

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

**Financial Statements
For the Year Ended June 30, 2016**

(With Independent Auditor's Report Thereon)

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
June 30, 2016**

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**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
June 30, 2016**

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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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, 2016, 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, 2016, 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, based on our audit, 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, 2016, 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.

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 1 and 2 on pages 47 through 49, respectively, 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 financial statements that collectively comprise the Housing Authority's basic financial statements, and the combining and


individual fund financial statements, and the budgetary comparisons. The introductory section, the Schedule of Expenditures of Federal Awards (Schedule 7) as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, the combining and individual fund financial statements presented as supplementary information and the other schedules 3 and 5 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 (Schedule 7), 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 introductory section and the Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT), (Schedule 5) have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2017, 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
January 13, 2017

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

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, 2016. Please read it in conjunction with the Authority's financial statements, which follow this section.

Operational Highlights

The 2016 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 (LIHTC) and public private partnerships. One of them, the Santa Fe Community Living involves 120 family public housing units in Santa Fe and other, Village in the Bosque (VITB) converted 78 public housing units in Bernalillo. Construction on the Village in the Bosque was completed in November 2015 and Santa Fe Community Living was completed in November 2016. The Housing Authority is a 0.001% General Partner in these partnerships.
- 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.
- In January 2015, the Housing Authority applied for 9% LIHTC credits for the Villa Hermosa (116 senior units) and Pasa Tiempo(121 senior units). This process is very competitive but the Housing Authority was awarded credits for the Villa Hermosa project and chose to utilize LIHTC bonds(non-competitive also known as 4% LIHTC program) to complete Pasa Tiempo. Both of the projects will be closed in calendar year 2017 and are also RAD initiative developments.
- As part of those new development activities, the Housing Authority stopped housing residents at both Villa Hermosa and Pasa Tiempo resulting in approximately 60 vacancies by December 2016. It also stepped up its activity in purchasing rental units within the City of Santa Fe purchasing 3 houses and a property on Pacheco Street with 3 apartments. These purchases were completed with investment of development revenues and market loans of approximately \$460,000.

Financial Highlights

- Net position of the Housing Authority decreased insignificantly by \$(328,755), from \$34,427,839 to \$34,099,084 as of June 30, 2016. The primary reasons for the decrease were assets and deferred

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

outflows increased by \$1,782,823, while liabilities and deferred inflows increased by \$2,013,136. However, the Housing Authority showed positive cash flows of \$805,196, primarily as it relates to operations.

- The total operating revenues of the Housing Authority's enterprise units decreased by approximately \$(1,014,248) as a result of a decrease of \$(3,063,196) of other development and asset management fees. Facility rental income decreased by \$(39,177) and HUD subsidies and grants increased by \$2,088,125. However, over the years, decreases in HUD subsidies and grants are a cause for concern because the Housing Authority is forced to utilize cash reserves built up within the programs. 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 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 \$107,409 in developer fees and sustainable tax credits. This was approximately \$277,723 less than the prior year. Additionally, other development and asset management fees generated \$1,705,988.
- Net non-operating revenue and expenses decreased by \$(8,252,528), resulting primarily from the gain on sale of land and buildings totaling \$8,208,680 in the previous year.
- 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 increased by approximately \$428,083, which is in part related to the \$2,000,000 acquisition of the St. Catherine's property and the disposal of the construction in progress of \$1,570,318.

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.

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SANTA FE CIVIC HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

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.

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 decreased by \$(230,313) from the June 30, 2015, amount. The following table shows a summary of changes from prior year amounts.

	Proprietary		Increase (Decrease)	
	2016	2015	Amt	%
Cash and investments	\$ 5,456,079	\$ 4,650,883	\$ 805,196	17.3%
Accounts receivable	4,455,043	4,735,150	(280,107)	(5.9)%
Other current assets	84,475	91,804	(7,329)	(8.0)%
Total current assets	9,995,597	9,477,837	517,760	5.5%
Other Assets	17,560,646	16,876,624	684,022	4%
Fixed assets (net)	16,002,463	15,579,380	423,083	2.7%
Deferred outflows	121,455	61,939	59,516	96%
Total assets & deferred outflows	\$ 43,680,161	\$ 41,995,780	\$ 1,684,381	4%
Accounts payable	39,363	-	39,363	100 %

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Accrued liabilities	224,791	182,069	42,722	23.3%
Other payables	431,706	-	431,706	100%
Compensated absences payable	215,458	258,534	(43,076)	(16.7)%
Tenant security deposits	99,256	99,030	226	0.2%
Notes payable	196,210	278,847	(82,637)	(29.6)%
Due to other governments	-	12,000	(12,000)	(100)%
Escrows and deposits	110,466	158,459	(47,993)	(30.3)%
Total current liabilities	1,371,211	988,939	328,311	33.2%
Notes payable	6,371,211	4,511,573	1,859,638	41.2%
Net pension liability	1,718,003	1,458,324	232,679	15.7%
Total liabilities	9,406,464	6,985,836	2,420,628	34.6%
Deferred inflows	174,613	582,105	(407,492)	(70)%
Net position	34,099,084	34,427,839	(328,755)	(1)%
Total liabilities, deferred outflows and net position	\$ 43,680,161	\$ 41,995,780	\$ 1,684,381	4%

Cash and investments decreased by \$805,196. Fixed assets increased by a net of \$423,083 resulting from additions of \$3,191,667, deletions of \$(1,997,163), and deletion of related accumulated depreciation of \$(427,114), and depreciation expense of \$1,198,267. Total liabilities increased by \$2,420,628, which was a 35% increase from the prior year. Notes payable increased by \$1,177,001 and the net pension liability increased by \$232,679.

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 decrease in net position occurred primarily from the items in the operation section above.

A condensed Statement of Activities for the fiscal years ended June 30, 2016 and 2015 is shown in the table below:

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

Santa Fe Civic Housing Authority's
Statement of Activities

	2016	2015	Increase (Decrease) Amount	%
Facility rentals	\$ 2,285,871	\$ 2,298,048	\$ (39,177)	(1.7)%
HUD grant and subsidy	10,312,455	8,224,330	2,088,125	25.4%
Other revenue	1,705,988	4,769,184	(3,063,196)	(64.2)%
Total operating revenue	14,277,314	15,291,562	(1,014,248)	(6.6)%
Operating expenses	12,368,596	12,568,098	(199,502)	(1.6)%
Operating income	1,908,718	2,723,464	(814,746)	(29.9)%
Total non-operating revenues (expenses)	(224,968)	8,027,560	(8,252,528)	(102.8)%
Change in net position	1,683,750	10,751,004	(9,067,254)	(84.3)%
Equity transfers and contributions	(1,879,596)	-	(1,879,596)	100%
Total change in net position	\$ (195,846)	\$ 10,751,004	\$ (10,946,850)	(101.8)%

HUD grants and subsidies showed the biggest dollar increase of \$2,088,125. This is related to the increase in capital grants. In addition, other operating revenues decreased by \$(3,063,196) resulting from less development fees from the prior year. We anticipate revenues to flat-line or decrease in foreseeable future, unless tax credit projects materialize.

Operating expenses decreased insignificantly by \$(199,502), or about (1.6)%.

Budgetary Highlights

The Housing 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 Vouchers Program and the Mainstream Vouchers

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

Program which was over budget by \$420,904. The primary reason for the over budget in the fund was due to an oversight in which the budget was not amended accordingly at year end.

Fund Balance Analysis

<u>Program</u>	Increase <u>(Decrease)</u>
Housing Authority	\$(1,093,448)
Section 8 and Mainstream Vouchers	636,381
Housing Development Corp.	54,898
Cielo Azul	159,596
La Cieneguita	<u>46,727</u>
 Total operational increase	 \$ <u>(195,846)</u>

The operational decrease in net position was insignificant.

Capital Asset and Debt Administration

- Fixed assets increased by a net of \$423,083 resulting from additions of \$3,191,667, deletions of \$(1,997,163) and deletions of accumulated depreciation of \$(427,114).
- The Housing Authority acquired additional debt during FY16 of \$1,914,600. All scheduled payments were made on all notes. Notes payable balance increased from \$4,790,422 at June 30, 2015 to \$6,567,421 at June 30, 2016.

Economic Factors and Next Year's Budgets

Funding is determined at the federal level and 2017 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, 2016

Exhibit A

	Business-Type Activities
ASSETS	
Current Assets	
Cash, investments and equivalents	\$ 5,246,357
Tenant receivable, net	188,936
Federal grants receivable	112,082
Other receivables - related parties	4,148,875
Other receivables	5,150
Prepaid expenses	84,475
Cash, investments and equivalents - restricted	<u>209,722</u>
Total current assets	<u>9,995,597</u>
Non-current Assets	
Capital Assets	
Land	1,142,589
Construction in progress	2,872,986
Buildings and improvements	33,387,951
Furniture and fixtures	882,914
Machinery, equipment and vehicles	127,486
Vehicles	438,601
Accumulated depreciation	<u>(22,850,064)</u>
Total capital assets (net of accumulated depreciation)	<u>16,002,463</u>
Other non-current Assets	
Notes receivable	<u>17,560,646</u>
Total other non-current assets	<u>17,560,646</u>
Total non-current current assets	<u>33,563,109</u>
Total assets	43,558,706
DEFERRED OUTFLOWS	
Employer contributions subsequent to measurement date	<u>121,455</u>
Total assets and deferred outflows	<u>\$ 43,680,161</u>
LIABILITIES	
Current Liabilities (payable from unrestricted assets)	
Accounts payable	\$ 39,363
Accrued liabilities	224,791
Other payables - related parties	431,706
Compensated absences payable	215,458
Notes payable	<u>196,210</u>
Total current liabilities (payable from unrestricted assets)	<u>1,107,528</u>
Current Liabilities (payable from restricted assets)	
Tenant security deposits	99,256
Escrows and deposits	<u>110,466</u>
Total current liabilities (payable from restricted assets)	<u>209,722</u>
Total current liabilities	<u>1,317,250</u>
Noncurrent Liabilities	
Notes payable, less current portion	6,371,211
Net PERA pension liability	<u>1,718,003</u>
Total non-current liabilities	<u>8,089,214</u>
Total liabilities	<u>9,406,464</u>
DEFERRED INFLOWS	
Change in assumptions	669
Net difference between expected and actual earnings	5,434
Net difference between expected and actual experience	38,055
Change in proportion	<u>130,455</u>
Total deferred inflows	<u>174,613</u>
NET POSITION	
Net invested in capital assets	9,435,042
Unrestricted	<u>24,664,042</u>
Total net position	<u>34,099,084</u>
Total liabilities, deferred inflows and net position	<u>\$ 43,680,161</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 REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2016

	<u>Business - Type Activities</u>
Operating revenues	
Facilities rentals	\$ 2,258,871
Development fees	107,409
Operating subsidies and grants	10,312,455
Other revenue	<u>1,598,579</u>
	<u>14,277,314</u>
Operating expenses	
Housing assistance payments	7,845,798
Administration	1,696,721
Repairs and maintenance	406,446
Contractual services and utilities	858,503
Depreciation	1,099,825
Other expenses	<u>461,603</u>
	<u>12,368,596</u>
Operating income (loss)	<u>1,908,718</u>
Nonoperating revenues (expenses)	
Interest income	40,446
Interest expense	<u>(265,414)</u>
Total nonoperating revenues (expenses)	<u>(224,968)</u>
Equity transfers and contributions:	
Operating transfers in	929,341
Operating transfers (out)	<u>(2,808,937)</u>
Total equity transfers and contributions	<u>(1,879,596)</u>
Change in net position	<u>(195,846)</u>
Net position, beginning, as reported	34,427,839
Restatements:	
Prior-period adjustments (note 13)	<u>(132,909)</u>
Net position, beginning, as restated	<u>34,294,930</u>
Net position, ending	<u>\$ 34,099,084</u>

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
GOVERNMENT-WIDE STATEMENT OF CASH FLOWS
Year Ended June 30, 2016

	<u>Business-Type Activities</u>
Cash Flows From Operating Activities	
Cash received from customers and grantors	\$ 15,185,270
Cash payments to suppliers for goods and services	(8,781,455)
Cash payments to employees for services	<u>(1,739,797)</u>
Net cash provided by operating activities	<u>4,664,018</u>
Cash Flows From Capital and Related Financing Activities	
Disposal of capital assets	1,570,318
Acquisition and construction of capital assets	<u>(3,191,667)</u>
Net cash used by capital and related financing activities	<u>(1,621,349)</u>
Cash Flows From Noncapital Financing Activities	
Residual equity transaction	(1,879,596)
Interest paid on debt	(265,414)
Other	13,342
Prior-period adjustments	<u>(146,251)</u>
Net cash used by noncapital financing activities	<u>(2,277,919)</u>
Cash Flows From Investing Activities	
Interest and dividends on investments	<u>40,446</u>
Net cash provided by investing activities	<u>40,446</u>
Net (decrease) in cash and cash equivalents	805,196
Cash investments and cash equivalents at beginning of year	<u>4,650,883</u>
Cash investments and cash equivalents at end of year	<u>\$ 5,456,079</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating (loss) income	\$ 1,908,718
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	1,198,267
Change in assets and liabilities	
Accounts receivable	(134,118)
Prepaid expenses	7,329
Due from other funds	(1,100,616)
Due from related parties	414,224
Deferred outflows	(59,516)
Long-term receivables	(684,022)
Accounts payable	(552)
Due to related parties	419,706
Compensated absences payable	(43,076)
Security deposits	(47,767)
Net PERA pension liability	232,679
Due to other funds	1,600,616
Long-term debt	1,359,638
Deferred inflows	<u>(407,492)</u>
Total adjustments	<u>2,755,300</u>
Net cash provided by operating activities	<u>\$ 4,664,018</u>

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2016

	Housing Authority	Section 8 Voucher	SF Housing Development Corporation	Cielo Azul	La Cieneguita	Sub- Total	Eliminations	Total
ASSETS								
Current Assets								
Cash, investments and equivalents	\$ 705,998	\$ 1,014,521	\$ 1,721,633	\$ 1,576,876	\$ 227,329	\$ 5,246,357	\$ -	\$ 5,246,357
Tenant receivable	178,983	-	4,638	4,729	586	188,936	-	188,936
Federal grants receivable	73,116	38,966	-	-	-	112,082	-	112,082
Other receivables - related parties	1,207,118	-	363,820	2,577,937	-	4,148,875	-	4,148,875
Other receivables	-	5,150	-	-	-	5,150	-	5,150
Due from other funds	778,202	6,016	1,300,000	-	-	2,084,218	(2,084,218)	-
Prepaid expenses	62,714	-	14,976	1,234	5,551	84,475	-	84,475
Cash, investments and equivalents- restricted	61,511	105,772	19,152	17,375	5,912	209,722	-	209,722
Total current assets	3,067,642	1,170,425	3,424,219	4,178,151	239,378	12,079,815	(2,084,218)	9,995,597
Non-current assets								
Capital Assets								
Land	299,637	-	268,652	330,000	244,300	1,142,589	-	1,142,589
Construction in progress	872,986	-	-	2,000,000	-	2,872,986	-	2,872,986
Buildings and improvements	24,106,880	-	3,708,510	4,098,804	1,473,757	33,387,951	-	33,387,951
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	(17,658,197)	-	(3,754,236)	(723,161)	(714,470)	(22,850,064)	-	(22,850,064)
Total capital assets (net of depreciation)	8,862,407	-	426,411	5,705,643	1,008,002	16,002,463	-	16,002,463
Other non-current assets								
Notes receivable	15,671,445	-	-	1,889,201	-	17,560,646	-	17,560,646
Due from other funds	-	-	-	-	-	-	-	-
Total other non-current assets	15,671,445	-	-	1,889,201	-	17,560,646	-	17,560,646
Total non-current assets	24,533,852	-	426,411	7,594,844	1,008,002	33,563,109	-	33,563,109
Total assets	27,601,494	1,170,425	3,850,630	11,772,995	1,247,380	45,642,924	(2,084,218)	43,558,706
DEFERRED OUTFLOWS								
Employer contributions subsequent to measurement date	55,109	33,169	16,176	10,509	6,492	121,455	-	121,455
Total assets and deferred outflows	\$ 27,656,603	\$ 1,203,594	\$ 3,866,806	\$ 11,783,504	\$ 1,253,872	\$ 45,764,379	\$ (2,084,218)	\$ 43,680,161
LIABILITIES								
Current Liabilities (payable from unrestricted assets)								
Accounts payable	\$ 30,998	\$ -	\$ 2,834	\$ 2,759	\$ 2,772	\$ 39,363	\$ -	\$ 39,363
Compensated absences payable	215,458	-	-	-	-	215,458	-	215,458
Accrued liabilities	224,791	-	-	-	-	224,791	-	224,791
Other payables-related parties	28,024	-	-	403,682	-	431,706	-	431,706
Notes payable	-	-	80,103	116,107	-	196,210	-	196,210
Due to other funds	124,177	766	19,157	1,932,672	7,446	2,084,218	(2,084,218)	-
Total current liabilities (payable from unrestricted assets)	623,448	766	102,094	2,455,220	10,218	3,191,746	(2,084,218)	1,107,528
Current Liabilities (payable from restricted assets)								
Tenant security deposits	56,817	-	19,152	17,375	5,912	99,256	-	99,256
Escrows and deposits	4,694	105,772	-	-	-	110,466	-	110,466
Total current liabilities (payable from unrestricted assets)	61,511	105,772	19,152	17,375	5,912	209,722	-	209,722
Total current liabilities	684,959	106,538	121,246	2,472,595	16,130	3,401,468	(2,084,218)	1,317,250
Noncurrent Liabilities								
Notes payable	-	-	2,622,635	3,748,576	-	6,371,211	-	6,371,211
Due to other funds (less current portion)	-	-	-	-	-	-	-	-
Net PERA pension liability	779,528	469,180	228,809	148,658	91,828	1,718,003	-	1,718,003
Total noncurrent liabilities	779,528	469,180	2,851,444	3,897,234	91,828	8,089,214	-	8,089,214
Total liabilities	1,464,487	575,718	2,972,690	6,369,829	107,958	11,490,682	(2,084,218)	9,406,464
DEFERRED INFLOWS								
Change in assumptions	303	183	89	58	36	669	-	669
Net difference between expected and actual earnings, actual experience and change in proportion	78,926	47,504	23,166	15,051	9,297	173,944	-	173,944
Total deferred inflows	79,229	47,687	23,255	15,109	9,333	174,613	-	174,613
NET POSITION								
Net invested in capital assets	8,862,407	-	(2,276,327)	1,840,960	1,008,002	9,435,042	-	9,435,042
Unrestricted	17,250,480	580,189	3,147,188	3,557,606	128,579	24,664,042	-	24,664,042
Total net position	26,112,887	580,189	870,861	5,398,566	1,136,581	34,099,084	-	34,099,084
Total liabilities, deferred inflows and net position	\$ 27,656,603	\$ 1,203,594	\$ 3,866,806	\$ 11,783,504	\$ 1,253,872	\$ 45,764,379	\$ (2,084,218)	\$ 43,680,161

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, 2016

	Housing Authority	Section 8 Voucher	SF Housing Development Corporation	Cielo Azul	La Cieneguita	Total
Operating Revenues						
Facilities rentals	\$ 781,430	\$ -	\$ 781,019	\$ 403,311	\$ 293,111	\$ 2,258,871
HUD grant and subsidy	1,322,249	8,990,206	-	-	-	10,312,455
Development fees	-	-	-	107,409	-	107,409
Other revenue	1,430,547	-	100	167,697	235	1,598,579
Total operating revenues	3,534,226	8,990,206	781,119	678,417	293,346	14,277,314
Operating Expenses						
Salaries, wages and benefits	798,030	386,952	311,975	86,510	113,254	1,696,721
Community welfare	28,100	7,817,398	-	-	-	7,845,498
Contractual services and utilities	489,956	72,000	132,141	123,833	40,573	858,503
Repairs and maintenance	285,231	19,601	44,721	41,439	15,454	406,446
Depreciation expense	906,697	-	-	129,052	64,076	1,099,825
Insurance	117,429	1,711	20,810	12,553	8,349	160,852
Development expense	111,983	-	98,442	-	-	210,425
Other	19,111	56,242	5,825	4,188	4,960	90,326
Total operating expenses	2,756,537	8,353,904	613,914	397,575	246,666	12,368,596
Operating income (loss)	777,689	636,302	167,205	280,842	46,680	1,908,718
Nonoperating Revenues (Expenses)						
Interest on investments	8,459	79	928	30,933	47	40,446
Interest expense	-	-	(113,235)	(152,179)	-	(265,414)
Total nonoperating revenues (expenses)	8,459	79	(112,307)	(121,246)	47	(224,968)
Income (loss) before contributions and transfers	786,148	636,381	54,898	159,596	46,727	1,683,750
Equity transfers and contributions:						
Operating transfers in	929,341	-	-	-	-	929,341
Operating transfers out	(2,808,937)	-	-	-	-	(2,808,937)
Change in net position	(1,093,448)	636,381	54,898	159,596	46,727	(195,846)
Net position, beginning of year, as reported	27,369,380	(72,986)	815,963	5,225,628	1,089,854	34,427,839
Restatement:						
Prior-period adjustment (note 13)	341	-	-	-	-	341
Prior-period adjustment (note 13)	(163,386)	16,794	-	13,342	-	(133,250)
Net position, beginning of year, as restated	27,206,335	(56,192)	815,963	5,238,970	1,089,854	34,294,930
Net position, end of year	\$ 26,112,887	\$ 580,189	\$ 870,861	\$ 5,398,566	\$ 1,136,581	\$ 34,099,084

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, 2016

	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	\$ 3,046,938	\$ 8,954,048	\$ 694,989	\$ 2,196,167	\$ 293,128	\$ 15,185,270
Cash payments to suppliers for goods and services	(1,211,657)	(8,124,612)	(922,964)	1,548,098	(70,320)	(8,781,455)
Cash payments to employees for services	(841,106)	(386,952)	(311,975)	(86,510)	(113,254)	(1,739,797)
Net cash provided by operating activities	<u>994,175</u>	<u>442,484</u>	<u>(539,950)</u>	<u>3,657,755</u>	<u>109,554</u>	<u>4,664,018</u>
Cash Flows from Capital Financing Activities						
Disposal of capital assets	1,570,318	-	-	-	-	1,570,318
Acquisition and construction of capital assets	(872,986)	-	-	(2,318,681)	-	(3,191,667)
Net cash used by capital financing activities	<u>697,332</u>	<u>-</u>	<u>-</u>	<u>(2,318,681)</u>	<u>-</u>	<u>(1,621,349)</u>
Cash Flows from Noncapital Financing Activities						
Residual equity transfer	(1,879,596)	-	-	-	-	(1,879,596)
Interest paid on debt	-	-	(113,235)	(152,179)	-	(265,414)
Other	-	-	-	13,342	-	13,342
Prior-period adjustments	(163,045)	16,794	-	-	-	(146,251)
Net cash provided (used) by noncapital financing activities	<u>(2,042,641)</u>	<u>16,794</u>	<u>(113,235)</u>	<u>(138,837)</u>	<u>-</u>	<u>(2,277,919)</u>
Cash Flows from Investing Activities						
Loans made to other entities	-	-	-	-	-	-
Interest and dividends on investments	8,459	79	928	30,933	47	40,446
Net cash provided (used) by investing activities	<u>8,459</u>	<u>79</u>	<u>928</u>	<u>30,933</u>	<u>47</u>	<u>40,446</u>
Net (decrease) increase in cash and cash equivalents	<u>(342,675)</u>	<u>459,357</u>	<u>(652,257)</u>	<u>1,231,170</u>	<u>109,601</u>	<u>805,196</u>
Cash investments and cash equivalents at beginning 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>
Cash investments and cash equivalents at end of year	<u>\$ 767,509</u>	<u>\$ 1,120,293</u>	<u>\$ 1,740,785</u>	<u>\$ 1,594,251</u>	<u>\$ 233,241</u>	<u>\$ 5,456,079</u>
Reconciliation of operating income to net cash provided by operating activities						
Operating (loss) income	\$ 777,689	\$ 636,302	\$ 167,205	\$ 280,842	\$ 46,680	\$ 1,908,718
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation/amortization	906,697	-	98,442	129,052	64,076	1,198,267
Change in assets and liabilities:						
Accounts receivable	(89,207)	(44,116)	(3,164)	2,499	(130)	(134,118)
Prepaid expenses	6,766	-	(2,498)	3,438	(377)	7,329
Due from related parties	355,164	-	-	59,060	-	414,224
Due from other funds	(314,367)	(7,112)	(800,000)	20,863	-	(1,100,616)
Deferred outflows	(27,874)	(13,894)	(10,583)	(3,287)	(3,878)	(59,516)
Long-term receivable	(696,721)	-	-	12,699	-	(684,022)
Accounts payable	73,720	-	9,082	(86,126)	2,772	(552)
Compensated absences payable	(43,076)	-	-	-	-	(43,076)
Security deposits	(56,525)	7,958	113	775	(88)	(47,767)
Net PERA pension liability	126,431	6,948	94,684	(24,531)	29,147	232,679
Due to related parties	28,024	(12,000)	-	403,682	-	419,706
Due to other funds	124,177	1,862	19,157	1,468,837	(13,417)	1,600,616
Long-term debt	-	-	(83,079)	1,442,717	-	1,359,638
Deferred inflows	(176,723)	(133,464)	(29,309)	(52,765)	(15,231)	(407,492)
Total adjustments	<u>216,486</u>	<u>(193,818)</u>	<u>(707,155)</u>	<u>3,376,913</u>	<u>62,874</u>	<u>2,755,300</u>
Net cash provided by operating activities	<u>\$ 994,175</u>	<u>\$ 442,484</u>	<u>\$ (539,950)</u>	<u>\$ 3,657,755</u>	<u>\$ 109,554</u>	<u>\$ 4,664,018</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, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. The Santa Fe Civic Housing Authority (the “Housing Authority”) serves all the citizens of the City of Santa Fe (City) by providing safe and affordable housing. The programs are primarily funded with federal grants and tenant rents. Based on GASB 14 and GASB 61 it was determined that the Housing Authority is not a component unit of the City of Santa Fe. The City of Santa Fe is not responsible for the Housing Authority’s debt as a result of a HUD release. It has also been 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, 2016.

Government-Wide and Fund Financial Statements. The government-wide financial statements (i.e., the statement of net position and the statement of revenues, expenses and changes in net position) 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 revenues, expenses and changes in net position 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, 2016

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 Vouchers Fund* is used to account for the resources and expenses 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 *Mainstream Vouchers Fund* is used to account for the resources and expenses that are directly related to the US Housing and Urban Development's Mainstream Voucher's program which enables families for whom the head, spouse, or co-head is a person with disabilities to lease affordable housing of their choice. The program has been combined with the Section 8 Voucher Fund to create one major fund.

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016

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

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.

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.

Fair Value Measurements. The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). As of June 30, 2016, there are no items required to be valued using valuation techniques.

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.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016

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

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:

	<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 \$121,455 related to contributions subsequent to the measurement date, as discussed in note 9.

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 \$669 related to change in assumptions and \$173,944 related to the net difference between expected and actual investment earnings (\$5,435), difference between expected

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016

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

and actuarial experience (\$38,054), and the change in proportion and differences between employer contributions and proportionate share of contributions (\$130,455).

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, 2016.

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, 2016.
- 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.

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SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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, 2016, the Housing Authority adopted GASB Statement No. 72, *Fair Value Measurement and Application*, a portion of GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement No. 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* and GASB Statement No. 82, *Pension Issues—an amendment of GASB Statement No. 67, No. 68 and No. 73*. These five statements are required to be implemented as of June 30, 2016, if applicable.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement will also enhance fair value applications guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

GASB Statement No. 73 establishes accounting and financial reporting standards for defined benefits pensions and defined contribution pensions that are not provided to employees of state and local government employers and are not within the scope of GASB Statement No. 68. A portion of this pronouncement is effective for June 30, 2016 year end and a portion is effective for June 30, 2017 year end. Effective for June 30, 2016 are the amendments for GASB Statement No. 67 and 68 and assets accumulated for pensions not administered as trusts. The amendments of this pronouncement clarifies application of certain provisions of GASB Statement No. 67 and 68 by (1) clarifying information required to be presented as notes to the 10-year schedules of RSI about investment-related factors that significantly affect trends in reported amounts; (2) Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities; (3) Timing

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

of employer recognition of revenue for the support of nonemployer contributing entities not in special funding situation.

In addition, effective for June 30, 2016 year ends, the requirements of this Statement extend the approach to accounting and financial reporting established in GASB Statement No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in GASB Statement No. 68 should not be considered pension plan assets. It also requires that information similar to that required by GASB Statement No. 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities. Effective for June 30, 2017 is the pension provided through pension plans that are not administered trusts which follows principals of GASB Statement No. 68 for employer measurement, financial reporting and disclosure. Key differences include (1) no investment or pension plan related amounts or disclosures, (2) discount using 20-year tax exempt high quality municipal bond index, (3) total pension liability recorded by the employer, (4) no deferral relating to differences between expected and actual earnings on plan investments, (5) no expected return on plan investments component of pension expense, (6) no investment related disclosure, and (7) no discount rate calculation rate disclosure. The requirements of the Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities.

The objective of GASB Statement No. 76 is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in non-authoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments.

GASB Statement No. 79 addresses the accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the

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

applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants.; (2) requirements for portfolio maturity, quality, diversification, and liquidity; (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool for measuring all of its investments at amortized cost for financial reporting purposes. Professional judgement is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool and elect to use an amortized cost exception to fair value measurement. Those criteria will provide for qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. The measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

GASB Statement No. 82 objective is to address certain issues that have been raised with respect to GASB Statement No. 67, *Financial Reporting for Pension Plans*, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 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 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

NOTE 3. DEPOSITS AND INVESTMENTS

Cash and investments held by the Housing 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	\$ 1,044,824
Collateral held by pledging bank's trust department not in the Authority's name	3,639,858
Uninsured and uncollateralized	<u>143,460</u>
Total deposits	\$ <u>4,828,142</u>

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Notes to Financial Statements
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NOTE 3. DEPOSITS AND INVESTMENTS (CONT'D)

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 Housing Authority's deposits may not be returned to it. The Housing Authority does not have a deposit policy for custodial credit risk. As of June 30, 2016, \$3,783,318 of the Housing Authority's bank balance of \$4,828,142 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 143,460
Uninsured and collateral held by pledging bank's trust department not in the Authority's name	<u>3,639,858</u>
Total	\$ <u>3,783,318</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 \$665,677 on June 30, 2016.

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 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:

	Tenant <u>Receivable</u>	<u>Allowance</u>	Net Tenant <u>Receivable</u>
Housing Authority	\$ 371,687	\$(192,704)	\$ 178,983
SF Housing Development Corp.	4,638	-	4,638
Cielo Azul	4,729	-	4,729
La Cieneguita	<u>586</u>	<u>-</u>	<u>586</u>
Total tenant receivables	\$ <u>381,640</u>	\$ <u>(192,704)</u>	\$ <u>188,936</u>

**STATE OF NEW MEXICO
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Notes to Financial Statements
June 30, 2016**

NOTE 5. INTERFUND ACTIVITY

The compositions of interfund balances as of June 30, 2016, 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	\$ 541,880	Santa Fe Housing	\$124,177
Section 8 Vouchers	6,016	Cielo Azul	1,932,672
Santa Fe Housing Dev. Corp.	<u>1,300,000</u>	Section 8 Vouchers	766
		La Cieneguita	7,446
		Santa Fe Housing Dev. Corp.	<u>19,157</u>
Total current	<u>\$ 2,084,218</u>	Total current	<u>\$ 2,084,218</u>

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

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>
Santa Fe RAD Development, LLC	100%
Espanola RAD Development, LLC	100%
Bernalillo RAD Development, LLC	100%
Campo Alegria, LLC	0.001%
Villa Alegre Family, LLC	0.001%
Villa Alegre Senior, LLC	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 De Buena Ventura, Inc. Board. Campo Alegria, LLC, Villa Alegre Family, LLC, and Villa Alegre Senior, LLC, are LIHTC developments with SFCHA the managing General Partner.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016**

NOTE 6. RELATED PARTY BALANCES (CONT'D)

Receivables due from these organizations are as follows:

Santa Fe Housing			
PT RAD, LLC	\$	150,000	
VH RAD, LLC		96,250	
Village in the Bosque, LLC		273,735	
Santa Fe Community Living, LLC		<u>687,133</u>	\$ 1,207,118
SF Housing Development Corporation			
Villa Alegre Family, LLC			363,820
Cielo Azul			
Bernalillo RAD, LLC		868,550	
Santa Fe RAD, LLC		1,662,079	
Country Club Apartments		35,000	
Campo Alegria, LLC		<u>12,307</u>	<u>2,577,937</u>
Total other receivables - related parties			\$ <u>4,563,009</u>

Notes Receivable – long

Santa Fe Housing			
Villa Alegre Family, LLC	\$	476,974	
Villa Alegre Senior, LLC		3,497,750	
Santa Fe Community Living		9,176,721	
Village in the Bosque		<u>2,500,000</u>	\$ 15,671,445
Cielo Azul			
Santa Fe Community Living		1,395,517	
TCII Pasco del Sol Partnership		56,867	
Camino Campo		<u>436,817</u>	<u>1,889,201</u>
Total notes receivable – long term			\$ <u>16,876,624</u>

Santa Fe Housing

The notes receivable-non current due from Villa Alegre Family, LLC, and Villa Alegre Senior, LLC, 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.

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NOTE 6. RELATED PARTY BALANCES (CONT'D)

Cielo Azul

The note receivable due from Campo Alegria, LLC, 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

Cielo Azul:

Commercial Partners \$ 403,682

Bernalillo Housing:

Bernalillo RAD Development, LLC 28,024

\$ 431,706

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Notes to Financial Statements
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NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 1,142,589	\$ -	\$ -	\$ 1,142,589
Construction in progress	1,570,318	2,872,986	(1,570,318)	2,872,986
Total	2,712,907	2,872,986	(1,570,318)	4,015,575
Capital assets being depreciated				
Buildings and improvements	33,496,114	318,682	(426,845)	33,387,951
Furniture and fixtures	882,914	-	-	882,914
Machinery and equipment	127,486	-	-	127,486
Vehicles	438,601	-	-	438,601
Total	34,945,115	318,682	(426,845)	34,836,952
Less accumulated depreciation	(22,078,642)	(1,198,267)	426,845	(22,850,064)
Total capital assets being depreciated, net	12,866,473	(879,585)	-	11,986,888
Total capital assets	\$ 15,579,380	\$ 1,993,401	\$(1,570,318)	\$16,002,463

Depreciation expense for the year ended June 30, 2016, totaled \$ 1,198,267. 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, 2016.

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NOTE 8. LONG-TERM DEBT

Changes in Long-Term Liabilities. During the year ended June 30, 2016, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 6/30/15	Additions	Deductions	Balance 6/30/16	Due Within One Year
Notes payable	\$ 4,790,420	\$ 2,162,191	\$ (385,190)	\$ 6,567,421	196,210
Compensated absences	<u>258,534</u>	<u>90,076</u>	<u>(133,152)</u>	<u>215,458</u>	<u>215,458</u>
Total	<u>\$ 5,048,954</u>	<u>\$ 2,252,267</u>	<u>\$ (518,342)</u>	<u>\$ 6,782,879</u>	<u>411,668</u>

For the year ended June 30, 2016, the Authority incurred \$265,414 of interest expense that has been included in the Statement of Activities as a Housing Program expenditure.

Notes Payable

The Housing Authority (Cielo Azul) entered into a loan with Casas De Buena Ventura, Inc. 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 had a maturity date of November 1, 2014, 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. The note has been extended to November 1, 2019. At any time the note can be forgiven by Casas De Buena Ventura, Inc. and treated as an advanced charitable contribution. The balance of the note as of June 30, 2016 is \$200,000.

The Housing Authority (Cielo Azul) 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, 2016 is \$53,220.

The Housing Authority (Santa Fe Development Corp.) 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, 2016, is \$2,426,555.

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Notes to Financial Statements
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NOTE 8. LONG-TERM DEBT (CONT'D)

The Housing Authority (Santa Fe Development Corp.) 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, 2016, is \$276,183.

The Housing Authority (Cielo Azul) 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, 2016, is \$568,192.

The Housing Authority (Cielo Azul) 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, 2016, is \$230,772.

The Housing Authority (Cielo Azul) 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, 2016, is \$902,585.

The Housing Authority (Cielo Azul) entered into a commercial mortgage with the Pueblo Bank and Trust Company for the purpose of acquiring the St. Catherine's Indian School property for \$1,700,000 at 4.25%, secured by real property, and with a maturity date of November 2017. The balance of the note as of June 30, 2016 is \$1,700,000.

The Housing Authority (Cielo Azul) entered into a commercial mortgage with the New Mexico Bank and Trust for the purpose of acquiring the Cazuela property for \$93,800 at 4.85%, secured by real property, and with a maturity date of May 2035. The balance of the note as of June 30, 2016 is \$91,217.

The Housing Authority (Cielo Azul) entered into a commercial mortgage with the New Mexico Bank and Trust for the purpose of acquiring the La Cieneguita property for \$120,800 at 4.85%, secured by real property, and with a maturity date of July 2035. The balance of the note as of June 30, 2016 is \$118,697.

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SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016**

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

Total aggregate maturing of the notes payable at June 30, 2016, 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>
2017	\$ 17,277	\$ 33,082	\$ 62,188	\$ 101,924
2018	18,346	32,016	64,882	99,228
2019	19,478	30,885	67,694	96,417
2020	20,679	29,683	70,628	93,483
2021	21,954	28,408	73,689	90,423
2022-2026	131,833	119,978	419,205	401,351
2027-2031	177,822	73,989	518,264	302,292
2032-2036	160,803	16,065	640,731	179,825
2037-2041	-	-	509,274	37,821
	<u>\$ 568,192</u>	<u>\$ 364,106</u>	<u>\$ 2,426,555</u>	<u>\$ 1,402,764</u>

<u>Year</u>	<u>Casa De Buena Ventura</u>		<u>MFA Note 1</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ -	\$ -	\$ 8,622	\$ 2,465
2018	200,000	-	9,063	2,024
2019	-	-	9,527	1,560
2020	-	-	10,014	1,073
2021	-	-	10,527	560
2022-2026	-	-	5,467	80
	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 53,220</u>	<u>\$ 7,762</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>
2017	\$ 17,915	\$ 8,040	\$ 7,837	\$ 10,777
2018	18,413	7,542	8,201	10,413
2019	18,974	6,982	8,599	10,015
2020	19,551	6,404	206,135	7,239
2021	20,145	5,810	-	-
2022-2026	110,299	19,476	-	-
2027-2031	70,886	3,304	-	-
	<u>\$ 276,183</u>	<u>\$ 57,558</u>	<u>\$ 230,772</u>	<u>\$ 38,444</u>

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<u>Year</u>	<u>Commercial Mortg.-LANB</u>		<u>St. Catherine's-Pueblo Bank & Trust</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 20,421	\$ 44,150	\$ 55,240	\$ 71,767
2018	21,382	43,182	1,644,760	29,538
2019	22,465	42,106	-	-
2020	23,537	41,034	-	-
2021	24,861	39,711	-	-
2022-2026	<u>789,919</u>	<u>140,251</u>	<u>-</u>	<u>-</u>
	\$ <u>902,585</u>	\$ <u>350,434</u>	\$ <u>1,700,000</u>	\$ <u>101,305</u>

<u>Year</u>	<u>Cazuela Mortg.-NMBT</u>		<u>La Cieneguita-NMBT</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 2,960	\$ 4,354	\$ 3,750	\$ 5,670
2018	3,175	4,205	4,023	5,480
2019	3,332	4,047	4,223	5,280
2020	3,498	3,882	4,432	5,071
2021	3,671	3,709	4,652	4,851
2022-2026	21,274	15,625	26,958	20,557
2027-2031	27,099	9,800	34,340	13,176
2032-2036	<u>26,208</u>	<u>2,617</u>	<u>36,319</u>	<u>3,894</u>
	\$ <u>91,217</u>	\$ <u>48,239</u>	\$ <u>118,697</u>	\$ <u>63,979</u>

<u>Year</u>	<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 196,210	\$ 282,229
2018	1,992,245	233,628
2019	154,292	197,292
2020	358,474	187,869
2021	159,499	173,472
2022-2026	1,504,755	717,318
2027-2031	828,411	402,561
2032-2036	864,261	202,401
2037-2041	<u>509,274</u>	<u>37,821</u>
	\$ <u>6,567,421</u>	\$ <u>2,434,591</u>

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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, 2015 available at: http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2015.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 FY15 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 31 through 32 of the PERA FY15 annual audit report at:

http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2015.pdf.

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 \$121,455 and there were no employer paid member benefits that were “picked up” by the employer for the year ended June 30, 2016.

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, 2014.

The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer’s portion was

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016

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

established as of the measurement date June 30, 2015.

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, 2015. Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2015 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2015 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.

Employer Pickup. During March 2016, GASB issued Statement No. 82, *Pension Issues*, which clarifies that payments made by an employer to satisfy member contribution requirements should be classified as member contributions for purposes of GASB Statement No. 67. For purposes of applying GASB 68 for the fiscal year ending June 30, 2016, amounts paid by the Housing Authority to satisfy member contributions requirements in the previous year have been classified as pension expense for fiscal year ending June 30, 2016. The amounts previously paid by the Housing Authority to satisfy member contributions had been previously classified as a deferred outflow and is not included in pension expense in PERA's Schedule of Pension Amounts for the year ended June 30, 2016.

Reallocation of Deferred Amounts to Changes in Proportion. In fiscal year 2015, the beginning deferred inflows and outflows were reclassified due to the employer's change in proportion for fiscal year 2015. The total reallocation of deferred inflows and outflows increased pension expense for fiscal year ending June 30, 2016 and is not included in pension expense in PERA's Schedule of Employer Pension Amounts for the year ended June 30, 2015.

For PERA Fund Municipal Division, at June 30, 2016, the Housing Authority reported a liability of \$1,718,003 for its proportionate share of the net pension liability. At June 30, 2015, the Housing Authority's proportion was 0.1685 percent, which changed from its proportion measured as of June 30, 2014 of 0.1904 percent.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016

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

For the year ended June 30, 2016, the Housing Authority recognized PERA Fund Municipal General Division pension expense of \$(234,328). At June 30, 2016, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 38,055
Change in assumptions	-	669
Net difference between projected and actual earnings on pension plan investments	-	5,434
Changes in proportion and differences between Housing Authority contributions and proportionate share of Contributions	-	130,455
District contributions subsequent to the measurement date	<u>121,455</u>	<u>-</u>
Total	<u>\$ 121,455</u>	<u>\$174,613</u>

The \$121,455 reported as deferred outflows of resources related to pensions resulting from Housing Authority contributions subsequent to the measurement date June 30, 2015, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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>	
2017	\$ (45,503)
2018	(45,503)
2019	(45,503)
2020	92,351
2021	-
Thereafter	<u>-</u>
	<u>\$ 174,613</u>

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016

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, 2014 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, 2015 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, 2015. These actuarial methods and assumptions were adopted by the PERA's Board of Trustees for use in the June 30, 2014 actuarial valuation.

Actuarial valuation date	June 30, 2014
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
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%	

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016**

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

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>\$2,925,078</u>	<u>\$1,718,003</u>	<u>\$ 714,403</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY15 Restated PERA financial report. The report is available at: <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan. The Housing Authority had payables to the PERA Plan at June 30, 2016 totaling \$12,338 (employer portion \$7,469 and employee portion \$4,869).

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.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016

NOTE 10. POST EMPLOYMENT BENEFITS (CONT'D)

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

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

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

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

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

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, 2016, 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, 2016, the statute required each participating employer to contribute 2% of each participating

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016

NOTE 10. POST EMPLOYMENT BENEFITS (CONT'D)

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

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, 2016, 2015, and 2014 were \$31,804, \$27,895, and \$30,906, 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	Director's Liability Coverage
Property	Civil Rights
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.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016**

NOTE 12. BUDGET DEFICIT

Actual expenses exceeded budgeted expenses for the following:

Santa Fe Section 8 Voucher	\$420,904
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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, 2015 has been restated in the amount of \$(132,909) as follows:

Housing Authority

Santa Fe Housing Authority

1. Adjustment of prior-year expenditures	\$ (163,386)	
2. GASB 68 net position from Bernalillo Housing Authority	(8,745)	
3. Adjustment to net position related to GASB 68 net position	<u>341</u>	\$(171,790)

Bernalillo Housing Authority

1. Transfer of GASB 68 net pension to Santa Fe Housing Authority	<u>8,745</u>
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Total Housing Authority	<u>(163,045)</u>
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Section 8 Vouchers and Mainstream Vouchers

Section 8 Vouchers

1. Income received in prior-year	16,847
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Mainstream Vouchers

1. Adjust HAP expenditures from prior-year	<u>(53)</u>
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Total Section 8 Vouchers and Mainstream Vouchers	<u>16,794</u>
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Cielo Azul

1. Adjust various notes payable to actual	<u>13,342</u>
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Total Santa Fe Civic Housing Authority	<u>\$(132,909)</u>
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STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016

NOTE 14. SUBSEQUENT ACCOUNTING STANDARD PRONOUNCEMENTS

GASB Statement No. 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 Statements 67 and 68* was issued in June 2015. A portion of this statement is effective for financial statements for reporting 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 No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans* was issued in June 2015. The provisions of this Statement are effective for fiscal years beginning after June 30, 2016. This pronouncement will not affect the Housing Authority's financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions* was issued in June 2015. The provisions of this Statement are effective for fiscal years beginning after June 30, 2017. The standard will be implemented during the fiscal years ended June 30, 2018. The Housing Authority expects this pronouncement to have a material effect on the financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures*, was issued in August 2015. The provisions of this Statement are effective for financial statements periods beginning after December 31, 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.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, was issued in December 2015. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The Housing Authority is still evaluating how this pronouncement will effect the financial statements.

GASB Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*, was issued in January 2016. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged. The Housing Authority is still evaluating how this pronouncement will effect the financial statements.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, was issued in March 2016. The requirements of this Statement are effective for reporting periods beginning after December 15, 2016.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Notes to Financial Statements
June 30, 2016

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

Earlier application is encouraged. The Housing Authority is still evaluating how this pronouncement will effect the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
PUBLIC HOUSING COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2016

	Santa Fe Housing Authority	Bernalillo Housing Authority	Espanola Housing Authority	Total
ASSETS				
Current Assets:				
Cash, investments and equivalents	\$ 652,003	\$ 28,024	\$ 25,971	\$ 705,998
Tenant receivable	172,427	-	6,556	178,983
Federal grants receivable	73,116	-	-	73,116
Other receivables - related parties	1,207,118	-	-	1,207,118
Due from other funds	660,041	-	118,161	778,202
Prepaid expenses	37,686	-	25,028	62,714
Cash, investments and equivalents - restricted	20,406	-	41,105	61,511
Total current assets	<u>2,822,797</u>	<u>28,024</u>	<u>216,821</u>	<u>3,067,642</u>
Non-current assets:				
Capital Assets:				
Land	22,200	-	277,437	299,637
Construction in progress	872,986	-	-	872,986
Buildings and improvements	11,732,778	-	12,374,102	24,106,880
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	(8,871,623)	-	(8,786,574)	(17,658,197)
Total capital assets (net of depreciation)	<u>4,201,221</u>	<u>-</u>	<u>4,661,186</u>	<u>8,862,407</u>
Other non-current assets:				
Notes receivable	15,671,445	-	-	15,671,445
Total non-current assets	<u>19,872,666</u>	<u>-</u>	<u>4,661,186</u>	<u>24,533,852</u>
Total assets	<u>22,695,463</u>	<u>28,024</u>	<u>4,878,007</u>	<u>27,601,494</u>
DEFERRED OUTFLOWS				
Employer contributions subsequent to measurement date	34,390	-	20,719	55,109
Total assets and deferred outflows	<u>\$ 22,729,853</u>	<u>\$ 28,024</u>	<u>\$ 4,898,726</u>	<u>\$ 27,656,603</u>
LIABILITIES				
Current Liabilities (payable from unrestricted assets):				
Accounts payable	\$ 22,725	\$ -	\$ 8,273	\$ 30,998
Compensated absences payable	198,205	-	17,253	215,458
Accrued liabilities	224,791	-	-	224,791
Other payables-related parties	-	28,024	-	28,024
Due to other funds	124,177	-	-	124,177
Total current liabilities payable from unrestricted assets)	<u>569,898</u>	<u>28,024</u>	<u>25,526</u>	<u>623,448</u>
Current Liabilities (payable from restricted assets):				
Tenant security deposits	15,712	-	41,105	56,817
Escrows and deposits	4,694	-	-	4,694
Total current liabilities payable from restricted assets)	<u>20,406</u>	<u>-</u>	<u>41,105</u>	<u>61,511</u>
Noncurrent Liabilities:				
Net PERA pension liability	486,450	-	293,078	779,528
Total noncurrent liabilities	<u>486,450</u>	<u>-</u>	<u>293,078</u>	<u>779,528</u>
Total liabilities	<u>1,076,754</u>	<u>28,024</u>	<u>359,709</u>	<u>1,464,487</u>
DEFERRED INFLOWS				
Change in assumptions	189	-	114	303
Net difference between expected and actual earnings, actual experience and change in proportion	49,252	-	29,674	78,926
Total deferred inflows	<u>49,441</u>	<u>-</u>	<u>29,788</u>	<u>79,229</u>
NET POSITION				
Net invested in capital assets	4,201,221	\$ -	\$ 4,661,186	8,862,407
Unrestricted	17,402,437	-	(151,957)	17,250,480
Total net position	<u>21,603,658</u>	<u>-</u>	<u>4,509,229</u>	<u>26,112,887</u>
Total liabilities, deferred inflows and net position	<u>\$ 22,729,853</u>	<u>\$ 28,024</u>	<u>\$ 4,898,726</u>	<u>\$ 27,656,603</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, 2016

	Santa Fe Housing Authority	Bernalillo Housing Authority	Española Housing Authority	Sub- Total	Eliminations	Total
Operating Revenues						
Facilities rentals	\$ 625,556	\$ -	\$ 155,874	\$ 781,430	\$ -	\$ 781,430
HUD grant and subsidy	934,267	-	387,982	1,322,249	-	1,322,249
Other revenue	1,305,380	-	125,167	1,430,547	-	1,430,547
Total operating revenues	<u>2,865,203</u>	<u>-</u>	<u>669,023</u>	<u>3,534,226</u>	<u>-</u>	<u>3,534,226</u>
Operating Expenses						
Salaries, wages and benefits	477,630	-	320,400	798,030	-	798,030
Community welfare	28,100	-	-	28,100	-	28,100
Contractual services and utilities	262,699	-	227,257	489,956	-	489,956
Repairs and maintenance	215,861	-	69,370	285,231	-	285,231
Depreciation expense	476,190	-	430,507	906,697	-	906,697
Insurance	58,333	-	59,096	117,429	-	117,429
Development expenses	111,983	-	-	111,983	-	111,983
Other	19,094	-	17	19,111	-	19,111
Total operating expenses	<u>1,649,890</u>	<u>-</u>	<u>1,106,647</u>	<u>2,756,537</u>	<u>-</u>	<u>2,756,537</u>
Operating loss	<u>1,215,313</u>	<u>-</u>	<u>(437,624)</u>	<u>777,689</u>	<u>-</u>	<u>777,689</u>
Nonoperating Revenues (Expenses)						
Interest on investments	8,446	-	13	8,459	-	8,459
Total nonoperating revenues	<u>8,446</u>	<u>-</u>	<u>13</u>	<u>8,459</u>	<u>-</u>	<u>8,459</u>
Income (loss) before contributions and transfers	1,223,759	-	(437,611)	786,148	-	786,148
Equity transfers:						
Operating transfers in	2,499,659	-	-	2,499,659	(1,570,318)	929,341
Operating transfers out	(1,570,318)	(2,808,937)	-	(4,379,255)	1,570,318	(2,808,937)
Change in net position	<u>2,153,100</u>	<u>(2,808,937)</u>	<u>(437,611)</u>	<u>(1,093,448)</u>	<u>-</u>	<u>(1,093,448)</u>
Net position beginning of year (as reported)	19,622,348	2,800,192	4,946,840	27,369,380	-	27,369,380
Restatements:						
Prior-period adjustment (note 13)	(8,404)	8,745	-	341	-	341
Prior-period adjustment (note 13)	(163,386)	-	-	(163,386)	-	(163,386)
Net position beginning of year (as restated)	<u>19,450,558</u>	<u>2,808,937</u>	<u>4,946,840</u>	<u>27,206,335</u>	<u>-</u>	<u>27,206,335</u>
Net position, end of year	<u>\$ 21,603,658</u>	<u>\$ -</u>	<u>\$ 4,509,229</u>	<u>\$ 26,112,887</u>	<u>\$ -</u>	<u>\$ 26,112,887</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, 2016

	Santa Fe Housing Authority	Bernalillo Housing Authority	Española Housing Authority	Total
Cash Flows from Operating Activities				
Cash received from customers and grantors	\$ (422,166)	\$ 2,782,139	\$ 686,965	\$ 3,046,938
Cash payments to suppliers for goods and services	(766,350)	19,279	(464,586)	(1,211,657)
Cash payments to employees for services	(519,015)	-	(322,091)	(841,106)
Net cash provided (used) by operating activities	<u>(1,707,531)</u>	<u>2,801,418</u>	<u>(99,712)</u>	<u>994,175</u>
Cash Flows from Capital Financing Activities				
Disposal of capital assets	1,570,318	-	-	1,570,318
Acquisition and construction of capital assets	(872,986)	-	-	(872,986)
Net cash used by financing activities	<u>697,332</u>	<u>-</u>	<u>-</u>	<u>697,332</u>
Cash Flows from Noncapital Financing Activities				
Residual equity transfers	929,341	(2,808,937)	-	(1,879,596)
Prior-period adjustments	(171,790)	8,745	-	(163,045)
	<u>757,551</u>	<u>(2,800,192)</u>	<u>-</u>	<u>(2,042,641)</u>
Cash Flows from Investing Activities				
Interest and dividends on investments	8,446	-	13	8,459
Net cash provided by noncapital financing activities	<u>8,446</u>	<u>-</u>	<u>13</u>	<u>8,459</u>
Net increase (decrease) in cash and cash equivalents	<u>(244,202)</u>	<u>1,226</u>	<u>(99,699)</u>	<u>(342,675)</u>
Cash investments and cash equivalents at beginning of year	<u>916,611</u>	<u>26,798</u>	<u>166,775</u>	<u>1,110,184</u>
Cash investments and cash equivalents at end of year	<u>\$ 672,409</u>	<u>\$ 28,024</u>	<u>\$ 67,076</u>	<u>\$ 767,509</u>
Reconciliation of operating loss to net cash provided by operating activities				
Operating loss	\$ 1,215,313	\$ -	\$ (437,624)	\$ 777,689
Adjustments to reconcile operating loss to net cash provided by operating activities				
Depreciation/amortization	476,190	-	430,507	906,697
Change in assets and liabilities:				
Accounts receivable	(96,193)	-	6,986	(89,207)
Prepaid expenses	(3,299)	-	10,065	6,766
Due from other funds	(196,206)	-	(118,161)	(314,367)
Due from related parties	73,025	282,139	-	355,164
Deferred outflows	(17,227)	346	(10,993)	(27,874)
Long term receivable	(3,196,721)	2,500,000	-	(696,721)
Accounts payable	65,447	-	8,273	73,720
Due to related parties	-	28,024	-	28,024
Compensated absences payable	(41,385)	-	(1,691)	(43,076)
Security deposits	(67,480)	-	10,955	(56,525)
Net PERA pension liability	70,428	(6,531)	62,534	126,431
Due to other funds	124,177	-	-	124,177
Deferred inflows	(113,600)	(2,560)	(60,563)	(176,723)
Total adjustments	<u>(2,922,844)</u>	<u>2,801,418</u>	<u>337,912</u>	<u>216,486</u>
Net cash provided (used) by operating activities	<u>\$ (1,707,531)</u>	<u>\$ 2,801,418</u>	<u>\$ (99,712)</u>	<u>\$ 994,175</u>

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SECTION 8 VOUCHERS AND MAINSTREAM VOUCHERS COMBINING STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2016

	Section 8 Vouchers	Mainstream Vouchers	Subtotal	Eliminations	Total
ASSETS					
Current Assets					
Cash, investments and equivalents	\$ 1,006,535	\$ 7,986	\$ 1,014,521	\$ -	1,014,521
Tenant receivable	-	-	-	-	-
Federal grants receivable	38,966	-	38,966	-	38,966
Other receivables - related parties	-	-	-	-	-
Other receivables	5,150	-	5,150	-	5,150
Due from other funds	6,016	1,096	7,112	(1,096)	6,016
Prepaid expenses	-	-	-	-	-
Inventory	-	-	-	-	-
Cash, investments and equivalents - restricted	105,772	-	105,772	-	105,772
Total current assets	1,162,439	9,082	1,171,521	(1,096)	1,170,425
Non-current assets	-	-	-	-	-
Total assets	1,162,439	9,082	1,171,521	(1,096)	1,170,425
DEFERRED OUTFLOWS					
Employer contributions subsequent to measurement date	33,169	-	33,169	-	33,169
Total assets and deferred outflows	\$ 1,195,608	\$ 9,082	1,204,690	(1,096)	\$ 1,203,594
LIABILITIES					
Current Liabilities (payable from unrestricted assets)					
Due to other funds	1,096	766	1,862	(1,096)	766
Total current liabilities (payable from unrestricted assets)	1,096	766	1,862	(1,096)	766
Current Liabilities (payable from restricted assets)					
Tenant security deposits	-	-	-	-	-
Escrows and deposits	105,772	-	105,772	-	105,772
Total current liabilities (payable from restricted assets)	105,772	-	105,772	-	105,772
Noncurrent Liabilities					
Net PERA pension liability	469,180	-	469,180	-	469,180
Total noncurrent liabilities	469,180	-	469,180	-	469,180
Total liabilities	576,048	766	576,814	(1,096)	575,718
DEFERRED INFLOWS					
Change in assumptions	183	-	183	-	183
Net difference between expected and actual earnings, actual experience and change in proportion	47,504	-	47,504	-	47,504
Total deferred inflows	47,687	-	47,687	-	47,687
NET POSITION					
Unrestricted	571,873	8,316	580,189	-	580,189
Total net position	571,873	8,316	580,189	-	580,189
Total liabilities, deferred inflows and net position	\$ 1,195,608	\$ 9,082	\$ 1,204,690	\$ (1,096)	\$ 1,203,594

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SECTION 8 VOUCHERS AND MAINSTREAM VOUCHERS COMBINING STATEMENT
OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
Year Ended June 30, 2016

	<u>Section 8 Vouchers</u>	<u>Mainstream Vouchers</u>	<u>Total</u>
Operating Revenues			
HUD grant and subsidy	\$ 8,865,435	\$ 124,771	\$ 8,990,206
Total operating revenues	<u>8,865,435</u>	<u>124,771</u>	<u>8,990,206</u>
Operating Expenses			
Salaries, wages and benefits	377,719	9,233	386,952
Community welfare	7,710,397	107,001	7,817,398
Contractual services and utilities	72,000	-	72,000
Repairs and maintenance	19,433	168	19,601
Insurance	1,711	-	1,711
Other	56,242	-	56,242
Total operating expenses	<u>8,237,502</u>	<u>116,402</u>	<u>8,353,904</u>
Operating gain (loss)	<u>627,933</u>	<u>8,369</u>	<u>636,302</u>
Nonoperating Revenues (Expenses)			
Interest on investments	79	-	79
Total nonoperating revenues	<u>79</u>	<u>-</u>	<u>79</u>
Income (loss) before contributions and transfers	628,012	8,369	636,381
Equity transfers	-	-	-
Change in net position	<u>628,012</u>	<u>8,369</u>	<u>636,381</u>
Net position beginning of year, as reported	(72,986)	-	(72,986)
Restatements:			
Prior-period adjustment (note 13)	16,847	(53)	16,794
Net position beginning of year, as restated	<u>(56,139)</u>	<u>(53)</u>	<u>(56,192)</u>
Net position, end of year	<u>\$ 571,873</u>	<u>\$ 8,316</u>	<u>\$ 580,189</u>

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

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SECTION 8 VOUCHERS AND MAINSTREAM VOUCHERS COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
Year Ended June 30, 2016

	Section 8 Vouchers	Mainstream Vouchers	Total
Cash Flows from Operating Activities:			
Cash received from customers and grantors	\$ 8,829,277	\$ 124,771	\$ 8,954,048
Cash payments to suppliers for goods and services	(8,017,113)	(107,499)	(8,124,612)
Cash payments to employees for services	(377,719)	(9,233)	(386,952)
Net cash provided (used) by operating activities	434,445	8,039	442,484
Cash Flows from Capital Financing Activities:	-	-	-
Net cash used by financing activities	-	-	-
Cash Flows from Noncapital Financing Activities:			
Prior-period adjustment	16,847	(53)	16,794
	16,847	(53)	16,794
Cash Flows from Investing Activities:			
Interest and dividends on investments	79	-	79
Net cash provided by noncapital financing activities	79	-	79
Net increase (decrease) in cash and cash equivalents	451,371	7,986	459,357
Cash investments and cash equivalents at beginning of year	660,936	-	660,936
Cash investments and cash equivalents at end of year	\$ 1,112,307	\$ 7,986	\$ 1,120,293
Reconciliation of operating loss to net cash provided by operating activities:			
Operating (loss) gain	\$ 627,933	\$ 8,369	\$ 636,302
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Change in assets and liabilities:			
Accounts receivable	(44,116)	-	(44,116)
Due from other funds	(6,016)	(1,096)	(7,112)
Deferred outflows	(13,894)	-	(13,894)
Escrow and deposits	7,958	-	7,958
Due to related parties	(12,000)	-	(12,000)
Net PERA pension liability	6,948	-	6,948
Due to other funds	1,096	766	1,862
Deferred inflows	(133,464)	-	(133,464)
Total adjustments	(193,488)	(330)	(193,818)
Net cash provided (used) by operating activities	\$ 434,445	\$ 8,039	\$ 442,484

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, 2016

	<u>Annual Budget Amounts</u>		<u>Actual Amount</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget -
				(Unfavorable)
Operating Revenues				
Facilities rentals	\$ 500,000	\$ 500,000	\$ 625,556	\$ 125,556
HUD grants and subsidy	995,000	995,000	934,267	(60,733)
Other operating revenues	<u>78,000</u>	<u>78,000</u>	<u>1,305,380</u>	<u>1,227,380</u>
Total operating revenues	<u>1,573,000</u>	<u>1,573,000</u>	<u>2,865,203</u>	<u>1,292,203</u>
Operating Expenses				
Operating	400,000	400,000	477,630	(77,630)
Community welfare	71,000	71,000	28,100	42,900
Utilities	270,000	270,000	262,699	7,301
Repairs and maintenance	150,000	150,000	215,861	(65,861)
General	96,000	96,000	77,427	18,573
Depreciation	1,400,000	1,400,000	476,190	923,810
Development expenses	<u>-</u>	<u>-</u>	<u>111,983</u>	<u>(111,983)</u>
Total operating expenses	<u>2,387,000</u>	<u>2,387,000</u>	<u>1,649,890</u>	<u>737,110</u>
Operating income (loss)	<u>(814,000)</u>	<u>(814,000)</u>	<u>1,215,313</u>	<u>2,029,313</u>
Nonoperating Revenues (Expenses)				
Operating transfers in	-	-	2,499,659	2,499,659
Operating transfers out	-	-	(1,570,318)	(1,570,318)
Interest expense	(6,000)	(6,000)	-	6,000
Interest on investments	17,000	17,000	-	(17,000)
Insurance reimbursement	<u>-</u>	<u>-</u>	<u>8,446</u>	<u>8,446</u>
Total nonoperating revenues	<u>11,000</u>	<u>11,000</u>	<u>937,787</u>	<u>926,787</u>
Change in net position	<u>(803,000)</u>	<u>(803,000)</u>	<u>2,153,100</u>	<u>2,956,100</u>
Net position, beginning of year, as reported	19,622,348	19,622,348	19,622,348	-
Restatements:				
Prior-period adjustment (note 13)	-	-	(8,404)	(8,404)
Prior-period adjustment (note 13)	<u>-</u>	<u>-</u>	<u>(163,386)</u>	<u>(163,386)</u>
Net position, beginning of year, as restated	<u>19,622,348</u>	<u>19,622,348</u>	<u>19,450,558</u>	<u>(171,790)</u>
Net position, June 30, 2016	<u>\$ 18,819,348</u>	<u>\$ 18,819,348</u>	<u>\$ 21,603,658</u>	<u>\$ 2,784,310</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	\$ -	\$ -	\$ -	-
HUD grants and subsidy	-	-	-	-
Other operating revenues	-	-	-	-
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expenses				
Operating	-	-	-	-
Utilities	-	-	-	-
Repairs and maintenance	-	-	-	-
General	-	-	-	-
Depreciation	-	-	-	-
Total operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating income (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonoperating Revenues (Expenses)				
Interest on investments	-	-	-	-
Gain on disposal of assets	-	-	-	-
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity transfers	-	-	(2,808,937)	(2,808,937)
Change in net position	-	-	(2,808,937)	(2,808,937)
Net position, beginning of year (as reported)	2,800,192	2,800,192	2,800,192	-
Restatements:				
Prior-period adjustment (note 13)	-	-	8,745	8,745
Prior-period adjustment (note 13)	-	-	-	-
Net position, beginning of year (as restated)	<u>2,800,192</u>	<u>2,800,192</u>	<u>2,808,937</u>	<u>8,745</u>
Net position, June 30, 2016	<u>\$ 2,800,192</u>	<u>\$ 2,800,192</u>	<u>\$ -</u>	<u>\$ (2,800,192)</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, 2016

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 250,000	\$ 250,000	\$ 155,874	\$ (94,126)
HUD grants and subsidy	460,000	460,000	387,982	(72,018)
Other operating revenues	5,000	5,000	125,167	120,167
Total operating revenues	<u>715,000</u>	<u>715,000</u>	<u>669,023</u>	<u>(45,977)</u>
Operating Expenses				
Operating	350,000	350,000	320,400	29,600
Utilities	213,500	213,500	227,257	(13,757)
Repairs and maintenance	125,000	125,000	69,370	55,630
General	72,000	72,000	59,113	12,887
Depreciation	500,000	500,000	430,507	69,493
Total operating expenses	<u>1,260,500</u>	<u>1,260,500</u>	<u>1,106,647</u>	<u>153,853</u>
Operating income (loss)	<u>(545,500)</u>	<u>(545,500)</u>	<u>(437,624)</u>	<u>107,876</u>
Nonoperating Revenues (Expenses)				
Interest on investments	5,000	5,000	13	(4,987)
Total nonoperating revenues	<u>5,000</u>	<u>5,000</u>	<u>13</u>	<u>(4,987)</u>
Change in net position	<u>(540,500)</u>	<u>(540,500)</u>	<u>(437,611)</u>	<u>102,889</u>
Net position, beginning of year	<u>4,946,840</u>	<u>4,946,840</u>	<u>4,946,840</u>	<u>-</u>
Net position, June 30, 2016	<u>\$ 4,406,340</u>	<u>\$ 4,406,340</u>	<u>\$ 4,509,229</u>	<u>\$ 102,889</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 VOUCHERS AND MAINSTREAM VOUCHERS
Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Intergovernmental	\$ 7,070,000	\$ 7,070,000	\$ 8,055,573	\$ 985,573
Port-in HAP reimbursement	700,000	700,000	785,714	85,714
Port-admin fees	60,000	60,000	54,343	(5,657)
TBRA revenues	35,000	35,000	43	(34,957)
Shelter Plus and COC revenue	-	-	94,533	94,533
Other revenue	12,000	12,000	-	(12,000)
Total operating revenues	<u>7,877,000</u>	<u>7,877,000</u>	<u>8,990,206</u>	<u>1,113,206</u>
Operating Expenses				
Community welfare	6,998,000	7,198,000	7,470,762	(272,762)
Port HAP	700,000	700,000	789,007	(89,007)
TBRA expenses	35,000	35,000	94,135	(59,135)
Total operating expenses	<u>7,733,000</u>	<u>7,933,000</u>	<u>8,353,904</u>	<u>(420,904)</u>
Operating income	<u>144,000</u>	<u>(56,000)</u>	<u>636,302</u>	<u>692,302</u>
Nonoperating revenues (expenses)				
Interest income	5,000	5,000	79	(4,921)
Total nonoperating revenues	<u>5,000</u>	<u>5,000</u>	<u>79</u>	<u>(4,921)</u>
Change in net position	<u>149,000</u>	<u>(51,000)</u>	<u>636,381</u>	<u>687,381</u>
Net position, beginning of year, as reported	1,555,296	(72,986)	(72,986)	-
Restatements:				
Prior-period adjustment (note 13)	-	-	16,794	16,794
Net position, beginning of year, as restated	<u>1,555,296</u>	<u>(72,986)</u>	<u>(56,192)</u>	<u>16,794</u>
Net position, June 30, 2016	<u>\$ 1,704,296</u>	<u>\$ (123,986)</u>	<u>\$ 580,189</u>	<u>\$ 704,175</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, 2016

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 780,000	\$ 800,000	\$ 781,019	\$ (18,981)
Other operating revenues	24,000	24,000	100	(23,900)
Total operating revenues	<u>804,000</u>	<u>824,000</u>	<u>781,119</u>	<u>(42,881)</u>
Operating Expenses				
Operating	284,000	284,000	311,975	(27,975)
Contractual services and utilities	214,800	214,800	132,141	82,659
Repairs and maintenance	105,000	105,000	44,721	60,279
General	42,000	42,000	26,635	15,365
Depreciation	300,000	300,000	98,442	201,558
Total operating expenses	<u>945,800</u>	<u>945,800</u>	<u>613,914</u>	<u>331,886</u>
Operating income (loss)	<u>(141,800)</u>	<u>(121,800)</u>	<u>167,205</u>	<u>289,005</u>
Nonoperating Revenues (Expenses)				
Interest on investments	8,000	8,000	928	(7,072)
Interest expense	(180,000)	(180,000)	(113,235)	66,765
Total nonoperating expenses	<u>(172,000)</u>	<u>(172,000)</u>	<u>(112,307)</u>	<u>59,693</u>
Change in net position	<u>(313,800)</u>	<u>(293,800)</u>	<u>54,898</u>	<u>348,698</u>
Net position, beginning of year	<u>815,963</u>	<u>815,963</u>	<u>815,963</u>	<u>-</u>
Net position, June 30, 2015	<u>\$ 502,163</u>	<u>\$ 522,163</u>	<u>\$ 870,861</u>	<u>\$ 348,698</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, 2016

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 344,800	\$ 344,800	\$ 403,311	\$ 58,511
Development activities	484,000	484,000	107,409	(376,591)
Other operating revenues	113,000	113,000	167,697	54,697
Total operating revenues	<u>941,800</u>	<u>941,800</u>	<u>678,417</u>	<u>(263,383)</u>
Operating Expenses				
Operating	225,000	225,000	86,510	138,490
Contractual services and utilities	95,500	95,500	123,833	(28,333)
Repairs and maintenance	65,000	65,000	41,439	23,561
General	2,000	2,000	4,188	(2,188)
Insurance	20,000	20,000	12,553	7,447
Depreciation	160,000	160,000	129,052	30,948
Total operating expenses	<u>567,500</u>	<u>567,500</u>	<u>397,575</u>	<u>169,925</u>
Operating income	<u>374,300</u>	<u>374,300</u>	<u>280,842</u>	<u>(93,458)</u>
Nonoperating Revenues (Expenses)				
Interest on investments	-	-	30,933	30,933
Interest expense	(96,000)	(96,000)	(152,179)	(56,179)
Total nonoperating expenses	<u>(96,000)</u>	<u>(96,000)</u>	<u>(121,246)</u>	<u>(25,246)</u>
Change in net position	<u>278,300</u>	<u>278,300</u>	<u>159,596</u>	<u>(118,704)</u>
Net position, beginning of year, as reported	5,225,628	5,225,628	5,225,628	-
Restatements:				
Prior-period adjustment (note 13)	-	-	13,342	13,342
Net position, beginning of year, as restated	<u>5,225,628</u>	<u>5,225,628</u>	<u>5,238,970</u>	<u>13,342</u>
Net position, June 30, 2016	<u>\$ 5,503,928</u>	<u>\$ 5,503,928</u>	<u>\$ 5,398,566</u>	<u>\$ (105,362)</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, 2016

	<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	\$ 284,160	\$ 284,160	\$ 293,111	\$ 8,951
Other operating revenues	-	-	235	235
Total operating revenues	<u>284,160</u>	<u>284,160</u>	<u>293,346</u>	<u>9,186</u>
Operating Expenses				
Operating	123,891	123,891	113,254	10,637
Contractual services and utilities	126,283	126,283	40,573	85,710
Repairs and maintenance	22,311	22,311	15,454	6,857
Depreciation	70,000	70,000	64,076	5,924
General	11,800	11,800	13,309	(1,509)
Total operating expenses	<u>354,285</u>	<u>354,285</u>	<u>246,666</u>	<u>107,619</u>
Operating loss	(70,125)	(70,125)	46,680	116,805
Nonoperating Revenues				
Interest on investments	1,000	1,000	47	(953)
Change in net position	(69,125)	(69,125)	46,727	115,852
Net position, beginning of year	<u>1,089,854</u>	<u>1,089,854</u>	<u>1,089,854</u>	<u>-</u>
Net position, June 30, 2016	<u>\$ 1,020,729</u>	<u>\$ 1,020,729</u>	<u>\$ 1,136,581</u>	<u>\$ 115,852</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>2016</u>	<u>2015</u>
Santa Fe Civic Housing Authority's proportion of the net pension liability	0.1685%	0.1904%
Santa Fe Civic Housing Authority's proportionate share of the net pension liability	\$ 1,718,003	\$ 1,485,324
Santa Fe Civic Housing Authority's covered-employee payroll	\$ 1,696,721	\$ 1,395,311
Santa Fe Civic Housing Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	104.25%	106.45%
Plan fiduciary net position as a percentage of the total pension liability	76.99%	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 *

	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 121,455	\$ 61,939
Contributions in relation to the contractually required contribution	<u>(121,455)</u>	<u>(61,939)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>
Santa Fe Civic Housing Authority's covered employee payroll as a percentage of its covered-employee payroll	\$ 1,696,721	\$ 1,395,311
Contributions as a percentage of covered-employee payroll	9.55%	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, 2016

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 15 audit report available at:

http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_PublicEmployees_Retirement_Association_2015pdf.

Changes in assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2015 report is available at:

<http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/>

6-30-2015-PERA-Valuation-Report-FINAL.pdf. See appendix B on pages 53-61 of the report which summarizes actuarial assumptions and methods effective with the June 30, 2014 valuation.

Changes in assumptions resulted in a decrease of \$91.8 million to the total pension liability for the PERA Fund and an increase of 0.42% to the funded ratio for the year ended June 30, 2015. See more details of actuarial methods and assumptions on Note 2 of page 34 of PERA's Schedule of Employer Allocations and Pension amounts at

http://osanm.org/media/audits/366-B_PERA_Schedule_of_Employer_Allocations_FY2015.pdf

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

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, 2016

	Type of Account	Bank Balance	Outstanding Checks	Deposits in Transit	Carrying Balance	Fair Value
Deposits with financial institutions:						
NM Bank & Trust:						
Operating (La Cieneguita)	Checking	\$ 117,373	\$ (699)	\$ -	\$ 116,674	\$ 116,674
Operating (Espanola)	Checking	20,993	(1,996)	28	19,025	19,025
Security Deposits (Espanola)	Checking	48,151	(874)	-	47,277	47,277
FSS Low Rent (Espanola)	Savings	775	-	-	775	775
Reserve Account (SF Hsg Dev Corp)	Savings	276,118	-	-	276,118	276,118
Market max 757 (La Cieneguita)	Savings	13,158	-	-	13,158	13,158
Market max 765 (La Cieneguita)	Savings	13,700	-	-	13,700	13,700
Market max 856 (La Cieneguita)	Savings	84,476	-	-	84,476	84,476
Market max 864 (La Cieneguita)	Savings	5,233	-	-	5,233	5,233
US Bank:						
General Fund Operating	Checking	476,908	(9,593)	52,594	519,909	519,909
Operating (Voucher)	Checking	1,010,462	(57,868)	218	952,812	952,812
FSS Escrow (Voucher)	Checking	98,558	-	-	98,558	98,558
Bernalillo Operating	Checking	20,177	-	-	20,177	20,177
Bernalillo Security Deposit	Checking	7,847	-	-	7,847	7,847
General Fund Reserve Account (Operating)	Savings	78,903	-	-	78,903	78,903
Los Alamos National Bank:						
Operating (SF Hsg Dev Corp)	Checking	791,773	(5,074)	-	786,699	786,699
Security Deposit (SF Hsg Dev Corp)	Checking	5,000	-	-	5,000	5,000
Repair and Replace (SF Hsg Dev Corp)	Checking	6,282	-	-	6,282	6,282
Debt Service Reserve (SF Hsg Dev Corp)	Checking	10,699	-	-	10,699	10,699
Development Board account (SF Hsg Dev Corp)	Checking	19,872	-	-	19,872	19,872
Operating (Cielo Azul)	Checking	943,608	(4,086)	-	939,522	939,522
Security Deposit (Operating)	Checking	20,883	(1,078)	125	19,930	19,930
Employee Fund (Cielo Azul)	Checking	3,533	-	-	3,533	3,533
Development Account (Cielo Azul)	Checking	588,038	-	-	588,038	588,038
Security Deposits (Cielo Azul)	Checking	12,312	(769)	-	11,543	11,543
Cielo Replacement Reserve (Cielo Azul)	Checking	46,316	-	-	46,316	46,316
TBRA (Voucher)	Checking	61,137	(200)	-	60,937	60,937
Mainstream (Voucher)	Checking	16,453	(8,468)	-	7,985	7,985
FSS PH (Operating)	Savings	18,460	-	-	18,460	18,460
Rehabilitation (SF Hsg Dev Corp)	Savings	10,944	-	-	10,944	10,944
Total deposits		<u>4,828,142</u>	<u>(90,705)</u>	<u>52,965</u>	<u>4,790,402</u>	<u>4,790,402</u>
Investments:						
Charles Schwab:						
Security Deposits (Operating)	Treasury Bill	35,208	-	-	35,208	35,208
Rehabilitation (SF Hsg Dev Corp)	Treasury Bill	275,018	-	-	275,018	275,018
Repair and Replace (SF Hsg Dev Corp)	Treasury Bill	125,006	-	-	125,006	125,006
Debt Service Reserve (SF Hsg Dev Corp)	Treasury Bill	160,009	-	-	160,009	160,009
Board Account (SF Hsg Dev Corp)	Treasury Bill	50,136	-	-	50,136	50,136
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>665,677</u>	<u>-</u>	<u>-</u>	<u>665,677</u>	<u>665,677</u>
Total cash deposits and investments		<u>\$ 5,493,819</u>	<u>\$ (90,705)</u>	<u>\$ 52,965</u>	<u>\$ 5,456,079</u>	<u>\$ 5,456,079</u>
Shown on the Statement of Net Position as:						
Cash, investments and equivalents					\$ 5,246,357	
Cash, investments and equivalents - restricted					209,722	
Total cash, investments and equivalents					<u>\$ 5,456,079</u>	

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF PLEDGED COLLATERAL
MARKET VALUE
June 30, 2016

	<u>Maturity</u> <u>Date</u>	<u>Bank</u> <u>Balance</u>	<u>Federal</u> <u>Depository</u> <u>Insurance</u>	<u>Total</u> <u>Uninsured</u> <u>Public Funds</u>	<u>Required</u> <u>Collateral</u>	<u>Pledged</u> <u>Securities</u> <u>Market Value</u>	<u>Over/</u> <u>(Under)</u>
<u>New Mexico Bank & Trust</u>							
Checking	None	\$ 186,517	\$ 186,517	\$ -	\$ -	\$ -	-
Savings	None	393,460	250,000	143,460	71,730	-	-
Collateral:							
Da Kalb Cnty III Unit S GO Sch Bds, CUSIP 240685HR1, 0.0%, \$200,000 face (Unacceptable collateral in New Mexico)	1/1/22	-	-	-	-	-	-
Charles Stewart Mott Cmnty, Col GO BDS Cusip 15987EFB5, 4.0%, \$370,000 face (Unacceptable collateral in New Mexico)	5/1/29	-	-	-	-	-	(71,730)
<u>US Bank:</u>							
Checking	None	1,613,952	250,000	1,363,952	681,976	-	-
Savings	None	78,903	78,903	-	-	-	-
Collateral held at FRB Dallas:							
FHLB of Cincinnati, OH Letter of Credit \$4,000,000	-	-	-	-	-	4,000,000	3,318,024
<u>Los Alamos National Bank</u>							
Checking	None	2,525,906	250,000	2,275,906	1,137,953	-	-
Savings	None	29,404	29,404	-	-	-	-
Collateral:							
FHLMC , Cusip 3137EADV8 \$5,000,000 face (20% pledge)	7/14/17	-	-	-	-	1,001,717	-
FMHS , Cusip 3137B1UG5 \$3,650,000 face (54.79% pledge)	1/25/23	-	-	-	-	2,110,957	1,974,721
		<u>\$ 4,828,142</u>	<u>\$ 1,044,824</u>	<u>\$ 3,783,318</u>	<u>\$ 1,891,659</u>	<u>\$ 7,112,674</u>	<u>\$ 5,211,015</u>

STATE OF NEW MEXICO

Schedule 5

SANTA FE CIVIC HOUSING AUTHORITY

SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)

For the Year Ended June 30, 2016

Prepared by Agency Staff Name: Anna Chavez Title: Chief Financial Officer Date: September 15, 2016

Agency Number	Agency Name	Agency Type	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
6160-A	Santa Fe Civic Housing Authority	Independent Housing	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

Entity Wide Balance Sheet Summary

Submission Type: Audited/ Single Audit Fiscal Year End: 6/30/2016

	14.850 and 14.872 Housing Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.238 Shelter Plus Care	1 Business Activities	Subtotal	Eliminations	Total
111 Cash - Unrestricted	573,903	-	1,017,478	7,986	-	3,525,838	5,125,205	-	5,125,205
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-
113 Cash - Other Restricted	97,363	-	-	-	-	42,439	139,802	-	139,802
114 Cash - Tenant Security Deposits	96,243	-	-	-	-	-	96,243	-	96,243
115 Cash - Restricted for Payment of Current Liabilities	-	-	94,829	-	-	-	94,829	-	94,829
100 Total Cash	767,509	-	1,112,307	7,986	-	3,568,277	5,456,079	-	5,456,079
121 Accounts Receivable - PHA Projects	-	-	-	1,096	-	-	1,096	(1,096)	-
122 Accounts Receivable - HUD Other Projects	73,116	-	44,116	-	-	-	117,232	-	117,232
124 Accounts Receivable - Other Government	1,207,118	-	-	-	-	2,941,757	4,148,875	-	4,148,875
125 Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-	-	-
126 Accounts Receivable - Tenants	178,983	-	-	-	-	9,953	188,936	-	188,936
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-	-	-
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-
128 Fraud Recovery	192,704	-	-	-	-	-	192,704	-	192,704
128.1 Allowance for Doubtful Accounts - Fraud	(192,704)	-	-	-	-	-	(192,704)	-	(192,704)
129 Accrued Interest Receivable	-	-	-	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	1,459,217	-	44,116	1,096	-	2,951,710	4,456,139	(1,096)	4,455,043
131 Investments - Unrestricted	-	-	-	-	-	-	-	-	-
132 Investments - Restricted	-	-	-	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	62,714	-	-	-	-	21,761	84,475	-	84,475
143 Inventories	-	-	-	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-
144 Inter Program Due From	778,202	-	6,016	-	-	1,300,000	2,084,218	(2,084,218)	-
145 Assets Held for Sale	-	-	-	-	-	-	-	-	-
150 Total Current Assets	3,067,642	-	1,162,439	9,082	-	7,841,748	12,080,911	(2,085,314)	9,995,597
161 Land	299,637	-	-	-	-	842,952	1,142,589	-	1,142,589
162 Buildings	24,106,880	-	-	-	-	9,281,071	33,387,951	-	33,387,951
163 Furniture, Equipment & Machinery - Dwellings	789,277	-	-	-	-	207,900	997,177	-	997,177
164 Furniture, Equipment & Machinery - Administration	451,824	-	-	-	-	-	451,824	-	451,824
165 Leasehold Improvements	-	-	-	-	-	-	-	-	-
166 Accumulated Depreciation	(17,658,197)	-	-	-	-	(5,191,867)	(22,850,064)	-	(22,850,064)
167 Construction in Progress	872,986	-	-	-	-	2,000,000	2,872,986	-	2,872,986

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

Entity Wide Balance Sheet Summary

Submission Type: Audited/ Single Audit Fiscal Year End: 6/30/2016

	14.850 and 14.872 Housing Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.238 Shelter Plus Care	1 Business Activities	Subtotal	Eliminations	Total
168 Infrastructure	-	-	-	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	8,962,407	-	-	-	-	7,140,056	16,002,463	-	16,002,463
171 Notes, Loans and Mortgages Receivable - Non-Current	15,671,445	-	-	-	-	1,889,201	17,560,646	-	17,560,646
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-	-	-	-	-	-
174 Other Assets	-	-	-	-	-	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-	-	-	-	-	-
180 Total Non-Current Assets	24,533,852	-	-	-	-	9,029,257	33,563,109	-	33,563,109
200 Deferred Outflow of Resources	55,109	-	33,169	-	-	33,177	121,455	-	121,455
290 Total Assets and Deferred Outflow of Resources	27,656,603	-	1,195,608	9,082	-	16,904,182	45,765,475	(2,085,314)	43,680,161
311 Bank Overdraft	-	-	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	30,998	-	-	-	-	8,365	39,363	-	39,363
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-	-	-
322 Accrued Compensated Absences - Current Portion	215,458	-	-	-	-	-	215,458	-	215,458
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	-	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	28,024	-	-	-	-	403,682	431,706	-	431,706
341 Tenant Security Deposits	56,817	-	-	-	-	42,439	99,256	-	99,256
342 Unearned Revenue	-	-	-	-	-	-	-	-	-
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	196,210	196,210	-	196,210
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-	-	-
345 Other Current Liabilities	4,694	-	105,772	-	-	-	110,466	-	110,466
346 Accrued Liabilities - Other	224,791	-	-	-	-	-	224,791	-	224,791
347 Inter Program - Due To	124,177	-	1,096	766	-	1,959,275	2,085,314	(2,085,314)	-
348 Loan Liability - Current	-	-	-	-	-	-	-	-	-
310 Total Current Liabilities	684,959	-	106,868	766	-	2,609,971	3,402,564	(2,085,314)	1,317,250
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	6,371,211	6,371,211	-	6,371,211

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

Entity Wide Balance Sheet Summary

Submission Type: Audited/ Single Audit Fiscal Year End: 6/30/2016

	14.850 and 14.872 Housing Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.238 Shelter Plus Care	1 Business Activities	Subtotal	Eliminations	Total
352 Long-term Debt, Net of Current - Operating Borrowings		-	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-	-	-	-	-	-
354 Accrued Compensated Absences - Non Current	-	-	-	-	-	-	-	-	-
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	779,528	-	469,180	-	-	469,295	1,718,003	-	1,718,003
350 Total Non-Current Liabilities	779,528	-	469,180	-	-	6,840,506	8,089,214	-	8,089,214
300 Total Liabilities	1,464,487	-	576,048	766	-	9,450,477	11,491,778	(2,085,314)	9,406,464
400 Deferred Inflow of Resources	79,229	-	47,687	-	-	47,697	174,613	-	174,613
508.4 Net Investment in Capital Assets	8,862,407	-	-	-	-	572,635	9,435,042	-	9,435,042
511.4 Restricted Net Position	-	-	-	-	-	-	-	-	-
512.4 Unrestricted Net Position	17,250,480	-	571,873	8,316	-	6,833,373	24,664,042	-	24,664,042
513 Total Equity - Net Assets / Position	26,112,887	-	571,873	8,316	-	7,406,008	34,099,084	-	34,099,084
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	27,656,603	-	1,195,608	9,082	-	16,904,182	45,765,475	(2,085,314)	43,680,161

Santa Fe Civic Housing Authority (NM009)
SANTA FE, NM
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 6/30/2016

	14.850 and 14.872 Housing Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.238 Shelter Plus Care	1 Business Activities	Subtotal	Eliminations	Total
70300 Net Tenant Rental Revenue	781,430	-	-	-	-	1,477,442	2,258,872	-	2,258,872
70400 Tenant Revenue - Other	-	-	-	-	-	-	-	-	-
70500 Total Tenant Revenue	781,430	-	-	-	-	1,477,442	2,258,872	-	2,258,872
70600 HUD PHA Operating Grants	1,237,510	84,739	7,910,115	124,771	94,135	-	9,451,270	-	9,451,270
70610 Capital Grants	997,986	-	-	-	-	-	997,986	-	997,986
70710 Management Fee	-	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	107,409	107,409	-	107,409
70700 Total Fee Revenue	-	-	-	-	-	107,409	107,409	-	107,409
70800 Other Government Grants	-	-	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	8,446	-	79	-	-	-	8,525	-	8,525
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	20,686	-	-	-	20,686	-	20,686
71500 Other Revenue	432,574	-	840,499	-	-	199,939	1,473,012	-	1,473,012
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-	-	-	-	-
70000 Total Revenue	3,457,946	84,739	8,771,379	124,771	94,135	1,784,790	14,317,760	-	14,317,760
91100 Administrative Salaries	213,708	-	318,390	6,350	-	219,428	757,876	-	757,876
91200 Auditing Fees	4,100	-	51,930	-	-	-	56,030	-	56,030
91300 Management Fee	-	-	-	-	-	-	-	-	-
91310 Book-keeping Fee	-	-	-	-	-	-	-	-	-
91400 Advertising and Marketing	-	-	-	-	-	-	-	-	-
91500 Employee Benefit contributions - Administrative	201,053	-	173,469	2,884	-	164,286	541,692	-	541,692
91600 Office Expenses	70,277	-	78,065	167	-	35,727	184,236	-	184,236
91700 Legal Expense	5,083	-	-	-	-	3,962	9,045	-	9,045
91800 Travel	9,029	-	-	-	-	146	9,175	-	9,175
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-
91900 Other	27,544	-	(140,412)	-	-	121,769	8,901	-	8,901
91000 Total Operating - Administrative	530,794	-	481,442	9,401	-	545,318	1,566,955	-	1,566,955

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 6/30/2016

	14.850 and 14.872 Housing Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.238 Shelter Plus Care	1 Business Activities	Subtotal	Eliminations	Total
92000 Asset Management Fee	-	-	-	-	-	-	-	-	-
92100 Tenant Services - Salaries	27,844	58,239	26,121	-	-	-	112,204	-	112,204
92200 Relocation Costs	-	-	-	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	26,500	-	-	-	-	26,500	-	26,500
92400 Tenant Services - Other	59,469	-	-	-	94,135	-	153,604	-	153,604
92500 Total Tenant Services	87,313	84,739	26,121	-	94,135	-	292,308	-	292,308
93400 Fuel	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-
93600 Sewer	30,341	-	-	-	-	29,172	59,513	-	59,513
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-	-
93800 Other Utilities Expense	20,996	-	-	-	-	14,270	35,266	-	35,266
93000 Total Utilities	310,877	-	-	-	-	148,409	459,286	-	459,286
94100 Ordinary Maintenance and Operations - Labor	211,557	-	-	-	-	72,685	284,242	-	284,242
94200 Ordinary Maintenance and Operations - Materials and Other	135,973	-	-	-	-	81,436	217,409	-	217,409
94300 Ordinary Maintenance and Operations Contracts	256,350	-	-	-	-	77,025	333,375	-	333,375
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	-	-	-
94000 Total Maintenance	603,880	-	-	-	-	231,146	835,026	-	835,026
95100 Protective Services - Labor	-	-	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-	-	-	-
95300 Protective Services - Other	-	-	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-	-	-
96110 Property Insurance	120,254	-	-	-	-	41,712	161,966	-	161,966
96120 Liability Insurance	-	-	1,711	-	-	-	1,711	-	1,711
96130 Workmen's Compensation	-	-	-	-	-	-	-	-	-
96140 All Other Insurance	-	-	-	-	-	-	-	-	-
96100 Total Insurance Premiums	120,254	-	1,711	-	-	41,712	163,677	-	163,677
96200 Other General Expenses	111,983	-	17,830	-	-	-	129,813	-	129,813
96210 Compensated Absences	-	-	-	-	-	-	-	-	-
96300 Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-
96400 Bad debt - Tenant Rents	-	-	-	-	-	-	-	-	-

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 6/30/2016

	14.850 and 14.872 Housing Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.238 Shelter Plus Care	1 Business Activities	Subtotal	Eliminations	Total
96500 Bad debt - Mortgages	-	-	-	-	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	111,983	-	17,830	-	-	-	129,813	-	129,813
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	152,179	152,179	-	152,179
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	113,235	113,235	-	113,235
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	-	-	-	-	-	265,414	265,414	-	265,414
96900 Total Operating Expenses	1,765,101	84,739	527,104	9,401	94,135	1,231,999	3,712,479	-	3,712,479
97000 Excess of Operating Revenue over Operating Expenses	1,692,845	-	8,244,275	115,370	-	552,791	10,605,281	-	10,605,281
97100 Extraordinary Maintenance	-	-	-	-	-	-	-	-	-
97200 Casually Losses - Non-capitalized	-	-	-	-	-	-	-	-	-
97300 Housing Assistance Payments	-	-	6,827,256	107,001	-	-	6,934,257	-	6,934,257
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-
90000 Total Expenses	2,671,798	84,739	8,143,367	116,402	94,135	1,523,569	12,634,010	-	12,634,010
10010 Operating Transfer In	-	-	-	-	-	-	-	-	-
10020 Operating transfer Out	-	-	-	-	-	-	-	-	-
10030 Operating Transfers from/to Primary Government	-	-	-	-	-	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-	-	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-	-	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-	-	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-
10093 Transfers between Program and Project - In	2,499,659	-	-	-	-	-	2,499,659	(1,570,318)	929,341
10094 Transfers between Project and Program - Out	(4,379,255)	-	-	-	-	-	(4,379,255)	1,570,318	(2,808,937)
10100 Total Other financing Sources (Uses)	(1,879,596)	-	-	-	-	-	(1,879,596)	-	(1,879,596)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(1,093,448)	-	628,012	8,369	-	261,221	(195,846)	-	(195,846)

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 6/30/2016

	14.850 and 14.872 Housing Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.238 Shelter Plus Care	1 Business Activities	Subtotal	Eliminations	Total
11020 Required Annual Debt Principal Payments	-	-	-	-	-	-	-	-	-
11030 Beginning Equity	27,369,380	-	(72,986)	-	-	7,131,445	34,427,839	-	34,427,839
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(163,045)	-	16,847	(53)	-	13,342	(132,909)	-	(132,909)
11050 Changes in Compensated Absence Balance	-	-	-	-	-	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-	-	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-	-	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-	-	-	-	-	-
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-	-	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-
11170 Administrative Fee Equity	-	-	484,040	-	-	-	484,040	-	484,040
11180 Housing Assistance Payments Equity	-	-	87,833	-	-	-	87,833	-	87,833
11190 Unit Months Available	4,044	-	12,204	240	-	1,584	18,072	-	18,072
11210 Number of Unit Months Leased	3,822	-	12,036	228	-	1,464	17,550	-	17,550
11270 Excess Cash	2,073,306	-	-	-	-	-	2,073,306	-	2,073,306
11610 Land Purchases	1,036,853	-	-	-	-	-	1,036,853	-	1,036,853

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/ Program Title	Federal CFDA Number	Receivable	HAP	Admin	Prior-	Cash Receipts	Expenditures	Receivable	HAP	Admin
		(Deferred Revenue) July 1, 2015	Equity July 1, 2015	Equity July 1, 2015	period Adjust- ments			(Deferred Revenue) June 30, 2016	Equity June 30, 2016	Equity June 30, 2016
Department of Housing and Urban Development										
Direct Programs:										
Public Housing Subsidy (MAJOR)	14.850	-	-	-	-	(1,237,510)	1,237,510	-	-	-
Resident Opportunity and Supportive Services (ROSS) (MAJOR)	14.855	-	-	-	-	(84,739)	84,739	-	-	-
Public Housing Capital Fund (MAJOR)	14.872	-	-	-	-	(997,986)	997,986	-	-	-
Total Direct Programs		-	-	-	-	(2,320,235)	2,320,235	-	-	-
Other Direct Programs:										
Section 8 Housing Choice Vouchers (MAJOR)	14.871	-	181,744	(108,758)	(16,847)	(8,770,938)	8,142,926	-	(87,833)	(484,040)
Mainstream Vouchers (MS5) (MAJOR)	14.879	-	-	-	53	(124,771)	116,402	-	-	(8,316)
Shelter Plus Income (MAJOR)	14.238	-	-	-	-	(94,178)	94,178	-	-	-
Continuum of Core (CoC)	14.267	-	-	-	-	(398)	398	-	-	-
Total Other Direct Programs		-	181,744	(108,758)	(16,794)	(8,990,285)	8,353,904	-	(87,833)	(492,356)
Total Department of Housing and Urban Development		\$ -	\$ 181,744	\$ (108,758)	\$ (16,794)	\$ (11,310,520)	\$ 10,674,139	\$ -	\$ (87,833)	\$ (492,356)

NOTE 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Santa Fe Housing Authority (Housing Authority) and does not include those expenditures of the City of Santa Fe, New Mexico. The schedule is presented on the accrual basis of accounting, which is the same basis used to prepare the financial statements. The information in this schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2. Loans

The Housing Authority did not have any loan or loan guarantee programs outstanding as of June 30, 2016.

NOTE 3. 10% De Minimis Indirect Cost Rate

The Housing Authority did not elect to use the 10% indirect cost rate.

Note 4. Federally Funded Insurance

The Housing Authority has no federally funded insurance.

NOTE 5. Prior - Period Adjustments

The prior-period adjustment of \$16,847 to the Section 8 Housing Choice Vouchers program is the result of receiving income associated with the prior year. The prior-period adjustment of \$53 to the Mainstream Voucher (MS5) program is the result of an expenditure associated with the prior year.

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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, 2016, 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 January 13, 2017.

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. 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 2016-001 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported per Section 12-6-5, NMSA 1978, and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2016-001, 2014-002 and 2007-004.

Housing Authority's Response to Findings

The Housing Authority's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Housing 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

January 13, 2017

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 REQUIRED BY THE UNIFORM GUIDANCE

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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, 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 Housing 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 material 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Robert J. Rivera, CPA, PC
Santa Fe, New Mexico
January 13, 2017

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2016**

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

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016**

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the basic financial statements noted? | None noted |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditors' report issued on compliance for major programs | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in Accordance with 2 CFR section 200.516(a)? | No |
| 4. Identification of major programs | |

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.238	Shelter Plus Income
14.850	Public Housing Subsidy
14.855	Resident Opportunity and Supportive Services
14.871	Section 8 Housing
14.872	Public Housing Capital Fund
14.879	Mainstream Vouchers

- | | |
|---|------------|
| 5. Dollar threshold used to distinguish Types A and B programs: | \$750,000. |
| 6. Auditee qualified as low-risk auditee? | No |

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016**

B. FINANCIAL STATEMENT FINDINGS

None

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

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, 2016

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	\$420,904
---------------------------	-----------

Management failed to implement their corrective action plan from the previous year finding at the appropriate level.

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 made during the year for the various Housing Authority, including the Section 8 Voucher Program; however, the Section 8 Voucher Program budget was not adjusted at year end due to an oversight. This caused the budget over-expenditure.

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 Executive Director and Chief Financial Officer and implemented actions to prevent this in 2016. Unfortunately the Executive Director made an error when calculation the budget necessary for the HCV program during this cycle. The Authority and Executive Director will continue to monitor budgets monthly. The Board will approve all necessary budget adjustments prior to June 30 of each fiscal year.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

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, 2016. The report was submitted on January 27, 2017. 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 2015-2016 annual financial report to the State Auditor's Office by September 30, 2016.

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, 2016**

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.

The State Auditor's office has established the date of September 30 of each year as the deadline for submitting the annual financial and compliance audit to the State Auditor's office.

The Santa Fe Civic Housing Authority has implemented internal controls and policies in January 2017 to ensure that the accounting records are reconciled and ready for audit by August 31 of each year. In addition, the Housing Authority will require that the external auditor perform interim audit procedures prior to June 30 as a means of meeting the September 30 audit report submission deadline.

**STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016**

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

**2016-001 Lack of Proper Type of Pledged Securities
(Significant Deficiency in Internal Control and Other Non Compliance)**

CONDITION

The New Mexico Bank and Trust has not pledged the proper type of securities for the public monies held by the institution over the insured amount. As a result, the excess bank balances over the amount insured was \$143,460 at June 30, 2016. The required collateral was \$71,730, or one-half of the amount deposited in the depository bank. The banking institution provided the Housing Authority with collateral totaling \$593,699; however, the collateral was in securities (bonds) from other states which is not in accordance with Section 6-10-16(A), NMSA 1978.

CRITERIA

Pursuant to Section 6-10-16, NMSA 1978 and Section 6-10-17, NMSA 1978, securities with an aggregate value equal to one-half of the amount of public money deposited shall be provided by the depository bank. Section 6-10-16 (A), NMSA 1978, provides that the deposits of public money shall be secured by:

1. Securities of the United States, its agencies or instrumentalities;
2. Securities of the State of New Mexico, its agencies, instrumentalities, counties, municipalities, or other subdivisions;
3. Securities, including student loans, that are guaranteed by the United States or the state of New Mexico;
4. Revenue bonds that are underwritten by a member of the National Association of Securities Dealers, known as "N.A.S.D.", and are rated "BAA" or above by a nationally recognized bond rating service; or
5. Letters of credit issued by a federal home loan bank.

CAUSE

The bank did not provide the required pledged securities.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

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

2016-001 Lack of Proper Type of Pledged Securities

(Significant Deficiency in Internal Control and Other Non Compliance) (Cont'd)

EFFECT

Under collateralization results in lack of guarantee of the Housing Authority's money in case of banking institutional failure.

RECOMMENDATION

We recommend that management of the Housing Authority verifies that all deposits are sufficiently collateralized at each institution, and that they notify institutions in any instance of non-compliance immediately upon receipt of the pledged collateral listings.

ENTITY RESPONSE

The Housing Authority will notify the New Mexico Bank and Trust and require that the bank provide sufficient and proper pledged securities which are in accordance with Section 6-10-16 (A). In addition, the Housing Authority management staff and CFO will verify, on a monthly basis, that all deposits are sufficiently collateralized at each institution. This process has already started, and the Executive Director will review collateral types and amounts on a quarterly basis to ensure that the Housing Authority is in compliance with state law.

STATE OF NEW MEXICO
SANTA FE CIVIC HOUSING AUTHORITY
June 30, 2016

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 January 26, 2017, to discuss the audit. The following individuals were in attendance:

State of New Mexico - Santa Fe Civic Housing Authority

John Wheeler, Board Member
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