savings	None	80,071	80,071	-	-	-	-
Collateral:							
FKLB Callable, Cusip 313380XB8 6.25%, \$5,000,000 face (20% pledge)	9/8/14	-	-	-	-	1,000,068	477,993
		<u>\$ 3,283,199</u>	<u>\$ 1,158,909</u>	<u>\$ 2,125,728</u>	<u>\$ 1,062,864</u>	<u>\$ 4,432,824</u>	<u>\$ 3,369,960</u>

STATE OF NEW MEXICO
 SANTA FE CIVIC HOUSING AUTHORITY
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2015
 Prepared by Agency Staff Name: Anna Chavez Title: Chief Financial Officer Date: September 15, 2015

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of <u>ALL</u> Vendor(s) that responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A	Brief Description of the Scope of Work
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Santa Fe Civic Housing Authority (NM009)
SANTA FE, NM

Schedule 6

1 of 4

Financial Data Schedule

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	1 Business Activities	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	14.238 Shelter Plus Care	Subtotal	Eliminations	Total
111 Cash - Unrestricted	\$865,401	-	\$563,122	\$2,838,124	-	-	-	\$4,266,647	-	\$4,266,647
113 Cash - Other Restricted	\$178,116	-	\$0	-	-	-	-	\$178,116	-	\$178,116
114 Cash - Tenant Security Deposits	\$66,667	-	-	\$41,639	-	-	-	\$108,306	-	\$108,306
115 Cash - Restricted for Payment of Current Liabilities	-	-	\$97,814	-	-	-	-	\$97,814	-	\$97,814
100 Total Cash	\$1,110,184	-	\$660,936	\$2,879,763	-	-	-	\$4,650,883	-	\$4,650,883
121 Accounts Receivable - PHA Projects	\$27,818	-	-	-	-	-	-	\$27,818	-	\$27,818
122 Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-	-	-	-
124 Accounts Receivable - Other Government	\$1,252,325	-	-	\$7,228	-	-	-	\$1,259,553	-	\$1,259,553
125 Accounts Receivable - Miscellaneous	\$282,139	-	-	\$3,000,817	-	-	-	\$3,282,956	-	\$3,282,956
126 Accounts Receivable - Tenants	\$162,893	-	-	\$1,930	-	-	-	\$164,823	-	\$164,823
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-	-	-	-
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	\$1,901,900	-	-	-	\$1,901,900	-	\$1,901,900
128 Fraud Recovery	\$192,704	-	-	-	-	-	-	\$192,704	-	\$192,704
128.1 Allowance for Doubtful Accounts - Fraud	-\$192,704	-	-	-	-	-	-	-\$192,704	-	-\$192,704
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,725,175	-	-	\$4,911,875	-	-	-	\$6,637,050	-	\$6,637,050
142 Prepaid Expenses and Other Assets	\$69,480	-	-	\$22,324	-	-	-	\$91,804	-	\$91,804
144 Inter Program Due From	\$463,835	-	-	\$520,863	-	-	-	\$984,698	-\$984,698	-
150 Total Current Assets	\$3,368,674	-	\$660,936	\$8,334,825	-	-	-	\$12,364,435	-\$984,698	\$11,379,737
161 Land	\$299,637	-	-	\$842,952	-	-	-	\$1,142,589	-	\$1,142,589
162 Buildings	\$24,533,724	-	-	\$8,962,390	-	-	-	\$33,496,114	-	\$33,496,114
163 Furniture, Equipment & Machinery - Dwellings	\$682,336	-	-	\$200,578	-	-	-	\$882,914	-	\$882,914
164 Furniture, Equipment & Machinery - Administration	\$558,765	-	-	\$7,322	-	-	-	\$566,087	-	\$566,087
166 Accumulated Depreciation	-\$17,178,345	-	-	-\$4,900,297	-	-	-	-\$22,078,642	-	-\$22,078,642
167 Construction in Progress	\$1,570,318	-	-	-	-	-	-	\$1,570,318	-	\$1,570,318
160 Total Capital Assets, Net of Accumulated Depreciation	\$10,466,435	-	-	\$5,112,945	-	-	-	\$15,579,380	-	\$15,579,380
171 Notes, Loans and Mortgages Receivable - Non-Current	\$2,500,000	-	-	-	-	-	-	\$2,500,000	-	\$2,500,000
174 Other Assets	\$12,474,724	-	-	-	-	-	-	\$12,474,724	-	\$12,474,724
180 Total Non-Current Assets	\$25,441,159	-	-	\$5,112,945	-	-	-	\$30,554,104	-	\$30,554,104
200 Deferred Outflow of Resources	\$27,235	-	\$19,275	\$15,429	-	-	-	\$61,939	-	\$61,939
290 Total Assets and Deferred Outflow of Resources	\$28,837,068	-	\$680,211	\$13,463,199	-	-	-	\$42,980,478	-\$984,698	\$41,995,780

Santa Fe Civic Housing Authority (NM009)
 SANTA FE, NM
 Financial Data Schedule
 Entity Wide Balance Sheet Summary

Schedule 6
 2 of 4

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	1 Business Activities	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	14.238 Shelter Plus Care	Subtotal	Eliminations	Total
311 Bank Overdraft										
312 Accounts Payable <= 90 Days	\$182,069	-	-	-	-	-	-	\$182,069		\$182,069
322 Accrued Compensated Absences - Current Portion	\$258,534	-	-	-	-	-	-	\$258,534		\$258,534
341 Tenant Security Deposits	\$57,391	-	-	\$41,639	-	-	-	\$99,030		\$99,030
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				\$278,847	-	-	-	\$278,847		\$278,847
345 Other Current Liabilities	\$60,645	-	\$109,814	-	-	-	-	\$449,306		\$449,306
347 Inter Program - Due To				\$984,698	-	-	-	\$984,698	-\$984,698	
310 Total Current Liabilities	\$558,639	-	\$109,814	\$1,305,184	-	-	-	\$1,973,637	-\$984,698	\$988,939
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				\$4,511,573	-	-	-	\$4,511,573		\$4,511,573
357 Accrued Pension and OPEB Liabilities	\$653,097	-	\$462,232	\$369,995	-	-	-	\$1,485,324		\$1,485,324
350 Total Non-Current Liabilities	\$653,097	-	\$462,232	\$4,881,568	-	-	-	\$5,996,897		\$5,996,897
300 Total Liabilities	\$1,211,736	-	\$572,046	\$6,186,752	-	-	-	\$7,970,534	-\$984,698	\$6,985,836
400 Deferred Inflow of Resources	\$255,952	-	\$181,151	\$145,002	-	-	-	\$582,105		\$582,105
508.4 Net Investment in Capital Assets	\$10,466,435			\$322,525				\$10,788,960		\$10,788,960
511.4 Restricted Net Position										
512.4 Unrestricted Net Position	\$16,902,945		-\$72,986	\$6,808,920				\$23,638,879		\$23,638,879
513 Total Equity - Net Assets / Position	\$27,369,380		-\$72,986	\$7,131,445				\$34,427,839		\$34,427,839
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$28,837,068		\$680,211	\$13,463,199				\$42,980,478	-\$984,698	\$41,995,780

Financial Data Schedule

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	1 Business Activities	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	14.238 Shelter Plus Care	Total
70300 Net Tenant Rental Revenue	\$1,015,543	-	-	\$1,282,505	-	-	-	\$2,298,048
70400 Tenant Revenue - Other	-	-	-	-	-	-	-	-
70500 Total Tenant Revenue	\$1,015,543	\$0	\$0	\$1,282,505	\$0	\$0	\$0	\$2,298,048
70600 HUD PHA Operating Grants	\$1,174,056	\$18,179	\$6,031,884	-	-	\$95,315	-	\$7,319,434
70610 Capital Grants	\$1,226,350	-	-	-	-	-	-	\$1,226,350
70710 Management Fee	-	-	-	-	-	-	-	-
70700 Total Fee Revenue	-	-	-	-	-	-	-	-
70800 Other Government Grants	-	-	-	-	\$2,102	-	\$73,378	\$75,480
71100 Investment Income - Unrestricted	\$10,755	-	\$498	\$29,920	-	-	-	\$41,173
71400 Fraud Recovery	-	-	\$17,686	-	-	-	-	\$17,686
71500 Other Revenue	\$427,633	-	\$811,710	\$3,115,201	-	-	-	\$4,354,544
70000 Total Revenue	\$3,854,337	\$18,179	\$6,861,778	\$4,427,626	\$2,102	\$95,315	\$73,378	\$15,332,715
91100 Administrative Salaries	\$304,397	-	\$309,642	\$292,874	-	\$6,495	-	913,408
91200 Auditing Fees	\$17,000	-	\$12,000	\$15,997	-	-	-	\$44,997
91500 Employee Benefit contributions - Administrative	\$328,585	-	\$174,174	\$133,402	-	\$3,148	-	\$639,309
91600 Office Expenses	\$105,798	-	\$54,330	\$34,777	-	-	-	\$194,905
91700 Legal Expense	\$4,595	-	-	-	-	-	-	\$4,595
91800 Travel	\$7,950	-	\$314	\$1,576	-	-	-	\$9,840
91000 Total Operating - Administrative	\$768,325	-	\$550,460	\$478,626	-	\$9,643	-	1,807,054
92000 Asset Management Fee	-	-	-	-	-	-	-	-
92100 Tenant Services - Salaries	\$67,904	\$18,179	\$28,822	-	\$2,500	-	-	\$117,405
92400 Tenant Services - Other	\$116,009	-	-	-	-	-	\$86,515	\$202,524
92500 Total Tenant Services	\$183,913	\$18,179	\$28,822	\$0	\$2,500	\$0	\$86,515	\$319,929
93100 Water	\$155,735	-	-	\$41,805	-	-	-	\$197,540
93200 Electricity	\$68,786	-	-	\$16,474	-	-	-	\$85,260
93300 Gas	\$90,888	-	-	\$18,396	-	-	-	\$109,284
93600 Sewer	\$63,158	-	-	\$38,367	-	-	-	\$101,525
93800 Other Utilities Expense	\$30,435	-	-	\$153	-	-	-	\$30,588
93000 Total Utilities	\$409,002	-	-	\$115,195	-	-	-	\$524,197
94100 Ordinary Maintenance and Operations - Labor	\$269,786	-	-	\$80,285	-	-	-	\$350,071
94200 Ordinary Maintenance and Operations - Materials and Other	\$189,079	-	-	\$80,974	-	-	-	\$270,053
94300 Ordinary Maintenance and Operations Contracts	\$323,326	-	-	\$162,588	-	-	-	\$485,914
94000 Total Maintenance	\$782,191	-	-	\$323,847	-	-	-	\$1,106,038
95100 Protective Services - Labor	-	-	-	\$2,965	-	-	-	\$2,965
95000 Total Protective Services	-	-	-	\$2,965	-	-	-	\$2,965

Santa Fe Civic Housing Authority (NM009)
 SANTA FE, NM
 Financial Data Schedule

Schedule 6
 4 of 4

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2015

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	1 Business Activities	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	14.238 Shelter Plus Care	Total
96110 Property Insurance	\$85,746			\$36,575				\$122,321
96120 Liability Insurance	-		\$1,755					\$1,755
96100 Total insurance Premiums	\$85,746		\$1,755	\$36,575				\$124,076
96200 Other General Expenses	\$36,947							\$36,947
96000 Total Other General Expenses	\$36,947							\$36,947
96720 Interest on Notes Payable (Short and Long Term)				\$222,293				\$222,293
96700 Total Interest Expense and Amortization Cost				\$222,293				\$222,293
96900 Total Operating Expenses	\$2,266,124	\$18,179	\$581,037	\$1,179,501	\$2,500	\$9,643	\$86,515	\$4,143,499
97000 Excess of Operating Revenue over Operating Expenses	\$1,588,213	\$0	\$6,280,741	\$3,248,125	-\$398	\$85,672	-\$13,137	\$11,189,216
97300 Housing Assistance Payments			\$6,483,269			\$108,704		\$6,591,973
97350 HAP Portability-In			\$765,079					\$765,079
97400 Depreciation Expense	\$1,007,927			\$281,913				\$1,289,840
90000 Total Expenses	\$3,274,051	\$18,179	\$7,829,385	\$1,461,414	\$2,500	\$118,347	\$86,515	\$12,790,391
10010 Operating Transfer In								
10020 Operating transfer Out								
10070 Extraordinary Items, Net Gain/Loss	\$8,208,680							\$8,208,680
10100 Total Other financing Sources (Uses)	\$8,208,680							\$8,208,680
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$8,788,966		-\$967,607	\$2,966,212	-\$398	-\$23,032	-\$13,137	\$10,751,004
11020 Required Annual Debt Principal Payments								
11030 Beginning Equity	\$19,467,803		\$1,555,296	\$4,664,801				\$25,687,900
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$887,389		-\$660,675	-\$499,568	\$398	\$23,032	\$13,137	-\$2,011,065
Ending Equity (deficit)	\$27,369,380		-\$72,986	\$7,131,445				\$34,427,839
11170 Administrative Fee Equity			71,749					71,749
11180 Housing Assistance Payments Equity			(122,543)					(122,543)
11190 Unit Months Available	7620		12204	1200		240		21264
11210 Number of Unit Months Leased	7383		12036	1188		230		20837
11270 Excess Cash	\$2,476,601							\$2,476,601
11610 Land Purchases	\$0							\$0
11620 Building Purchases	\$1,226,350							\$1,226,350

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

Federal Grantor/ Program Title	Federal CFDA Number	Receivable	HAP	Admin	Prior-	Cash	Expenditures	Receivable	HAP	Admin
		(Deferred Revenue) July 1, 2014	Equity July 1, 2014	Equity July 1, 2014	period Adjust- ments			(Deferred Revenue) June 30, 2015	Equity June 30, 2015	Equity July 1, 2015
Department of Housing and Urban Development										
Direct Programs:										
Public Housing Subsidy (MAJOR)	14.850	-	-	-	-	(1,174,056)	1,174,056	-	-	-
Resident Opportunity and Supportive Services (ROSS)	14.855	-	-	-	-	(18,179)	18,179	-	-	-
Public Housing Capital Fund	14.872	-	-	-	-	(1,226,350)	1,226,350	-	-	-
Total Direct Programs		-	-	-	-	(2,418,585)	2,418,585	-	-	-
Other Direct Programs:										
Section 8 Housing Choice Vouchers (MAJOR)	14.871	-	(983,969)	(571,327)	660,675	(6,861,778)	7,829,385	-	181,744	(108,758)
Mainstream Vouchers (MS5)	14.879	-	-	-	(23,032)	(95,315)	118,347	-	-	-
Shelter Plus Income	14.238	-	-	-	(13,137)	(73,378)	86,515	-	-	-
Continuum of Core (CoC)	14.267	-	-	-	(398)	(2,102)	2,500	-	-	-
Total Other Direct Programs		-	(983,969)	(571,327)	624,108	(7,032,573)	8,036,747	-	181,744	(108,758)
Total Department of Housing and Urban Development		\$ -	\$ (983,969)	\$ (571,327)	\$ 624,108	\$ (9,451,158)	\$ 10,455,332	\$ -	\$ 181,744	\$ (108,758)

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.

NOTE 3.

The prior-period adjustment of \$624,108 is a result of the application of GASB Statement 68, *Accounting and Financial Reporting for Pensions*.

SINGLE AUDIT INFORMATION

Robert J. Rivera, CPA, PC

Certified Public Accountants

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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. Tim Keller
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 of the Santa Fe Civic Housing Authority (the Housing Authority), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and the combining and individual funds and related budgetary comparisons presented as supplemental information and have issued our report thereon dated February 3, 2016.

Internal Control Over Financial Reporting

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

Our consideration of the 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, that we consider to be significant deficiencies (Finding 2014-001 and 2007-004).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing 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 2014-002 and 2007-004.

The 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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Robert J. Rivera, CPA, PC

Santa Fe, New Mexico

February 3, 2016

Robert J. Rivera, CPA, PC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITORS' REPORT

To the Board of Directors -
Santa Fe Civic Housing Authority
and
Mr. Timothy M. Keller
New Mexico State Auditor
Santa Fe, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the Santa Fe Civic Housing Authority's (the Housing Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended June 30, 2015. The Housing Authority's major federal programs are identified in the summary of 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 Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis,

evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority complied, in all material respects, with the 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, 2015.

Report on Internal Control Over Compliance

Management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be weaknesses or significant deficiencies and, therefore, material weaknesses or

significant deficiencies may exist that were not identified. 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.

Purpose of this Report

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.

A handwritten signature in black ink that reads "Robert J. Rivera, CPA, PC". The signature is written in a cursive style.

Robert J. Rivera, CPA, PC
Santa Fe, New Mexico
February 3, 2016

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2015**

2007-004	Budgetary Compliance	Repeated and updated
2014-001	Improper Control Over Blank Warrants	Repeated
2014-002	Late Delivery of Audit Report	Repeated
2014-003	Improper Allocation of Retirement Contributions	Resolved

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements and the combining and individual fund financial statements of the Santa Fe Civic Housing Authority.
2. One significant deficiency disclosed during the audit of the financial statements is reported in the Independent Auditor's 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*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of the Santa Fe Civic Housing Authority, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. There were no significant deficiencies in internal control over major federal award programs which were required to be disclosed during the audit and reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for the Santa Fe Civic Housing Authority expresses an unmodified opinion on all major federal programs. No instances of noncompliance are reported.
6. Audit findings relating to major programs that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule. None.
7. The programs tested as major programs include the following:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.850	Public Housing Subsidy
14.871	Section 8 Housing

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Housing Authority was determined to be a high-risk auditee.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

B. FINANCIAL STATEMENT FINDINGS

2014-001 Improper Control Over Blank Warrants (Repeated and Modified)
(Significant Deficiency in Internal Control)

CONDITION

Blank but signed warrants are kept in a locked filing cabinet in the Accounting Specialist's office. The Administrative Supervisor is responsible for processing payments to vendors and for any other purpose for which a warrant is necessary (except payroll). Management failed to implement their corrective action plan of the previous year.

CRITERIA

Acceptable internal control over warrants dictates that warrants be signed **after** completion and that approval for the payment be indicated on supporting documentation.

CAUSE

The Authority allowed blank but signed warrants to be kept by the Administrative Supervisor.

EFFECT

Improper and/or unauthorized payments could be made creating a fraud or misappropriation risk.

RECOMMENDATION

We recommend that the Authority sign warrants after they have been completed.

ENTITY RESPONSE

The Santa Fe Civic Housing Authority concurs with the finding, and the Accounts Payable Accounting staff of the Authority has implemented actions to correct and or prevent this recurrence.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

C. FEDERAL MAJOR AWARD PROGRAMS FINDINGS AND QUESTIONED COSTS

None

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

D. COMPLIANCE AND OTHER MATTERS FINDINGS

**2007-004 Budgetary Compliance - Other (Repeated and Modified)
(Significant Deficiency in Internal Control and Other
Noncompliance)**

CONDITION

Actual expenses exceeded budgeted expenses for the following funds:

Section 8 Voucher Program	\$103,747
Cielo Azul Fund	\$ 78,969

Management failed to implement their corrective action plan for the previous year.

CRITERIA

Per State Auditor 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

Budget adjustments were not made by the Housing Authority to prevent these budget over-expenditures due to an oversight.

EFFECT

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

RECOMMENDATION

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

ENTITY RESPONSE

The Santa Fe Civic Housing Authority concurs with the finding, and the Chief Financial Officer has implemented actions to correct and or prevent this recurrence.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

D. COMPLIANCE AND OTHER MATTERS FINDINGS (Cont'd)

2014-002 Late Delivery of Audit Report (Repeated)
(Finding that does not give rise to a significant deficiency/Compliance with State Auditor Rules and Regulations)

CONDITION

The Santa Fe Civic Housing Authority did not submit its annual financial report to the State Auditor's Office prior to the deadline of September 30, 2015. The report was submitted on February 10, 2016. Management failed to implement their corrective action plan of the previous year.

CRITERIA

In accordance with State Auditor Rule 2.2.2.9, NMAC, the Authority was required to submit its fiscal year 2014-2015 annual financial report to the State Auditor's Office by September 30, 2015.

CAUSE

The auditors assisted the Housing Authority in the preparation financial statements. There were adjustments which were needed to be made to the general ledger by the Housing Authority at year end which had not been made timely and which further delayed the preparation of the financial statements in order to meet the report submission deadline. In addition, other adjustments and disclosures required this year due to the implementation of GASB Statement 68 relating to the Housing Authority's pension plan also caused delays in the preparation of the financial statements. The final review and acceptance of the financial statements by the Housing Authority has further caused the report to be delivered late.

EFFECT

The Authority was not in compliance with the State Auditor Rule 2.2.2.9, NMAC. Users of the financial statements (i.e. board members, legislators, creditors, bondholders and state and federal grantors) do not have timely audit reports and financial statements available for their review.

RECOMMENDATION

We recommend that management develop policies and procedures that ensure financial records are ready for audit in a timely manner so that future fiscal periods' financial reports can be submitted prior to the established deadline.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

D. COMPLIANCE AND OTHER MATTERS FINDINGS (Cont'd)

**2014-002 Late Delivery of Audit Report
(Finding that does not give rise to a significant deficiency/Compliance with State
Auditor Rules and Regulations)**

ENTITY RESPONSE

The Santa Fe Civic Housing Authority concurs with the finding, and the Chief Financial Officer and Executive Director have implemented actions to correct and or prevent this recurrence.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
June 30, 2015

Financial Statement Preparation

The financial statements were prepared by the auditors, with the assistance of the Housing Authority. Management is responsible for ensuring that the books and records adequately support the preparation of financial statements in accordance with generally accepted accounting principles and that records are current and in balance. Management has reviewed and approved the financial statements.

Exit Conference

An exit conference was held on February 9, 2016, to discuss the audit. The following individuals were in attendance:

State of New Mexico - Santa Fe Civic Housing Authority

Michael Gonzales, Board Chair
Ed Romero, Executive Director
David Martinez, Deputy Executive Director
Anna Chavez, Administrative Supervisor
Nellie Olivas, Accountant

Audit Firm - Robert J. Rivera, CPA, PC

Robert J. Rivera, CPA