

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

**Financial Statements  
For the Year Ended June 30, 2017**

**(With Independent Auditor's Report Thereon)**

**ROBERT J. RIVERA, CPA, PC**  
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SANTA FE, NEW MEXICO 87505-4761

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
June 30, 2017**

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**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
June 30, 2017**

**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 |
|-----------|--------------------|

# Robert J. Rivera, CPA, PC

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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, 2017, 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.

### **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, 2017, and the respective changes in financial position and cash flows thereof, for the year then ended in accordance 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 44 through 46, 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 Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the Housing Authority's basic financial statements. The combining and individual fund financial statements (Statements 1-12), the Schedule of Expenditures of Federal Awards (Schedule 6) as required by the Title 2 *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Guidance, Cost Principles, and Audit Requirements for Federal Awards*, and other supplementary schedules required by 2.2.2 NMAC (Schedules 1-4), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Financial Data Schedule (Schedule 5) 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 combining and individual fund financial statements (Statements 1-12), the Schedule of Expenditures of Federal Awards (Schedule 6) and other supplementary schedules (Schedules 1-5) 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 combining and individual fund statements, the Schedule of Expenditures of Federal Awards, and other supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 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  
November 6, 2017



**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

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, 2017. Please read it in conjunction with the Authority's financial statements, which follow this section.

**Operational Highlights**

The 2017 fiscal year had several significant extraordinary changes as follows:

- As noted in the 2016 MD&A, the Authority closed two more RAD projects converting Public Housing(section 9) into LIHTC backed PBRA (section 8) entities. These projects Villa Hermosa(116 units) and Pasa Tiempo(121) units were closed in the spring of 2017 and construction on both projects is proceeding on time and budget. It is anticipated that by June 2018 Villa Hermosa will be completed and 50% of Pasa Tiempo will be complete. The Authority is a .001% General Partner in these partnerships.
- As of 6/30/2017, the Authority now has 178 Public Housing units in the City of Espanola, 24 Public Housing units in Villa Alegre Senior and 4 Public Housing units in Villa Alegre Family. Prior to the Development activities, the Authority had 461 units in the City of Santa Fe,. Those development activities have resulted in the following partnerships:
  - o Villa Alegre Family (completed 2011) 60 units
  - o Villa Alegre Senior (completed 2011) 50 units
  - o Campo Alegria (completed 2012) 28 units
  - o Village in the Bosque (completed 2015) 98 units
  - o Santa Fe Community Living (completed 2016) 120 units
  - o Villa Hermosa (to be completed 2018) 116 units
  - o Pasa Tiempo (to be completed 2018) 121 units
  - o Paseo del So l(purchased 2016) 80 units
  - o Country Club Apartments (purchased August 2017) 62 units
- During FY 2017, Cielo Azul completed extensive remodels of the 3 units located at our Pacheco Street site. We moved forward with stabilization of the St. Catherine's site. Approximately \$320,000 in rehabilitation work was conducted at this site. The St. Catherine's site and the Hopewell Mann Community Center are currently leased to a movie company through December 2018 as they contemplate future film activity in Santa Fe.
- Future development is currently be contemplated with 4-5 market units off Columbia Street, 4 units in the Pacheco Compound, re-purposing the 8 vacant units on Hopewell Street, and St. Catherine's. All of these are sites have some type of zoning or entitlement process ongoing.

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

**Financial Highlights**

- Net position of the Housing Authority increased significantly by \$2,703,969, from \$34,099,084 to \$36,803,053 as of June 30, 2016. The primary reason for the increase was a result of positive operating income of \$2,157,664, non-operating income of \$2,139,947 and capital outlay grants of \$599,354. Additionally, the Housing Authority showed positive cash flows of \$323,303.
- The total operating revenues of the Housing Authority's enterprise units increased by approximately \$1,390,340 as a result of an increase of \$526,321 of HUD grants and subsidies and an increase in capital grants of \$398,632. Facility rental income decreased by \$(70,702). 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. Other development and asset management fees generated \$1,472,608.
- Net non-operating revenue and expenses increased by \$2,364,915, resulting primarily from the gain on sale of land and buildings totaling \$2,432,033.
- Two key indicators of financial health, current ratio and debt to equity, remain very strong. Most consider a current ratio of over 2:1 to be very healthy. The Housing Authority's current ratio continues to be near 9:1. In addition, the debt to equity ratio remains about .14 times, where many consider anything less than .5 times to be very healthy. Another way to explain it, for every \$1 of debt the Authority has, it has approximately \$8.50 of equity.
- The Authority's net capital assets decreased by approximately \$(1,665,680), which is in part related to the construction in progress from the 2016 capital grant of \$599,354, other building additions of \$379,035, the disposal of buildings of \$(3,262,046) and related accumulated depreciation of \$2,794,080, the disposal of \$(997,986) of construction in progress, and current year depreciation expense of \$(1,178,680).

**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 five 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

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

of the information in the Housing Authority-wide and fund financial statements and provides more detailed data.

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

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

**Fund Financial Statements**

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

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

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

**Net Position.** The combined net position of the Housing Authority increased by \$2,009,766 from the June 30, 2016, amount. The following table shows a summary of changes from prior year amounts.

|   | <u>Proprietary</u>   |                      | <b>Increase<br/>(Decrease)</b> |              |
|---|----------------------|----------------------|--------------------------------|--------------|
|   | <b>2017</b>          | <b>2016</b>          | <b>Amt</b>                     | <b>%</b>     |
| Cash and investments                          | \$ 5,779,382         | \$ 5,546,079         | \$ 323,303                     | 5.9%         |
| Accounts receivable                           | 4,641,988            | 4,455,043            | 186,945                        | 4.2%         |
| Other current assets                          | 2,004,294            | 84,475               | 1,919,819                      | 2,372.6%     |
| Total current assets                          | 12,425,664           | 9,995,597            | 2,430,067                      | 24.3%        |
| Other receivables                             | 20,688,425           | 17,560,646           | 3,127,779                      | 17.8%        |
| Fixed assets (net)                            | 14,336,783           | 16,002,463           | (1,665,680)                    | (10.4)%      |
| Deferred outflows of resources                | 820,960              | 121,455              | 699,505                        | 575.93%      |
| Total assets & deferred outflows of resources | <u>\$ 48,271,832</u> | <u>\$ 43,680,161</u> | <u>\$ 4,591,671</u>            | <u>10.5%</u> |

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2017**

|  | <u>Proprietary</u>   |                      | <b>Increase</b>     | <b>%</b>     |
|--|----------------------|----------------------|---------------------|--------------|
|  | <b>2017</b>          | <b>2016</b>          | <b>(Decrease)</b>   |              |
|  |                      |                      | <b>Amount</b>       |              |
| Accounts payable   | 375                  | 39,363               | (38,988)            | (999.9905) % |
| Accrued liabilities  | 267,750              | 224,791              | 42,959              | 19.1%        |
| Other payables-related parties                                       | 975,354              | 431,706              | 543,648             | 125.9 %      |
| Compensated absences payable   | 251,292              | 215,458              | 35,834              | 16.6%        |
| Tenant security deposits   | 151,656              | 99,256               | 52,400              | 52.8%        |
| Notes payable -current   | 1,796,046            | 196,210              | 1,599,836           | 915.36%      |
| Escrows and deposits   | 151,907              | 110,466              | 41,441              | 37.5%        |
| Total current liabilities  | 3,594,380            | 1,371,211            | 2,223,169           | 262.1%       |
| Notes payable-long-term  | 5,194,938            | 6,371,211            | (1,176,273)         | (18.5)%      |
| Net pension liability  | 2,372,529            | 1,718,003            | 654,526             | 38.1%        |
| Total liabilities  | 11,161,847           | 9,406,464            | 1,755,383           | 18.7%        |
| Deferred inflows of resources  | 306,932              | 174,613              | 174,613             | 75.8%        |
| Net position   | 36,803,053           | 34,099,084           | 2,703,969           | 7.9%         |
| Total liabilities, deferred outflow<br>of resources and net position | <u>\$ 48,271,832</u> | <u>\$ 43,680,161</u> | <u>\$ 4,591,671</u> | <u>10.5%</u> |

Cash and investments increased by \$323,303. Fixed assets decreased by a net of \$(1,665,680) resulting from additions of \$978,389, deletions of \$(4,260,032), deletion of related accumulated depreciation of \$2,794,080, and depreciation expense of \$1,178,117. Total liabilities increased by \$1,755,383, which was an 18.7% increase from the prior year. Notes payable decreased by \$(1,176,273) and the net pension liability increased by \$654,526.

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, 2017 and 2016 is shown in the table below:

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2017**

**Statement of Activities**

|  | 2017         | 2016         | Increase<br>(Decrease)<br>Amount | %        |
|--|--------------|--------------|----------------------------------|----------|
| Facility rentals                           | \$ 2,188,169 | \$ 2,258,871 | \$ (70,702)                      | 3.1%     |
| HUD grant and subsidy                      | 9,840,790    | 9,314,469    | 526,321                          | 5.6%     |
| Other revenue                              | 2,640,709    | 1,705,988    | 934,721                          | 54.8%    |
| Total operating revenue                    | 14,669,668   | 13,279,328   | 1,390,340                        | 10.5%    |
| Operating expenses                         | 12,512,004   | 12,368,596   | 143,408                          | 1.2%     |
| Total operating income                     | 2,157,664    | 910,732      | 1,246,932                        | 136.9%   |
| Total non-operating<br>revenues (expenses) | 2,139,947    | (224,968)    | 2,364,915                        | 951.22%  |
| Capital grants                             | 599,354      | 997,986      | (398,632)                        | (40)%    |
| Change in net position                     | 4,896,965    | 1,683,750    | 3,213,215                        | 190.8%   |
| Equity transfers and<br>contributions      | (2,194,572)  | (1,879,596)  | 314,976                          | 16.68%   |
| Total change in net position               | \$ 2,702,393 | \$ (195,846) | \$ 2,898,239                     | (993.2)% |

HUD grants and subsidies increased by \$526,321. Capital grants increased by \$398,632. In addition, other operating revenues increased by \$934,721 resulting from additional development fees from the prior year. We anticipate revenues to flat-line or decrease in foreseeable future, unless tax credit projects materialize.

Operating expenses increased insignificantly by \$143,408, or about 1.2%.

**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 Cielo Azul Fund which was over budget by \$2,032. 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.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2017**

**Fund Balance Analysis**

| <u>Program</u>                    | <b>Increase<br/>(Decrease)</b> |
|-----------------------------------|--------------------------------|
| Housing Authority                 | \$ 476,564                     |
| Section 8 and Mainstream Vouchers | 341,469                        |
| Housing Development Corp.         | 118,877                        |
| Cielo Azul                        | 1,758,559                      |
| La Cieneguita                     | <u>6,924</u>                   |
| <br>Total operational increase    | <br><u>\$ 2,702,393</u>        |

The operational increase in net position was significant.

**Capital Asset and Debt Administration**

- Fixed assets decreased by a net of \$(1,665,680) resulting from additions of \$978,389, deletions of \$(4,260,032), deletions of accumulated depreciation of \$2,794,080 and current year depreciation expense of \$(1,178,117).
- The Housing Authority acquired additional debt during FY17 of \$625,000. All scheduled payments were made on all notes. Notes payable balance increased from \$6,567,421 at June 30, 2016 to \$6,990,984 at June 30, 2017.

**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.

## **BASIC FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
GOVERNMENT-WIDE STATEMENT OF NET POSITION  
June 30, 2017

Exhibit A

| ASSETS  | <b>Business-Type<br/>Activities</b> |
|---|-------------------------------------|
| <b>Current Assets</b>   |                                     |
| Cash, investments and equivalents   | \$ 5,475,819                        |
| Investments in other related party entities   | 1,900,000                           |
| Tenant receivable, net  | 140,098                             |
| Federal grants receivable   | 65,162                              |
| Other receivables - related parties   | 4,436,728                           |
| Prepaid expenses  | 104,294                             |
| Cash, investments and equivalents - restricted  | <u>303,563</u>                      |
| <b>Total current assets</b>   | <u>12,425,664</u>                   |
| <b>Non-current Assets</b>   |                                     |
| <b>Capital Assets</b>   |                                     |
| Land  | 1,142,589                           |
| Construction in progress  | 2,474,354                           |
| Buildings and improvements  | 30,504,939                          |
| Furniture and fixtures  | 882,914                             |
| Machinery, equipment and vehicles   | 127,486                             |
| Vehicles  | 438,602                             |
| Accumulated depreciation  | <u>(21,234,101)</u>                 |
| <b>Total capital assets (net of accumulated depreciation)</b>   | <u>14,336,783</u>                   |
| <b>Other non-current Assets</b>   |                                     |
| Notes receivable - related parties  | <u>20,688,425</u>                   |
| <b>Total other non-current assets</b>   | <u>20,688,425</u>                   |
| <b>Total non-current current assets</b>   | <u>35,025,208</u>                   |
| <b>Total assets</b>   | <u>47,450,872</u>                   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>   |                                     |
| Change of assumptions   | 139,120                             |
| Net difference between projected and actual investment earnings on pension plan investments   | 436,541                             |
| Differences between expected and actual experience  | 118,542                             |
| Employer contributions subsequent to measurement date   | <u>126,757</u>                      |
| <b>Total deferred outflows of resources</b>   | <u>820,960</u>                      |
| <b>Total assets and deferred outflows of resources</b>  | <u>\$ 48,271,832</u>                |
| <b>LIABILITIES</b>  |                                     |
| <b>Current Liabilities (payable from unrestricted assets)</b>   |                                     |
| Accounts payable  | \$ 375                              |
| Accrued liabilities   | 267,750                             |
| Other payables - related parties  | 975,354                             |
| Compensated absences payable  | 251,292                             |
| Notes payable   | <u>1,796,046</u>                    |
| <b>Total current liabilities (payable from unrestricted assets)</b>   | <u>3,290,817</u>                    |
| <b>Current Liabilities (payable from restricted assets)</b>   |                                     |
| Tenant security deposits  | 151,656                             |
| Escrows and deposits  | <u>151,907</u>                      |
| <b>Total current liabilities (payable from restricted assets)</b>   | <u>303,563</u>                      |
| <b>Total current liabilities</b>  | <u>3,594,380</u>                    |
| <b>Noncurrent Liabilities</b>   |                                     |
| Notes payable, less current portion   | 5,194,938                           |
| Net PERA pension liability  | <u>2,372,529</u>                    |
| <b>Total non-current liabilities</b>  | <u>7,567,467</u>                    |
| <b>Total liabilities</b>  | <u>11,161,847</u>                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                                     |
| Change of assumptions   | 395                                 |
| Net difference between expected and actual experience, and difference between employer contributions and proportionate share of contributions | <u>306,537</u>                      |
| <b>Total deferred inflows of resources</b>  | <u>306,932</u>                      |
| <b>NET POSITION</b>   |                                     |
| Net invested in capital assets  | 10,468,311                          |
| Restricted  | 256,573                             |
| Unrestricted  | <u>26,078,169</u>                   |
| <b>Total net position</b>   | <u>36,803,053</u>                   |
| <b>Total liabilities, deferred inflows of resources and net position</b>  | <u>\$ 48,271,832</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, 2017**

|   |           | Business - Type<br>Activities |
|---|-----------|-------------------------------|
| Operating revenues                              |           |                               |
| Facilities rentals                              | \$        | 2,188,169                     |
| HUD grant amd subsidy                           |           | 9,840,790                     |
| Development fees                                |           | 1,472,608                     |
| Other revenue                                   |           | 1,168,101                     |
| Total operating revenues                        |           | 14,669,668                    |
| Operating expenses                              |           |                               |
| Community welfare - Housing assistance payments |           | 7,721,015                     |
| Administration - salaries, wages and benefits   |           | 2,177,331                     |
| Contractual services and utilities              |           | 719,681                       |
| Repairs and maintenance                         |           | 500,249                       |
| Insurance                                       |           | 133,318                       |
| Other expenses                                  |           | 82,294                        |
| Depreciation expense                            |           | 1,178,116                     |
| Total operating expenses                        |           | 12,512,004                    |
| <b>Operating income (loss)</b>                  |           | <b>2,157,664</b>              |
| Nonoperating revenues (expenses)                |           |                               |
| Interest income                                 |           | 30,623                        |
| Interest expense                                |           | (322,709)                     |
| Gain on sale of assets                          |           | 2,432,033                     |
| <b>Total nonoperating revenues (expenses)</b>   |           | <b>2,139,947</b>              |
| Capital grants - Public Housing                 |           | 599,354                       |
| <b>Change in net position</b>                   |           | <b>4,896,965</b>              |
| Net position, beginning, as reported            |           | 34,099,084                    |
| Restatements:                                   |           |                               |
| Prior-period adjustments (note 13)              |           | 1,576                         |
| Net position, beginning, as restated            |           | 34,100,660                    |
| Equity transfers in (out)                       |           | (2,194,572)                   |
| <b>Net position, ending</b>                     | <b>\$</b> | <b>36,803,053</b>             |

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, 2017

|  | <b>Business-Type<br/>Activities</b> |
|--|-------------------------------------|
| Cash Flows From Operating Activities   |                                     |
| Cash received from customers and grantors  | \$ 11,673,855                       |
| Cash payments to suppliers for goods and services                                      | (7,659,361)                         |
| Cash payments to employees for services  | (2,098,538)                         |
| <b>Net cash provided by operating activities</b>                                       | <u>1,915,956</u>                    |
| Cash Flows From Capital and Related Financing Activities                               |                                     |
| Disposal of capital assets   | 1,465,952                           |
| Acquisition and construction of capital assets   | (978,389)                           |
| Gain on sale of assets   | 2,432,033                           |
| Principal payments on long-term debt   | (504,716)                           |
| Interest payments on long-term debt  | (322,709)                           |
| Proceeds from debt   | 625,000                             |
| Loans to other related parties   | (934,146)                           |
| Capital grants   | 599,354                             |
| Residual equity transfer (out) - CIP   | (2,194,572)                         |
| Prior-period adjustments   | 1,577                               |
| <b>Net cash used by capital and related financing activities</b>                       | <u>189,384</u>                      |
| Cash Flows From Noncapital Financing Activities  |                                     |
| Net pension liability, deferred outflows/inflows of resources changes                  | 87,340                              |
| <b>Net cash used by noncapital financing activities</b>                                | <u>87,340</u>                       |
| Cash Flows From Investing Activities   |                                     |
| Investments in other related parties   | (1,900,000)                         |
| Interest and dividends on investments  | 30,623                              |
| <b>Net cash provided by investing activities</b>                                       | <u>(1,869,377)</u>                  |
| <b>Net (decrease) in cash and cash equivalents</b>                                     | 323,303                             |
| Cash investments and cash equivalents at beginning of year                             | <u>5,456,079</u>                    |
| <b>Cash investments and cash equivalents at end of year</b>                            | <u>\$ 5,779,382</u>                 |
| Reconciliation of operating income to net cash provided by operating activities        |                                     |
| Operating (loss) income  | \$ 2,157,664                        |
| Adjustments to reconcile operating income to net cash provided by operating activities |                                     |
| Depreciation and amortization  | 1,178,116                           |
| Change in assets and liabilities   |                                     |
| Accounts receivable  | 48,838                              |
| Grants receivable  | 46,920                              |
| Prepaid expenses   | (19,819)                            |
| Due from other funds   | (524,353)                           |
| Other receivables  | 5,150                               |
| Due from related parties   | (1,203,853)                         |
| Accounts payable   | (38,988)                            |
| Due to related parties   | (430,706)                           |
| Compensated absences payable   | 35,834                              |
| Accrued liabilities  | 42,959                              |
| Security deposits  | 93,841                              |
| Due to other funds   | 524,353                             |
| <b>Total adjustments</b>   | <u>(241,708)</u>                    |
| <b>Net cash provided by operating activities</b>                                       | <u>\$ 1,915,956</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, 2017

|  | Housing<br>Authority | Section 8<br>Voucher | SF Housing<br>Development<br>Corporation | Cielo<br>Azul        | La<br>Cieneguita    | Sub-<br>Total        | Eliminations          | Total                |
|--|----------------------|----------------------|--|----------------------|---------------------|----------------------|-----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |  |                      |                     |                      |                       |                      |
| <b>Current Assets</b>  |                      |                      |  |                      |                     |                      |                       |                      |
| Cash, investments and equivalents  | \$ 1,195,459         | \$ 1,368,017         | \$ 2,361,498                             | \$ 238,085           | \$ 312,760          | \$ 5,475,819         | \$ -                  | \$ 5,475,819         |
| Investments in other related party entities  | 1,900,000            | -                    | -  | -                    | -                   | 1,900,000            | -                     | 1,900,000            |
| Tenant receivable  | 132,419              | -                    | 7,063                                    | -                    | 616                 | 140,098              | -                     | 140,098              |
| Federal grants receivable  | -                    | 65,162               | -  | -                    | -                   | 65,162               | -                     | 65,162               |
| Other receivables - related parties  | 3,385,325            | -                    | 363,820                                  | 687,583              | -                   | 4,436,728            | -                     | 4,436,728            |
| Due from other funds   | 72,041               | -                    | 1,300,000                                | 940,089              | -                   | 2,312,130            | (2,312,130)           | -                    |
| Prepaid expenses   | 71,702               | -                    | 20,509                                   | 5,751                | 6,332               | 104,294              | -                     | 104,294              |
| Cash, investments and equivalents-<br>restricted   | 58,911               | 145,237              | 19,847                                   | 73,189               | 6,379               | 303,563              | -                     | 303,563              |
| <b>Total current assets</b>  | <b>6,815,857</b>     | <b>1,578,416</b>     | <b>4,072,737</b>                         | <b>1,944,697</b>     | <b>326,087</b>      | <b>14,737,794</b>    | <b>(2,312,130)</b>    | <b>12,425,664</b>    |
| <b>Non-current assets</b>  |                      |                      |  |                      |                     |                      |                       |                      |
| <b>Capital Assets</b>  |                      |                      |  |                      |                     |                      |                       |                      |
| Land   | 299,637              | -                    | 268,652                                  | 330,000              | 244,300             | 1,142,589            | -                     | 1,142,589            |
| Construction in progress   | 474,354              | -                    | -  | 2,000,000            | -                   | 2,474,354            | -                     | 2,474,354            |
| Buildings and improvements   | 20,844,934           | -                    | 3,708,509                                | 4,477,839            | 1,473,757           | 30,504,939           | -                     | 30,504,939           |
| 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   | 438,602              | -                    | -  | -                    | -                   | 438,602              | -                     | 438,602              |
| Accumulated depreciation   | (15,739,178)         | -                    | (3,852,678)                              | (863,699)            | (778,546)           | (21,234,101)         | -                     | (21,234,101)         |
| <b>Total capital assets<br/>(net of depreciation)</b>  | <b>7,120,749</b>     | <b>-</b>             | <b>327,968</b>                           | <b>5,944,140</b>     | <b>943,926</b>      | <b>14,336,783</b>    | <b>-</b>              | <b>14,336,783</b>    |
| <b>Other non-current assets</b>  |                      |                      |  |                      |                     |                      |                       |                      |
| Notes receivable - related parties   | 15,974,724           | -                    | -  | 4,713,701            | -                   | 20,688,425           | -                     | 20,688,425           |
| <b>Total other non-current assets</b>  | <b>15,974,724</b>    | <b>-</b>             | <b>-</b>                                 | <b>4,713,701</b>     | <b>-</b>            | <b>20,688,425</b>    | <b>-</b>              | <b>20,688,425</b>    |
| <b>Total non-current assets</b>  | <b>23,095,473</b>    | <b>-</b>             | <b>327,968</b>                           | <b>10,657,841</b>    | <b>943,926</b>      | <b>35,025,208</b>    | <b>-</b>              | <b>35,025,208</b>    |
| <b>Total assets</b>  | <b>29,911,330</b>    | <b>1,578,416</b>     | <b>4,400,705</b>                         | <b>12,602,538</b>    | <b>1,270,013</b>    | <b>49,763,002</b>    | <b>(2,312,130)</b>    | <b>47,450,872</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>  |                      |                      |  |                      |                     |                      |                       |                      |
| Change of assumptions  | 62,092               | 37,449               | 16,980                                   | 15,084               | 7,515               | 139,120              | -                     | 139,120              |
| Net difference between projected and actual investment<br>earnings on pension plan investments     | 194,836              | 117,511              | 53,282                                   | 47,331               | 23,581              | 436,541              | -                     | 436,541              |
| Differences between expected and actual experience   | 52,907               | 31,910               | 14,469                                   | 12,853               | 6,403               | 118,542              | -                     | 118,542              |
| Employer contributions subsequent<br>to measurement date   | 56,574               | 34,121               | 15,471                                   | 13,744               | 6,847               | 126,757              | -                     | 126,757              |
| <b>Total deferred inflows of resources</b>   | <b>366,409</b>       | <b>220,991</b>       | <b>100,202</b>                           | <b>89,012</b>        | <b>44,346</b>       | <b>820,960</b>       | <b>-</b>              | <b>820,960</b>       |
| <b>Total assets and deferred outflows of resources</b>   | <b>\$ 30,277,739</b> | <b>\$ 1,799,407</b>  | <b>\$ 4,500,907</b>                      | <b>\$ 12,691,550</b> | <b>\$ 1,314,359</b> | <b>\$ 50,583,962</b> | <b>\$ (2,312,130)</b> | <b>\$ 48,271,832</b> |
| <b>LIABILITIES</b>   |                      |                      |  |                      |                     |                      |                       |                      |
| <b>Current Liabilities (payable from unrestricted assets)</b>                                      |                      |                      |  |                      |                     |                      |                       |                      |
| Accounts payable   | \$ -                 | \$ -                 | \$ -                                     | \$ 375               | \$ -                | \$ 375               | \$ -                  | \$ 375               |
| Compensated absences payable   | 251,292              | -                    | -  | -                    | -                   | 251,292              | -                     | 251,292              |
| Accrued liabilities  | 267,750              | -                    | -  | -                    | -                   | 267,750              | -                     | 267,750              |
| Other payables-related parties   | 974,354              | 1,000                | -  | -                    | -                   | 975,354              | -                     | 975,354              |
| Notes payable  | -                    | -                    | 83,343                                   | 1,712,703            | -                   | 1,796,046            | -                     | 1,796,046            |
| Due to other funds   | 940,089              | 10,239               | 42,065                                   | 1,300,000            | 19,737              | 2,312,130            | (2,312,130)           | -                    |
| <b>Total current liabilities (payable from<br/>unrestricted assets)</b>                            | <b>2,433,485</b>     | <b>11,239</b>        | <b>125,408</b>                           | <b>3,013,078</b>     | <b>19,737</b>       | <b>5,602,947</b>     | <b>(2,312,130)</b>    | <b>3,290,817</b>     |
| <b>Current Liabilities (payable from restricted assets)</b>  |                      |                      |  |                      |                     |                      |                       |                      |
| Tenant security deposits   | 52,241               | -                    | 19,847                                   | 73,189               | 6,379               | 151,656              | -                     | 151,656              |
| Escrows and deposits   | 6,670                | 145,237              | -  | -                    | -                   | 151,907              | -                     | 151,907              |
| <b>Total current liabilities (payable from<br/>unrestricted assets)</b>                            | <b>58,911</b>        | <b>145,237</b>       | <b>19,847</b>                            | <b>73,189</b>        | <b>6,379</b>        | <b>303,563</b>       | <b>-</b>              | <b>303,563</b>       |
| <b>Total current liabilities</b>   | <b>2,492,396</b>     | <b>156,476</b>       | <b>145,255</b>                           | <b>3,086,267</b>     | <b>26,116</b>       | <b>5,906,510</b>     | <b>(2,312,130)</b>    | <b>3,594,380</b>     |
| <b>Noncurrent Liabilities</b>  |                      |                      |  |                      |                     |                      |                       |                      |
| Notes payable  | -                    | -                    | 3,039,169                                | 2,155,769            | -                   | 5,194,938            | -                     | 5,194,938            |
| Due to other funds (less current portion)  | -                    | -                    | -  | -                    | -                   | -                    | -                     | -                    |
| Net PERA pension liability   | 1,058,903            | 638,652              | 289,579                                  | 257,237              | 128,158             | 2,372,529            | -                     | 2,372,529            |
| <b>Total noncurrent liabilities</b>  | <b>1,058,903</b>     | <b>638,652</b>       | <b>3,328,748</b>                         | <b>2,413,006</b>     | <b>128,158</b>      | <b>7,567,467</b>     | <b>-</b>              | <b>7,567,467</b>     |
| <b>Total liabilities</b>   | <b>3,551,299</b>     | <b>795,128</b>       | <b>3,474,003</b>                         | <b>5,499,273</b>     | <b>154,274</b>      | <b>13,473,977</b>    | <b>(2,312,130)</b>    | <b>11,161,847</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                      |                      |  |                      |                     |                      |                       |                      |
| Change of assumptions  | 177                  | 106                  | 48                                       | 43                   | 21                  | 395                  | -                     | 395                  |
| Net difference between expected and actual earnings,<br>actual experience and change in proportion | 136,812              | 82,515               | 37,415                                   | 33,236               | 16,559              | 306,537              | -                     | 306,537              |
| <b>Total deferred inflows of resources</b>   | <b>136,989</b>       | <b>82,621</b>        | <b>37,463</b>                            | <b>33,279</b>        | <b>16,580</b>       | <b>306,932</b>       | <b>-</b>              | <b>306,932</b>       |
| <b>NET POSITION</b>  |                      |                      |  |                      |                     |                      |                       |                      |
| Net invested in capital assets   | 7,120,749            | -                    | 327,968                                  | 2,075,668            | 943,926             | 10,468,311           | -                     | 10,468,311           |
| Restricted   | -                    | 256,573              | -  | -                    | -                   | 256,573              | -                     | 256,573              |
| Unrestricted   | 19,468,702           | 665,085              | 661,473                                  | 5,083,330            | 199,579             | 26,078,169           | -                     | 26,078,169           |
| <b>Total net position</b>  | <b>26,589,451</b>    | <b>921,658</b>       | <b>989,441</b>                           | <b>7,158,998</b>     | <b>1,143,505</b>    | <b>36,803,053</b>    | <b>-</b>              | <b>36,803,053</b>    |
| <b>Total liabilities, deferred inflows of resources<br/>and net position</b>                       | <b>\$ 30,277,739</b> | <b>\$ 1,799,407</b>  | <b>\$ 4,500,907</b>                      | <b>\$ 12,691,550</b> | <b>\$ 1,314,359</b> | <b>\$ 50,583,962</b> | <b>\$ (2,312,130)</b> | <b>\$ 48,271,832</b> |

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, 2017

|   | Housing<br>Authority | Section 8<br>Voucher | SF Housing<br>Development<br>Corporation | Cielo<br>Azul       | La<br>Cieneguita    | Total                |
|---|----------------------|----------------------|--|---------------------|---------------------|----------------------|
| Operating Revenues                                  |                      |                      |  |                     |                     |                      |
| Facilities rentals                                  | \$ 620,473           | \$ -                 | \$ 767,781                               | \$ 541,086          | \$ 258,829          | \$ 2,188,169         |
| HUD grant and subsidy                               | 1,102,451            | 8,738,339            | -  | -                   | -                   | 9,840,790            |
| Development fees                                    | -                    | -                    | -  | 1,472,608           | -                   | 1,472,608            |
| Other revenue                                       | 470,049              | 143                  | -  | 692,292             | 5,617               | 1,168,101            |
| <b>Total operating revenues</b>                     | <u>2,192,973</u>     | <u>8,738,482</u>     | <u>767,781</u>                           | <u>2,705,986</u>    | <u>264,446</u>      | <u>14,669,668</u>    |
| Operating Expenses                                  |                      |                      |  |                     |                     |                      |
| Community welfare                                   | 37,988               | 7,683,027            | -  | -                   | -                   | 7,721,015            |
| Salaries, wages and benefits                        | 971,354              | 568,321              | 245,249                                  | 274,141             | 118,266             | 2,177,331            |
| Contractual services and utilities                  | 284,045              | 109,082              | 149,486                                  | 137,726             | 39,342              | 719,681              |
| Repairs and maintenance                             | 230,264              | 16,692               | 27,066                                   | 207,837             | 18,390              | 500,249              |
| Insurance   | 102,919              | 160                  | 19,778                                   | 3,692               | 6,769               | 133,318              |
| Other   | 51,701               | 19,861               | -  | -                   | 10,732              | 82,294               |
| Depreciation expense                                | 875,060              | -                    | 98,442                                   | 140,538             | 64,076              | 1,178,116            |
| <b>Total operating expenses</b>                     | <u>2,553,331</u>     | <u>8,397,143</u>     | <u>540,021</u>                           | <u>763,934</u>      | <u>257,575</u>      | <u>12,512,004</u>    |
| <b>Operating income (loss)</b>                      | <u>(360,358)</u>     | <u>341,339</u>       | <u>227,760</u>                           | <u>1,942,052</u>    | <u>6,871</u>        | <u>2,157,664</u>     |
| Nonoperating Revenues (Expenses)                    |                      |                      |  |                     |                     |                      |
| Interest on investments                             | 107                  | 130                  | 958                                      | 29,375              | 53                  | 30,623               |
| Interest expense                                    | -                    | -                    | (109,841)                                | (212,868)           | -                   | (322,709)            |
| Gain on sale of assets                              | 2,432,033            | -                    | -  | -                   | -                   | 2,432,033            |
| <b>Total nonoperating<br/>revenues (expenses)</b>   | <u>2,432,140</u>     | <u>130</u>           | <u>(108,883)</u>                         | <u>(183,493)</u>    | <u>53</u>           | <u>2,139,947</u>     |
| Capital grants - Public Housing                     | 599,354              | -                    | -  | -                   | -                   | 599,354              |
| <b>Change in net position</b>                       | <u>2,671,136</u>     | <u>341,469</u>       | <u>118,877</u>                           | <u>1,758,559</u>    | <u>6,924</u>        | <u>4,896,965</u>     |
| <b>Net position, beginning of year, as reported</b> | 26,112,887           | 580,189              | 870,861                                  | 5,398,566           | 1,136,581           | 34,099,084           |
| <b>Restatement:</b>                                 |                      |                      |  |                     |                     |                      |
| Prior-period adjustment (note 13)                   | -                    | -                    | (297)                                    | 1,873               | -                   | 1,576                |
| <b>Net position, beginning of year, as restated</b> | 26,112,887           | 580,189              | 870,564                                  | 5,400,439           | 1,136,581           | 34,100,660           |
| Equity transfers in (out)                           | (2,194,572)          | -                    | -  | -                   | -                   | (2,194,572)          |
| <b>Net position, end of year</b>                    | <u>\$ 26,589,451</u> | <u>\$ 921,658</u>    | <u>\$ 989,441</u>                        | <u>\$ 7,158,998</u> | <u>\$ 1,143,505</u> | <u>\$ 36,803,053</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 CASH FLOWS  
ENTERPRISE FUNDS  
Year Ended June 30, 2017

|   | Housing<br>Authority | Section 8<br>Voucher | SF Housing<br>Development<br>Corporation | Cielo<br>Azul      | La<br>Cieneguita  | Total               |
|---|----------------------|----------------------|--|--------------------|-------------------|---------------------|
| <b>Cash Flows from Operating Activities</b>   |                      |                      |  |                    |                   |                     |
| Cash received from customers and grantors   | \$ 1,078,176         | \$ 8,751,751         | \$ 788,959                               | \$ 790,086         | \$ 264,883        | \$ 11,673,855       |
| Cash payments to suppliers for goods and services                                       | 775,170              | (7,807,183)          | (204,697)                                | (356,156)          | (66,495)          | (7,659,361)         |
| Cash payments to employees for services   | (892,561)            | (568,321)            | (245,249)                                | (274,141)          | (118,266)         | (2,098,538)         |
| <b>Net cash provided by operating activities</b>  | <u>960,785</u>       | <u>376,247</u>       | <u>339,013</u>                           | <u>159,789</u>     | <u>80,122</u>     | <u>1,915,956</u>    |
| <b>Cash Flows from Capital Financing Activities</b>                                     |                      |                      |  |                    |                   |                     |
| Disposal of capital assets  | 1,465,952            | -                    | -  | -                  | -                 | 1,465,952           |
| Acquisition and construction of capital assets  | (599,354)            | -                    | -  | (379,035)          | -                 | (978,389)           |
| Gain on sale of assets  | 2,432,033            | -                    | -  | -                  | -                 | 2,432,033           |
| Principal payments on long-term debt  | (303,279)            | -                    | (80,226)                                 | (121,211)          | -                 | (504,716)           |
| Interest payments on long-term debt   | -                    | -                    | (109,841)                                | (212,868)          | -                 | (322,709)           |
| Proceeds from debt  | -                    | -                    | 500,000                                  | 125,000            | -                 | 625,000             |
| Loans to other related parties  | -                    | -                    | -  | (934,146)          | -                 | (934,146)           |
| Capital grants  | 599,354              | -                    | -  | -                  | -                 | 599,354             |
| Residual equity transfers (out) - CIP   | (2,194,572)          | -                    | -  | -                  | -                 | (2,194,572)         |
| Prior-period adjustment to equity   | -                    | -                    | (296)                                    | 1,873              | -                 | 1,577               |
| <b>Net cash used by capital financing activities</b>                                    | <u>1,400,134</u>     | <u>-</u>             | <u>309,637</u>                           | <u>(1,520,387)</u> | <u>-</u>          | <u>189,384</u>      |
| <b>Cash Flows from Noncapital Financing Activities</b>                                  |                      |                      |  |                    |                   |                     |
| Pension liability, deferred outflows/inflows of resources changes                       | 25,835               | 16,584               | (9,048)                                  | 48,246             | 5,723             | 87,340              |
| <b>Net cash provided (used) by noncapital financing activities</b>                      | <u>25,835</u>        | <u>16,584</u>        | <u>(9,048)</u>                           | <u>48,246</u>      | <u>5,723</u>      | <u>87,340</u>       |
| <b>Cash Flows from Investing Activities</b>   |                      |                      |  |                    |                   |                     |
| Investments in other related parties  | (1,900,000)          | -                    | -  | -                  | -                 | (1,900,000)         |
| Interest and dividends on investments   | 107                  | 130                  | 958                                      | 29,375             | 53                | 30,623              |
| <b>Net cash provided (used) by investing activities</b>                                 | <u>(1,899,893)</u>   | <u>130</u>           | <u>958</u>                               | <u>29,375</u>      | <u>53</u>         | <u>(1,869,377)</u>  |
| <b>Net (decrease) increase in cash and cash equivalents</b>                             | <u>486,861</u>       | <u>392,961</u>       | <u>640,560</u>                           | <u>(1,282,977)</u> | <u>85,898</u>     | <u>323,303</u>      |
| Cash investments and cash equivalents at beginning of year                              | 767,509              | 1,120,293            | 1,740,785                                | 1,594,251          | 233,241           | 5,456,079           |
| <b>Cash investments and cash equivalents at end of year</b>                             | <u>\$ 1,254,370</u>  | <u>\$ 1,513,254</u>  | <u>\$ 2,381,345</u>                      | <u>\$ 311,274</u>  | <u>\$ 319,139</u> | <u>\$ 5,779,382</u> |
| <b>Reconciliation of operating income to net cash provided by operating activities</b>  |                      |                      |  |                    |                   |                     |
| Operating (loss) income   | \$ (360,358)         | \$ 341,339           | \$ 227,760                               | \$ 1,942,052       | \$ 6,871          | \$ 2,157,664        |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                      |                      |  |                    |                   |                     |
| Depreciation/amortization   | 875,060              | -                    | 98,442                                   | 140,538            | 64,076            | 1,178,116           |
| Change in assets and liabilities:   |                      |                      |  |                    |                   |                     |
| Accounts receivable   | 46,564               | -                    | (2,425)                                  | 4,729              | (30)              | 48,838              |
| Grants receivable   | 73,116               | (26,196)             | -  | -                  | -                 | 46,920              |
| Prepaid expenses  | (8,988)              | -                    | (5,533)                                  | (4,517)            | (781)             | (19,819)            |
| Due from other funds  | 469,540              | 6,107                | -  | (1,000,000)        | -                 | (524,353)           |
| Other receivables   | -                    | 5,150                | -  | -                  | -                 | 5,150               |
| Due from related parties  | (1,203,853)          | -                    | -  | -                  | -                 | (1,203,853)         |
| Accounts payable  | (30,998)             | -                    | (2,834)                                  | (2,384)            | (2,772)           | (38,988)            |
| Due to related parties  | (28,024)             | 1,000                | -  | (403,682)          | -                 | (430,706)           |
| Compensated absences payable  | 35,834               | -                    | -  | -                  | -                 | 35,834              |
| Accrued liabilities   | 42,959               | -                    | -  | -                  | -                 | 42,959              |
| Security deposits   | (2,600)              | 39,465               | 695                                      | 55,814             | 467               | 93,841              |
| Due to other funds  | 1,052,533            | 9,382                | 22,908                                   | (572,761)          | 12,291            | 524,353             |
| <b>Total adjustments</b>  | <u>1,321,143</u>     | <u>34,908</u>        | <u>111,253</u>                           | <u>(1,782,263)</u> | <u>73,251</u>     | <u>(241,708)</u>    |
| <b>Net cash provided by operating activities</b>  | <u>\$ 960,785</u>    | <u>\$ 376,247</u>    | <u>\$ 339,013</u>                        | <u>\$ 159,789</u>  | <u>\$ 80,122</u>  | <u>\$ 1,915,956</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, 2017**

**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, 2017.

*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**  
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**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.

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**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, 2017, 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.



**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
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June 30, 2017**

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

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

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

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

|  | <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 four types of items that qualify for reporting in this category. Accordingly, the items, contributions subsequent to measurement date of \$126,757, change in assumptions of \$139,120, net difference between expected and actual experience of \$118,542, and net difference between projected and actual investment earnings of \$436,541 are reported in the Statement of Net Position. These amounts are deferred and recognized as outflow of resources the appropriate future period when the outflow occurs.

*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

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

(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 three types of items that qualify for reporting in this category. Accordingly, net difference between expected and actual earnings of \$23,154, the change in proportion and difference between the Housing Authority contribution and proportionate share of contributions of \$283,383 and change in assumptions of \$395 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.

*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.

*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, 2017.

*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, 2017.
- Unrestricted net position - Consists of all other net assets that do not meet the definition of "restricted" or "net investment in capital assets."

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2017**

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

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.

**NOTE 2. NEW ACCOUNTING STANDARDS ADOPTED**

GASB Statement No. 82. The 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.

During the year, the Housing Authority adopted GASB Statement No. 77, *Tax Abatement Disclosures*. The implementation of this statement did not have any impact on the Housing Authority since the Housing Authority is not subject to tax abatements by any taxing authority.

**STATE OF NEW MEXICO**  
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**NOTE 2. NEW ACCOUNTING STANDARDS ADOPTED (CONT'D)**

During the year, the Housing Authority adopted GASB Statement No. 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*. The implementation of this statement is being evaluated by the Housing Authority and could have an effect on subsequent year financial statements.

**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  | \$ 1,328,960               |
| Collateral held by pledging bank's trust<br>department not in the Authority's name | <u>3,913,556</u>           |
| <b>Total deposits</b>  | <b>\$ <u>5,242,516</u></b> |

*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, 2017, \$3,913,556 of the Housing Authority's bank balance of \$5,242,516 was exposed to custodial credit risk as follows:

|  |                            |
|--|----------------------------|
| Uninsured and collateral held by pledging bank's trust<br>department not in the Authority's name | \$ <u>3,913,556</u>        |
| <b>Total</b>   | <b>\$ <u>3,913,556</u></b> |

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 \$666,019 on June 30, 2017.

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
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**June 30, 2017**

**NOTE 3. DEPOSITS AND INVESTMENTS (CONT'D)**

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:

|                                 | <u>Tenant<br/>Receivable</u> | <u>Allowance</u>           | <u>Net Tenant<br/>Receivable</u> |
|---------------------------------|------------------------------|----------------------------|----------------------------------|
| Housing Authority               | \$ 299,533                   | \$(192,704)                | \$ 106,829                       |
| SF Housing Development Corp.    | 7,062                        | -                          | 7,062                            |
| Cielo Azul                      | (154)                        | -                          | (154)                            |
| La Cieneguita                   | <u>616</u>                   | <u>-</u>                   | <u>616</u>                       |
| <b>Total tenant receivables</b> | <b><u>\$307,057</u></b>      | <b><u>\$ (192,704)</u></b> | <b><u>\$ 114,353</u></b>         |

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**SANTA FE CIVIC HOUSING AUTHORITY**  
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**NOTE 5. INTERFUND ACTIVITY**

| <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            | \$ 72,041     | Santa Fe Housing              | \$940,089     |
| Section 8 Vouchers          | 940,089       | Cielo Azul                    | 1,300,000     |
| Santa Fe Housing Dev. Corp. | 1,300,000     | Section 8 -Mainstream Voucher | 10,238        |
|                             |               | La Cieneguita                 | 19,737        |
|                             |               | Santa Fe Housing Dev. Corp.   | 42,065        |
|                             |               |                               | \$ 2,312,130  |
| Total current               | \$ 2,312,130  | Total current                 | \$ 2,312,130  |

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%           |
| PT RAD Development, LLC         | 0.001%           |
| VH RAD Development, LLC         | 0.001%           |
| Santa Fe Community Living, LLC  | 0.001%           |
| Village in the Bosque, LLC      | 0.001%           |

The RAD entities have a sole member (SFCHA) and a managing member (the SFCHA Exec. Director). The SFCHA Executive Director is Treasurer of Casas De Buena Ventura, Inc. Campo Alegria, LLC, Villa Alegre Family, LLC, Villa Alegre Senior, LLC, Santa Fe Community Living, LLC and Village in the Bosque, LLC are LIHTC developments with SFCHA managing member.

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**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
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**NOTE 6. RELATED PARTY BALANCES (CONT'D)**

**Due From Other Related Party Entities**

Santa Fe Housing Authority

|   |                   |
|---|-------------------|
| Due From Village in the Bosque 1128 (Due From)        | \$ 57,554         |
| Due From Santa Fe Community Living (Due From)         | 3,164,731         |
| Due from VH RAD (Due From)                            | 96,395            |
| Due from VH Santa Fe (Due From)                       | 66,645            |
| Other receivables - related parties                   | <u>3,385,325</u>  |
| Due From Village in the Bosque 1124 (Note)            | 2,500,000         |
| Due From Santa Fe Community Living-Acquisition (note) | 8,500,000         |
| Due from VA Family (Note)                             | 476,974           |
| Due from VA Senior (Note)                             | 3,497,750         |
| Due from Villa Hermosa (Note)                         | 1,000,000         |
| Notes receivable - related parties                    | <u>15,974,724</u> |
| Total Santa Fe Housing authority                      | <u>19,360,049</u> |

Santa Fe Housing Development Corp

|                                     |                |
|-------------------------------------|----------------|
| Due from Villa Alegre Family, LLC   | <u>363,820</u> |
| Other receivables - related parties | <u>363,820</u> |

Cielo Azul

|   |                  |
|---|------------------|
| Due from Country Club Apartments (A/R-Due From) | 119,111          |
| Due from Santa Fe RAD (A/R-Due From)            | 200,000          |
| Due from PT RAD (A/R-Due From)                  | 50,000           |
| Due from VH RAD (A/R-Due From)                  | 50,000           |
| Due from Bernalillo RAD (A/R-Due From)          | 268,350          |
| Due from Benalillo tenants (Due From)           | 122              |
| Other receivables - related parties             | <u>687,583</u>   |
| Notes Receivable-Village in the Bosque(Note)    | 1,264,024        |
| Due from Santa Fe Community Living (note)       | 3,005,071        |
| Due from Campo Alegria (Note)                   | 444,605          |
| Notes receivable - related parties              | <u>4,713,700</u> |
| Total Cielo Azul                                | <u>5,401,283</u> |

\$ 25,125,152

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**Due From Other Related Party Entities**

|                                      |  |                     |
|--------------------------------------|--|---------------------|
| <u>Santa Fe Housing Authority</u>    |  |                     |
| Due to PT RAD                        |  | \$ (224,354)        |
| Due to Bernalillo RAD                |  | <u>(750,000)</u>    |
|                                      |  | <u>(974,354)</u>    |
| <br><u>Voucher Program-Section 8</u> |  |                     |
| Due to Village in the Bosque         |  | <u>(1,000)</u>      |
|                                      |  | <u>\$ (975,354)</u> |

Santa Fe Housing

The notes receivable-related parties amounting to \$15,974,724 are not expected to be collected within one year.

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.

Cielo Azul

The notes receivable-related parties amounting to \$4,713,700 are not expected to be collected within one year.

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.



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**NOTE 7. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 was as follows:

|   | <b>Beginning<br/>Balance</b> | <b>Additions</b> | <b>Deletions</b> | <b>Ending<br/>Balance</b> |
|---|------------------------------|------------------|------------------|---------------------------|
| Capital assets not being depreciated        |                              |                  |                  |                           |
| Land  | \$ 1,142,589                 | \$ -             | \$ -             | \$ 1,142,589              |
| Construction in progress                    | 2,872,986                    | 599,354          | (997,986)        | 2,474,354                 |
| Total                                       | 4,015,575                    | 599,354          | (997,986)        | 3,616,943                 |
| Capital assets being depreciated            |                              |                  |                  |                           |
| Buildings and improvements                  | 33,387,951                   | 379,035          | (3,262,046)      | 30,504,940                |
| Furniture and fixtures                      | 882,914                      | -                | -                | 882,914                   |
| Machinery and equipment                     | 127,486                      | -                | -                | 127,486                   |
| Vehicles                                    | 438,601                      | -                | -                | 438,601                   |
| Total                                       | 34,836,952                   | 379,035          | (3,262,046)      | 31,953,941                |
| Less accumulated depreciation               | (22,850,064)                 | (1,178,116)      | 2,794,081        | (21,234,099)              |
| Total capital assets being depreciated, net | 11,986,888                   | (799,081)        | (467,965)        | 10,719,842                |

Depreciation expense for the year ended June 30, 2017, totaled \$ 1,178,116. 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, 2017.

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**NOTE 8. LONG-TERM DEBT**

*Changes in Long-Term Liabilities.* During the year ended June 30, 2017, the following changes occurred in liabilities reported in the general long-term debt account group:

|                      | Balance             |                   |                     | Balance             | Due Within          |
|----------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
|                      | 6/30/16             | Additions         | Deductions          | 6/30/17             | One Year            |
| Notes payable        | \$ 6,567,421        | \$ 625,000        | \$ (201,437)        | \$ 6,990,984        | \$ 1,796,046        |
| Compensated absences | <u>215,458</u>      | <u>111,680</u>    | <u>(83,896)</u>     | <u>21,125</u>       | <u>16,471</u>       |
| Total                | <u>\$ 6,782,879</u> | <u>\$ 736,680</u> | <u>\$ (285,333)</u> | <u>\$ 7,012,109</u> | <u>\$ 1,812,517</u> |

For the year ended June 30, 2017, the Authority incurred \$281,168 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, 2017 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, 2017 is \$44,598.

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, 2017, is \$2,364,244.

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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, 2017, is \$258,268.

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, 2017, is \$551,418.

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, 2017, is \$222,936.

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, 2017, is \$878,448.

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 June 30, 2017 is \$1,644,760.

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 July 2025. The balance of the note as of June 30, 2017 is \$88,257.

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, 2017 is \$114,947.

The Housing Authority (Cielo Azul) entered into a commercial mortgage with the Los Alamos National Bank for the purpose of acquiring the Calle Angelica property for \$125,000 at 4.75%, secured by real property and with a maturity date of December 2021. The balance of the note as of June 30, 2017 is \$123,108.

The Housing Authority (Santa Fe Development Corp.) entered into a short-term line of credit note on June 19, 2017 with the Los National Bank for \$500,000, with a maturity date of August 19, 2017, interest rate at 2.379%. The balance of the loan was \$500,000 at June 30, 2017. The loan was subsequently paid off on August 10, 2017.

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

Total aggregate maturing of the notes payable at June 30, 2017, 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> |
| 2018        | \$ 18,343                       | \$ 32,018       | \$ 64,883                       | \$ 99,228       |
| 2019        | 19,478                          | 30,886          | 67,694                          | 96,417          |
| 2020        | 20,676                          | 29,685          | 70,628                          | 93,483          |
| 2021        | 21,951                          | 28,400          | 73,689                          | 90,423          |
| 2022        | 23,305                          | 27,056          | 70,532                          | 87,229          |
| 2023-2027   | 139,943                         | 111,862         | 2,016,818                       | 164,320         |
| 2028-2032   | 188,762                         | 63,043          | -                               | -               |
| 2033-2035   | 118,960                         | 8,123           | -                               | -               |
|             | <u>582,395</u>                  | <u>331,073</u>  | <u>2,486,001</u>                | <u>863,470</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> |
| 2018        | 200,000                      | -               | 9,063             | 2,024           |
| 2019        | -                            | -               | 9,527             | 1,560           |
| 2020        | -                            | -               | 10,014            | 1,073           |
| 2021        | -                            | -               | 10,527            | 561             |
| 2022        | -                            | -               | 5,467             | 80              |
|             | <u>200,000</u>               | <u>-</u>        | <u>44,598</u>     | <u>5,298</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> |
| 2018        | 18,460            | 7,496           | 8,201                         | 10,413          |
| 2019        | 19,021            | 6,934           | 8,599                         | 10,015          |
| 2020        | 19,600            | 6,356           | 206,136                       | 7,239           |
| 2021        | 20,196            | 5,759           | -                             | -               |
| 2022        | 20,810            | 5,145           | -                             | -               |
| 2023-2027   | 113,938           | 18,838          | -                             | -               |
| 2028-2030   | 46,243            | 1,341           | -                             | -               |
|             | <u>258,268</u>    | <u>48,869</u>   | <u>222,936</u>                | <u>22,667</u>   |

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| <u>Year</u> | <u>Commercial Mortg.-LANB</u> |                 | <u>St. Catherine's-Pueblo Bank &amp; Trust</u> |                 |
|-------------|-------------------------------|-----------------|--|-----------------|
|             | <u>Principal</u>              | <u>Interest</u> | <u>Principal</u>                               | <u>Interest</u> |
| 2018        | 21,382                        | 43,189          | 1,644,760                                      | 29,538          |
| 2019        | 22,465                        | 42,106          | -  | -               |
| 2020        | 23,537                        | 41,034          | -  | -               |
| 2021        | 24,861                        | 39,711          | -  | -               |
| 2022        | 26,054                        | 38,518          | -  | -               |
| 2023-2025   | <u>760,149</u>                | <u>145,876</u>  | <u>-</u>                                       | <u>-</u>        |
|             | <u>878,448</u>                | <u>350,434</u>  | <u>1,644,760</u>                               | <u>29,538</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> |
| 2018        | 3,109                      | 4,269 \$        | 3,938 \$                  | 5,565           |
| 2019        | 3,265                      | 4,115           | 4,136                     | 5,367           |
| 2020        | 3,418                      | 3,961           | 4,330                     | 5,173           |
| 2021        | 3,601                      | 3,597           | 4,562                     | 4,941           |
| 2022        | 3,732                      | 18,470          | 4,792                     | 4,711           |
| 2023-2027   | <u>71,082</u>              | <u>-</u>        | <u>93,189</u>             | <u>23,419</u>   |
|             | <u>88,257</u>              | <u>38,191</u>   | <u>114,947</u>            | <u>49,176</u>   |

| <u>Year</u> | <u>Mortg.-LANB</u> |                 | <u>Calle Angelina-LANB</u> |                 |
|-------------|--------------------|-----------------|----------------------------|-----------------|
|             | <u>Principal</u>   | <u>Interest</u> | <u>Principal</u>           | <u>Interest</u> |
| 2018        | 500,000            | 4,269           | 3,906                      | 5,844           |
| 2019        | -                  | 4,115           | 4,098                      | 5,651           |
| 2020        | -                  | 3,961           | 4,285                      | 5,465           |
| 2021        | -                  | 3,597           | 4,511                      | 52,391          |
| 2022        | <u>-</u>           | <u>18,470</u>   | <u>106,308</u>             | <u>5,526</u>    |
|             | <u>500,000</u>     | <u>38,191</u>   | <u>123,108</u>             | <u>47,176</u>   |

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| <u>Year</u> | <u>Totals</u>       |                     |
|-------------|---------------------|---------------------|
|             | <u>Principal</u>    | <u>Interest</u>     |
| 2018        | \$ 2,296,045        | \$ 241,036          |
| 2019        | 158,283             | 203,051             |
| 2020        | 562,624             | 193,469             |
| 2021        | 163,898             | 178,811             |
| 2022        | 261,050             | 171,862             |
| 2023-2027   | 3,195,119           | 479,785             |
| 2028-2032   | 235,005             | 64,384              |
| 2033-2035   | <u>118,960</u>      | <u>8,123</u>        |
|             | \$ <u>6,990,984</u> | \$ <u>1,540,521</u> |

**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, 2016 available at:

<http://www.pera.org/assets/upload/downloads/comprehensive-annual-financial-reports/2016-CAFR12.22.2016FINAL-pdf>.

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

**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 FY16 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 43 of the PERA FY16 annual audit report at: [http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CARF12.22.2016\\_FINAL.pdf](http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/2016-CARF12.22.2016_FINAL.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 \$126,758 and there were no employer paid member benefits that were “picked up” by the employer for the year ended June 30, 2017.

**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, 2015.

The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2016.

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, 2016. Only employer contributions for the pay period end dates that fell within the period of July 1, 2015 to June 30, 2016 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2016 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.

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

**Employer Pickup.** In fiscal year 2015, the American Institute of Certified Public Accountants (AICPA) issued guidance that reflects GASB's intent to reverse or remove the requirement related to employer paid members benefits. As such, PERA's June 30, 2015 and June 30, 2016 Comprehensive Annual Financial Report no longer contain a line item for the employer paid member contributions that met the prior GASB 67 requirement. Furthermore, GASB 82 provided additional clarification on how the employer-paid member contributions should be classified. GASB 82 requires that these amounts should be classified as employee contributions.

**Reallocation of Deferred Amounts to Changes in Proportion.** In fiscal year 2016, the beginning deferred inflows and outflows were reclassified due to the employer's change in proportion for fiscal year 2016. The total reallocation of deferred inflows and outflows increased pension expense for fiscal year ending June 30, 2017 and is not included in pension expense in PERA's Schedule of Employer Pension Amounts for the year ended June 30, 2016.

**For PERA Fund Municipal Division,** at June 30, 2017, the Housing Authority reported a liability of \$2,372,530 for its proportionate share of the net pension liability. At June 30, 2017, the Housing Authority's proportion was 0.1485 percent, which changed from its proportion measured as of June 30, 2016 of 0.1685 percent.

For the year ended June 30, 2017, the Housing Authority recognized PERA Fund Municipal General Division pension expense of \$121,455. At June 30, 2017, the Housing Authority reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

|  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|--|---|--|
| Differences between expected and actual experience   | \$ 118,542                                    | \$ 23,154                                    |
| Change in assumptions  | 139,120                                       | 395  |
| Changes in proportion and differences between Housing Authority contributions and proportionate share of contributions | -   | 283,383                                      |
| Net difference between projected and actual investment earnings  |   |  |
| On pension plan investments  | 436,541                                       | -  |
| District contributions subsequent to the measurement date  | <u>126,757</u>                                | <u>-</u>                                     |
| Total  | <u>\$ 820,960</u>                             | <u>\$ 306,932</u>                            |



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

The \$820,960 reported as deferred outflows of resources related to pensions resulting from Housing Authority contributions subsequent to the measurement date June 30, 2016, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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> |                     |
|----------------------------|---------------------|
| 2018                       | \$ (38,880)         |
| 2019                       | (38,880)            |
| 2020                       | (203,658)           |
| 2021                       | (105,854)           |
| 2022                       | -                   |
| Thereafter                 | <u>-</u>            |
|                            | <u>\$ (387,272)</u> |

**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, 2015 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, 2016 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, 2016. These actuarial methods and assumptions were adopted by the PERA's Board of Trustees for use in the June 30, 2015 actuarial valuation.

|                            |  |
|----------------------------|--|
| Actuarial valuation date   | June 30, 2015  |
| Actuarial cost method      | Entry age normal   |
| Amortization method        | Level percentage of pay, open  |
| Amortization period        | Solved for based on statutory rates  |
| Asset valuation method     | Fair value   |
| Actuarial assumptions:     |  |
| Investment rate of return  | 7.48% annual rate, net of investment expense   |
| Projected benefit payment  | 100 years  |
| Payroll growth             | 2.75% annual rate  |
| Projected salary increases | 2.75% to 14.00% annual rate  |
| Includes inflation at      | 2.75% annual rate  |
| Mortality assumptions      | RP-2000 Mortality Tables with projection to 2018 using Scale AA.                               |
| Experience Study Dates     | July 1, 2008 to June 30, 2013 (demographics) and July 1, 2010 through June 20, 2015 (economic) |

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

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 below:

| <u>ALL FUNDS - Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected<br/>Real Rate of Return</u> |
|--------------------------------|--------------------------|---|
| Global                         | 43.5%                    | 7.39%   |
| Risk reduction and mitigation  | 21.5                     | 1.79  |
| Credit oriented fixed income   | 15.0                     | 5.77  |
| Real assets                    | <u>20.0</u>              | 7.35  |
| Total                          | <u>100.0%</u>            |   |

**Discount rate:** The discount rate used to measure the total pension liability was 7.48 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 7.48% 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 Housing Authority'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 (6.48%) or one percentage point higher (8.48%) than the current single discount rate of 7.48%.

| <b>PERA Fund Municipal General Division</b>                          | <b>1% Decrease<br/>(6.48%)</b> | <b>Current<br/><u>Discount Rate 7.48%</u></b> | <b>1% Increase<br/>(8.48%)</b> |
|--|--------------------------------|---|--------------------------------|
| Housing Authority's proportionate share of the net pension liability | <u>\$3,537,232</u>             | <u>\$2,372,530</u>                            | <u>\$ 1,406,469</u>            |

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

**Pension plan fiduciary net position.** Detailed information about the pension plan' fiduciary net position is available in the separately issued FY16 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, 2017 totaling \$13,256 (employer portion \$5,231 and employee portion \$8,025).

**NOTE 10. POST EMPLOYMENT BENEFITS**

**Post-employment Benefits – State Retiree Health Care Plan**

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

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

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

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for health care benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
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**NOTE 10. POST EMPLOYMENT BENEFITS (CONT'D)**

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

legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The 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, 2017, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Authority's contributions to the RHCA for the years ended June 30, 2017, 2016, and 2015 were \$33,204, \$31,804, and \$27,895, 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.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
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June 30, 2017**

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

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.

**NOTE 12. BUDGET DEFICIT**

Actual expenses exceeded budgeted expenses for the following:

|            |         |
|------------|---------|
| Cielo Azul | \$2,302 |
|------------|---------|

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, 2016 has been restated in the amount of \$1,576 as follows:

|   |                 |
|---|-----------------|
| <u>Santa Fe Housing Development Corporation</u> |                 |
| Miscellaneous - prior year adjustment           | \$ (297)        |
| <u>Cielo Azul</u>                               |                 |
| Miscellaneous - prior-year adjustment           | <u>1,873</u>    |
| Total   | <u>\$ 1,576</u> |

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**SANTA FE CIVIC HOUSING AUTHORITY**  
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**NOTE 14. SUBSEQUENT ACCOUNTING STANDARD PRONOUNCEMENTS**

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 15, 2017. The standard will be implemented during the fiscal years ended June 30, 2018. The Housing Authority does not expects this pronouncement to have a material effect on the financial statements.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, was issued in March 2016. The provisions of this Statement are effective for financial statements periods beginning after December 15, 2016. Earlier application is encouraged. The Housing Authority will implement this standard during the fiscal year ended June 30, 2018. The Housing Authority is still evaluating how this pronouncement will affect the financial statements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued in November 2016. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The Housing Authority is still evaluating how this pronouncement will affect the financial statements.

GASB Statement No. 84, *Fiduciary Activities*, was issued in January 2017. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The Housing Authority is still evaluating how this pronouncement will affect the financial statements.

GASB Statement No 85, *Omnibus 2017*, was issued in March 2017. The requirements of the Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The Housing Authority is still evaluating how the pronouncement will affect the financial statements.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, was issued in May 2017. The requirements of the Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The Housing Authority is still evaluating how this pronouncement will affect the financial statements.

GASB Statement No. 87, *Leases*, was issued in June 2017. 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 affect the financial statements.

**OTHER SUPPLEMENTAL DATA**

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
PUBLIC HOUSING COMBINING STATEMENT OF NET POSITION  
ENTERPRISE FUNDS  
June 30, 2017

|   | Santa Fe<br>Housing<br>Authority | Bernalillo<br>Housing<br>Authority | Española<br>Housing<br>Authority | Sub-<br>Total        | Eliminations     | Total             |
|---|----------------------------------|------------------------------------|----------------------------------|----------------------|------------------|-------------------|
| <b>ASSETS</b>   |                                  |                                    |                                  |                      |                  |                   |
| Current Assets:   |                                  |                                    |                                  |                      |                  |                   |
| Cash, investments and equivalents   | \$ 1,152,725                     | \$ -                               | \$ 42,734                        | \$ 1,195,459         | -                | 1,195,459         |
| Investments in other related party entities   | 1,900,000                        | -                                  | -                                | 1,900,000            | -                | 1,900,000         |
| Tenant receivable   | 127,180                          | -                                  | 5,239                            | 132,419              | -                | 132,419           |
| Other receivables - related parties   | 3,385,325                        | -                                  | -                                | 3,385,325            | -                | 3,385,325         |
| Due from other funds  | 72,041                           | -                                  | 236,621                          | 308,662              | (236,621)        | 72,041            |
| Prepaid expenses  | 32,143                           | -                                  | 39,559                           | 71,702               | -                | 71,702            |
| Cash, investments and equivalents - restricted  | 16,884                           | -                                  | 42,027                           | 58,911               | -                | 58,911            |
| <b>Total current assets</b>   | <b>6,686,298</b>                 | <b>-</b>                           | <b>366,180</b>                   | <b>7,052,478</b>     | <b>(236,621)</b> | <b>6,815,857</b>  |
| Non-current assets:   |                                  |                                    |                                  |                      |                  |                   |
| Capital Assets:   |                                  |                                    |                                  |                      |                  |                   |
| Land  | 22,200                           | -                                  | 277,437                          | 299,637              | -                | 299,637           |
| Construction in progress  | 474,354                          | -                                  | -                                | 474,354              | -                | 474,354           |
| Buildings and improvements  | 8,470,732                        | -                                  | 12,374,102                       | 20,844,834           | -                | 20,844,834        |
| Furniture and fixtures  | 43,183                           | -                                  | 639,153                          | 682,336              | -                | 682,336           |
| Machinery and equipment   | 120,164                          | -                                  | -                                | 120,164              | -                | 120,164           |
| Vehicles  | 281,534                          | -                                  | 157,068                          | 438,602              | -                | 438,602           |
| Accumulated depreciation  | (6,535,032)                      | -                                  | (9,204,146)                      | (15,739,178)         | -                | (15,739,178)      |
| <b>Total capital assets<br/>(net of depreciation)</b>   | <b>2,877,135</b>                 | <b>-</b>                           | <b>4,243,614</b>                 | <b>7,120,749</b>     | <b>-</b>         | <b>7,120,749</b>  |
| Other non-current assets:   |                                  |                                    |                                  |                      |                  |                   |
| Notes receivable - related parties  | 15,974,724                       | -                                  | -                                | 15,974,724           | -                | 15,974,724        |
| <b>Total non-current assets</b>   | <b>18,851,859</b>                | <b>-</b>                           | <b>4,243,614</b>                 | <b>23,095,473</b>    | <b>-</b>         | <b>23,095,473</b> |
| <b>Total assets</b>   | <b>25,538,157</b>                | <b>-</b>                           | <b>4,609,794</b>                 | <b>30,147,951</b>    | <b>(236,621)</b> | <b>29,911,330</b> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>   |                                  |                                    |                                  |                      |                  |                   |
| Change in assumptions   | 42,349                           | -                                  | 19,743                           | 62,092               | -                | 62,092            |
| Net difference between projected and actual investment earnings on pension plan investments     | 132,886                          | -                                  | 61,950                           | 194,836              | -                | 194,836           |
| Differences between expected and actual experience  | 36,085                           | -                                  | 16,822                           | 52,907               | -                | 52,907            |
| Employer contributions subsequent to measurement date   | 38,586                           | -                                  | 17,988                           | 56,574               | -                | 56,574            |
| <b>Total deferred outflows of resources</b>   | <b>249,906</b>                   | <b>-</b>                           | <b>116,503</b>                   | <b>366,409</b>       | <b>-</b>         | <b>366,409</b>    |
| <b>Total assets and deferred outflows of resources</b>  | <b>\$ 25,788,063</b>             | <b>\$ -</b>                        | <b>\$ 4,726,297</b>              | <b>\$ 30,514,360</b> | <b>(236,621)</b> | <b>30,277,739</b> |
| <b>LIABILITIES</b>  |                                  |                                    |                                  |                      |                  |                   |
| Current Liabilities (payable from unrestricted assets):   |                                  |                                    |                                  |                      |                  |                   |
| Accounts payable  | -                                | -                                  | -                                | -                    | -                | -                 |
| Compensated absences payable  | 230,166                          | -                                  | 21,126                           | 251,292              | -                | 251,292           |
| Accrued liabilities   | 267,750                          | -                                  | -                                | 267,750              | -                | 267,750           |
| Other payables-related parties  | 974,354                          | -                                  | -                                | 974,354              | -                | 974,354           |
| Due to other funds  | 1,176,710                        | -                                  | -                                | 1,176,710            | (236,621)        | 940,089           |
| <b>Total current liabilities payable from unrestricted assets)</b>                              | <b>2,648,980</b>                 | <b>-</b>                           | <b>21,126</b>                    | <b>2,670,106</b>     | <b>(236,621)</b> | <b>2,433,485</b>  |
| Current Liabilities (payable from restricted assets):   |                                  |                                    |                                  |                      |                  |                   |
| Tenant security deposits  | 10,214                           | -                                  | 42,027                           | 52,241               | -                | 52,241            |
| Escrows and deposits  | 6,670                            | -                                  | -                                | 6,670                | -                | 6,670             |
| <b>Total current liabilities payable from restricted assets)</b>                                | <b>16,884</b>                    | <b>-</b>                           | <b>42,027</b>                    | <b>58,911</b>        | <b>-</b>         | <b>58,911</b>     |
| Noncurrent Liabilities:   |                                  |                                    |                                  |                      |                  |                   |
| Net PERA pension liability  | 722,216                          | -                                  | 336,687                          | 1,058,903            | -                | 1,058,903         |
| <b>Total noncurrent liabilities</b>   | <b>722,216</b>                   | <b>-</b>                           | <b>336,687</b>                   | <b>1,058,903</b>     | <b>-</b>         | <b>1,058,903</b>  |
| <b>Total liabilities</b>  | <b>3,388,080</b>                 | <b>-</b>                           | <b>399,840</b>                   | <b>3,787,920</b>     | <b>(236,621)</b> | <b>3,551,299</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                                  |                                    |                                  |                      |                  |                   |
| Change in assumptions   | 121                              | -                                  | 56                               | 177                  | -                | 177               |
| Net difference between expected and actual earnings, actual experience and change in proportion | 93,312                           | -                                  | 43,500                           | 136,812              | -                | 136,812           |
| <b>Total deferred inflows of resources</b>  | <b>93,433</b>                    | <b>-</b>                           | <b>43,556</b>                    | <b>136,989</b>       | <b>-</b>         | <b>136,989</b>    |
| <b>NET POSITION</b>   |                                  |                                    |                                  |                      |                  |                   |
| Net invested in capital assets  | 2,877,135                        | -                                  | 4,243,614                        | 7,120,749            | -                | 7,120,749         |
| Restricted  | -                                | -                                  | -                                | -                    | -                | -                 |
| Unrestricted  | 19,429,415                       | -                                  | 39,287                           | 19,468,702           | -                | 19,468,702        |
| <b>Total net position</b>   | <b>22,306,550</b>                | <b>-</b>                           | <b>4,282,901</b>                 | <b>26,589,451</b>    | <b>-</b>         | <b>26,589,451</b> |
| <b>Total liabilities, deferred inflows of resources and net position</b>                        | <b>\$ 25,788,063</b>             | <b>\$ -</b>                        | <b>\$ 4,726,297</b>              | <b>\$ 30,514,360</b> | <b>(236,621)</b> | <b>30,277,739</b> |

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



STATE OF NEW MEXICO  
 SANTA FE CIVIC HOUSING AUTHORITY  
 PUBLIC HOUSING COMBINING STATEMENT  
 OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 ENTERPRISE FUNDS  
 Year Ended June 30, 2017

|                                       | Santa Fe<br>Housing<br>Authority | Bernalillo<br>Housing<br>Authority | Española<br>Housing<br>Authority | Sub-<br>Total        | Eliminations | Total                |
|---------------------------------------|----------------------------------|------------------------------------|----------------------------------|----------------------|--------------|----------------------|
| Operating Revenues                    |                                  |                                    |                                  |                      |              |                      |
| Facilities rentals                    | \$ 404,233                       | \$ -                               | \$ 216,240                       | \$ 620,473           | \$ -         | \$ 620,473           |
| HUD grant and subsidy                 | 809,086                          | -                                  | 293,365                          | 1,102,451            | -            | 1,102,451            |
| Other revenue                         | 377,881                          | -                                  | 92,168                           | 470,049              | -            | 470,049              |
| <b>Total operating revenues</b>       | <u>1,591,200</u>                 | <u>-</u>                           | <u>601,773</u>                   | <u>2,192,973</u>     | <u>-</u>     | <u>2,192,973</u>     |
| Operating Expenses                    |                                  |                                    |                                  |                      |              |                      |
| Salaries, wages and benefits          | 710,223                          | -                                  | 261,131                          | 971,354              | -            | 971,354              |
| Community welfare                     | 37,988                           | -                                  | -                                | 37,988               | -            | 37,988               |
| Contractual services and utilities    | 212,072                          | -                                  | 71,973                           | 284,045              | -            | 284,045              |
| Repairs and maintenance               | 194,335                          | -                                  | 35,929                           | 230,264              | -            | 230,264              |
| Depreciation expense                  | 457,488                          | -                                  | 417,572                          | 875,060              | -            | 875,060              |
| Insurance                             | 61,413                           | -                                  | 41,506                           | 102,919              | -            | 102,919              |
| Other                                 | 51,701                           | -                                  | -                                | 51,701               | -            | 51,701               |
| <b>Total operating expenses</b>       | <u>1,725,220</u>                 | <u>-</u>                           | <u>828,111</u>                   | <u>2,553,331</u>     | <u>-</u>     | <u>2,553,331</u>     |
| <b>Operating loss</b>                 | <u>(134,020)</u>                 | <u>-</u>                           | <u>(226,338)</u>                 | <u>(360,358)</u>     | <u>-</u>     | <u>(360,358)</u>     |
| Nonoperating Revenues (Expenses)      |                                  |                                    |                                  |                      |              |                      |
| Gain (loss) on disposition of assets  | 2,432,033                        | -                                  | -                                | 2,432,033            | -            | 2,432,033            |
| Interest on investments               | 97                               | -                                  | 10                               | 107                  | -            | 107                  |
| <b>Total nonoperating revenues</b>    | <u>2,432,130</u>                 | <u>-</u>                           | <u>10</u>                        | <u>2,432,140</u>     | <u>-</u>     | <u>2,432,140</u>     |
| Capital grant - Public Housing        | 599,354                          | -                                  | -                                | 599,354              | -            | 599,354              |
| <b>Change in net position</b>         | <u>2,897,464</u>                 | <u>-</u>                           | <u>(226,328)</u>                 | <u>2,671,136</u>     | <u>-</u>     | <u>2,671,136</u>     |
| <b>Net position beginning of year</b> | <u>21,603,658</u>                | <u>-</u>                           | <u>4,509,229</u>                 | <u>26,112,887</u>    | <u>-</u>     | <u>26,112,887</u>    |
| Equity transfers in (out)             | (2,194,572)                      | -                                  | -                                | (2,194,572)          | -            | (2,194,572)          |
| <b>Net position, end of year</b>      | <u>\$ 22,306,550</u>             | <u>\$ -</u>                        | <u>\$ 4,282,901</u>              | <u>\$ 26,589,451</u> | <u>\$ -</u>  | <u>\$ 26,589,451</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, 2017

|  | Santa Fe<br>Housing<br>Authority | Bernalillo<br>Housing<br>Authority | Española<br>Housing<br>Authority | Total               |
|--|----------------------------------|------------------------------------|----------------------------------|---------------------|
| <b>Cash Flows from Operating Activities</b>  |                                  |                                    |                                  |                     |
| Cash received from customers and grantors  | \$ 502,188                       | \$ (28,024)                        | \$ 604,012                       | \$ 1,078,176        |
| Cash payments to suppliers for goods and services  | 1,065,842                        | -                                  | (290,672)                        | 775,170             |
| Cash payments to employees for services  | (635,303)                        | -                                  | (257,258)                        | (892,561)           |
| <b>Net cash provided (used) by operating activities</b>                                  | <u>932,727</u>                   | <u>(28,024)</u>                    | <u>56,082</u>                    | <u>960,785</u>      |
| <b>Cash Flows from Capital and Related Financing Activities</b>                          |                                  |                                    |                                  |                     |
| Disposal of capital assets   | 1,465,952                        | -                                  | -                                | 1,465,952           |
| Acquisition and construction of capital assets   | (599,354)                        | -                                  | -                                | (599,354)           |
| Gain on sale of assets   | 2,432,033                        | -                                  | -                                | 2,432,033           |
| Principal payments on long-term debt   | (303,279)                        | -                                  | -                                | (303,279)           |
| Capital grants   | 599,354                          | -                                  | -                                | 599,354             |
| Residual equity transfers (out) - CIP  | (2,194,572)                      | -                                  | -                                | (2,194,572)         |
| <b>Net cash used by financing activities</b>   | <u>1,400,134</u>                 | <u>-</u>                           | <u>-</u>                         | <u>1,400,134</u>    |
| <b>Cash Flows from Noncapital Financing Activities</b>                                   |                                  |                                    |                                  |                     |
| Net pension liability, deferred outflows/inflows of resources changes                    | 64,242                           | -                                  | (38,407)                         | 25,835              |
|  | <u>64,242</u>                    | <u>-</u>                           | <u>(38,407)</u>                  | <u>25,835</u>       |
| <b>Cash Flows from Investing Activities</b>  |                                  |                                    |                                  |                     |
| Investments in other related parties   | (1,900,000)                      | -                                  | -                                | (1,900,000)         |
| Interest and dividends on investments  | 97                               | -                                  | 10                               | 107                 |
| <b>Net cash provided by noncapital financing activities</b>                              | <u>(1,899,903)</u>               | <u>-</u>                           | <u>10</u>                        | <u>(1,899,893)</u>  |
| <b>Net increase (decrease) in cash and cash equivalents</b>                              | 497,200                          | (28,024)                           | 17,685                           | 486,861             |
| Cash investments and cash equivalents<br>at beginning of year                            | 672,409                          | 28,024                             | 67,076                           | 767,509             |
| <b>Cash investments and cash equivalents at end of year</b>                              | <u>\$ 1,169,609</u>              | <u>\$ -</u>                        | <u>\$ 84,761</u>                 | <u>\$ 1,254,370</u> |
| <b>Reconciliation of operating loss to net<br/>cash provided by operating activities</b> |                                  |                                    |                                  |                     |
| Operating loss   | \$ (134,020)                     | \$ -                               | \$ (226,338)                     | \$ (360,358)        |
| Adjustments to reconcile operating loss to<br>net cash provided by operating activities  |                                  |                                    |                                  |                     |
| Depreciation/amortization  | 457,488                          | -                                  | 417,572                          | 875,060             |
| Change in assets and liabilities:  |                                  |                                    |                                  |                     |
| Accounts receivable  | 45,247                           | -                                  | 1,317                            | 46,564              |
| Grants receivable  | 73,116                           | -                                  | -                                | 73,116              |
| Prepaid expenses   | 5,543                            | -                                  | (14,531)                         | (8,988)             |
| Due from other funds   | 588,000                          | -                                  | (118,460)                        | 469,540             |
| Due from related parties   | (1,203,853)                      | -                                  | -                                | (1,203,853)         |
| Accounts payable   | (22,725)                         | -                                  | (8,273)                          | (30,998)            |
| Due to related parties   | -                                | (28,024)                           | -                                | (28,024)            |
| Compensated absences payable   | 31,961                           | -                                  | 3,873                            | 35,834              |
| Accrued liabilities  | 42,959                           | -                                  | -                                | 42,959              |
| Security deposits  | (3,522)                          | -                                  | 922                              | (2,600)             |
| Due to other funds   | 1,052,533                        | -                                  | -                                | 1,052,533           |
| <b>Total adjustments</b>   | <u>1,066,747</u>                 | <u>(28,024)</u>                    | <u>282,420</u>                   | <u>1,321,143</u>    |
| <b>Net cash provided (used) by operating activities</b>                                  | <u>\$ 932,727</u>                | <u>\$ (28,024)</u>                 | <u>\$ 56,082</u>                 | <u>\$ 960,785</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, 2017

|   | Section 8<br>Vouchers | Mainstream<br>Vouchers | Subtotal            | Eliminations      | Total               |
|---|-----------------------|------------------------|---------------------|-------------------|---------------------|
| <b>ASSETS</b>   |                       |                        |                     |                   |                     |
| Current Assets  |                       |                        |                     |                   |                     |
| Cash, investments and equivalents   | \$ 1,342,738          | \$ 25,279              | \$ 1,368,017        | \$ -              | 1,368,017           |
| Federal grants receivable   | 65,162                | -                      | 65,162              | -                 | 65,162              |
| Due from other funds  | -                     | 1,005                  | 1,005               | (1,005)           | -                   |
| Cash, investments and equivalents - restricted  | 145,237               | -                      | 145,237             | -                 | 145,237             |
| <b>Total current assets</b>   | <u>1,553,137</u>      | <u>26,284</u>          | <u>1,579,421</u>    | <u>(1,005)</u>    | <u>1,578,416</u>    |
| Non-current assets  |                       |                        |                     |                   |                     |
|   | -                     | -                      | -                   | -                 | -                   |
| <b>Total assets</b>   | <u>1,553,137</u>      | <u>26,284</u>          | <u>1,579,421</u>    | <u>(1,005)</u>    | <u>1,578,416</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>   |                       |                        |                     |                   |                     |
| Change in assumptions   | 37,449                | -                      | 37,449              | -                 | 37,449              |
| Net difference between projected and actual investment earnings on pension plan investments     | 117,511               | -                      | 117,511             | -                 | 117,511             |
| Differences between expected and actual experience  | 31,910                | -                      | 31,910              | -                 | 31,910              |
| Employer contributions subsequent to measurement date   | 34,121                | -                      | 34,121              | -                 | 34,121              |
| <b>Total deferred outflows of resources</b>   | <u>220,991</u>        | <u>-</u>               | <u>220,991</u>      | <u>-</u>          | <u>220,991</u>      |
| <b>Total assets and deferred outflows of resources</b>  | <u>\$ 1,774,128</u>   | <u>\$ 26,284</u>       | <u>1,800,412</u>    | <u>(1,005)</u>    | <u>\$ 1,799,407</u> |
| <b>LIABILITIES</b>  |                       |                        |                     |                   |                     |
| Current Liabilities (payable from unrestricted assets)  |                       |                        |                     |                   |                     |
| Due to other funds  | 1,005                 | 10,239                 | 11,244              | (1,005)           | 10,239              |
| Other payables - related parties  | 1,000                 | -                      | 1,000               | -                 | 1,000               |
| <b>Total current liabilities (payable from unrestricted assets)</b>                             | <u>2,005</u>          | <u>10,239</u>          | <u>12,244</u>       | <u>(1,005)</u>    | <u>11,239</u>       |
| Current Liabilities (payable from restricted assets)  |                       |                        |                     |                   |                     |
| Escrows and deposits  | 145,237               | -                      | 145,237             | -                 | 145,237             |
| <b>Total current liabilities (payable from restricted assets)</b>                               | <u>145,237</u>        | <u>-</u>               | <u>145,237</u>      | <u>-</u>          | <u>145,237</u>      |
| Noncurrent Liabilities  |                       |                        |                     |                   |                     |
| Net PERA pension liability  | 638,652               | -                      | 638,652             | -                 | 638,652             |
| <b>Total noncurrent liabilities</b>   | <u>638,652</u>        | <u>-</u>               | <u>638,652</u>      | <u>-</u>          | <u>638,652</u>      |
| <b>Total liabilities</b>  | <u>785,894</u>        | <u>10,239</u>          | <u>796,133</u>      | <u>(1,005)</u>    | <u>795,128</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                       |                        |                     |                   |                     |
| Change in assumptions   | 106                   | -                      | 106                 | -                 | 106                 |
| Net difference between expected and actual earnings, actual experience and change in proportion | 82,515                | -                      | 82,515              | -                 | 82,515              |
| <b>Total deferred inflows of resources</b>  | <u>82,621</u>         | <u>-</u>               | <u>82,621</u>       | <u>-</u>          | <u>82,621</u>       |
| <b>NET POSITION</b>   |                       |                        |                     |                   |                     |
| Unrestricted  | 649,040               | 16,045                 | 665,085             | -                 | 665,085             |
| Restricted  | 256,573               | -                      | 256,573             | -                 | 256,573             |
| <b>Total net position</b>   | <u>905,613</u>        | <u>16,045</u>          | <u>921,658</u>      | <u>-</u>          | <u>921,658</u>      |
| <b>Total liabilities, deferred inflows of resources and net position</b>                        | <u>\$ 1,774,128</u>   | <u>\$ 26,284</u>       | <u>\$ 1,800,412</u> | <u>\$ (1,005)</u> | <u>\$ 1,799,407</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 REVENUES, EXPENSES AND CHANGES IN NET POSITION  
ENTERPRISE FUNDS  
Year Ended June 30, 2017

|   | <u>Section 8<br/>Vouchers</u> | <u>Mainstream<br/>Vouchers</u> | <u>Total</u>      |
|---|-------------------------------|--------------------------------|-------------------|
| Operating Revenues                                      |                               |                                |                   |
| HUD grant and subsidy                                   | \$ 8,605,766                  | \$ 132,573                     | \$ 8,738,339      |
| Other revenue   | -                             | 143                            | 143               |
|   | <u>8,605,766</u>              | <u>132,716</u>                 | <u>8,738,482</u>  |
| <b>Total operating revenues</b>                         |                               |                                |                   |
| Operating Expenses                                      |                               |                                |                   |
| Salaries, wages and benefits                            | 558,848                       | 9,473                          | 568,321           |
| Community welfare                                       | 7,567,507                     | 115,520                        | 7,683,027         |
| Contractual services and utilities                      | 109,082                       | -                              | 109,082           |
| Repairs and maintenance                                 | 16,692                        | -                              | 16,692            |
| Insurance   | 160                           | -                              | 160               |
| Other   | 19,861                        | -                              | 19,861            |
|   | <u>8,272,150</u>              | <u>124,993</u>                 | <u>8,397,143</u>  |
| <b>Total operating expenses</b>                         |                               |                                |                   |
| <b>Operating gain (loss)</b>                            | <u>333,616</u>                | <u>7,723</u>                   | <u>341,339</u>    |
| Nonoperating Revenues (expenses)                        |                               |                                |                   |
| Interest on investments                                 | 124                           | 6                              | 130               |
|   | <u>124</u>                    | <u>6</u>                       | <u>130</u>        |
| <b>Total nonoperating revenues (expenses)</b>           |                               |                                |                   |
| <b>Income (loss) before contributions and transfers</b> | <u>333,740</u>                | <u>7,729</u>                   | <u>341,469</u>    |
| <b>Change in net position</b>                           | 333,740                       | 7,729                          | 341,469           |
| <b>Net position beginning of year</b>                   | <u>571,873</u>                | <u>8,316</u>                   | <u>580,189</u>    |
| <b>Net position, end of year</b>                        | <u>\$ 905,613</u>             | <u>\$ 16,045</u>               | <u>\$ 921,658</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, 2017

|  | Section 8<br>Vouchers | Mainstream<br>Vouchers | Total        |
|--|-----------------------|------------------------|--------------|
| Cash Flows from Operating Activities:  |                       |                        |              |
| Cash received from customers and grantors  | \$ 8,619,035          | \$ 132,716             | \$ 8,751,751 |
| Cash payments to suppliers for goods and services  | (7,701,227)           | (105,956)              | (7,807,183)  |
| Cash payments to employees for services  | (558,848)             | (9,473)                | (568,321)    |
| <b>Net cash provided (used) by operating activities</b>                                  | 358,960               | 17,287                 | 376,247      |
| Cash Flows from Capital Financing Activities   | -                     | -                      | -            |
| <b>Net cash used by financing activities</b>   | -                     | -                      | -            |
| Cash Flows from Noncapital Financing Activities:   |                       |                        |              |
| Net pension liability, deferred outflows/inflows changes                                 | 16,584                | -                      | 16,584       |
|  | 16,584                | -                      | 16,584       |
| Cash Flows from Investing Activities:  |                       |                        |              |
| Interest and dividends on investments  | 124                   | 6                      | 130          |
| <b>Net cash provided by noncapital financing activities</b>                              | 124                   | 6                      | 130          |
| <b>Net increase (decrease) in cash and cash equivalents</b>                              | 375,668               | 17,293                 | 392,961      |
| Cash investments and cash equivalents<br>at beginning of year                            | 1,112,307             | 7,986                  | 1,120,293    |
| <b>Cash investments and cash equivalents at end of year</b>                              | \$ 1,487,975          | \$ 25,279              | \$ 1,513,254 |
| Reconciliation of operating loss to net<br>cash provided by operating activities:        |                       |                        |              |
| Operating (loss) gain  | \$ 333,616            | \$ 7,723               | \$ 341,339   |
| Adjustments to reconcile operating loss to<br>net cash provided by operating activities: |                       |                        |              |
| Change in assets and liabilities:  |                       |                        |              |
| Grants receivable  | (26,196)              | -                      | (26,196)     |
| Due from other funds   | 6,016                 | 91                     | 6,107        |
| Other receivables  | 5,150                 | -                      | 5,150        |
| Escrow and deposits  | 39,465                | -                      | 39,465       |
| Due to related parties   | 1,000                 | -                      | 1,000        |
| Due to other funds   | (91)                  | 9,473                  | 9,382        |
| <b>Total adjustments</b>   | 25,344                | 9,564                  | 34,908       |
| <b>Net cash provided (used) by operating activities</b>                                  | \$ 358,960            | \$ 17,287              | \$ 376,247   |

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, 2017**

|  | <u>Annual Budget Amounts</u> |                      | <u>Actual Amount</u> | <b>Variance with<br/>Final Budget -<br/>Favorable<br/>(Unfavorable)</b> |
|--|------------------------------|----------------------|----------------------|---|
|  | <u>Original</u>              | <u>Final</u>         |                      | <u>(Unfavorable)</u>  |
| Operating Revenues                     |                              |                      |                      |   |
| Facilities rentals                     | \$ 500,000                   | \$ 500,000           | \$ 404,233           | \$ (95,767)   |
| HUD grants and subsidy                 | 560,000                      | 560,000              | 809,086              | 249,086   |
| Other operating revenues               | <u>78,000</u>                | <u>78,000</u>        | <u>377,881</u>       | <u>299,881</u>  |
| <b>Total operating revenues</b>        | <u>1,138,000</u>             | <u>1,138,000</u>     | <u>1,591,200</u>     | <u>453,200</u>  |
| Operating Expenses                     |                              |                      |                      |   |
| Operating                              | 360,000                      | 360,000              | 710,223              | (350,223)   |
| Community welfare                      | 71,000                       | 71,000               | 37,988               | 33,012  |
| Utilities                              | 303,000                      | 303,000              | 212,072              | 90,928  |
| Repairs and maintenance                | 255,000                      | 255,000              | 194,335              | 60,665  |
| General                                | 86,000                       | 86,000               | 113,114              | (27,114)  |
| Depreciation                           | <u>1,400,000</u>             | <u>1,400,000</u>     | <u>457,488</u>       | <u>942,512</u>  |
| <b>Total operating expenses</b>        | <u>2,475,000</u>             | <u>2,475,000</u>     | <u>1,725,220</u>     | <u>749,780</u>  |
| <b>Operating income (loss)</b>         | <u>(1,337,000)</u>           | <u>(1,337,000)</u>   | <u>(134,020)</u>     | <u>1,202,980</u>  |
| Nonoperating Revenues (Expenses)       |                              |                      |                      |   |
| Interest expense                       | (6,000)                      | (6,000)              | -                    | 6,000   |
| Interest on investments                | 17,000                       | 17,000               | 97                   | (16,903)  |
| Gain (loss) on disposition of assets   | <u>-</u>                     | <u>-</u>             | <u>2,432,033</u>     | <u>2,432,033</u>  |
| <b>Total nonoperating revenues</b>     | <u>11,000</u>                | <u>11,000</u>        | <u>2,432,130</u>     | <u>2,421,130</u>  |
| Capital grant - Public Housing         | <u>-</u>                     | <u>-</u>             | <u>599,354</u>       | <u>599,354</u>  |
| <b>Change in net position</b>          | <u>(1,326,000)</u>           | <u>(1,326,000)</u>   | <u>2,897,464</u>     | <u>4,223,464</u>  |
| <b>Net position, beginning of year</b> | 18,296,348                   | 18,296,348           | 21,603,658           | 3,307,310   |
| Equity transfers in (out)              | <u>-</u>                     | <u>-</u>             | <u>(2,194,572)</u>   | <u>(2,194,572)</u>  |
| <b>Net position, June 30, 2017</b>     | <u>\$ 16,970,348</u>         | <u>\$ 16,970,348</u> | <u>\$ 22,306,550</u> | <u>\$ 5,336,202</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, 2017

|  | Budget Amounts      |                     | Actual Amount       | Variance with<br>Final Budget -<br>Favorable<br>(Unfavorable) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| Operating Revenues                     |                     |                     |                     |   |
| Facilities rentals                     | \$ 250,000          | \$ 270,000          | \$ 216,240          | \$ (53,760)   |
| HUD grants and subsidy                 | 460,000             | 280,000             | 293,365             | 13,365  |
| Other operating revenues               | 5,000               | 5,000               | 92,168              | 87,168  |
| <b>Total operating revenues</b>        | <u>715,000</u>      | <u>555,000</u>      | <u>601,773</u>      | <u>46,773</u>   |
| Operating Expenses                     |                     |                     |                     |   |
| Operating                              | 350,000             | 335,000             | 261,131             | 73,869  |
| Utilities                              | 131,000             | 100,000             | 71,973              | 28,027  |
| Repairs and maintenance                | 75,000              | 85,000              | 35,929              | 49,071  |
| General                                | 79,500              | 74,500              | 41,506              | 32,994  |
| Depreciation                           | 500,000             | 500,000             | 417,572             | 82,428  |
| <b>Total operating expenses</b>        | <u>1,135,500</u>    | <u>1,094,500</u>    | <u>828,111</u>      | <u>266,389</u>  |
| <b>Operating income (loss)</b>         | <u>(420,500)</u>    | <u>(539,500)</u>    | <u>(226,338)</u>    | <u>313,162</u>  |
| Nonoperating Revenues (Expenses)       |                     |                     |                     |   |
| Interest on investments                | 5,000               | 5,000               | 10                  | (4,990)   |
| <b>Total nonoperating revenues</b>     | <u>5,000</u>        | <u>5,000</u>        | <u>10</u>           | <u>(4,990)</u>  |
| <b>Change in net position</b>          | <u>(415,500)</u>    | <u>(534,500)</u>    | <u>(226,328)</u>    | <u>308,172</u>  |
| <b>Net position, beginning of year</b> | <u>4,406,340</u>    | <u>4,406,340</u>    | <u>4,509,229</u>    | <u>102,889</u>  |
| <b>Net position, June 30, 2017</b>     | <u>\$ 3,990,840</u> | <u>\$ 3,871,840</u> | <u>\$ 4,282,901</u> | <u>\$ 411,061</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, 2017**

|  | <u>Budget Amounts</u> |                     | <u>Actual Amount</u> | <u>Variance with<br/>Final Budget -<br/>Favorable<br/>(Unfavorable)</u> |
|--|-----------------------|---------------------|----------------------|---|
|  | <u>Original</u>       | <u>Final</u>        |                      |   |
| Operating Revenues                     |                       |                     |                      |   |
| Intergovernmental                      | \$ 8,453,000          | \$ 8,453,000        | \$ 7,721,186         | \$ (731,814)  |
| Port-in HAP reimbursement              | 700,000               | 700,000             | 885,618              | 185,618   |
| Port-admin fees                        | 60,000                | 60,000              | 56,303               | (3,697)   |
| TBRA revenues                          | 35,000                | 35,000              | 31                   | (34,969)  |
| Shelter Plus and COC revenue           | -                     | -                   | 65,161               | 65,161  |
| Other revenue                          | 12,000                | 12,000              | 10,183               | (1,817)   |
| <b>Total operating revenues</b>        | <u>9,260,000</u>      | <u>9,260,000</u>    | <u>8,738,482</u>     | <u>(521,518)</u>  |
| Operating Expenses                     |                       |                     |                      |   |
| Community welfare                      | 8,398,000             | 8,398,000           | 7,683,027            | 714,973   |
| Port HAP                               | 700,000               | 700,000             | 714,116              | (14,116)  |
| TBRA expenses                          | 35,000                | 35,000              | -                    | 35,000  |
| <b>Total operating expenses</b>        | <u>9,133,000</u>      | <u>9,133,000</u>    | <u>8,397,143</u>     | <u>735,857</u>  |
| <b>Operating income</b>                | <u>127,000</u>        | <u>127,000</u>      | <u>341,339</u>       | <u>214,339</u>  |
| Nonoperating revenues (expenses)       |                       |                     |                      |   |
| Interest income                        | 5,000                 | 5,000               | 130                  | (4,870)   |
| <b>Total nonoperating revenues</b>     | <u>5,000</u>          | <u>5,000</u>        | <u>130</u>           | <u>(4,870)</u>  |
| <b>Change in net position</b>          | 132,000               | 132,000             | 341,469              | 209,469   |
| <b>Net position, beginning of year</b> | <u>1,704,296</u>      | <u>1,704,296</u>    | <u>580,189</u>       | <u>(1,124,107)</u>  |
| <b>Net position, June 30, 2017</b>     | <u>\$ 1,836,296</u>   | <u>\$ 1,836,296</u> | <u>\$ 921,658</u>    | <u>\$ (914,638)</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, 2017

|   | <u>Budget Amounts</u> |                   | <u>Actual Amount</u> | <u>Variance with<br/>Final Budget -<br/>Favorable<br/>(Unfavorable)</u> |
|---|-----------------------|-------------------|----------------------|---|
|   | <u>Original</u>       | <u>Final</u>      |                      |   |
| Operating Revenues                                  |                       |                   |                      |   |
| Facilities rentals                                  | \$ 780,000            | \$ 780,000        | \$ 767,781           | \$ (12,219)   |
| Other operating revenues                            | 24,000                | 24,000            | -                    | (24,000)  |
| <b>Total operating revenues</b>                     | <u>804,000</u>        | <u>804,000</u>    | <u>767,781</u>       | <u>(36,219)</u>   |
| Operating Expenses                                  |                       |                   |                      |   |
| Operating   | 264,000               | 299,000           | 245,249              | 53,751  |
| Contractual services and utilities                  | 199,800               | 212,000           | 149,486              | 62,514  |
| Repairs and maintenance                             | 105,000               | 60,000            | 27,066               | 32,934  |
| General   | 32,000                | 32,000            | 19,778               | 12,222  |
| Depreciation  | 310,000               | 310,000           | 98,442               | 211,558   |
| <b>Total operating expenses</b>                     | <u>910,800</u>        | <u>913,000</u>    | <u>540,021</u>       | <u>372,979</u>  |
| <b>Operating income (loss)</b>                      | <u>(106,800)</u>      | <u>(109,000)</u>  | <u>227,760</u>       | <u>336,760</u>  |
| Nonoperating Revenues (Expenses)                    |                       |                   |                      |   |
| Interest on investments                             | 8,000                 | 8,000             | 958                  | (7,042)   |
| Interest expense                                    | (180,000)             | (150,000)         | (109,841)            | 40,159  |
| <b>Total nonoperating expenses</b>                  | <u>(172,000)</u>      | <u>(142,000)</u>  | <u>(108,883)</u>     | <u>33,117</u>   |
| <b>Change in net position</b>                       | <u>(278,800)</u>      | <u>(251,000)</u>  | <u>118,877</u>       | <u>369,877</u>  |
| <b>Net position, beginning of year, as reported</b> | 502,163               | 502,163           | 870,861              | 368,698   |
| <b>Restatements:</b>                                |                       |                   |                      |   |
| Prior-period adjustments (note 13)                  | -                     | -                 | (297)                | (297)   |
| <b>Net position, beginning of year, as restated</b> | <u>502,163</u>        | <u>502,163</u>    | <u>870,564</u>       | <u>368,401</u>  |
| <b>Net position, June 30, 2017</b>                  | <u>\$ 223,363</u>     | <u>\$ 251,163</u> | <u>\$ 989,441</u>    | <u>\$ 738,278</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, 2017**

|  | <u>Budget Amounts</u> |                     | <u>Actual Amount</u> | <b>Variance with</b>  |
|--|-----------------------|---------------------|----------------------|-----------------------|
|  | <u>Original</u>       | <u>Final</u>        |                      | <b>Final Budget -</b> |
|  |                       |                     |                      | <b>Favorable</b>      |
|  |                       |                     |                      | <b>(Unfavorable)</b>  |
| Operating Revenues                           |                       |                     |                      |                       |
| Facilities rentals                           | \$ 544,800            | \$ 544,800          | \$ 541,086           | \$ (3,714)            |
| Development activities                       | 450,000               | 450,000             | 1,472,608            | 1,022,608             |
| Other operating revenues                     | 79,000                | 79,000              | 692,292              | 613,292               |
| <b>Total operating revenues</b>              | <u>1,073,800</u>      | <u>1,073,800</u>    | <u>2,705,986</u>     | <u>1,632,186</u>      |
| Operating Expenses                           |                       |                     |                      |                       |
| Operating                                    | 225,000               | 260,000             | 274,141              | (14,141)              |
| Contractual services and utilities           | 95,500                | 111,000             | 137,726              | (26,726)              |
| Repairs and maintenance                      | 65,000                | 65,000              | 207,837              | (142,837)             |
| General                                      | 2,000                 | 2,000               | -                    | 2,000                 |
| Insurance                                    | 20,000                | 20,000              | 3,692                | 16,308                |
| Depreciation                                 | 160,000               | 250,000             | 140,538              | 109,462               |
| <b>Total operating expenses</b>              | <u>567,500</u>        | <u>708,000</u>      | <u>763,934</u>       | <u>(55,934)</u>       |
| <b>Operating income</b>                      | <u>506,300</u>        | <u>365,800</u>      | <u>1,942,052</u>     | <u>1,576,252</u>      |
| Nonoperating Revenues (Expenses)             |                       |                     |                      |                       |
| Interest on investments                      | 33,000                | 33,000              | 29,375               | (3,625)               |
| Interest expense                             | (141,000)             | (266,500)           | (212,868)            | 53,632                |
| <b>Total nonoperating expenses</b>           | <u>(108,000)</u>      | <u>(233,500)</u>    | <u>(183,493)</u>     | <u>50,007</u>         |
| <b>Change in net position</b>                | <u>398,300</u>        | <u>132,300</u>      | <u>1,758,559</u>     | <u>1,626,259</u>      |
| Net position, beginning of year, as reported | 5,503,928             | 5,503,928           | 5,398,566            | (105,362)             |
| Restatements:                                |                       |                     |                      |                       |
| Prior-period adjustment (note 13)            | -                     | -                   | 1,873                | 1,873                 |
| Net position, beginning of year, as restated | <u>5,503,928</u>      | <u>5,503,928</u>    | <u>5,400,439</u>     | <u>(103,489)</u>      |
| Net position, June 30, 2017                  | <u>\$ 5,902,228</u>   | <u>\$ 5,636,228</u> | <u>\$ 7,158,998</u>  | <u>\$ 1,522,770</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, 2017

|  | <u>Budget Amounts</u> |                   | <u>Actual Amount</u> | <u>Variance with<br/>Final Budget -<br/>Favorable<br/>(Unfavorable)</u> |
|--|-----------------------|-------------------|----------------------|---|
|  | <u>Original</u>       | <u>Final</u>      |                      |   |
| Operating Revenues                     |                       |                   |                      |   |
| Facilities rentals                     | \$ 284,160            | \$ 284,160        | \$ 258,829           | \$ (25,331)   |
| Other operating revenues               | -                     | -                 | 5,617                | 5,617   |
| <b>Total operating revenues</b>        | <u>284,160</u>        | <u>284,160</u>    | <u>264,446</u>       | <u>(19,714)</u>   |
| Operating Expenses                     |                       |                   |                      |   |
| Operating                              | 134,903               | 139,520           | 118,266              | 21,254  |
| Contractual services and utilities     | 100,495               | 101,079           | 39,342               | 61,737  |
| Repairs and maintenance                | 22,000                | 22,000            | 18,390               | 3,610   |
| Depreciation                           | 75,000                | 75,000            | 64,076               | 10,924  |
| General                                | 24,068                | 24,680            | 17,501               | 7,179   |
| <b>Total operating expenses</b>        | <u>356,466</u>        | <u>362,279</u>    | <u>257,575</u>       | <u>104,704</u>  |
| <b>Operating loss</b>                  | (72,306)              | (78,119)          | 6,871                | 84,990  |
| Nonoperating Revenues                  |                       |                   |                      |   |
| Interest on investments                | 1,000                 | 1,000             | 53                   | (947)   |
| <b>Change in net position</b>          | (71,306)              | (77,119)          | 6,924                | 84,043  |
| <b>Net position, beginning of year</b> | <u>1,020,729</u>      | <u>1,020,729</u>  | <u>1,136,581</u>     | <u>115,852</u>  |
| <b>Net position, June 30, 2017</b>     | <u>\$ 949,423</u>     | <u>\$ 943,610</u> | <u>\$ 1,143,505</u>  | <u>\$ 199,895</u>   |

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

**REQUIRED SUPPLEMENTAL INFORMATION**

**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>2017</u>  | <u>2016</u>  | <u>2015</u>  |
|---|--------------|--------------|--------------|
| Santa Fe Civic Housing Authority's proportion of the net pension liability  | 0.1485%      | 0.1685%      | 0.1904%      |
| Santa Fe Civic Housing Authority's proportionate share of the net pension liability   | \$ 2,372,529 | \$ 1,718,003 | \$ 1,485,324 |
| Santa Fe Civic Housing Authority's covered-employee payroll   | \$ 2,177,331 | \$ 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 | 108.96%      | 101.25%      | 106.45%      |
| Plan fiduciary net position as a percentage of the total pension liability  | 69.18%       | 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>2017</u>      | <u>2016</u>      | <u>2015</u>     |
|--|------------------|------------------|-----------------|
| Contractually required contributions   | \$ 126,758       | \$ 121,455       | \$ 61,939       |
| Contributions in relation to the contractually required contribution   | <u>(126,758)</u> | <u>(121,455)</u> | <u>(61,939)</u> |
| Contribution deficiency (excess)   | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>     |
| Santa Fe Civic Housing Authority's covered employee payroll<br>as a percentage of its covered-employee payroll | \$ 2,177,331     | \$ 1,696,721     | \$ 1,395,311    |
| Contributions as a percentage of covered-employee payroll  | 5.82%            | 7.16%            | 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, 2017**

*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 16 audit report available at:  
[http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_PublicEmployees\\_Retirement\\_Association\\_2016.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_PublicEmployees_Retirement_Association_2016.pdf).

*Changes in assumptions* . The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2016 report is available at:  
<http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/6-30-2016-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, 2016 valuation.

**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, 2017

|  | Type of Account | Bank<br>Balance     | Outstanding<br>Checks | Deposits<br>in Transit | Carrying<br>Balance | Fair Value          |
|--|-----------------|---------------------|-----------------------|------------------------|---------------------|---------------------|
| Deposits with financial institutions:          |                 |                     |                       |                        |                     |                     |
| NM Bank & Trust:                               |                 |                     |                       |                        |                     |                     |
| Operating (La Cieneguita)                      | Checking        | \$ 196,954          | \$ (403)              | \$ -                   | \$ 196,551          | \$ 196,551          |
| Operating (Espanola)                           | Checking        | 37,000              | (2,261)               | -                      | 34,739              | 34,739              |
| Security Deposits (Espanola)                   | Checking        | 49,977              | (730)                 | -                      | 49,247              | 49,247              |
| FSS Low Rent (Espanola)                        | Savings         | 1,269               | (494)                 | -                      | 775                 | 775                 |
| Reserve Account (SF Hsg Dev Corp)              | Savings         | 276,201             | -                     | -                      | 276,201             | 276,201             |
| Market max ***757 (La Cieneguita)              | Savings         | 12,974              | -                     | -                      | 12,974              | 12,974              |
| Market max ***765 (La Cieneguita)              | Savings         | 13,703              | -                     | -                      | 13,703              | 13,703              |
| Market max ***856 (La Cieneguita)              | Savings         | 90,677              | -                     | -                      | 90,677              | 90,677              |
| Market max ***864 (La Cieneguita)              | Savings         | 5,234               | -                     | -                      | 5,234               | 5,234               |
|  |                 | <u>683,989</u>      | <u>(3,888)</u>        | <u>-</u>               | <u>680,101</u>      | <u>680,101</u>      |
| US Bank:                                       |                 |                     |                       |                        |                     |                     |
| General Fund Operating                         | Checking        | 1,019,846           | (26,266)              | 112,069                | 1,105,649           | 1,105,649           |
| Operating (Voucher)                            | Checking        | 1,406,384           | (128,566)             | -                      | 1,277,818           | 1,277,818           |
| FSS Escrow (Voucher)                           | Checking        | 149,188             | -                     | -                      | 149,188             | 149,188             |
|  |                 | <u>2,575,418</u>    | <u>(154,832)</u>      | <u>112,069</u>         | <u>2,532,655</u>    | <u>2,532,655</u>    |
| Los Alamos National Bank:                      |                 |                     |                       |                        |                     |                     |
| Operating (SF Hsg Dev Corp)                    | Checking        | 926,557             | (881)                 | -                      | 925,676             | 925,676             |
| Security Deposit (SF Hsg Dev Corp)             | Checking        | 6,334               | (186)                 | -                      | 6,148               | 6,148               |
| Repair and Replace (SF Hsg Dev Corp)           | Checking        | 6,285               | -                     | -                      | 6,285               | 6,285               |
| Debt Service Reserve (SF Hsg Dev Corp)         | Checking        | 10,705              | -                     | -                      | 10,705              | 10,705              |
| Development Board account (SF Hsg Dev Corp)    | Checking        | 19,881              | -                     | -                      | 19,881              | 19,881              |
| Operating (Cielo Azul)                         | Checking        | 187,258             | (1,395)               | -                      | 185,863             | 185,863             |
| Security Deposit (Operating)                   | Checking        | 15,193              | (1,004)               | 125                    | 14,314              | 14,314              |
| Employee Fund (Cielo Azul)                     | Checking        | 4,284               | -                     | -                      | 4,284               | 4,284               |
| Development Account (Cielo Azul)               | Checking        | 21,932              | -                     | -                      | 21,932              | 21,932              |
| Security Deposits (Cielo Azul)                 | Checking        | 12,819              | -                     | -                      | 12,819              | 12,819              |
| Cielo Replacement Reserve (Cielo Azul)         | Checking        | 81,074              | -                     | -                      | 81,074              | 81,074              |
| TBRA (Voucher)                                 | Checking        | 61,169              | (200)                 | -                      | 60,969              | 60,969              |
| Mainstream (Voucher)                           | Checking        | 25,279              | -                     | -                      | 25,279              | 25,279              |
| FSS PH (Operating)                             | Savings         | 14,420              | -                     | -                      | 14,420              | 14,420              |
| 9/8 S/T Loan Proceeds (SF Hsg Dev Corp)        | Savings         | 500,008             | -                     | -                      | 500,008             | 500,008             |
| Rehabilitation (SF Hsg Dev Corp)               | Savings         | 10,950              | -                     | -                      | 10,950              | 10,950              |
|  |                 | <u>1,904,148</u>    | <u>(3,666)</u>        | <u>125</u>             | <u>1,900,607</u>    | <u>1,900,607</u>    |
| <b>Total deposits</b>                          |                 | <u>5,163,555</u>    | <u>(162,386)</u>      | <u>112,194</u>         | <u>5,113,363</u>    | <u>5,113,363</u>    |
| Investments:                                   |                 |                     |                       |                        |                     |                     |
| Charles Schwab:                                |                 |                     |                       |                        |                     |                     |
| Security Deposits (Operating)                  | Treasury Bill   | 35,226              | -                     | -                      | 35,226              | 35,226              |
| Rehabilitation (SF Hsg Dev Corp)               | Treasury Bill   | 275,162             | -                     | -                      | 275,162             | 275,162             |
| Repair and Replace (SF Hsg Dev Corp)           | Treasury Bill   | 125,070             | -                     | -                      | 125,070             | 125,070             |
| Debt Service Reserve (SF Hsg Dev Corp)         | Treasury Bill   | 160,091             | -                     | -                      | 160,091             | 160,091             |
| Board Account (SF Hsg Dev Corp)                | Treasury Bill   | 50,161              | -                     | -                      | 50,161              | 50,161              |
| Security Deposit (SF Hsg Dev Corp)             | Treasury Bill   | 15,007              | -                     | -                      | 15,007              | 15,007              |
| Security Deposits (Cielo Azul)                 | Treasury Bill   | 5,302               | -                     | -                      | 5,302               | 5,302               |
| <b>Total investments</b>                       |                 | <u>666,019</u>      | <u>-</u>              | <u>-</u>               | <u>666,019</u>      | <u>666,019</u>      |
| <b>Total cash deposits and investments</b>     |                 | <u>\$ 5,829,574</u> | <u>\$ (162,386)</u>   | <u>\$ 112,194</u>      | <u>\$ 5,779,382</u> | <u>\$ 5,779,382</u> |
| Shown on the Statement of Net Position as:     |                 |                     |                       |                        |                     |                     |
| Cash, investments and equivalents              |                 |                     |                       |                        | \$ 5,475,819        |                     |
| Cash, investments and equivalents - restricted |                 |                     |                       |                        | <u>303,563</u>      |                     |
| <b>Total cash, investments and equivalents</b> |                 |                     |                       |                        | <u>\$ 5,779,382</u> |                     |

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF PLEDGED COLLATERAL  
MARKET VALUE  
June 30, 2017

|  | <u>Maturity<br/>Date</u> | <u>Bank<br/>Balance</u> | <u>Federal<br/>Depository<br/>Insurance</u> | <u>Total<br/>Uninsured<br/>Public Funds</u> | <u>Required<br/>Collateral</u> | <u>Pledged<br/>Securities<br/>Market Value</u> | <u>Over/<br/>(Under)</u> |
|--|--------------------------|-------------------------|---|---|--------------------------------|--|--------------------------|
| <u>New Mexico Bank &amp; Trust</u>   |                          |                         |   |   |                                |  |                          |
| Checking   | None                     | \$ 285,200              | \$ 250,000                                  | \$ 35,200                                   | \$ 17,600                      | \$ -   | -                        |
| Savings  | None                     | 398,789                 | 250,000                                     | 148,789                                     | 74,395                         | -  | -                        |
| Collateral:  |                          |                         |   |   |                                |  |                          |
| Cherokee ColoMet Wtr. & W Rev. Bds,<br>CUSIP 16415TAS0,, 4.0%, \$560,000 face<br>(Underwritten by a member of NASDA)<br>(Compliant with NMSA 1978) | 8/1/29                   |                         |   |   |                                | 607,617  | 515,622                  |
|  |                          | <u>683,989</u>          | <u>500,000</u>                              | <u>183,989</u>                              | <u>91,995</u>                  | <u>607,617</u>                                 | <u>515,622</u>           |
| <u>US Bank:</u>  |                          |                         |   |   |                                |  |                          |
| Checking   | None                     | 2,575,419               | 250,000                                     | 2,325,419                                   | 1,162,710                      | -  | -                        |
| Savings  | None                     | 78,960                  | 78,960                                      | -   | -                              | -  | -                        |
| Collateral held at FRB Dallas:   |                          |                         |   |   |                                |  |                          |
| FHLB of Cincinnati, OH Letter of Credit<br>\$4,000,000   |                          |                         |   |   |                                | 4,000,000                                      | 2,837,290                |
|  |                          | <u>2,654,379</u>        | <u>328,960</u>                              | <u>2,325,419</u>                            | <u>1,162,710</u>               | <u>4,000,000</u>                               | <u>2,837,290</u>         |
| <u>Los Alamos National Bank</u>  |                          |                         |   |   |                                |  |                          |
| Checking   | None                     | 1,378,771               | 250,000                                     | 1,128,771                                   | 564,386                        |  | -                        |
| Savings  | None                     | 525,377                 | 250,000                                     | 275,377                                     | 137,689                        |  | -                        |
| Collateral:  |                          |                         |   |   |                                |  |                          |
| FHLMC , Cusip 3137B3NA2<br>\$4,085,000 face ( 12.24% pledge)   | 4/25/23                  |                         |   |   |                                | 522,489  |                          |
| FMHS , Cusip 3137BJP64<br>\$3,500,000 face ( 85.71% ) pledge)  | 3/25/25                  |                         |   |   |                                | 3,116,078                                      |                          |
| FMHS , Cusip 3137BIUG5<br>\$3,650,000 face ( 54.79% ) pledge)  | 1/25/23                  |                         |   |   |                                | 2,030,010                                      | 4,966,503                |
|  |                          | <u>1,904,148</u>        | <u>500,000</u>                              | <u>1,404,148</u>                            | <u>702,074</u>                 | <u>5,668,577</u>                               | <u>4,966,503</u>         |
|  |                          | <u>\$ 5,242,516</u>     | <u>\$ 1,328,960</u>                         | <u>\$ 3,913,556</u>                         | <u>\$ 1,956,778</u>            | <u>\$ 10,276,194</u>                           | <u>\$ 8,319,414</u>      |

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

Schedule 5  
Page 1 of 7

Financial Data Schedule

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

|  | 14.850 and 14.872<br>Housing Project<br>Total | 14.870 Resident<br>Opportunity and<br>Supportive<br>Services | 14.871 Housing<br>Choice Vouchers | 14.879 Mainstream<br>Vouchers | 14.238 Shelter<br>Plus Care | 1 Business<br>Activities | Subtotal     | Eliminations | Total        |
|--|---|--|-----------------------------------|-------------------------------|-----------------------------|--------------------------|--------------|--------------|--------------|
| 111 Cash - Unrestricted  | 1,195,459                                     | -  | 1,086,165                         | 25,279                        | -                           | 2,912,343                | 5,219,246    | -            | 5,219,246    |
| 112 Cash - Restricted - Modernization and Development          | -   | -  | -                                 | -                             | -                           | -                        | -            | -            | -            |
| 113 Cash - Other Restricted                                    | -   | -  | 256,573                           | -                             | -                           | -                        | 256,573      | -            | 256,573      |
| 114 Cash - Tenant Security Deposits                            | 52,241  | -  | -                                 | -                             | -                           | 99,415                   | 151,656      | -            | 151,656      |
| 115 Cash - Restricted for Payment of Current Liabilities       | 6,670   | -  | 145,237                           | -                             | -                           | -                        | 151,907      | -            | 151,907      |
| 100 Total Cash   | 1,254,370                                     | -  | 1,487,975                         | 25,279                        | -                           | 3,011,758                | 5,779,382    | -            | 5,779,382    |
| 121 Accounts Receivable - PHA Projects                         | 3,365,325                                     | -  | -                                 | -                             | -                           | 1,051,403                | 4,436,728    | -            | 4,436,728    |
| 122 Accounts Receivable - HUD Other Projects                   | -   | -  | 65,162                            | -                             | -                           | -                        | 65,162       | -            | 65,162       |
| 124 Accounts Receivable - Other Government                     | -   | -  | -                                 | -                             | -                           | -                        | -            | -            | -            |
| 125 Accounts Receivable - Miscellaneous                        | -   | -  | -                                 | -                             | -                           | -                        | -            | -            | -            |
| 126 Accounts Receivable - Tenants                              | 132,419                                       | -  | -                                 | -                             | -                           | 7,679                    | 140,098      | -            | 140,098      |
| 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 | 3,517,744                                     | -  | 65,162                            | -                             | -                           | 1,059,082                | 4,641,988    | -            | 4,641,988    |
| 131 Investments - Unrestricted                                 | 1,900,000                                     | -  | -                                 | -                             | -                           | -                        | 1,900,000    | -            | 1,900,000    |
| 132 Investments - Restricted                                   | -   | -  | -                                 | -                             | -                           | -                        | -            | -            | -            |
| 135 Investments - Restricted for Payment of Current Liability  | -   | -  | -                                 | -                             | -                           | -                        | -            | -            | -            |
| 142 Prepaid Expenses and Other Assets                          | 71,702  | -  | -                                 | -                             | -                           | 32,592                   | 104,294      | -            | 104,294      |
| 143 Inventories  | -   | -  | -                                 | -                             | -                           | -                        | -            | -            | -            |
| 143.1 Allowance for Obsolete Inventories                       | -   | -  | -                                 | -                             | -                           | -                        | -            | -            | -            |
| 144 Inter Program Due From                                     | 72,041  | -  | -                                 | 1,005                         | -                           | 2,240,089                | 2,313,135    | (2,313,135)  | -            |
| 145 Assets Held for Sale                                       | -   | -  | -                                 | -                             | -                           | -                        | -            | -            | -            |
| 150 Total Current Assets                                       | 6,815,857                                     | -  | 1,553,137                         | 26,284                        | -                           | 6,343,521                | 14,738,799   | (2,313,135)  | 12,425,664   |
| 161 Land   | 299,637                                       | -  | -                                 | -                             | -                           | 842,952                  | 1,142,589    | -            | 1,142,589    |
| 162 Buildings  | 20,844,834                                    | -  | -                                 | -                             | -                           | 9,660,105                | 30,504,939   | -            | 30,504,939   |
| 163 Furniture, Equipment & Machinery - Dwellings               | 1,084,034                                     | -  | -                                 | -                             | -                           | 207,900                  | 1,291,934    | -            | 1,291,934    |
| 164 Furniture, Equipment & Machinery - Administration          | 157,068                                       | -  | -                                 | -                             | -                           | -                        | 157,068      | -            | 157,068      |
| 165 Leasehold Improvements                                     | -   | -  | -                                 | -                             | -                           | -                        | -            | -            | -            |
| 166 Accumulated Depreciation                                   | (15,739,178)                                  | -  | -                                 | -                             | -                           | (5,494,923)              | (21,234,101) | -            | (21,234,101) |
| 167 Construction in Progress                                   | 474,354                                       | -  | -                                 | -                             | -                           | 2,000,000                | 2,474,354    | -            | 2,474,354    |
| 168 Infrastructure   | -   | -  | -                                 | -                             | -                           | -                        | -            | -            | -            |

**Santa Fe Civic Housing Authority (NM009)**  
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Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

|   | 14.850 and 14.872<br>Housing Project<br>Total | 14.870 Resident<br>Opportunity and<br>Supportive<br>Services | 14.871 Housing<br>Choice Vouchers | 14.879 Mainstream<br>Vouchers | 14.238 Shelter<br>Plus Care | 1 Business<br>Activities | Subtotal   | Eliminations | Total      |
|---|---|--|-----------------------------------|-------------------------------|-----------------------------|--------------------------|------------|--------------|------------|
| 160 Total Capital Assets, Net of Accumulated Depreciation                 | 7,120,749                                     | -  | -                                 | -                             | -                           | 7,216,034                | 14,336,783 | -            | 14,336,783 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current                   | 15,974,724                                    | -  | -                                 | -                             | -                           | 4,713,701                | 20,688,425 | -            | 20,688,425 |
| 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  | 23,095,473                                    | -  | -                                 | -                             | -                           | 11,929,735               | 35,025,208 | -            | 35,025,208 |
| 200 Deferred Outflow of Resources   | 366,409                                       | -  | 220,991                           | -                             | -                           | 233,560                  | 820,960    | -            | 820,960    |
| 290 Total Assets and Deferred Outflow of Resources                        | 30,277,739                                    | -  | 1,774,128                         | 26,284                        | -                           | 18,506,816               | 50,584,967 | (2,313,135)  | 48,271,832 |
| 311 Bank Overdraft  | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 312 Accounts Payable <= 90 Days   | -   | -  | -                                 | -                             | -                           | 375                      | 375        | -            | 375        |
| 313 Accounts Payable >90 Days Past Due                                    | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 321 Accrued Wage/Payroll Taxes Payable                                    | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 322 Accrued Compensated Absences - Current Portion                        | 251,292                                       | -  | -                                 | -                             | -                           | -                        | 251,292    | -            | 251,292    |
| 324 Accrued Contingency Liability   | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 325 Accrued Interest Payable  | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 331 Accounts Payable - HUD PHA Programs                                   | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 332 Account Payable - PHA Projects  | 974,354                                       | -  | 1,000                             | -                             | -                           | -                        | 975,354    | -            | 975,354    |
| 333 Accounts Payable - Other Government                                   | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 341 Tenant Security Deposits  | 52,241  | -  | -                                 | -                             | -                           | 99,415                   | 151,656    | -            | 151,656    |
| 342 Unearned Revenue  | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | -   | -  | -                                 | -                             | -                           | 1,796,046                | 1,796,046  | -            | 1,796,046  |
| 344 Current Portion of Long-term Debt - Operating Borrowings              | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 345 Other Current Liabilities   | 6,670   | -  | 145,237                           | -                             | -                           | -                        | 151,907    | -            | 151,907    |
| 346 Accrued Liabilities - Other   | 267,750                                       | -  | -                                 | -                             | -                           | -                        | 267,750    | -            | 267,750    |
| 347 Inter Program - Due To  | 940,089                                       | -  | 1,006                             | 10,239                        | -                           | 1,361,802                | 2,313,135  | (2,313,135)  | -          |
| 348 Loan Liability - Current  | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 310 Total Current Liabilities   | 2,492,396                                     | -  | 147,242                           | 10,239                        | -                           | 3,257,638                | 5,907,516  | (2,313,135)  | 3,594,380  |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue    | -   | -  | -                                 | -                             | -                           | 5,194,938                | 5,194,938  | -            | 5,194,938  |
| 352 Long-term Debt, Net of Current - Operating Borrowings                 | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 353 Non-current Liabilities - Other                                       | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 354 Accrued Compensated Absences - Non-Current                            | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |

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Financial Data Schedule  
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit Fiscal Year End: 06/30/2017

|   | 14.850 and 14.872<br>Housing Project<br>Total | 14.870 Resident<br>Opportunity and<br>Supportive<br>Services | 14.871 Housing<br>Choice Vouchers | 14.879 Mainstream<br>Vouchers | 14.238 Shelter<br>Plus Care | 1 Business<br>Activities | Subtotal   | Eliminations | Total      |
|---|---|--|-----------------------------------|-------------------------------|-----------------------------|--------------------------|------------|--------------|------------|
| 355 Loan Liability - Non Current                                      | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 356 FASB 5 Liabilities  | -   | -  | -                                 | -                             | -                           | -                        | -          | -            | -          |
| 357 Accrued Pension and OPEB Liabilities                              | 1,058,903                                     | -  | 638,652                           | -                             | -                           | 674,974                  | 2,372,529  | -            | 2,372,529  |
| 350 Total Non-Current Liabilities                                     | 1,058,903                                     | -  | 638,652                           | -                             | -                           | 5,869,912                | 7,567,467  | -            | 7,567,467  |
| 300 Total Liabilities   | 3,551,299                                     | -  | 785,894                           | 10,239                        | -                           | 9,127,550                | 13,474,982 | (2,313,135)  | 11,161,847 |
| 400 Deferred Inflow of Resources                                      | 136,989                                       | -  | 82,621                            | -                             | -                           | 87,322                   | 306,932    | -            | 306,932    |
| 508.4 Net Investment in Capital Assets                                | 7,120,749                                     | -  | -                                 | -                             | -                           | 3,347,562                | 10,468,311 | -            | 10,468,311 |
| 511.4 Restricted Net Position   | -   | -  | 256,573                           | -                             | -                           | -                        | 256,573    | -            | 256,573    |
| 512.4 Unrestricted Net Position                                       | 19,468,702                                    | -  | 649,040                           | 16,045                        | -                           | 5,944,382                | 25,078,169 | -            | 25,078,169 |
| 513 Total Equity - Net Assets / Position                              | 26,589,451                                    | -  | 905,613                           | 16,045                        | -                           | 9,291,944                | 36,803,053 | -            | 36,803,053 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | 30,277,739                                    | -  | 1,774,128                         | 26,284                        | -                           | 18,506,816               | 50,584,967 | (2,313,135)  | 48,271,832 |

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Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

|   | 14.850 and 14.872<br>Housing Project<br>Total | 14.870 Resident<br>Opportunity and<br>Supportive Services | 14.871 Housing<br>Choice Vouchers | 14.879 Mainstream<br>Vouchers | 14.238 Shelter Plus<br>Care | 1 Business Activities | Subtotal   | Eliminations | Total      |
|---|---|---|-----------------------------------|-------------------------------|-----------------------------|-----------------------|------------|--------------|------------|
| 70300 Net Tenant Rental Revenue                         | 620,473                                       | -   | -                                 | -                             | -                           | 1,567,696             | 2,188,169  | -            | 2,188,169  |
| 70400 Tenant Revenue - Office                           | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 70500 Total Tenant Revenue                              | 620,473                                       | -   | -                                 | -                             | -                           | 1,567,696             | 2,188,169  | -            | 2,188,169  |
| 70600 HUD PHA Operating Grants                          | 1,028,491                                     | 73,960  | 7,588,612                         | 132,573                       | 65,162                      | -                     | 8,888,798  | -            | 8,888,798  |
| 70610 Capital Grants                                    | 599,354                                       | -   | -                                 | -                             | -                           | -                     | 599,354    | -            | 599,354    |
| 70710 Management Fee                                    | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 70720 Asset Management Fee                              | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 70730 Book Keeping Fee                                  | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 70740 Front Line Service Fee                            | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 70750 Other Fees  | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 70700 Total Fee Revenue                                 | 1,627,845                                     | 73,960  | 7,588,612                         | 132,573                       | 65,162                      | -                     | 9,488,152  | -            | 9,488,152  |
| 70800 Other Governmental Grants                         | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 71100 Investment Income - Unrestricted                  | 107   | -   | 124                               | -                             | -                           | 30,386                | 30,617     | -            | 30,617     |
| 71200 Mortgage Interest Income                          | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 71300 Proceeds from Disposition of Assets Held for Sale | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 71310 Cost of Sale of Assets                            | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 71400 Fraud Recovery                                    | -   | -   | 10,040                            | -                             | -                           | -                     | 10,040     | -            | 10,040     |
| 71500 Other Revenue                                     | 470,049                                       | -   | 941,951                           | 149                           | -                           | 2,170,517             | 3,582,666  | -            | 3,582,666  |
| 71600 Gain or Loss on Sale of Capital Assets            | 2,432,033                                     | -   | -                                 | -                             | -                           | -                     | 2,432,033  | -            | 2,432,033  |
| 72000 Investment Income - Restricted                    | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 70000 Total Revenue                                     | 5,150,507                                     | 73,960  | 8,540,727                         | 132,722                       | 65,162                      | 3,768,599             | 17,731,677 | -            | 17,731,677 |
| 91100 Administrative Salaries                           | 299,029                                       | -   | 343,399                           | 6,539                         | -                           | 283,607               | 932,574    | -            | 932,574    |
| 91200 Auditing Fees                                     | -   | -   | 52,363                            | -                             | -                           | -                     | 52,363     | -            | 52,363     |
| 91310 Book-keeping Fee                                  | 525   | -   | -                                 | -                             | -                           | -                     | 525        | -            | 525        |
| 91400 Advertising and Marketing                         | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 91500 Employee Benefit contributions - Administrative   | 251,513                                       | -   | 177,772                           | 2,934                         | -                           | 187,139               | 619,358    | -            | 619,358    |
| 91600 Office Expenses                                   | 71,944  | -   | 73,411                            | -                             | -                           | 47,090                | 192,445    | -            | 192,445    |
| 91700 Legal Expense                                     | 68  | -   | -                                 | -                             | -                           | 4,773                 | 4,841      | -            | 4,841      |
| 91800 Travel  | 12,365  | -   | -                                 | -                             | -                           | -                     | 12,365     | -            | 12,365     |
| 91810 Allocated Overhead                                | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 91900 Other and other pension expenses                  | 44,659  | -   | 22,899                            | -                             | -                           | 44,920                | 112,478    | -            | 112,478    |
| 91000 Total Operating - Administrative                  | 680,103                                       | -   | 669,844                           | 9,473                         | -                           | 567,529               | 1,926,949  | -            | 1,926,949  |
| 92000 Asset Management Fee                              | -   | -   | -                                 | -                             | -                           | -                     | -          | -            | -          |
| 92100 Tenant Services - Salaries                        | 27,659  | 51,251  | -                                 | -                             | -                           | -                     | 78,910     | -            | 78,910     |
| 92200 Relocation Costs                                  | -   | -   | 21,092                            | -                             | -                           | -                     | 21,092     | -            | 21,092     |
| 92300 Employee Benefit Contributions - Tenant Services  | -   | 22,709  | -                                 | -                             | -                           | -                     | 22,709     | -            | 22,709     |

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

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Submission Type: Audited/Single Audit      Fiscal Year End: 06/30/2017

|   | 14.850 and 14.872<br>Housing Project<br>Total | 14.870 Resident<br>Opportunity and<br>Supportive Services | 14.871 Housing<br>Choice Vouchers | 14.879 Mainstream<br>Vouchers | 14.238 Shelter Plus<br>Care | 1 Business Activities | Subtotal | Eliminations | Total   |
|---|---|---|-----------------------------------|-------------------------------|-----------------------------|-----------------------|----------|--------------|---------|
| 92400 Tenant Services - Other                                   | 27,050  | -   | -                                 | -                             | -                           | 7,352                 | 34,402   | -            | 34,402  |
| 92500 Total Tenant Services                                     | 54,709  | 73,960  | 21,092                            | -                             | -                           | 7,352                 | 157,113  | -            | 157,113 |
| 93100 Water   | 107,001                                       | -   | -                                 | -                             | -                           | 50,204                | 157,205  | -            | 157,205 |
| 93200 Electricity   | 41,492  | -   | -                                 | -                             | -                           | 31,974                | 73,466   | -            | 73,466  |
| 93300 Gas   | 56,420  | -   | -                                 | -                             | -                           | 21,552                | 77,972   | -            | 77,972  |
| 93400 Fuel  | -   | -   | -                                 | -                             | -                           | -                     | -        | -            | -       |
| 93500 Labor   | -   | -   | -                                 | -                             | -                           | -                     | -        | -            | -       |
| 93600 Sewer   | 26,842  | -   | -                                 | -                             | -                           | 34,426                | 61,268   | -            | 61,268  |
| 93700 Employee Benefit Contributions - Utilities                | -   | -   | -                                 | -                             | -                           | -                     | -        | -            | -       |
| 93800 Other Utilities Expense                                   | 18,263  | -   | -                                 | -                             | -                           | 16,807                | 35,070   | -            | 35,070  |
| 93000 Total Utilities   | 250,018                                       | -   | -                                 | -                             | -                           | 154,963               | 404,981  | -            | 404,981 |
| 94100 Ordinary Maintenance and Operations - Labor               | 258,481                                       | -   | -                                 | -                             | -                           | 121,989               | 380,470  | -            | 380,470 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | 81,549  | -   | -                                 | -                             | -                           | 78,079                | 159,628  | -            | 159,628 |
| 94300 Ordinary Maintenance and Operations Contracts             | 110,272                                       | -   | -                                 | -                             | -                           | 144,607               | 254,879  | -            | 254,879 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance     | -   | -   | -                                 | -                             | -                           | -                     | -        | -            | -       |
| 94000 Total Maintenance   | 450,302                                       | -   | -                                 | -                             | -                           | 344,675               | 794,977  | -            | 794,977 |
| 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  | 102,919                                       | -   | -                                 | -                             | -                           | 30,239                | 133,158  | -            | 133,158 |
| 96120 Liability Insurance                                       | -   | -   | 160                               | -                             | -                           | -                     | 160      | -            | 160     |
| 96130 Workmen's Compensation                                    | -   | -   | -                                 | -                             | -                           | -                     | -        | -            | -       |
| 96140 All Other Insurance                                       | -   | -   | -                                 | -                             | -                           | -                     | -        | -            | -       |
| 96100 Total Insurance Premiums                                  | 102,919                                       | -   | 160                               | -                             | -                           | 30,239                | 133,318  | -            | 133,318 |
| 96200 Other General Expenses                                    | 66,260  | -   | 13,546                            | -                             | -                           | 476,425               | 556,231  | -            | 556,231 |
| 96210 Compensated Absences                                      | -   | -   | -                                 | -                             | -                           | -                     | -        | -            | -       |
| 96300 Payments in Lieu of Taxes                                 | -   | -   | -                                 | -                             | -                           | -                     | -        | -            | -       |
| 96400 Bad debt - Tenant Rents                                   | -   | -   | -                                 | -                             | -                           | -                     | -        | -            | -       |
| 96500 Bad debt - Mortgages                                      | -   | -   | -                                 | -                             | -                           | -                     | -        | -            | -       |
| 96600 Bad debt - Other  | -   | -   | -                                 | -                             | -                           | -                     | -        | -            | -       |
| 96800 Severance Expense   | -   | -   | -                                 | -                             | -                           | -                     | -        | -            | -       |
| 96000 Total Other General Expenses                              | 66,260  | -   | 13,546                            | -                             | -                           | 476,425               | 556,231  | -            | 556,231 |
| 96710 Interest of Mortgage (or Bonds) Payable                   | -   | -   | -                                 | -                             | -                           | -                     | -        | -            | -       |

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**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

|   | 14.850 and 14.872<br>Housing Project<br>Total | 14.870 Resident<br>Opportunity and<br>Supportive Services | 14.871 Housing<br>Choice Vouchers | 14.879 Mainstream<br>Vouchers | 14.238 Shelter Plus<br>Care | 1 Business Activities | Subtotal    | Eliminations | Total       |
|---|---|---|-----------------------------------|-------------------------------|-----------------------------|-----------------------|-------------|--------------|-------------|
| 96720 Interest on Notes Payable (Short and Long Term)                     |   |   |                                   |                               |                             |                       |             |              |             |
| 96730 Amortization of Bond Issue Costs                                    |   |   |                                   |                               |                             |                       |             |              |             |
| 96700 Total Interest Expense and Amortization Cost                        |   |   |                                   |                               |                             |                       |             |              |             |
| 96900 Total Operating Expenses  | 1,604,311                                     | 73,960  | 704,642                           | 9,473                         |                             | 1,581,183             | 3,973,569   |              | 3,973,569   |
| 97000 Excess of Operating Revenue over Operating Expenses                 | 3,546,196                                     |   | 7,836,085                         | 123,249                       | 65,162                      | 2,187,416             | 13,758,108  |              | 13,758,108  |
| 97100 Extraordinary Maintenance   |   |   |                                   |                               |                             |                       |             |              |             |
| 97200 Casualty Losses - Non-capitalized                                   |   |   |                                   |                               |                             |                       |             |              |             |
| 97300 Housing Assistance Payments   |   |   | 6,646,337                         | 115,520                       | 65,162                      |                       | 6,827,019   |              | 6,827,019   |
| 97350 HAP Portability-In  |   |   | 856,008                           |                               |                             |                       | 856,008     |              | 856,008     |
| 97400 Depreciation Expense  | 875,060                                       |   |                                   |                               |                             | 303,056               | 1,178,116   |              | 1,178,116   |
| 97500 Fraud Losses  |   |   |                                   |                               |                             |                       |             |              |             |
| 97600 Capital Outlays - Governmental Funds                                |   |   |                                   |                               |                             |                       |             |              |             |
| 97700 Debt Principal Payment - Governmental Funds                         |   |   |                                   |                               |                             |                       |             |              |             |
| 97800 Dwelling Units Rent Expense   |   |   |                                   |                               |                             |                       |             |              |             |
| 99000 Total Expenses  | 2,479,371                                     | 73,960  | 8,206,987                         | 124,993                       | 65,162                      | 1,884,239             | 12,834,712  |              | 12,834,712  |
| 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                          |   |   |                                   |                               |                             |                       |             |              |             |
| 10094 Transfers between Project and Program - Out                         |   |   |                                   |                               |                             |                       |             |              |             |
| 10100 Total Other financing Sources (Uses)                                |   |   |                                   |                               |                             |                       |             |              |             |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses    | 2,671,136                                     |   | 333,740                           | 7,729                         |                             | 1,884,360             | 4,896,963   |              | 4,896,963   |
| 11020 Required Annual Debt Principal Payments                             |   |   |                                   |                               |                             | 1,796,046             | 1,796,046   |              | 1,796,046   |
| 11030 Beginning Equity  | 26,112,887                                    |   | 571,873                           | 8,316                         |                             | 7,406,008             | 34,099,084  |              | 34,099,084  |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | (2,194,572)                                   |   |                                   |                               |                             | 1,576                 | (2,192,996) |              | (2,192,996) |
| 11050 Changes in Compensated Absence Balance                              |   |   |                                   |                               |                             |                       |             |              |             |
| 11060 Changes in Contingent Liability Balance                             |   |   |                                   |                               |                             |                       |             |              |             |
| 11070 Changes in Unrecognized Pension Transition Liability                |   |   |                                   |                               |                             |                       |             |              |             |



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

Schedule 5  
 Page 7 of 7

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2017

|   | 14.850 and 14.872<br>Housing Project<br>Total | 14.870 Resident<br>Opportunity and<br>Supportive Services | 14.871 Housing<br>Choice Vouchers | 14.879 Mainstream<br>Vouchers | 14.238 Shelter Plus<br>Care | Business Activities | Subtotal  | Eliminations | Total     |
|---|---|---|-----------------------------------|-------------------------------|-----------------------------|---------------------|-----------|--------------|-----------|
| 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                                   |   |   | 462,170                           |                               |                             |                     | 462,170   |              | 462,170   |
| 11180 Housing Assistance Payments Equity                          |   |   | 256,573                           |                               |                             |                     | 256,573   |              | 256,573   |
| 11190 Unit Months Available                                       | 2,168   |   | 12,204                            | 240                           |                             |                     | 14,612    |              | 14,612    |
| 11210 Number of Unit Months Leased                                | 2,108   |   | 11,129                            | 236                           |                             |                     | 13,473    |              | 13,473    |
| 11270 Excess Cash   | 2,185,959                                     |   |                                   |                               |                             |                     | 2,185,959 |              | 2,185,959 |
| 11610 Land Purchases  |   |   |                                   |                               |                             |                     |           |              |           |
| 11620 Building Purchases  |   |   |                                   |                               |                             |                     |           |              |           |
| 11630 Furniture & Equipment - Dwelling Purchases                  |   |   |                                   |                               |                             |                     |           |              |           |
| 11640 Furniture & Equipment - Administrative Purchases            |   |   |                                   |                               |                             |                     |           |              |           |
| 11650 Leasehold Improvements Purchases                            |   |   |                                   |                               |                             |                     |           |              |           |
| 11660 Infrastructure Purchases                                    |   |   |                                   |                               |                             |                     |           |              |           |
| 15510 CFFP Debt Service Payments                                  |   |   |                                   |                               |                             |                     |           |              |           |
| 13901 Replacement Housing Factor Funds                            |   |   |                                   |                               |                             |                     |           |              |           |

**COMPLIANCE AND SINGLE AUDIT INFORMATION**

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2017**

| Federal Grantor/<br>Program Title                            | Federal<br>CFDA<br>Number | Receivable                            |                               | Admin<br>Equity<br>July 1, 2016 | Prior-<br>period<br>Adjust-<br>ments | Cash<br>Receipts      | Expenditures        | Receivable                             |                                |                                  |
|--|---------------------------|---------------------------------------|-------------------------------|---------------------------------|--------------------------------------|-----------------------|---------------------|--|--------------------------------|----------------------------------|
|  |                           | (Deferred<br>Revenue)<br>July 1, 2016 | HAP<br>Equity<br>July 1, 2016 |                                 |                                      |                       |                     | (Deferred<br>Revenue)<br>June 30, 2017 | HAP<br>Equity<br>June 30, 2017 | Admin<br>Equity<br>June 30, 2017 |
| <b>Department of Housing and Urban Development</b>           |                           |                                       |                               |                                 |                                      |                       |                     |  |                                |                                  |
| <b>Direct Programs:</b>                                      |                           |                                       |                               |                                 |                                      |                       |                     |  |                                |                                  |
| Public Housing Subsidy (MAJOR)                               | 14.850                    | -                                     | -                             | -                               | -                                    | (1,028,491)           | 1,028,491           | -                                      | -                              | -                                |
| Resident Opportunity and Supportive Services (ROSS)          | 14.855                    | -                                     | -                             | -                               | -                                    | (73,960)              | 73,960              | -                                      | -                              | -                                |
| Public Housing Capital Fund - CFP 2016 (MAJOR)               | 14.872                    | -                                     | -                             | -                               | -                                    | (474,354)             | 474,354             | -                                      | -                              | -                                |
| Public Housing Capital Fund - CFP 2015 (MAJOR)               | 14.872                    | -                                     | -                             | -                               | -                                    | (125,000)             | 125,000             | -                                      | -                              | -                                |
| Total Direct Programs  |                           | -                                     | -                             | -                               | -                                    | (1,701,805)           | 1,701,805           | -                                      | -                              | -                                |
| <b>Other Direct Programs:</b>                                |                           |                                       |                               |                                 |                                      |                       |                     |  |                                |                                  |
| Section 8 Housing Choice Vouchers (MAJOR)                    | 14.871                    | -                                     | (87,833)                      | (484,040)                       | -                                    | (8,540,728)           | 8,393,858           | -                                      | (256,573)                      | (462,170)                        |
| Mainstream Vouchers (MS5) (MAJOR)                            | 14.879                    | -                                     | -                             | (8,316)                         | -                                    | (132,723)             | 124,993             | -                                      | -                              | (16,046)                         |
| Shelter Plus Income  | 14.238                    | -                                     | -                             | -                               | -                                    | -                     | 65,162              | 65,162                                 | -                              | -                                |
| Total Other Direct Programs                                  |                           | -                                     | (87,833)                      | (492,356)                       | -                                    | (8,673,451)           | 8,584,013           | 65,162                                 | (256,573)                      | (478,216)                        |
| <b>Total Department of Housing and<br/>Urban Development</b> |                           | <b>\$ -</b>                           | <b>\$ (87,833)</b>            | <b>\$(492,356)</b>              | <b>\$ -</b>                          | <b>\$(10,375,256)</b> | <b>\$10,285,818</b> | <b>\$ 65,162</b>                       | <b>\$ (256,573)</b>            | <b>\$(478,216)</b>               |

**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, 2017.

**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**

None

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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, 2017, 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 other schedules presented as supplemental information and have issued our report thereon dated November 6, 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 as Finding 2017-002 (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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001.

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 2017-002 (2007-004) and 2017-003 (2014-002).

### **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  
November 6, 2017

# Robert J. Rivera, CPA, PC

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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, 2017. 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, 2017.

### **Other Matters**

The results of our audit procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questions Costs as item 2017-001. Our opinion on each major federal program is not modified with respect to these matters.

The Santa Fe Civic Housing Authority's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion to the response.

### **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

weakness 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, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be significant deficiencies.

The Santa Fe Civic Housing Authority's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Housing Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**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  
November 6, 2017



**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2017**

**STATUS OF PRIOR-YEAR AUDIT FINDINGS**

**Financial Statements Findings**

None

**Federal Award Findings and Questioned Costs**

None

**State Auditor's Compliance and Other Matters**

|          |   |                       |
|----------|---|-----------------------|
| 2007-004 | Budgetary Compliance - Other              | Repeated and modified |
| 2014-002 | Late Delivery of Audit Report             | Repeated and updated  |
| 2016-001 | Lack of Proper Type of Pledged Securities | Resolved              |

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017**

**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?                              | Yes        |
| 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)? | Yes        |

4. Identification of major programs

| <u>CFDA Number</u> | <u>Name of Federal Program</u> |
|--------------------|--------------------------------|
| 14.850             | Public Housing Subsidy         |
| 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, 2017**

**B. FINANCIAL STATEMENT FINDINGS**

None

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017**

**C. FEDERAL MAJOR AWARD PROGRAMS FINDINGS AND QUESTIONED COSTS**

**2017-001 The Authority did not comply with U.S. Department of Housing and Urban Development Conflict-of-Interest Requirements (Significant Deficiency - Non-Compliance)**

Federal Program Information:

|                        |  |
|------------------------|--|
| Funding Agency:        | U.S. Department of Housing and Urban Development |
| Title:                 | Public and Indian Housing                        |
| Grant Number and Year: | NM004 FY 2017                                    |
| CFDA Number:           | 14.850   |

CONDITION

The Authority utilized a property title service for a financial closing whose office manager was a member of the Authority's Board of Directors when the transaction occurred. The Authority has written standards of conduct covering conflict-of-interest in place.

CRITERIA

Federal regulations at 2 CFR (Code of Federal Regulations) 200.318© require non-Federal entities to maintain written standards of conduct covering conflict-of-interest, including organizational conflicts of interest.

Non-Federal entities, like the Authority, must identify and notify the U.S. Department of Housing and Urban Development (HUD) about conflicts of interest and may request an exception to the conflict-of-interest provisions.

CAUSE

The Authority did not follow its conflict-of-interest standards, nor did the Authority notify HUD of the conflict-of-interest or request an exception to the Federal conflict-of-interest provisions.

EFFECT

The Authority is not in compliance with the provisions of Federal regulations at 2 CFR (Code of Federal Regulations) 2300.318©. In addition, the Authority did not follow its code of conduct covering conflict-of-interest.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017**

**C. FEDERAL MAJOR AWARD PROGRAMS FINDINGS AND QUESTIONED COSTS  
(CONT'D)**

**2017-001 The Authority did not comply with U.S. Department of Housing and Urban  
Development Conflict-of-Interest Requirements (Significant Deficiency - Non-Compliance)**

**RECOMMENDATION**

We recommend the Authority comply with the HUD conflict-of-interest requirements.

**QUESTIONED COSTS:**

Undetermined

**ENTITY RESPONSE AND PLANNED CORRECTIVE ACTION**

The Authority recognizes this error and will schedule Conflict of Interest training for Management and the Board of Directors. The Deputy Director will be responsible and training will be conducted during 2018 to be completed by June 30, 2018..

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017**

**D. COMPLIANCE AND OTHER MATTERS FINDINGS (CONT'D)**

**2017-002 (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:

|                            |         |
|----------------------------|---------|
| Cielo Azul Enterprise Fund | \$2,302 |
|----------------------------|---------|

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

Although expenditures exceeded the approved expenditure budget for the fiscal year, the fund had revenue collections which exceeded the revenue budget by \$1,628,561

**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 funds, including the Cielo Azul Enterprise Fund; however, the Cielo Azul Enterprise Fund 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 AND PLANNED CORRECTIVE ACTION**

The Authority implemented actions to correct and prevent this recurrence. During this fiscal year a significant amount of maintenance work was completed with the intent of capitalizing that work. Post fiscal year it was determined that expensing that work was the correct action. When that occurred the expenses exceeded budgets approved. We would stress that Revenues during this cycle exceed budget by \$1.4 Million during this cycle as well so this fund was not in a negative fund balance position. The Executive Director and CFO will continue to implement actions to correct and or prevent this recurrence during FY 2018.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017**

**D. COMPLIANCE AND OTHER MATTERS FINDINGS (CONT'D)**

**2017-003 (2014-002) Late Delivery of Audit Report (Repeated and updated)**

**(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, 2017. The report was submitted on November 21, 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 2016-2017 annual financial report to the State Auditor's Office by September 30, 2017.

**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, 2017**

**D. COMPLIANCE AND OTHER MATTERS FINDINGS (CONT'D)**

**2017-003 (2014-002) Late Delivery of Audit Report (Repeated and updated) (Cont'd)**

**(Finding that does not give rise to a significant deficiency/Compliance with State Auditor Rules and Regulations) (Cont'd)**

**ENTITY RESPONSE AND PLANNED CORRECTIVE ACTION**

The Authority will strive to make more timely completion of its Audit but would point out that our set of books is relatively complicated compared to other Governmental entities with 4-6 governmental entity programs and associated non-federal entity programs that drive our development activities. The complexity of those development programs make closure and accurate financials problematic within a 90day window. It should be noted that accurate financial records are the Authority's priority with timeliness of those financials a continued goal. The Executive Director and Accounting staff will be responsible for actions to correct or reduce the time-frame taken from closing the books to completing the Audit during 2018. It should be noted that the Authority issued the 2016 audit on January 13, 2017. This audit cycle we reduced that time-frame by 60 days.





# Santa Fe Civic Housing Authority, Inc.

Serving the community since 1961

## Corrective Action Plan Year Ended June 30, 2017

November 6, 2017

U.S. Department of Housing and Urban Development  
Cognizant Agency for Audit

Santa Fe Civic Housing Authority respectfully submits the following corrective action plan for the year ended June 30, 2017.

Name and address of independent public accounting firm: Robert J. Rivera, CPA, PC,  
No. 6 Calle Medico, Ste. 4, Santa Fe, New Mexico 87505

Audit period: Year Ended June 30, 2017

The findings from the June 30, 2017 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### FINDINGS – FINANCIAL STATEMENT AUDIT

None

### FINDINGS- FEDERAL AWARD PROGRAMS AUDIT

#### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Public and Indian Housing – CFDA 14.850

#### SIGNIFICANT DEFICIENCY -NON-COMPLIANCE

Finding 2017-001 - The Authority did not comply with U.S. Department of Housing and Urban Development Conflict-of-Interest Requirements

*Recommendation:* The Authority must comply with the HUD conflict-of-Interest requirements.

*Action Taken:* We recognize this error and concur with the recommendation. We will Schedule Conflict-of-Interest training for management and the board of directors. The Deputy Director will be responsible and training will be conducted during fiscal year 2018 with a completion date prior to June 30, 2018.

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Santa Fe, NM 87505  
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Española, NM 87532  
(505) 753-3897 Fax (505) 753-5364

Bernalillo  
857 Calle Los Mayores  
Bernalillo, NM 87004  
(505) 867-2792 Fax (505) 404-8825



**FINDINGS – COMPLIANCE AND OTHER MATTERS**

**SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL AND OTHER NON-COMPLIANCE**

**Finding 2017-002 (2007-004) – Budgetary Compliance – Other (Repeated and Modified)**

*Recommendation:* The Authority must comply with the legal budgetary requirements as outlined in the State Auditor’s Rule 2.2.2.10(P)(1).

*Action Taken:* We concur with the recommendation and have implemented actions to correct and prevent this recurrence effective immediately. The Executive Director and CFO will continue to implement actions to correct and or prevent this recurrence during fiscal year 2018 with a completion date prior to June 30, 2018.

**FINDING THAT DOES NOT GIVE RISE TO A SIGNIFICANT DEFICIENCY - COMPLIANCE WITH STATE AUDITOR RULES AND REGULATIONS**

**Finding 2017-003 (2014-002) – Late Delivery of Audit Report (Repeated and Updated)**

*Recommendation:* Policies and procedures should be developed that ensure financial records are ready for audit in a timely manner so that future fiscal periods’ financial audit reports can be submitted prior to the established deadline of the State Auditor’s Office.

*Action Taken:* We concur with the recommendation. The Executive Director and accounting staff will be responsible for actions to correct or reduce the time-frame from closing of books to completing the audit during fiscal year 2018. It should be noted that the Authority issued the June 30, 2016 audit on January 13, 2017. The 2017 audit report cycle reduced that time-frame by 60 days.

If the Department of Housing and Urban Development has questions regarding this plan, please call Ed Romero at (505) 988-2859.

Sincerely yours,



Ed Romero  
Executive Director  
Santa Fe Civic Housing Authority

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
June 30, 2017**

**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 November 7, 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, CPA, Executive Director  
Anna Chavez, Administrative Supervisor  
Amy Jimenez, Accountant  
Nellie Olivas, Accountant

**Audit Firm - Robert J. Rivera, CPA, PC**

Robert J. Rivera, CPA  
William J. Valdes