

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

**Financial Statements  
For the Year Ended June 30, 2018  
(With Independent Auditor's Report Thereon)**

**(Re-Issued March 23, 2020)**

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

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
June 30, 2018**

**TABLE OF CONTENTS**

**Introductory Section**

**Page**

Title Page .....	i
Table of Contents .....	ii-iv
Official Roster .....	v

**Financial Section**

Independent Auditor’s Report .....	vi-ix
------------------------------------	-------

Required Supplementary Information:	
Management’s Discussion and Analysis .....	x-xv

**Basic Financial Statements**

**Exhibit**

Government - Wide Statement of Net Position .....	A	1
Government - Wide Statement of Revenues, Expenses, and Changes in Net Position .....	B	2
Government-Wide Statement of Cash Flows .....	C	3
Statement of Net Position - Enterprise Funds .....	D	4
Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds .....	E	5
Statement of Cash Flows - Enterprise Fund .....	F	6
Notes to Financial Statements .....		7-33

**Other Supplemental Data**

**Combining and Individual Fund Financial Statements**

**Statement**

Public Housing Combining Statement of Net Position - Enterprise Funds .....	1	34
Public Housing Combining Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds .....	2	35
Public Housing Combining Statement of Cash Flows - Enterprise Funds .....	3	36

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
June 30, 2018**

**TABLE OF CONTENTS**

**Other Supplemental Data (Cont'd)**

**Combining and Individual Fund Financial Statements (Cont'd)**

	<b><u>Statement</u></b>	<b><u>Page</u></b>
Section 8 Vouchers and Mainstream Vouchers Combining Statement of Net Position - Enterprise Funds .....	4 .....	37
Section 8 Vouchers and Mainstream Vouchers Combining Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds .....	5 .....	38
Section 8 Vouchers and Mainstream Vouchers Combining Statement of Cash Flows - Enterprise Funds .....	6 .....	39
Schedules of Revenues, Expenses and Changes in Net Position - (Budget to Actual)		
Santa Fe Housing Authority .....	7 .....	40
Española Housing Authority .....	8 .....	41
Santa Fe Section 8 Voucher and Mainstream Voucher .....	9 .....	42
Santa Fe Housing Development Corporation .....	10 .....	43
Cielo Azul .....	11 .....	44
La Cieneguita .....	12 .....	45

**Required Supplementary Information**

	<b><u>Schedule</u></b>	<b><u>Page</u></b>
Schedule of Employer's Proportionate Share of the Net Pension Liability of PERA Municipal General Division-Last 10 Fiscal Years .....	1 .....	46
Schedule of Employer Contributions PERA Plan-Municipal General Division-Last 10 Fiscal Years .....	2 .....	47
Notes to the Required Supplemental Information .....		48

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
June 30, 2018**

**TABLE OF CONTENTS**

<b><u>Required Supplementary Information (Cont'd)</u></b>	<b><u>Schedule</u></b>	<b><u>Page</u></b>
Schedule of Employer's Proportionate Share of the Net OPEB Liability of Retiree Health Care Authority - Last 10 Fiscal Years	3	49
Schedule of Employer Contributions of Retiree Health Care Authority - Last 10 Fiscal Years	4	50
 <b><u>Other Supplemental Information</u></b>		
Combining Schedule of Deposits and Investments	5	51
Schedule of Pledged Collateral	6	52
Financial Data Schedule	7	53-57
 <b><u>Compliance and Single Audit Information</u></b>		
Schedule of Expenditures of Federal Awards	8	58
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		59-60
Independent Auditor's Report on Compliance for each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance		61-63
Summary Schedule of Prior Audit Findings		64
Schedule of Findings and Questioned Costs		65-67
Corrective Action Plan		68
 <b><u>Other State Auditor Required Disclosures</u></b>		
Preparation of Financial Statements and Exit Conference		69

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
June 30, 2018**

**Official Roster**

**Board of Directors**

Michael Gonzales	Chairperson
Gerard Gonzales	Co-Chairperson
Lynne Canning	Commissioner
Therese Abeyta	Resident/Commissioner
John Wheeler	Commissioner

**Management**

Ed Romero	Executive Director/ Secretary
-----------	----------------------------------

# Robert J. Rivera, CPA, PC

Certified Public Accountants

6 Calle Medico, Suite 4

Santa Fe, New Mexico 87505-4761

(505) 983-6002

Fax (505) 983-6474

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors -  
Santa Fe Civic Housing Authority  
and  
Mr. Brian Colón  
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, and the aggregate remaining fund information of the Santa Fe Civic Housing Authority (the Housing Authority) as of and for the year ended June 30, 2018, 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 did audit the financial statements of the Housing Authority's nine discrete component units which have been issued under separate cover and are available through the Housing authority (1. Campo Alegria, LLC; 2. Villa Alegre Family, LLC; 3. Villa Alegre Senior, LLC; 4. Santa Fe Community Living, LLC; 5. Village in the Bosque, LLC; 6. Country Club Apartments, LLC; 7. Pasa Tiempo, LLC; 8. VH Santa Fe, LLC; and 9. Tierra Contenta II, LP) which represent 100%, respectively, of the assets, net position, and revenues of the discrete component units. However, the financial statements of Villa Alegre Family, LLC, Villa Alegre Senior, LLC, and Tierra Contenta II, LP, were not audited in accordance with *Government Auditing Standards*. 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.

**Summary of Opinions**

<b><u>Opinion Unit</u></b>	<b><u>Type of Opinion</u></b>
Business-Type Activities	Unmodified
Aggregate Discretely-Presented Component Units	Adverse
Aggregate Remaining Fund Information	Unmodified

**Basis for Adverse Opinion on the Aggregate Discretely-Presented Component Units**

The financial statements omit the financial data relating to the Housing Authority's nine legally-separate component units. Accounting principles generally accepted in the United States of America require the Housing Authority's primary government financial data to include component units' financial data. The Housing Authority has not issued complete reporting-entity financial statements. Because of the departure from accounting principles generally accepted in the United States of America, the amount of assets, net position and revenue the accompanying financial statements should present for the omitted discretely-presented component units, cannot reasonably be determined due to different year-end dates of the component units.

**Adverse Opinion**

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion on the Aggregate Discretely-Presented Component Units paragraph, the financials statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely-presented component units of the Santa Fe Civic Housing Authority as of June 30, 2018, or the changes in financial position thereof for the year then ended.

**Unmodified Opinions**

In addition, 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

enterprise fund, and the aggregate remaining fund information of the Housing Authority, as of June 30, 2018, 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.

### **Emphasis of Matter**

As discussed in Note 15 to the financial statements, the original financial statements were dated September 30, 2018 and were issued and released by the New Mexico Office of the State Auditor on October 29, 2018. The opinions previously issued were unmodified, but the revised auditor's opinion on the discretely-presented component units is different (adverse) as stated in the Summary of Opinions above. The reason for the different auditor's opinion is that the financial statements omit the financial data relating to the Housing Authority's nine legally separate discretely-presented component units which is required by 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 x through xv and GASB required supplementary pension and OPEB schedules 1 - 4 on pages 46 through 50, 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.

#### **Supplementary and Other Information**

Our audit was conducted for the purpose of forming opinions on the Housing Authority's basic financial statements taken as a whole. The Introductory Section, the Financial Section, the combining and individual fund financial statements (Statements 1-12), the Schedule of Expenditures of Federal Awards (Schedule 8) 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 1-6), 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 7) 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 8) and other supplementary schedules (Schedules 1-7) 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.

- As discussed in the Basis for Adverse Opinion on the Aggregate Discretely-Presented Component Units, the schedules omit data generally accepted accounting principles for discretely-presented component units.
- Also in our opinion, except as discussed in the Basis for Adverse Opinion on the Aggregate Discretely-Presented Component Units paragraph, 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.

We did not subject the Introductory Section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on any other assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also re-issued our report dated March 23, 2020, 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  
March 23, 2020 (re-issue date)

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2018**

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, 2018. Please read it in conjunction with the Authority's financial statements, which follow this section.

**Operational Highlights**

The 2018 fiscal year had several significant extraordinary changes as follows:

- As noted in the 2017 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. Villa Hermosa was completed in July 2018 and Pasa Tiempo is approximately 50% complete. The Authority is a .001% General Partner in these partnerships.
  
- As of 6/30/2018, 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 which are discretely-presented component units of the Housing Authority (However, have not been included in the financial statements of the Housing Authority):
  - 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 Sol (purchased 2016) 80 units
  - o Country Club Apartments (purchased August 2017) 62 units
  
- Future development is currently being 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, 2018**

**Financial Highlights**

- Net position of the Housing Authority increased significantly by \$4,030,820, from \$36,803,053 to \$40,833,873 as of June 30, 2018. The primary reason for the increase was a result of positive operating income of \$1,897,655 and non-operating income of \$4,137,602. Additionally, the Housing Authority showed positive cash flows of \$1,306,409.
- The total operating revenues of the Housing Authority's enterprise units decreased by approximately \$(678,271) as a result of a decrease of \$(652,830) of HUD grants and subsidies and a decrease in capital grants of \$(599,354). Facility rental income decreased by \$(460,453). 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. Other development and asset management fees generated \$91,475, down from the previous year of \$1,472,608.
- Net non-operating revenue and expenses increased by \$1,997,655, resulting primarily from the gain on sale of land and buildings totaling \$4,441,490.
- Two key indicators of financial health, current ratio and debt to equity, remain very strong. Most consider a current ratio (current assets in relation to current liabilities) of over 2:1 to be very healthy. The Housing Authority's current ratio is 6.24:1. In addition, the debt to equity ratio remains consistent at about 0.1539 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 \$6.50 of equity.
- The Authority's net capital assets decreased by approximately \$(3,353,950), resulting primarily from the disposal of buildings of \$(5,540,195) and related accumulated depreciation of \$3,406,383, the disposal of \$(474,354) of construction in progress, and current year depreciation expense of \$(728,086).

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

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2018**

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 \$4,030,820 from the June 30, 2017, amount. The following table shows a summary of changes from prior year amounts.

	<u>Proprietary</u>		<u>Increase (Decrease)</u>	
	<u>2018</u>	<u>2017</u>	<u>Amt</u>	<u>%</u>
Cash and investments	\$ 7,085,791	\$ 5,779,382	\$ 1,306,409	22.6%
Accounts receivable	1,975,125	4,641,988	(2,666,863)	(57.46)%
Other current assets	91,242	2,004,294	(1,913,052)	(95.45)%
Total current assets	9,152,158	12,425,664	3,273,506	(26.34)%
Other receivables	31,608,888	20,688,425	10,920,463	52.8%
Fixed assets (net)	10,982,833	14,336,783	(3,353,950)	(23.4)%
Deferred outflows of resources	507,849	820,960	(313,111)	(38.1)%
Total assets & deferred outflows of resources	<u>\$ 52,251,728</u>	<u>\$ 48,271,832</u>	<u>\$ 3,979,896</u>	<u>8.24%</u>

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2018**

	<u>Proprietary</u>		<u>Increase (Decrease)</u>	
	<u>2018</u>	<u>2017</u>	<u>Amount</u>	<u>%</u>
Accounts payable	137,081	375	136,706	36,454.9 %
Accrued liabilities	348,021	267,750	80,271	130.0%
Other payables-related parties	1,000	975,354	974,354	(99.90) %
Compensated absences payable	246,321	251,292	(4,971)	(2.0)%
Tenant security deposits	149,667	151,656	(1,989)	(1.3)%
Notes payable -current	235,008	1,796,046	(1,561,038)	(86.915)%
Escrows and deposits	149,259	151,907	(2,648)	(1.7)%
Total current liabilities	1,266,357	3,594,380	(2,328,023)	(64.77)%
Notes payable-long-term	6,051,335	5,194,938	856,397	16.48%
Net pension/OPEB liabilities	3,477,435	2,378,529	1,098,906	46.2%
 Total liabilities	 10,795,127	 11,161,847	 (366,720)	 (3.29)%
Deferred inflows of resources	622,728	306,932	315,796	102.9%
Net position	40,833,873	36,803,053	4,030,820	10.96%
Total liabilities, deferred outflow of resources and net position	<u>\$ 52,251,728</u>	<u>\$ 48,271,832</u>	<u>\$ 3,979,896</u>	<u>8.24%</u>

Cash and investments increased by \$1,306,409. Fixed assets decreased by a net of \$(3,353,950) resulting from deletions of \$(5,557,893), deletion of related accumulated depreciation of \$3,406,383, and depreciation expense of \$(728,086). Total liabilities decreased by \$(366,720), which was a (3.29)% decrease from the prior year. Notes payable decreased by \$(704,641), the net pension liability decreased by \$(296,287) and the new OPEB liability increased by \$1,401,193.

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, 2018 and 2017 is shown in the table below:

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2018**

**Statement of Activities**

	2018	2017	Increase (Decrease) Amount	%
Facility rentals	\$ 1,727,716	\$ 2,188,169	\$ (460,453)	(21.0)%
HUD grant and subsidy	9,187,960	9,840,790	(652,830)	(6.63)%
Other revenue	3,075,721	2,640,709	435,012	16.5%
Total operating revenue	13,991,397	14,669,668	(678,271)	(4.62)%
Operating expenses	12,093,742	12,512,004	(418,262)	3.3%
Total operating income	1,897,655	2,157,664	(260,009)	(12.05)%
Total non-operating revenues (expenses)	4,137,602	2,139,947	1,997,655	93.4%
Capital grants	-	599,354	(599,354)	(100.0)%
Change in net position	6,035,257	4,896,965	1,138,292	23.25%
Equity transfers and contributions	(417,276)	(2,194,572)	(1,777,296)	(80.98)%
Total change in net position	\$ 5,617,981	\$ 2,702,393	\$ 2,915,588	107.9%

HUD grants and subsidies decreased by \$(652,830). Capital grants decreased by \$398,632. In addition, other operating revenues increased by \$435,012 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 decreased insignificantly by \$(418,262), or about (3.3)%.

**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 amount.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2018**

**Fund Balance Analysis**

<u>Program</u>	<u>Increase (Decrease)</u>
Housing Authority	\$ 4,504,785
Section 8 and Mainstream Vouchers	(65,754)
Housing Development Corp.	(16,801)
Cielo Azul	1,212,064
La Cieneguita	<u>(16,303)</u>
 Total operational increase	 <u>\$5,617,981</u>

The operational increase in net position was significant.

**Capital Asset and Debt Administration**

- Fixed assets decreased by a net of \$(3,353,950) resulting from deletions of \$(5,557,893), deletions of accumulated depreciation of \$3,406,383 and current year depreciation expense of \$(728,086).
- The Housing Authority acquired no additional debt during FY18. All scheduled payments were made on all notes. Notes payable balance decreased by \$(704,641), from \$6,990,984 at June 30, 2017 to \$6,286,343 at June 30, 2018.

**Economic Factors and Next Year's Budgets**

Funding is determined at the federal level and 2018 budgets have not been appropriated by HUD at this time. However, we are anticipating level to lower funding from HUD. This has minimal to no impact on current operations since all of the funds of the Housing Authority have a strong Net Asset position.

**Requests for Information**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information would be addressed to the Executive Director, 664 Alta Vista, Santa Fe, NM 87502.

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
GOVERNMENT-WIDE STATEMENT OF NET POSITION  
June 30, 2018

	<u>Business-Type Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash, investments and equivalents	\$ 6,786,865
Tenant receivable, net	123,678
Other receivables - related parties	1,851,447
Prepaid expenses	91,242
Cash, investments and equivalents - restricted	<u>298,926</u>
<b>Total current assets</b>	<u>9,152,158</u>
Non-current Assets	
Capital Assets	
Land	1,142,589
Construction in progress	2,000,000
Buildings and improvements	24,964,745
Furniture and fixtures	879,720
Machinery and equipment	130,680
Vehicles	420,903
Accumulated depreciation	<u>(18,555,804)</u>
<b>Total capital assets (net of accumulated depreciation)</b>	<u>10,982,833</u>
Other non-current Assets	
Notes receivable - related parties	<u>31,608,888</u>
<b>Total other non-current assets</b>	<u>31,608,888</u>
<b>Total non-current current assets</b>	<u>42,591,721</u>
<b>Total assets</b>	51,743,879
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Change in assumptions	95,747
Net difference between projected and actual investment earnings on plan investments	170,342
Differences between expected and actual experience	81,583
Employer contributions subsequent to measurement date	<u>160,177</u>
<b>Total deferred outflows of resources</b>	<u>507,849</u>
<b>Total assets and deferred outflows</b>	<u>\$ 52,251,728</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 NET POSITION  
June 30, 2018

	<b>Business-Type Activities</b>
<b>LIABILITIES</b>	
Current Liabilities (payable from unrestricted assets)	
Accounts payable	\$ 137,081
Accrued liabilities	348,021
Other payables - related parties	1,000
Compensated absences payable	246,321
Notes payable	235,008
<b>Total current liabilities (payable from unrestricted assets)</b>	<b>967,431</b>
Current Liabilities (payable from restricted assets)	
Tenant security deposits	149,667
Escrows and deposits	149,259
<b>Total current liabilities (payable from restricted assets)</b>	<b>298,926</b>
<b>Total current liabilities</b>	<b>1,266,357</b>
Noncurrent Liabilities	
Notes payable, less current portion	6,051,335
Net PERA pension liability	2,076,242
Net OPEB liability	1,401,193
<b>Total non-current liabilities</b>	<b>9,528,770</b>
<b>Total liabilities</b>	<b>10,795,127</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Change in assumptions	266,435
Net difference between expected and actual experience	336,135
Net difference between projected and actual investment earnings on plan investments	20,158
<b>Total deferred inflows of resources</b>	<b>622,728</b>
<b>NET POSITION</b>	
Net invested in capital assets	7,235,662
Restricted	35,284
Unrestricted	33,562,927
<b>Total net position</b>	<b>40,833,873</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 52,251,728</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 REVENUES, EXPENSES AND CHANGES IN NET POSITION  
Year Ended June 30, 2018

	Business - Type Activities
Operating revenues	
Facilities rentals	\$ 1,727,716
HUD grant amd subsidy	9,187,960
Development fees	91,475
Other revenue	2,984,246
Total operating revenues	13,991,397
Operating expenses	
Community welfare - Housing assistance payments	7,700,856
Administration - salaries, wages and benefits	2,265,686
Contractual services and utilities	875,067
Repairs and maintenance	368,932
Insurance	136,694
Other expenses	18,421
Depreciation expense	728,086
Total operating expenses	12,093,742
<b>Operating income (loss)</b>	<b>1,897,655</b>
Nonoperating revenues (expenses)	
Interest income	33,777
Interest expense	(337,665)
Gain on sale of assets	4,441,490
Total nonoperating revenues (expenses)	4,137,602
Capital grants - Public Housing	-
<b>Change in net position</b>	<b>6,035,257</b>
Net position, beginning, as reported	36,803,053
Restatements:	
Prior-period adjustments (note 13)	(1,587,161)
Net position, beginning, as restated	35,215,892
Equity transfers in (out)	(417,276)
<b>Net position, ending</b>	<b>\$ 40,833,873</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, 2018**

	<u>Business-Type Activities</u>
Cash Flows From Operating Activities	
Cash received from customers and grantors	\$ 18,821,634
Cash payments to suppliers for goods and services	(10,289,241)
Cash payments to employees for services	(2,270,657)
<b>Net cash provided by operating activities</b>	<u>6,261,736</u>
Cash Flows From Capital and Related Financing Activities	
Disposal of capital assets	2,625,865
Gain on sale of assets	4,441,490
Principal payments on long-term debt	(12,669,526)
Interest payments on long-term debt	(337,665)
Loans to other related parties	(678,643)
Residual equity transfer (out) - CIP	(417,276)
Prior-period adjustments	29,847
<b>Net cash used by capital and related financing activities</b>	<u>(7,005,908)</u>
Cash Flows From Noncapital Financing Activities	
Pension and OPEB liability, deferred outflows/inflows	116,804
<b>Net cash used by noncapital financing activities</b>	<u>116,804</u>
Cash Flows From Investing Activities	
Investments in other related parties	1,900,000
Interest and dividends on investments	33,777
<b>Net cash provided by investing activities</b>	<u>1,933,777</u>
<b>Net (decrease) in cash and cash equivalents</b>	1,306,409
Cash investments and cash equivalents at beginning of year	<u>5,779,382</u>
<b>Cash investments and cash equivalents at end of year</b>	<u>\$ 7,085,791</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating (loss) income	\$ 1,897,655
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	728,086
Change in assets and liabilities	
Accounts receivable	16,420
Grants receivable	65,162
Prepaid expenses	13,052
Due from other funds	256,302
Other receivables	363,820
Due from related parties	2,770,172
Accounts payable	136,706
Due to related parties	200,000
Compensated absences payable	(4,971)
Accrued liabilities	80,271
Security deposits	(4,637)
Due to other funds	(256,302)
<b>Total adjustments</b>	<u>4,364,081</u>
<b>Net cash provided by operating activities</b>	<u>\$ 6,261,736</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 Authority	Section 8 Voucher	SF Housing Development Corporation	Cielo Azul	La Cieneguita	Sub- Total	Elimi- nations	Total
<b>ASSETS</b>								
<b>Current Assets</b>								
Cash, investments and equivalents	\$ 261,796	\$ 1,321,240	\$ 2,533,603	\$ 2,179,813	\$ 490,413	\$ 6,786,865	\$ -	\$ 6,786,865
Tenant receivable	112,663	-	4,795	5,549	671	123,678	-	123,578
Other receivables - related parties	615,153	-	-	1,236,294	-	1,851,447	-	1,851,447
Due from other funds	723,628	-	1,300,000	-	-	2,023,628	(2,023,628)	-
Prepaid expenses	56,586	-	21,425	5,791	7,440	91,242	-	91,242
Cash, investments and equivalents- restricted	50,726	149,252	19,400	73,911	5,637	298,926	-	298,926
<b>Total current assets</b>	<b>1,820,552</b>	<b>1,470,492</b>	<b>3,879,223</b>	<b>3,501,358</b>	<b>504,161</b>	<b>11,175,786</b>	<b>(2,023,628)</b>	<b>9,152,158</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	-	-	-	2,000,000	-	2,000,000	-	2,000,000
Buildings and improvements	15,304,639	-	3,708,510	4,477,839	1,473,757	24,964,745	-	24,964,745
Furniture and fixtures	679,142	-	200,578	-	-	879,720	-	879,720
Machinery and equipment	123,358	-	2,907	-	4,415	130,680	-	130,680
Vehicles	420,903	-	-	-	-	420,903	-	420,903
Accumulated depreciation	(12,796,950)	-	(3,911,995)	(1,004,237)	(842,622)	(18,555,804)	-	(18,555,804)
<b>Total capital assets (net of depreciation)</b>	<b>4,030,729</b>	<b>-</b>	<b>268,652</b>	<b>5,803,602</b>	<b>879,850</b>	<b>10,982,833</b>	<b>-</b>	<b>10,982,833</b>
<b>Other non-current assets</b>								
Notes receivable - related parties	26,765,255	-	-	4,843,633	-	31,608,888	-	31,608,888
<b>Total non-current assets</b>	<b>30,795,984</b>	<b>-</b>	<b>268,652</b>	<b>10,647,235</b>	<b>879,850</b>	<b>42,591,721</b>	<b>-</b>	<b>42,591,721</b>
<b>Total assets</b>	<b>32,616,536</b>	<b>1,470,492</b>	<b>4,147,875</b>	<b>14,148,593</b>	<b>1,384,011</b>	<b>53,767,507</b>	<b>(2,023,628)</b>	<b>51,743,879</b>
<b>DEFERRED OUTFLOWS</b>								
Change in assumptions	41,213	22,942	11,172	14,563	5,857	95,747	-	95,747
Net difference between projected and actual investments earnings on plan investments	73,322	40,815	19,876	25,910	10,419	170,342	-	170,342
Differences between expected and actual experience	35,117	19,548	9,519	12,409	4,990	81,583	-	81,583
Employer contributions subsequent to measurement date	68,946	38,380	18,689	24,364	9,798	160,177	-	160,177
<b>Total deferred outflows of resources</b>	<b>218,598</b>	<b>121,685</b>	<b>59,256</b>	<b>77,246</b>	<b>31,064</b>	<b>507,849</b>	<b>-</b>	<b>507,849</b>
<b>Total assets and deferred outflows</b>	<b>\$ 32,835,134</b>	<b>\$ 1,592,177</b>	<b>\$ 4,207,131</b>	<b>\$ 14,225,839</b>	<b>\$ 1,415,075</b>	<b>\$ 54,275,356</b>	<b>\$ (2,023,628)</b>	<b>\$ 52,251,728</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 NET POSITION  
ENTERPRISE FUNDS  
June 30, 2017

	Housing Authority	Section 8 Voucher	SF Housing Development Corporation	Cielo Azul	La Cieneguita	Sub- Total	Elimi- nations	Total
<b>LIABILITIES</b>								
<b>Current Liabilities (payable from unrestricted assets)</b>								
Accounts payable	\$ -	\$ -	\$ 136,706	\$ 375	\$ -	\$ 137,081	\$ -	\$ 137,081
Compensated absences payable	246,321	-	-	-	-	246,321	-	246,321
Accrued liabilities	348,021	-	-	-	-	348,021	-	348,021
Other payables-related parties	-	1,000	-	-	-	1,000	-	1,000
Notes payable	-	-	86,716	148,292	-	235,008	-	235,008
Due to other funds	-	2,401	255,007	1,632,979	133,241	2,023,628	(2,023,628)	-
<b>Total current liabilities (payable from unrestricted assets)</b>	<b>594,342</b>	<b>3,401</b>	<b>478,429</b>	<b>1,781,646</b>	<b>133,241</b>	<b>2,991,059</b>	<b>(2,023,628)</b>	<b>967,431</b>
<b>Current Liabilities (payable from restricted assets)</b>								
Tenant security deposits	50,719	-	19,400	73,911	5,637	149,667	-	149,667
Escrows and deposits	7	149,252	-	-	-	149,259	-	149,259
<b>Total current liabilities (payable from unrestricted assets)</b>	<b>50,726</b>	<b>149,252</b>	<b>19,400</b>	<b>73,911</b>	<b>5,637</b>	<b>298,926</b>	<b>-</b>	<b>298,926</b>
<b>Total current liabilities</b>	<b>645,068</b>	<b>152,653</b>	<b>497,829</b>	<b>1,855,557</b>	<b>138,878</b>	<b>3,289,985</b>	<b>(2,023,628)</b>	<b>1,266,357</b>
<b>Noncurrent Liabilities</b>								
Notes payable	-	-	2,452,456	3,598,879	-	6,051,335	-	6,051,335
Net PERA pension liability	893,688	497,485	242,257	315,809	127,003	2,076,242	-	2,076,242
Net OPEB liability	603,124	335,737	163,492	213,130	85,710	1,401,193	-	1,401,193
<b>Total noncurrent liabilities</b>	<b>1,496,812</b>	<b>833,222</b>	<b>2,858,205</b>	<b>4,127,818</b>	<b>212,713</b>	<b>9,528,770</b>	<b>-</b>	<b>9,528,770</b>
<b>Total liabilities</b>	<b>2,141,880</b>	<b>985,875</b>	<b>3,356,034</b>	<b>5,983,375</b>	<b>351,591</b>	<b>12,818,755</b>	<b>(2,023,628)</b>	<b>10,795,127</b>
<b>DEFERRED INFLOWS</b>								
Change in assumptions	114,683	63,840	31,088	40,526	16,298	266,435	-	266,435
Difference between expected and actual experience	144,685	80,541	39,220	51,128	20,561	336,135	-	336,135
Net difference between projected and actual investment earnings on plan investments	8,677	4,830	2,352	3,066	1,233	20,158	-	20,158
<b>Total deferred inflows</b>	<b>268,045</b>	<b>149,211</b>	<b>72,660</b>	<b>94,720</b>	<b>38,092</b>	<b>622,728</b>	<b>-</b>	<b>622,728</b>
<b>NET POSITION</b>								
Net invested in capital assets (less loans payable)	4,030,729	-	268,652	2,056,431	879,850	7,235,662	-	7,235,662
Restricted	-	35,284	-	-	-	35,284	-	35,284
Unrestricted	26,394,480	421,807	509,785	6,091,313	145,542	33,562,927	-	33,562,927
<b>Total net position</b>	<b>30,425,209</b>	<b>457,091</b>	<b>778,437</b>	<b>8,147,744</b>	<b>1,025,392</b>	<b>40,833,873</b>	<b>-</b>	<b>40,833,873</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 32,835,134</b>	<b>\$ 1,592,177</b>	<b>\$ 4,207,131</b>	<b>\$ 14,225,839</b>	<b>\$ 1,415,075</b>	<b>\$ 54,275,356</b>	<b>\$ (2,023,628)</b>	<b>\$ 52,251,728</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, 2018

	Housing Authority	Section 8 Voucher	SF Housing Development Corporation	Cielo Azul	La Cieneguita	Total
Operating Revenues						
Facilities rentals	\$ 203,954	\$ -	\$ 775,603	\$ 483,251	\$ 264,908	\$ 1,727,716
HUD grant and subsidy	1,032,879	8,155,081	-	-	-	9,187,960
Development fees	-	-	-	91,475	-	91,475
Other revenue	1,464,774	-	29	1,514,407	5,036	2,984,246
<b>Total operating revenues</b>	<u>2,701,607</u>	<u>8,155,081</u>	<u>775,632</u>	<u>2,089,133</u>	<u>269,944</u>	<u>13,991,397</u>
Operating Expenses						
Community welfare	74,628	7,626,228	-	-	-	7,700,856
Salaries, wages and benefits	957,389	482,995	251,980	422,693	150,629	2,265,686
Contractual services and utilities	337,450	82,243	215,466	198,867	41,041	875,067
Repairs and maintenance	149,734	23,067	137,324	42,381	16,426	368,932
Insurance	90,927	1,708	25,137	10,953	7,969	136,694
Other	7,083	4,858	175	-	6,305	18,421
Depreciation expense	464,155	-	59,317	140,538	64,076	728,086
<b>Total operating expenses</b>	<u>2,081,366</u>	<u>8,221,099</u>	<u>689,399</u>	<u>815,432</u>	<u>286,446</u>	<u>12,093,742</u>
<b>Operating income (loss)</b>	<u>620,241</u>	<u>(66,018)</u>	<u>86,233</u>	<u>1,273,701</u>	<u>(16,502)</u>	<u>1,897,655</u>
Nonoperating Revenues (Expenses)						
Interest on investments	104	254	5,182	28,038	199	33,777
Interest expense	-	-	(108,216)	(229,449)	-	(337,665)
Gain on sale of assets	4,441,490	-	-	-	-	4,441,490
<b>Total nonoperating revenues (expenses)</b>	<u>4,441,594</u>	<u>254</u>	<u>(103,034)</u>	<u>(201,411)</u>	<u>199</u>	<u>4,137,602</u>
Capital grants - Public Housing	-	-	-	-	-	-
<b>Change in net position</b>	<u>5,061,835</u>	<u>(65,764)</u>	<u>(16,801)</u>	<u>1,072,290</u>	<u>(16,303)</u>	<u>6,035,257</u>
Net position, beginning of year, as reported	26,589,451	921,658	989,441	7,158,998	1,143,505	36,803,053
<b>Restatement:</b>						
Notes Receivable-related party	47,388	-	-	30,122	-	77,510
FY17 equity difference-unexplained	-	-	-	(275)	-	(275)
GASB 75 adjustment	(716,415)	(398,803)	(194,203)	(253,165)	(101,810)	(1,664,396)
Net position, beginning of year, as restated	25,920,424	522,855	795,238	6,935,680	1,041,695	35,215,892
Equity transfers in (out)	(557,050)	-	-	139,774	-	(417,276)
<b>Net position, end of year</b>	<u>\$ 30,425,209</u>	<u>\$ 457,091</u>	<u>\$ 778,437</u>	<u>\$ 8,147,744</u>	<u>\$ 1,025,392</u>	<u>\$ 40,833,873</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, 2018

	Housing Authority	Section 8 Voucher	SF Housing Development Corporation	Cielo Azul	La Cieneguita	Total
<b>Cash Flows from Operating Activities</b>						
Cash received from customers and grantors	\$ 5,483,350	\$ 8,224,258	\$ 990,395	\$ 3,557,374	\$ 566,257	\$ 18,821,634
Cash payments to suppliers for goods and services	(2,156,111)	(7,745,942)	121,508	(252,241)	(256,455)	(10,289,241)
Cash payments to employees for services	(962,360)	(482,995)	(251,980)	(422,693)	(150,629)	(2,270,657)
<b>Net cash provided by operating activities</b>	<u>2,364,879</u>	<u>(4,679)</u>	<u>859,923</u>	<u>2,882,440</u>	<u>159,173</u>	<u>6,261,736</u>
<b>Cash Flows from Capital Financing Activities</b>						
Disposal of capital assets	2,625,865	-	-	-	-	2,625,865
Acquisition and construction of capital assets	-	-	-	-	-	-
Gain on sale of assets	4,441,490	-	-	-	-	4,441,490
Principal payments on long-term debt	(11,764,885)	-	(583,340)	(321,301)	-	(12,669,526)
Interest payments on long-term debt	-	-	(108,216)	(229,449)	-	(337,665)
Proceeds from debt	-	-	-	-	-	-
Loans to other related parties	-	-	-	(678,643)	-	(678,643)
Capital grants	-	-	-	-	-	-
Residual equity transfers (out) - CIP	(557,050)	-	-	139,774	-	(417,276)
Prior-period adjustment to equity	-	-	-	29,847	-	29,847
<b>Net cash used by capital financing activities</b>	<u>(5,254,580)</u>	<u>-</u>	<u>(691,556)</u>	<u>(1,059,772)</u>	<u>-</u>	<u>(7,005,908)</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Pension, OPEB liability, deferred outflows/inflow	47,749	(38,337)	(1,891)	91,744	17,539	116,804
<b>Net cash provided (used) by noncapital financing activities</b>	<u>47,749</u>	<u>(38,337)</u>	<u>(1,891)</u>	<u>91,744</u>	<u>17,539</u>	<u>116,804</u>
<b>Cash Flows from Investing Activities</b>						
Investments in other related parties	1,900,000	-	-	-	-	1,900,000
Interest and dividends on investments	104	254	5,182	28,038	199	33,777
<b>Net cash provided (used) by investing activities</b>	<u>1,900,104</u>	<u>254</u>	<u>5,182</u>	<u>28,038</u>	<u>199</u>	<u>1,933,777</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(941,848)</u>	<u>(42,762)</u>	<u>171,658</u>	<u>1,942,450</u>	<u>176,911</u>	<u>1,306,409</u>
Cash investments and cash equivalents at beginning of year	1,254,370	1,513,254	2,381,345	311,274	319,139	5,779,382
<b>Cash investments and cash equivalents at end of year</b>	<u>\$ 312,522</u>	<u>\$ 1,470,492</u>	<u>\$ 2,553,003</u>	<u>\$ 2,253,724</u>	<u>\$ 496,050</u>	<u>\$ 7,085,791</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>						
Operating (loss) income	\$ 620,241	\$ (66,018)	\$ 86,233	\$ 1,273,701	\$ (16,502)	\$ 1,897,655
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation/amortization	464,155	-	59,317	140,538	64,076	728,086
Change in assets and liabilities:						
Accounts receivable	19,756	-	2,268	(5,549)	(55)	16,420
Grants receivable	-	65,162	-	-	-	65,162
Prepaid expenses	15,116	-	(916)	(40)	(1,108)	13,052
Due from other funds	(681,603)	(2,184)	-	940,089	-	256,302
Other receivables	-	-	363,820	-	-	363,820
Due from related parties	2,770,172	-	-	-	-	2,770,172
Accounts payable	-	-	136,706	-	-	136,706
Due to related parties	-	-	-	200,000	-	200,000
Compensated absences payable	(4,971)	-	-	-	-	(4,971)
Accrued liabilities	80,271	-	-	-	-	80,271
Security deposits	(8,185)	4,015	(447)	722	(742)	(4,637)
Due to other funds	(910,073)	(5,654)	212,942	332,979	113,504	(256,302)
<b>Total adjustments</b>	<u>1,744,638</u>	<u>61,339</u>	<u>773,690</u>	<u>1,608,739</u>	<u>175,675</u>	<u>4,364,081</u>
<b>Net cash provided by operating activities</b>	<u>\$ 2,364,879</u>	<u>\$ (4,679)</u>	<u>\$ 859,923</u>	<u>\$ 2,882,440</u>	<u>\$ 159,173</u>	<u>\$ 6,261,736</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, 2018**

**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, 2018.

*Government-Wide and Fund Financial Statements.* The government-wide financial statements (i.e., the statement of net position and the statement of revenues, expenses and changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Housing Authority had no governmental-type activities.

The statement of revenues, expenses and changes in net position demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment and include depreciation expense. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The Housing Authority had no fiduciary funds.

*Measurement Focus, Basis of Accounting and Basis of Presentation.* The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2018**

**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 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 and Espanola has been combined to create one major fund. The Resident Opportunity and Supportive Services program is included in this fund.

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

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

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2018**

**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, 2018, 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**  
**Notes to Financial Statements**  
**June 30, 2018**

**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 \$160,177, change in assumptions of \$95,747, net difference between expected and actual experience of \$81,583, and net difference between projected and actual investment earnings of \$170,342 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 additional to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available) to finance expenditures of the current fiscal period to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding deferred inflows of resources.

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2018**

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

The Housing Authority has three types of items that qualify for reporting in this category. Accordingly, net difference between expected and actual earnings of \$20,158, the change in proportion and difference between the Housing Authority contribution and proportionate share of contributions of \$336,135 and change in assumptions of \$266,435 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.

*Post-employment Benefits Other Than Pensions (OPEB).* For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to and deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA. For this purpose, NMRHCA recognizes benefit payments 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, 2018.

*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.
- 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, 2018**

**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 GASBS ACCOUNTING STANDARDS EFFECTIVE FOR FY 2018**

GASB Statement No. 82. This Statement establishes accounting and financial reporting requirements for pensions provided to the employees of state or local governmental employers. This Statement also establishes financial reporting requirements for pensions plans administered through trusts that meet the criteria in paragraph 3 of Statement 67. The objective of this Statement is to improve consistency in the application of pension accounting and financial reporting requirements by addressing 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.

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 2. NEW GASBS ACCOUNTING STANDARDS EFFECTIVE FOR FY 2018(CONT'D)**

GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. (GASB No. 75) . GASB No. 75 is effective for employers that participate in the Retiree Health Care Fund administered by the New Mexico Retiree Health care Authority (NMRHCA) for fiscal years beginning after June 15, 2017. For most participating employers, this means the reporting year June 30, 2018. This Statement addresses accounting and financial reporting for post-employment of employee service, other than pensions that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The 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.

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. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. This Statement also requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. 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. This Statement addresses a variety of topics including the following:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and “negative” goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest earning investment contracts at amortized cost

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Notes to Financial Statements  
June 30, 2018**

**NOTE 2. NEW GASBS ACCOUNTING STANDARDS EFFECTIVE FOR FY 2018 (CONT'D)**

- Timing the measurement of pension or other post-employment benefits (OPEB) liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-related member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

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. The primary objective of the Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

**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	\$ 1,018,711
Collateral held by pledging bank's trust department not in the Authority's name	<u>5,436,485</u>
<b>Total deposits</b>	<b>\$ <u>6,455,196</u></b>

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Notes to Financial Statements  
June 30, 2018**

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

*Interest Rate Risk.* The Authority's investment policy requires investment maturities to be scheduled to meet projected cash flow.

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the Housing Authority's deposits may not be returned to it. The Housing Authority does not have a deposit policy for custodial credit risk. As of June 30, 2018, \$5,436,485 of the Housing Authority's bank balance of \$6,455,196 was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank's trust department not in the Authority's name	\$ <u>5,436,485</u>
<b>Total</b>	<b>\$ <u>5,436,485</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 \$670,683 on June 30, 2018.

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 Receivable</u>	<u>Allowance</u>	<u>Net Tenant Receivable</u>
Housing Authority	\$ 305,367	\$(192,704)	\$ 112,663
SF Housing Development Corp.	4,795	-	4,795
Cielo Azul	5,549	-	5,549
La Cieneguita	<u>671</u>	<u>-</u>	<u>671</u>
<b>Total Tenant Receivables</b>	<b><u>\$316,382</u></b>	<b><u>\$ (192,704)</u></b>	<b><u>\$ 123,678</u></b>



**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Notes to Financial Statements  
June 30, 2018**

**NOTE 5. INTERFUND ACTIVITY**

The interfund balances are related to various deposits and disbursements made into or from the general

<b>Due from other funds</b>		<b>Due to other funds</b>	
<u>Fund</u>	<u>Amount</u>	<u>Fund</u>	<u>Amount</u>
<u>Current</u>		<u>Current</u>	
Santa Fe Housing	\$ 723,328	Cielo Azul	\$ 1,632,979
Santa Fe Housing Dev. Corp.	1,300,000	Section 8 -Mainstream Voucher	2,401
		La Cieneguita	133,241
		Santa Fe Housing Dev. Corp.	255,007
Total Due from other funds	\$ 2,023,628	Total due from other funds	\$ 2,023,628

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	100.000%
Espanola RAD Development, LLC	100.000%
Bernalillo RAD Development, LLC	100.000%
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

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 6. RELATED PARTY BALANCES (CONT'D)**

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.

**Due From Other Related Party Entities**

**Santa Fe Housing Authority**

Due From Village in the Bosque 1128 (Due From)	\$ 215,292
Due from Villa Alegre Family (Due From)	58,276
Due From Country Club Apartments (Due From)	26,093
Due from Pasa Tiempo (Due From)	14,155
Due From Santa Fe Community Living (Due From)	108,929
Due from VH RAD (Due From)	96,395
Due from VH Santa Fe (Due From)	96,013
Other receivables - related parties	<u>615,153</u>

Due From Village in the Bosque 1124 (Note Rec.)	2,500,000
Due From Santa Fe Community Living-Acquisition (Note Rec.)	8,500,000
Due From VA Family (Note Rec.)	474,505
Due from VA Senior (Note Rec.)	3,497,750
Due from Villa Hermosa (Note Rec.)	1,000,000
Due From Pasa Tiempo (Note Rec.)	<u>10,793,000</u>
Notes receivable - related parties	<u>26,765,255</u>

Total Santa Fe Housing Authority 27,380,408

**Cielo Azul**

Due from Country Club Apartments (A/R-Due From)	286,294
Due from Pasa Tiempo (A/R-Due From)	100,000
Due from PT RAD (A/R-Due From)	850,000
Other receivables - related parties	<u>1,236,294</u>

Notes Receivable-Village in the Bosque(Note Rec.)	1,264,025
Due from Santa Fe Community Living (Note Rec.)	3,144,000
Due from Campo Alegria (Note Rec.)	435,608
Notes receivable - related parties	<u>4,843,633</u>

Total Cielo Azul 6,079,927

\$ 33,460,335

**Due To Other Related Party Entities**

**Voucher Program - Section 8**

Due to Village in the Bosque(Other Payables-related parties)	<u>\$ (1,000)</u>
--	-------------------

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2018**

Santa Fe Housing

The notes receivable-related parties amounting to \$26,765,255 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 \$4,843,633 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.

**NOTE 7. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital assets not being depreciated:</b>				
Land	\$ 1,142,589	\$ -	\$ -	\$ 1,142,589
Construction in progress	2,474,354	-	(474,354)	2,000,000
Total	3,616,943	-	(474,354)	3,142,589
<b>Capital assets being depreciated:</b>				
Buildings and improvements	30,504,939	-	(5,540,194)	24,964,745
Furniture and fixtures	879,720	-	-	879,720
Machinery and equipment	130,680	-	-	130,680
Vehicles	438,602	-	(17,699)	420,903
Total	31,953,941	-	(5,557,893)	26,396,048
Less accumulated depreciation	(21,234,101)	(728,086)	3,406,383	(18,555,804)
<b>Total capital assets being depreciated, net</b>	<b>10,719,840</b>	<b>(728,086)</b>	<b>(2,151,510)</b>	<b>7,840,244</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 14,336,783</b>	<b>\$ (728,086)</b>	<b>\$ (2,625,864)</b>	<b>\$ 10,982,833</b>

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 7. CAPITAL ASSETS (CONT'D)**

Depreciation expense for the year ended June 30, 2018, totaled \$ 728,086. 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, 2018.

**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 6/30/17	Additions	Deductions	Balance 6/30/18	Due Within One Year
Notes payable	\$ 6,990,984	\$ 235,008	\$ (939,649)	\$ 6,286,343	\$ 235,008
Compensated absences	<u>251,292</u>	<u>199,101</u>	<u>(204,072)</u>	<u>246,321</u>	<u>246,321</u>
Total	<u>\$ 7,242,276</u>	<u>\$ 434,109</u>	<u>\$ (1,143,721)</u>	<u>\$ 6,532,664</u>	<u>\$ 481,329</u>

For the year ended June 30, 2018, the Authority incurred \$228,560 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, 2018 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, 2018 is \$35,535.

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

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2018**

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

maturity date of October 15, 2024, and has monthly payments of \$13,676. The balance of the note as of June 30, 2018, is \$2,299,364.

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, 2018, is \$239,808.

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, 2018, is \$533,665.

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, 2018, is \$214,735.

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, 2018, is \$860,781.

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, 2018 is \$1,586,811.

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, 2018 is \$85,418.

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, 2018 is \$111,205.

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, 2018 is \$119,202.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Notes to Financial Statements  
June 30, 2018**

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

Total aggregate maturing of the notes payable at June 30, 2018, 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>
2019	\$ 19,475	\$ 30,886	\$ 67,695	\$ 96,417
2020	20,676	29,685	70,629	93,483
2021	21,951	28,400	73,690	90,422
2022	23,305	27,056	76,883	87,229
2023	24,742	25,619	80,215	83,897
2024-2028	148,574	103,231	1,930,252	179,650
2029-2033	200,404	51,401	-	-
2034-2035	74,538	2,778	-	-
	<u>533,665</u>	<u>299,056</u>	<u>2,299,364</u>	<u>631,098</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>
2019	200,000	-	9,527	1,560
2020	-	-	10,014	1,073
2021	-	-	10,527	561
2022	-	-	5,467	80
2023	-	-	-	-
	<u>200,000</u>	<u>-</u>	<u>35,535</u>	<u>3,274</u>

<u>Year</u>	<u>MFA Note 2</u>		<u>Commercial Mortgage-LANB</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	21,443	4,512	-	-
2024-2028	117,404	12,372	-	-
2029-2030	21,334	294	-	-
	<u>239,808</u>	<u>48,869</u>	<u>214,735</u>	<u>17,254</u>

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2018**

<u>Year</u>	<u>Commercial Mortgage-LANB</u>		<u>St. Catherine's-Pueblo Bank &amp; Trust</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 22,465	\$ 42,106	\$ 76,727	\$ 78,682
2020	23,537	41,034	80,503	74,906
2021	24,861	39,711	84,886	70,524
2022	26,054	38,518	89,130	66,279
2023	27,373	37,198	93,586	61,823
2024-2028	736,491	28,664	542,981	234,064
2029-2033	-	-	618,998	70,856
	<u>860,781</u>	<u>227,231</u>	<u>1,586,811</u>	<u>657,134</u>

<u>Year</u>	<u>Cazuela Mortgage-NMBT</u>		<u>La Cieneguita-NMBT</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	3,265	4,115	\$ 4,136	\$ 5,367
2020	3,418	3,961	4,330	5,173
2021	3,601	3,779	4,562	4,941
2022	3,782	3,597	4,792	4,711
2023	3,972	3,407	5,033	4,470
2024-2027	<u>67,380</u>	<u>6,459</u>	<u>88,172</u>	<u>23,419</u>
	<u>85,418</u>	<u>25,318</u>	<u>111,025</u>	<u>48,081</u>

<u>Year</u>	<u>Calle Angelina-LANB</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	4,098	5,651	435,008	281,733
2020	4,285	5,465	443,128	268,375
2021	4,511	5,239	248,785	249,336
2022	106,308	2,544	356,331	235,159
2023			256,364	220,926
2024-2028			3,631,254	587,859
2029-2033			840,736	122,551
2034-2035			<u>74,538</u>	<u>2,778</u>
	<u>119,202</u>	<u>18,899</u>	<u>\$ 6,286,343</u>	<u>\$ 1,968,717</u>

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2018**

**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>.

**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 FY17 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 40 of the PERA FY17 annual audit report at:

<http://www.nmpera.org/assets/uploads/downloads/comprehensive-annual-financial-reports/CAFR-2017-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 \$136,773 and there were no employer paid member benefits that were “picked up” by the employer for the year ended June 30, 2018.



**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2018**

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

***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, 2017, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2017.

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, 2017. Only employer contributions for the pay period end dates that fell within the period of July 1, 2016 to June 30, 2017 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2017 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the un-remitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

**Employer Pickup.** 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, June 30, 2016 and June 30, 2017 Comprehensive Annual Financial Reports 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 2017, the beginning deferred inflows and outflows were reclassified due to the employer's change in proportion for fiscal year 2017. The total reallocation of deferred inflows and outflows increased pension expense for fiscal year ending June 30, 2018 and is not included in pension expense in PERA's Schedule of Employer Pension Amounts for the year ended June 30, 2017.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Notes to Financial Statements  
June 30, 2018**

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

**For PERA Fund Municipal Division**, at June 30, 2018, the Housing Authority reported a liability of \$2,076,242 for its proportionate share of the net pension liability. At June 30, 2018, the Housing Authority's proportion was 0.1511 percent, which changed from its proportion measured as of June 30, 2017 of 0.1485 percent.

For the year ended June 30, 2018, the Housing Authority recognized PERA Fund Municipal General Division pension expense of \$126,758. At June 30, 2018, the Housing Authority reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 81,582	\$ 106,339
Change in assumptions	95,746	21,455
Changes in proportion and differences between Housing Authority contributions and proportionate share of contributions	-	176,027
Net difference between projected and actual investment earnings		
On pension plan investments	170,343	-
District contributions subsequent to the measurement date	<u>132,440</u>	<u>-</u>
Total	<u>\$ 480,111</u>	<u>\$ 303,821</u>

The \$480,111 reported as deferred outflows of resources related to pensions resulting from Housing Authority contributions subsequent to the measurement date June 30, 2017, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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>	
2019	\$ (40,572)
2020	126,333
2021	29,968
2022	(49,781)
2023	-
Thereafter	<u>-</u>
	<u>\$ 65,948</u>

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Notes to Financial Statements  
June 30, 2018**

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

*Actuarial assumptions.* As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2016 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, 2017 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, 2017. These actuarial methods and assumptions were adopted by the PERA's Board of Trustees for use in the June 30, 2016 actuarial valuation.

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 year smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.51% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	2.75% for first 9 years, then 3.25% annual rate
Projected salary increases	2.75% to 14.00% annual rate
Includes inflation at	2.25% annual rate first 9 years then 2.75%
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, 2016 (economic)

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 Real Rate of Return</u>
Global Equity	43.50%	7.39%
Risk reduction and mitigation	21.50%	1.79%
Credit oriented fixed income	15.00%	5.77%
Real assets	<u>20.00%</u>	7.35%
Total	<u>100.00%</u>	

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Notes to Financial Statements  
June 30, 2018**

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

**Discount rate:** The blended 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 7.51% 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 (6.51%) or one percentage point higher (8.51%) than the current single discount rate of 7.51%.

PERA Fund Municipal General Division	1% Decrease (6.51%)	Current Discount Rate 7.51%	1% Increase (8.51%)
Housing Authority's proportionate share of the net pension liability	\$ <u>3,254,157</u>	\$ <u>2,076,530</u>	\$ <u>1,096,642</u>

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued FY17 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, 2018 totaling \$14,099 (employer portion \$5,564 and employee portion \$8,535).

**NOTE 10. POST EMPLOYMENT BENEFITS (OPEB)**

**Post-employment Benefits (OPEB) – State Retiree Health Care Plan**

**Plan Description.** Employees of the Housing Authority are provided OPEB through the New Mexico Retiree Health Care Fund (the Fund), a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). The NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Notes to Financial Statements  
June 30, 2018**

**NOTE 10. POST EMPLOYMENT BENEFITS (OPEB) (CONT'D)**

the State of New Mexico. NMRHCA's financial information is included with the financial presentation of the State of New Mexico.

**Benefits Provided.** The Fund is a cost-sharing multiple-employer defined benefit healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

**Employees covered by benefit terms.** At June 30, 2017, the Fund's measurement date, the following employees were covered by the benefit terms:

Plan membership	
Current retirees and surviving spouses	51,208
Inactive and eligible for deferred benefit	11,478
Current active members	<u>97,439</u>
	<u>160,035</u>
Active membership	
State general	19,593
State police and corrections	1,886
Municipal general	21,004
Municipal police	3,820
Municipal FIRE	2,290
Education Retirement Board	<u>48,756</u>
	<u>97,349</u>

**Contributions.** Employer and employee contributions to the Fund total 3% for non-enhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstances, including termination of the employer's participation in the Fund. Contributions to the Fund from the Housing Authority were \$27,736 for the year ended June 30, 2018.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** At June 30, 2018, the Housing Authority reported a liability of \$1,401,193 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Housing Authority's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2017. At June 30, 2017, the Housing Authority's proportion was 0.03092 percent.

For the year ended June 30, 2018, the Housing Authority recognized OPEB expense of \$27,969. At June 30, 2018 the Housing Authority reported deferred outflows of resources and deferred inflows of

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Notes to Financial Statements  
June 30, 2018**

**NOTE 10. POST EMPLOYMENT BENEFITS (OPEB) (CONT'D)**

resources related to OPEB from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 53,770
Changes of Assumptions	-	244,981
Net Difference Between Projected and and Actual Investment Earnings on OPEB Plan Investments	-	20,157
Contributions made after the measurement date	<u>27,736</u>	<u>-</u>
Total	\$ <u>27,736</u>	\$ <u>318,908</u>

Deferred outflows of resources totaling \$27,736 represent the Housing Authority contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

**Subsequent Recognition of Deferred Amounts:**

<u>Year ended June 30</u>	<u>Amount</u>
2019	\$ (67,802)
2020	(67,802)
2021	(67,802)
2022	(67,802)
2023	<u>(47,700)</u>
Total	\$ <u>(318,098)</u>

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Notes to Financial Statements  
June 30, 2018**

**NOTE 10. POST EMPLOYMENT BENEFITS (OPEB) (CONT'D)**

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Valuation Date	June 30, 2017
Actuarial cost method	Entry age normal, level percent of pay, calculated on an individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.50% for ERB; 2.25% for PERA
Projected payroll increases	3.50%
Investment rate of return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 7.5% graded down to 4.5% over 12 for Medicare medical plan costs

*Rate of Return.* The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in derivation of the long-term expected investment rate of return assumptions.

The best estimates for the long-term expected rate of return is submitted as follows:

<u>Asset Class</u>	<u>Long-term Rate of Return</u>
U.S. core fixed income	4.1%
U.S. equity - large cap	9.1%
Non U.S. - emerging markets	12.2%
Non U.S. - developed equities	9.8%
Private equity	13.8%
Credit and structured finance	7.3%
Real estate	6.9%
Absolute return	6.1%
U.S. equity - small/mid cap	9.1%

*Discount Rate.* The discount rate used to measure the Fund's total OPEB liability is 3.81% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Notes to Financial Statements  
June 30, 2018**

**NOTE 10. POST EMPLOYMENT BENEFITS (OPEB) (CONT'D)**

purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2028. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2029. Beyond 2029, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 3.81% is the blended discount rate.

***Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.*** The following presents the net OPEB liability of the Housing Authority, as well as what the Housing Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.81 percent) or 1-percentage-point higher (4.81 percent) than the current discount rate:

<u>1% Decrease</u> <u>(2.81%)</u>	<u>Current Discount</u> <u>(3.81%)</u>	<u>1% Increase</u> <u>(4.81%)</u>
\$ 1,699,626	\$ 1,401,193	\$ 1,167,046

The following presents the net OPEB liability of the Housing Authority, as well as what the Housing Authority's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
\$ 1,191,811	\$ 1,401,193	\$ 1,564,459

***OPEB plan fiduciary net position.*** Detailed information about the OPEB plan's fiduciary net position is available in NMRHCA's audited financial statements for the year ended June 30, 2017.

***Payable Changes in the Net OPEB Liability.*** At June 30, 2018, the Housing Authority reported a payable of \$1,165 for outstanding contributions due to NMRHCA for the year ended June 30, 2018.

**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.



**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Notes to Financial Statements  
June 30, 2018**

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

The Housing Authority is involved in various legal actions arising from the ordinary course of operations. With respect to these actions, their counsel believes the outcome will not have a material adverse effect on the Authority's financial position. The Housing Authority mitigates the risk of loss by purchasing commercial insurance.

The Housing Authority has the following policies:

Worker's Compensation	Director's Liability Coverage
Property	Civil Rights
General Liability	Auto Liability
Employee Theft/Dishonesty/Crime Blanket Coverage	

The Housing 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 Housing Authority which exceeds the insurance coverage, the Housing 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. NET POSITION RESTATEMENTS**

Net position as of June 30, 2017 has been restated in the amount of \$(1,587,161) as follows:

<u>Housing Authority Fund</u>	
Notes receivable-related parties - prior-period adjustment	\$ 47,388
GASBS 75, OPEB - prior-period adjustment	<u>(716,415)</u>
	<u>(669,027)</u>
<u>Section 8 Voucher Fund</u>	
GASBS 75, OPEB - prior-period adjustment	<u>(398,803)</u>
<u>Santa Fe Housing Development Fund</u>	
GASBS 75, OPEB - prior-period adjustment	<u>(194,203)</u>
<u>Cielo Azul Fund</u>	
Notes receivable-related parties - prior-period adjustment	30,122
GASBS 75, OPEB - prior-period adjustment	(253,165)
Other miscellaneous equity adjustment - prior-period adjustment	<u>( 275)</u>
	<u>(223,318)</u>
<u>La Cienegita Fund</u>	
GASBS 75, OPEB - prior-period adjustment	<u>(101,810)</u>
Total Net Position Restatements - June 30, 2017	<u><u>\$(1,587,161)</u></u>

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**Notes to Financial Statements**  
**June 30, 2018**

**NOTE 13. SUBSEQUENT ACCOUNTING STANDARD PRONOUNCEMENTS**

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. 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.

**NOTE 14. SUBSEQUENT EVENTS**

The Housing Authority has evaluated subsequent events through September 30, 2018, and again through March 23, 2020 (date of re-issuance) which is the date the financial statements were available to be issued and concluded that no additional disclosures are required.

**NOTE 15. RE-ISSUED REPORT**

The previously issued year ended June 30, 2018 financial statements of the Housing Authority, dated September 30, 2018, were released by the New Mexico State Auditor's Office on October 29, 2018.

The year ended June 30, 2018 financial statements of the Housing Authority were re-issued dated March 23, 2020 (re-issue date) to include a change in the independent auditor's report and opinion for the omission of financial data relating to the Housing Authority's nine legally-separate discretely-presented component units.

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
PUBLIC HOUSING COMBINING STATEMENT OF NET POSITION  
ENTERPRISE FUNDS  
June 30, 2018

	Santa Fe Housing Authority	Española Housing Authority	Sub- Total	Eliminations	Total
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash, investments and equivalents	\$ 179,103	\$ 82,693	\$ 261,796	-	261,796
Investments in other related party entities	-	-	-	-	-
Tenant receivable	103,293	9,370	112,663	-	112,663
Other receivables - related parties	615,153	-	615,153	-	615,153
Due from other funds	723,628	266,637	990,265	(266,637)	723,628
Prepaid expenses	13,593	42,993	56,586	-	56,586
Cash, investments and equivalents - restricted	6,694	44,032	50,726	-	50,726
<b>Total current assets</b>	<b>1,641,464</b>	<b>445,725</b>	<b>2,087,189</b>	<b>(266,637)</b>	<b>1,820,552</b>
<b>Non-current assets:</b>					
<b>Capital Assets:</b>					
Land	22,200	277,437	299,637	-	299,637
Construction in progress	-	-	-	-	-
Buildings and improvements	2,930,537	12,374,102	15,304,639	-	15,304,639
Furniture and fixtures	39,989	639,153	679,142	-	679,142
Machinery and equipment	123,358	-	123,358	-	123,358
Vehicles	263,835	157,068	420,903	-	420,903
Accumulated depreciation	(3,178,894)	(9,618,056)	(12,796,950)	-	(12,796,950)
<b>Total capital assets (net of depreciation)</b>	<b>201,025</b>	<b>3,829,704</b>	<b>4,030,729</b>	<b>-</b>	<b>4,030,729</b>
<b>Other non-current assets:</b>					
Notes receivable - related parties	26,765,255	-	26,765,255	-	26,765,255
<b>Total non-current assets</b>	<b>26,966,280</b>	<b>3,829,704</b>	<b>30,795,984</b>	<b>-</b>	<b>30,795,984</b>
<b>Total assets</b>	<b>28,607,744</b>	<b>4,275,429</b>	<b>32,883,173</b>	<b>(266,637)</b>	<b>32,616,536</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Change in assumptions	27,729	13,484	41,213	-	41,213
Net difference between projected and actual investment earnings on plan investments	49,333	23,989	73,322	-	73,322
Differences between expected and actual experience	23,627	11,490	35,117	-	35,117
Employer contributions subsequent to measurement date	46,388	22,558	68,946	-	68,946
<b>Total deferred outflows of resources</b>	<b>147,077</b>	<b>71,521</b>	<b>218,598</b>	<b>-</b>	<b>218,598</b>
<b>Total assets and deferred outflows</b>	<b>\$ 28,754,821</b>	<b>\$ 4,346,950</b>	<b>\$ 33,101,771</b>	<b>(266,637)</b>	<b>32,835,134</b>
<b>LIABILITIES</b>					
<b>Current Liabilities (payable from unrestricted assets):</b>					
Accounts payable	-	-	-	-	-
Compensated absences payable	220,039	26,282	246,321	-	246,321
Accrued liabilities	348,021	-	348,021	-	348,021
Other payables-related parties	-	-	-	-	-
Due to other funds	266,637	-	266,637	(266,637)	-
<b>Total current liabilities payable from unrestricted assets)</b>	<b>834,697</b>	<b>26,282</b>	<b>860,979</b>	<b>(266,637)</b>	<b>594,342</b>
<b>Current Liabilities (payable from restricted assets):</b>					
Tenant security deposits	6,687	44,032	50,719	-	50,719
Escrows and deposits	7	-	7	-	7
<b>Total current liabilities payable from restricted assets)</b>	<b>6,694</b>	<b>44,032</b>	<b>50,726</b>	<b>-</b>	<b>50,726</b>
<b>Noncurrent Liabilities:</b>					
Net PERA pension liability	601,292	292,396	893,688	-	893,688
Net OPEB liability	405,794	197,330	603,124	-	603,124
<b>Total noncurrent liabilities</b>	<b>1,007,086</b>	<b>489,726</b>	<b>1,496,812</b>	<b>-</b>	<b>1,496,812</b>
<b>Total liabilities</b>	<b>1,848,477</b>	<b>560,040</b>	<b>2,408,517</b>	<b>(266,637)</b>	<b>2,141,880</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Change in assumptions	77,161	37,522	114,683	-	114,683
Difference between expected and actual experience	97,347	47,338	144,685	-	144,685
Net difference between projected and actual investment earnings on plan investments	5,838	2,839	8,677	-	8,677
<b>Total deferred inflows of resources</b>	<b>180,346</b>	<b>87,699</b>	<b>268,045</b>	<b>-</b>	<b>268,045</b>
<b>NET POSITION</b>					
Net invested in capital assets	201,025	\$ 3,829,704	4,030,729	-	4,030,729
Restricted	-	-	-	-	-
Unrestricted	26,524,973	(130,493)	26,394,480	-	26,394,480
<b>Total net position</b>	<b>26,725,998</b>	<b>3,699,211</b>	<b>30,425,209</b>	<b>-</b>	<b>30,425,209</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 28,754,821</b>	<b>\$ 4,346,950</b>	<b>\$ 33,101,771</b>	<b>(266,637)</b>	<b>32,835,134</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, 2018

	Santa Fe Housing Authority	Española Housing Authority	Sub- Total	Eliminations	Total
Operating Revenues					
Facilities rentals	\$ 14,685	\$ 189,269	\$ 203,954	\$ -	\$ 203,954
HUD grant and subsidy	578,551	454,328	1,032,879	-	1,032,879
Other revenue	1,464,691	83	1,464,774	-	1,464,774
<b>Total operating revenues</b>	<u>2,057,927</u>	<u>643,680</u>	<u>2,701,607</u>	<u>-</u>	<u>2,701,607</u>
Operating Expenses					
Salaries, wages and benefits	643,209	314,180	957,389	-	957,389
Community welfare	74,628	-	74,628	-	74,628
Contractual services and utilities	219,562	117,888	337,450	-	337,450
Repairs and maintenance	62,775	86,959	149,734	-	149,734
Depreciation expense	50,245	413,910	464,155	-	464,155
Insurance	30,902	60,025	90,927	-	90,927
Other	7,049	34	7,083	-	7,083
<b>Total operating expenses</b>	<u>1,088,370</u>	<u>992,996</u>	<u>2,081,366</u>	<u>-</u>	<u>2,081,366</u>
<b>Operating gain (loss)</b>	<u>969,557</u>	<u>(349,316)</u>	<u>620,241</u>	<u>-</u>	<u>620,241</u>
Nonoperating Revenues (Expenses)					
Gain (loss) on disposition of assets	4,441,490	-	4,441,490	-	4,441,490
Interest on investments	82	22	104	-	104
<b>Total nonoperating revenues</b>	<u>4,441,572</u>	<u>22</u>	<u>4,441,594</u>	<u>-</u>	<u>4,441,594</u>
Capital grant - Public Housing	-	-	-	-	-
<b>Change in net position</b>	<u>5,411,129</u>	<u>(349,294)</u>	<u>5,061,835</u>	<u>-</u>	<u>5,061,835</u>
<b>Net position beginning of year as reported</b>	<u>22,306,550</u>	<u>4,282,901</u>	<u>26,589,451</u>	<u>-</u>	<u>26,589,451</u>
Restatements:					
GASB 75 adjustment	(482,019)	(234,396)	(716,415)	-	(716,415)
Adjustments to Other Receivables	47,388	-	47,388	-	47,388
<b>Net position beginning of year as restated</b>	<u>21,871,919</u>	<u>4,048,505</u>	<u>25,920,424</u>	<u>-</u>	<u>25,920,424</u>
Equity transfers in (out)	(557,050)	-	(557,050)	-	(557,050)
<b>Net position, end of year</b>	<u>\$ 26,725,998</u>	<u>\$ 3,699,211</u>	<u>\$ 30,425,209</u>	<u>\$ -</u>	<u>\$ 30,425,209</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, 2018

	Santa Fe Housing Authority	Española Housing Authority	Total
Cash Flows from Operating Activities			
Cash received from customers and grantors	\$ 4,841,796	\$ 641,554	\$ 5,483,350
Cash payments to suppliers for goods and services	(1,857,755)	(298,356)	(2,156,111)
Cash payments to employees for services	(653,336)	(309,024)	(962,360)
<b>Net cash provided (used) by operating activities</b>	<u>2,330,705</u>	<u>34,174</u>	<u>2,364,879</u>
Cash Flows from Capital and Related Financing Activities			
Disposal of capital assets	2,625,865	-	2,625,865
Gain on sale of assets	4,441,490	-	4,441,490
Principal payments on long-term debt	(11,764,885)	-	(11,764,885)
Residual equity transfers (out) - CIP	(557,050)	-	(557,050)
<b>Net cash used by financing activities</b>	<u>(5,254,580)</u>	<u>-</u>	<u>(5,254,580)</u>
Cash Flows from Noncapital Financing Activities			
Pension liability, deferred outflow and inflow changes	39,981	7,768	47,749
	<u>39,981</u>	<u>7,768</u>	<u>47,749</u>
Cash Flows from Investing Activities			
Investments in other related parties	1,900,000	-	1,900,000
Interest and dividends on investments	82	22	104
<b>Net cash provided by noncapital financing activities</b>	<u>1,900,082</u>	<u>22</u>	<u>1,900,104</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(983,812)</u>	<u>41,964</u>	<u>(941,848)</u>
Cash investments and cash equivalents at beginning of year	<u>1,169,609</u>	<u>84,761</u>	<u>1,254,370</u>
<b>Cash investments and cash equivalents at end of year</b>	<u>\$ 185,797</u>	<u>\$ 126,725</u>	<u>\$ 312,522</u>
Reconciliation of operating gain (loss) to net cash provided by operating activities			
Operating gain (loss)	\$ 969,557	\$ (349,316)	\$ 620,241
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation/amortization	50,245	413,910	464,155
Change in assets and liabilities:			
Accounts receivable	23,887	(4,131)	19,756
Prepaid expenses	18,550	(3,434)	15,116
Due from other funds	(651,587)	(30,016)	(681,603)
Due from related parties	2,770,172	-	2,770,172
Compensated absences payable	(10,127)	5,156	(4,971)
Accrued liabilities	80,271	-	80,271
Security deposits	(10,190)	2,005	(8,185)
Due to other funds	(910,073)	-	(910,073)
<b>Total adjustments</b>	<u>1,361,148</u>	<u>383,490</u>	<u>1,744,638</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 2,330,705</u>	<u>\$ 34,174</u>	<u>\$ 2,364,879</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, 2018

	Section 8 Vouchers	Mainstream Vouchers	Subtotal	Eliminations	Total
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash, investments and equivalents	\$ 1,303,424	\$ 17,816	\$ 1,321,240	\$ -	1,321,240
Due from other funds	-	3,189	3,189	(3,189)	-
Cash, investments and equivalents - restricted	149,252	-	149,252	-	149,252
<b>Total current assets</b>	<u>1,452,676</u>	<u>21,005</u>	<u>1,473,681</u>	<u>(3,189)</u>	<u>1,470,492</u>
<b>Non-current assets</b>					
	-	-	-	-	-
<b>Total assets</b>	<u>1,452,676</u>	<u>21,005</u>	<u>1,473,681</u>	<u>(3,189)</u>	<u>1,470,492</u>
<b>DEFERRED OUTFLOWS</b>					
Change in assumptions	22,942	-	22,942	-	22,942
Net difference between projected and actual investment earnings on plan investments	40,815	-	40,815	-	40,815
Differences between expected and actual experience	19,548	-	19,548	-	19,548
Employer contributions subsequent to measurement date	38,380	-	38,380	-	38,380
<b>Total deferred outflows</b>	<u>121,685</u>	<u>-</u>	<u>121,685</u>	<u>-</u>	<u>121,685</u>
<b>Total assets and deferred outflows</b>	<u>\$ 1,574,361</u>	<u>\$ 21,005</u>	<u>1,595,366</u>	<u>(3,189)</u>	<u>\$ 1,592,177</u>
<b>LIABILITIES</b>					
<b>Current Liabilities (payable from unrestricted assets)</b>					
Due to other funds	3,189	2,401	5,590	(3,189)	2,401
Other payables - related parties	1,000	-	1,000	-	1,000
<b>Total current liabilities (payable from unrestricted assets)</b>	<u>4,189</u>	<u>2,401</u>	<u>6,590</u>	<u>(3,189)</u>	<u>3,401</u>
<b>Current Liabilities (payable from restricted assets)</b>					
Escrows and deposits	149,252	-	149,252	-	149,252
<b>Total current liabilities (payable from restricted assets)</b>	<u>149,252</u>	<u>-</u>	<u>149,252</u>	<u>-</u>	<u>149,252</u>
<b>Noncurrent Liabilities</b>					
Net PERA pension liability	497,485	-	497,485	-	497,485
Net OPEB liability	335,737	-	335,737	-	335,737
<b>Total noncurrent liabilities</b>	<u>833,222</u>	<u>-</u>	<u>833,222</u>	<u>-</u>	<u>833,222</u>
<b>Total liabilities</b>	<u>986,663</u>	<u>2,401</u>	<u>989,064</u>	<u>(3,189)</u>	<u>985,875</u>
<b>DEFERRED INFLOWS</b>					
Change in assumptions	63,840	-	63,840	-	63,840
Net difference between expected and actual earnings, actual experience and change in proportion	80,541	-	80,541	-	80,541
Net difference between projected and actual investment earnings on plan investments	4,830	-	4,830	-	4,830
<b>Total deferred inflows</b>	<u>149,211</u>	<u>-</u>	<u>149,211</u>	<u>-</u>	<u>149,211</u>
<b>NET POSITION</b>					
Restricted	35,284	-	35,284	-	35,284
Unrestricted	403,203	18,604	421,807	-	421,807
<b>Total net position</b>	<u>438,487</u>	<u>18,604</u>	<u>457,091</u>	<u>-</u>	<u>457,091</u>
<b>Total liabilities, deferred inflows and net position</b>	<u>\$ 1,574,361</u>	<u>\$ 21,005</u>	<u>1,595,366</u>	<u>(3,189)</u>	<u>\$ 1,592,177</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, 2018

	Section 8 Vouchers	Mainstream Vouchers	Total
Operating Revenues			
HUD grant and subsidy	\$ 8,011,148	\$ 143,933	\$ 8,155,081
Other revenue	-	-	-
<b>Total operating revenues</b>	<u>8,011,148</u>	<u>143,933</u>	<u>8,155,081</u>
Operating Expenses			
Salaries, wages and benefits	473,459	9,536	482,995
Community welfare	7,494,382	131,846	7,626,228
Contractual services and utilities	82,243	-	82,243
Repairs and maintenance	23,067	-	23,067
Insurance	1,708	-	1,708
Other	4,858	-	4,858
<b>Total operating expenses</b>	<u>8,079,717</u>	<u>141,382</u>	<u>8,221,099</u>
<b>Operating gain (loss)</b>	<u>(68,569)</u>	<u>2,551</u>	<u>(66,018)</u>
Nonoperating Revenues (expenses)			
Interest on investments	246	8	254
<b>Total nonoperating revenues (expenses)</b>	<u>246</u>	<u>8</u>	<u>254</u>
<b>Income (loss) before contributions and transfers</b>	<u>(68,323)</u>	<u>2,559</u>	<u>(65,764)</u>
<b>Change in net position</b>	<u>(68,323)</u>	<u>2,559</u>	<u>(65,764)</u>
Net position beginning of year, as reported	905,613	16,045	921,658
Restatements:			
GASB 75 adjustment	(398,803)	-	(398,803)
<b>Net position beginning of year, as restated</b>	<u>506,810</u>	<u>16,045</u>	<u>522,855</u>
<b>Net position, end of year</b>	<u>\$ 438,487</u>	<u>\$ 18,604</u>	<u>\$ 457,091</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, 2018

	Section 8 Vouchers	Mainstream Vouchers	Total
Cash Flows from Operating Activities:			
Cash received from customers and grantors	\$ 8,080,325	\$ 143,933	\$ 8,224,258
Cash payments to suppliers for goods and services	(7,604,074)	(141,868)	(7,745,942)
Cash payments to employees for services	(473,459)	(9,536)	(482,995)
<b>Net cash provided (used) by operating activities</b>	<b>2,792</b>	<b>(7,471)</b>	<b>(4,679)</b>
Cash Flows from Capital Financing Activities	-	-	-
<b>Net cash used by financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash Flows from Noncapital Financing Activities:			
Pension liability, deferred outflow and inflow changes	(38,337)	-	(38,337)
	(38,337)	-	(38,337)
Cash Flows from Investing Activities:			
Interest and dividends on investments	246	8	254
<b>Net cash provided by noncapital financing activities</b>	<b>246</b>	<b>8</b>	<b>254</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(35,299)</b>	<b>(7,463)</b>	<b>(42,762)</b>
Cash investments and cash equivalents at beginning of year	1,487,975	25,279	1,513,254
<b>Cash investments and cash equivalents at end of year</b>	<b>\$ 1,452,676</b>	<b>\$ 17,816</b>	<b>\$ 1,470,492</b>
Reconciliation of operating loss to net cash provided by operating activities:			
Operating (loss) gain	\$ (68,569)	\$ 2,551	\$ (66,018)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Change in assets and liabilities:			
Grants receivable	65,162	-	65,162
Due from other funds	-	(2,184)	(2,184)
Escrow and deposits	4,015	-	4,015
Due to other funds	2,184	(7,838)	(5,654)
<b>Total adjustments</b>	<b>71,361</b>	<b>(10,022)</b>	<b>61,339</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 2,792</b>	<b>\$ (7,471)</b>	<b>\$ (4,679)</b>

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, 2018

	<u>Annual Budget Amounts</u>		<u>Actual Amount</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget - Favorable (Unfavorable)
Operating Revenues				
Facilities rentals	\$ 261,401	\$ 261,401	\$ 14,685	\$ (246,716)
HUD grants and subsidy	285,907	285,907	578,551	292,644
Fees for services	-	500,000	-	(500,000)
Other operating revenues	33,696	33,696	1,464,691	1,430,995
<b>Total operating revenues</b>	<u>581,004</u>	<u>1,081,004</u>	<u>2,057,927</u>	<u>976,923</u>
Operating Expenses				
Operating	183,797	770,000	643,209	126,791
Community welfare	36,248	5,616	74,628	(69,012)
Utilities	154,696	57,764	219,562	(161,798)
Repairs and maintenance	130,190	234,029	62,775	171,254
General	43,907	43,907	37,951	5,956
Depreciation	714,768	300,000	50,245	249,755
<b>Total operating expenses</b>	<u>1,263,606</u>	<u>1,411,316</u>	<u>1,088,370</u>	<u>322,946</u>
<b>Operating income (loss)</b>	<u>(682,602)</u>	<u>(330,312)</u>	<u>969,557</u>	<u>1,299,869</u>
Nonoperating Revenues (Expenses)				
Interest expense	(3,063)	(3,064)	-	3,064
Interest on investments	8,679	8,679	82	(8,597)
Gain (loss) on disposition of assets	-	-	4,441,490	4,441,490
<b>Total nonoperating revenues</b>	<u>5,616</u>	<u>5,615</u>	<u>4,441,572</u>	<u>4,435,957</u>
Capital grant - Public Housing	-	-	-	-
<b>Change in net position</b>	<u>(676,986)</u>	<u>(324,697)</u>	<u>5,411,129</u>	<u>5,735,826</u>
Net position, beginning of year	16,970,348	16,970,348	22,306,550	5,336,202
Restatements:				
Prior period adjustments (Note 13)	-	-	(434,631)	(434,631)
Net position, beginning of year as restated	16,970,348	16,970,348	21,871,919	4,901,571
Equity transfers in (out)	-	-	(557,050)	(557,050)
<b>Net position, June 30, 2018</b>	<u>\$ 16,293,362</u>	<u>\$ 16,645,651</u>	<u>\$ 26,725,998</u>	<u>\$ 10,080,347</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, 2018

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 270,000	\$ 270,000	\$ 189,269	\$ (80,731)
HUD grants and subsidy	400,000	400,000	454,328	54,328
Other operating revenues	5,000	5,000	83	(4,917)
<b>Total operating revenues</b>	<u>675,000</u>	<u>675,000</u>	<u>643,680</u>	<u>(31,320)</u>
Operating Expenses				
Operating	310,000	310,000	314,180	(4,180)
Utilities	95,000	95,000	117,888	(22,888)
Repairs and maintenance	85,000	85,000	86,959	(1,959)
General	74,500	74,500	60,059	14,441
Depreciation	500,000	500,000	413,910	86,090
<b>Total operating expenses</b>	<u>1,064,500</u>	<u>1,064,500</u>	<u>992,996</u>	<u>71,504</u>
<b>Operating income (loss)</b>	<u>(389,500)</u>	<u>(389,500)</u>	<u>(349,316)</u>	<u>40,184</u>
Nonoperating Revenues (Expenses)				
Interest on investments	5,000	5,000	22	(4,978)
<b>Total nonoperating revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>22</u>	<u>(4,978)</u>
<b>Change in net position</b>	<u>(384,500)</u>	<u>(384,500)</u>	<u>(349,294)</u>	<u>35,206</u>
<b>Net position, beginning of year, as reported</b>	3,990,840	3,871,840	4,282,901	411,061
<b>Restatements:</b>				
Prior-period adjustments (Note 13)	-	-	(234,396)	(234,396)
<b>Net position, beginning of year, as restated</b>	<u>3,990,840</u>	<u>3,871,840</u>	<u>4,048,505</u>	<u>176,665</u>
<b>Net position, June 30, 2018</b>	<u>\$ 3,606,340</u>	<u>\$ 3,487,340</u>	<u>\$ 3,699,211</u>	<u>\$ 211,871</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, 2018

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 8,470,000	\$ 8,470,000	\$ 7,292,538	\$ (1,177,462)
Port-in HAP reimbursement	700,000	700,000	798,619	98,619
Port-admin fees	60,000	60,000	55,786	(4,214)
TBRA revenues	35,000	35,000	31	(34,969)
Other revenue	12,000	12,000	8,107	(3,893)
<b>Total operating revenues</b>	<u>9,277,000</u>	<u>9,277,000</u>	<u>8,155,081</u>	<u>(1,121,919)</u>
Operating Expenses				
Community welfare	8,398,000	8,398,000	7,400,890	997,110
Port HAP	700,000	700,000	820,209	(120,209)
TBRA expenses	35,000	35,000	-	35,000
<b>Total operating expenses</b>	<u>9,133,000</u>	<u>9,133,000</u>	<u>8,221,099</u>	<u>911,901</u>
<b>Operating income</b>	<u>144,000</u>	<u>144,000</u>	<u>(66,018)</u>	<u>(210,018)</u>
Nonoperating revenues (expenses)				
Interest income	5,000	5,000	254	(4,746)
<b>Total nonoperating revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>254</u>	<u>(4,746)</u>
<b>Change in net position</b>	<u>149,000</u>	<u>149,000</u>	<u>(65,764)</u>	<u>(214,764)</u>
<b>Net position, beginning of year, as reported</b>	1,836,296	1,836,296	921,658	(914,638)
<b>Restatements:</b>				
Prior period adjustments (Note 13)	-	-	(398,803)	(398,803)
<b>Net position, beginning of year, as restated</b>	<u>1,836,296</u>	<u>1,836,296</u>	<u>522,855</u>	<u>(1,313,441)</u>
<b>Net position, June 30, 2018</b>	<u>\$ 1,985,296</u>	<u>\$ 1,985,296</u>	<u>\$ 457,091</u>	<u>\$ (1,528,205)</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, 2018

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 780,000	\$ 780,000	\$ 775,603	\$ (4,397)
Other operating revenues	24,000	24,000	29	(23,971)
<b>Total operating revenues</b>	<u>804,000</u>	<u>804,000</u>	<u>775,632</u>	<u>(28,368)</u>
Operating Expenses				
Operating	299,000	299,000	251,980	47,020
Contractual services and utilities	117,000	212,000	215,466	(3,466)
Repairs and maintenance	105,000	60,000	137,324	(77,324)
General	32,000	32,000	25,312	6,688
Depreciation	310,000	310,000	59,317	250,683
<b>Total operating expenses</b>	<u>863,000</u>	<u>913,000</u>	<u>689,399</u>	<u>223,601</u>
<b>Operating income (loss)</b>	<u>(59,000)</u>	<u>(109,000)</u>	<u>86,233</u>	<u>195,233</u>
Nonoperating Revenues (Expenses)				
Interest on investments	8,000	8,000	5,182	(2,818)
Interest expense	(150,000)	(150,000)	(108,216)	41,784
<b>Total nonoperating expenses</b>	<u>(142,000)</u>	<u>(142,000)</u>	<u>(103,034)</u>	<u>38,966</u>
<b>Change in net position</b>	<u>(201,000)</u>	<u>(251,000)</u>	<u>(16,801)</u>	<u>234,199</u>
<b>Net position, beginning of year, as reported</b>	223,363	251,163	989,441	738,278
<b>Restatements:</b>				
Prior-period adjustments (note 13)	-	-	(194,203)	(194,203)
<b>Net position, beginning of year, as restated</b>	<u>223,363</u>	<u>251,163</u>	<u>795,238</u>	<u>544,075</u>
<b>Net position, June 30, 2018</b>	<u>\$ 22,363</u>	<u>\$ 163</u>	<u>\$ 778,437</u>	<u>\$ 778,274</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, 2018

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 544,800	\$ 473,200	\$ 483,251	\$ 10,051
Development activities	450,000	450,000	91,475	(358,525)
Other operating revenues	79,000	79,000	1,514,407	1,435,407
<b>Total operating revenues</b>	<u>1,073,800</u>	<u>1,002,200</u>	<u>2,089,133</u>	<u>1,086,933</u>
Operating Expenses				
Operating	260,000	290,000	422,693	(132,693)
Contractual services and utilities	111,000	111,000	198,867	(87,867)
Repairs and maintenance	205,000	205,000	42,381	162,619
General	2,000	2,000	-	2,000
Insurance	20,000	20,000	10,953	9,047
Depreciation	250,000	250,000	140,538	109,462
<b>Total operating expenses</b>	<u>848,000</u>	<u>878,000</u>	<u>815,432</u>	<u>62,568</u>
<b>Operating income</b>	<u>225,800</u>	<u>124,200</u>	<u>1,273,701</u>	<u>1,149,501</u>
Nonoperating Revenues (Expenses)				
Interest on investments	33,000	33,000	28,038	(4,962)
Interest expense	(266,500)	(266,500)	(229,449)	37,051
<b>Total nonoperating expenses</b>	<u>(233,500)</u>	<u>(233,500)</u>	<u>(201,411)</u>	<u>32,089</u>
<b>Change in net position</b>	<u>(7,700)</u>	<u>(109,300)</u>	<u>1,072,290</u>	<u>1,181,590</u>
<b>Net position, beginning of year, as reported</b>	5,902,228	5,636,228	7,158,998	1,522,770
<b>Restatements:</b>				
Prior-period adjustment (note 13)	-	-	(223,318)	(223,318)
<b>Net position, beginning of year, as restated</b>	<u>5,902,228</u>	<u>5,636,228</u>	<u>6,935,680</u>	<u>1,299,452</u>
Equity transfers in (out)	-	-	139,774	139,774
<b>Net position, June 30, 2018</b>	<u>\$ 5,894,528</u>	<u>\$ 5,526,928</u>	<u>\$ 8,147,744</u>	<u>\$ 2,620,816</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, 2018

	Budget Amounts		Actual Amount	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 284,160	\$ 284,160	\$ 264,908	\$ (19,252)
Other operating revenues	-	-	5,036	5,036
<b>Total operating revenues</b>	<u>284,160</u>	<u>284,160</u>	<u>269,944</u>	<u>(14,216)</u>
Operating Expenses				
Operating	134,903	139,520	150,629	(11,109)
Contractual services and utilities	100,495	101,079	41,041	60,038
Repairs and maintenance	22,000	22,000	16,426	5,574
Depreciation	75,000	75,000	64,076	10,924
General	24,068	24,680	14,274	10,406
<b>Total operating expenses</b>	<u>356,466</u>	<u>362,279</u>	<u>286,446</u>	<u>75,833</u>
<b>Operating loss</b>	<u>(72,306)</u>	<u>(78,119)</u>	<u>(16,502)</u>	<u>61,617</u>
Nonoperating Revenues				
Interest on investments	1,000	1,000	199	(801)
<b>Change in net position</b>	<u>(71,306)</u>	<u>(77,119)</u>	<u>(16,303)</u>	<u>60,816</u>
<b>Net position, beginning of year, as reported</b>	949,423	943,610	1,143,505	199,895
<b>Restatements:</b>				
Prior-period adjustment (note 13)	-	-	(101,810)	(101,810)
<b>Net position, beginning of year, as restated</b>	<u>949,423</u>	<u>943,610</u>	<u>1,041,695</u>	<u>98,085</u>
<b>Net position, June 30, 2018</b>	<u>\$ 878,117</u>	<u>\$ 866,491</u>	<u>\$ 1,025,392</u>	<u>\$ 158,901</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>2018</u>	<u>2017</u>	<u>2016</u>
Santa Fe Civic Housing Authority's proportion of the net pension liability	0.1511%	0.1485%	0.1685%
Santa Fe Civic Housing Authority's proportionate share of the net pension liability	\$ 2,076,242	\$ 2,372,529	\$ 1,718,003
Santa Fe Civic Housing Authority's covered-employee payroll	\$ 2,217,221	\$ 2,871,534	\$ 1,696,721
Santa Fe Civic Housing Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	93.64%	82.62%	101.25%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	69.18%	76.99%

\* 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>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 132,440	\$ 121,455	\$ 121,455
Contributions in relation to the contractually required contribution	<u>(132,440)</u>	<u>(121,455)</u>	<u>(121,455)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Santa Fe Civic Housing Authority's covered employee payroll as a percentage of its covered-employee payroll	\$ 2,217,221	\$ 2,871,534	\$ 1,696,721
Contributions as a percentage of covered-employee payroll	5.97	4.41%	7.16%

\* 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, 2018**

**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 17 audit report available at:  
[http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366\\_PublicEmployees\\_Retirement\\_Association\\_2017.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_PublicEmployees_Retirement_Association_2017.pdf).

**Changes in assumptions.** The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2017 report is available at:  
<http://www.nmpera.org/assets/uploads/downloads/retirement-fund-valuation-reports/6-30-2017-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, 2017 valuation.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
RETIREE HEALTH CARE AUTHORITY (RHCA) PLAN  
LAST 10 FISCAL YEARS \***

	<u>2018</u>
Santa Fe Civic Housing Authority's proportion of the net OPEB liability	0.03092%
Santa Fe Civic Housing Authority's proportionate share of the net OPEB liability	\$ 1,401,193
Santa Fe Civic Housing Authority's covered-employee payroll	\$ 1,288,018
Santa Fe Civic Housing Authority's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	108.79%
Plan fiduciary net position as a percentage of the total OPEB liability	11.34%

\* 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  
 RETIREE HEALTH CARE AUTHORITY (RHCA) PLAN  
 LAST 10 FISCAL YEARS \*

		2018
Contractually required contributions	\$	98,186
Contributions in relation to the contractually required contribution		49,278
Contribution deficiency (excess)	\$	48,907
Santa Fe Civic Housing Authority's covered employee payroll as a percentage of its covered-employee payroll	\$	1,288,018
Contributions as a percentage of covered-employee payroll		3.83%

\* 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

**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, 2018

	Type of Account	Bank Balance	Outstanding Checks	Deposits in Transit	Carrying Balance	Fair Value
Deposits with financial institutions:						
NM Bank & Trust:						
Operating (La Cieneguita)	Checking	\$ 74,244	\$ (3,775)	\$ -	\$ 70,469	\$ 70,469
Operating (Española)	Checking	78,972	(4,676)	-	74,296	74,296
Security Deposits (Española)	Checking	51,985	(331)	-	51,654	51,654
FSS Low Rent (Española)	Savings	775	-	-	775	775
Reserve Account (SF Hsg Dev Corp)	Savings	276,413	-	-	276,413	276,413
Market max ***757 (La Cieneguita)	Savings	12,513	-	-	12,513	12,513
Market max ***765 (La Cieneguita)	Savings	310,940	-	-	310,940	310,940
Market max ***856 (La Cieneguita)	Savings	96,893	-	-	96,893	96,893
Market max ***864 (La Cieneguita)	Savings	5,235	-	-	5,235	5,235
		<u>907,970</u>	<u>(8,782)</u>	<u>-</u>	<u>899,188</u>	<u>899,188</u>
US Bank:						
General Fund Operating	Checking	42,604	(7,765)	97,188	132,027	132,027
Operating (Voucher)	Checking	1,342,154	(103,680)	-	1,238,474	1,238,474
FSS Escrow (Voucher)	Checking	153,203	-	-	153,203	153,203
		<u>1,537,960</u>	<u>(111,445)</u>	<u>97,188</u>	<u>1,523,704</u>	<u>1,523,704</u>
Los Alamos National Bank:						
Operating (SF Hsg Dev Corp)	Checking	1,599,518	(6,605)	-	1,592,913	1,592,913
Security Deposit (SF Hsg Dev Corp)	Checking	5,962	-	-	5,962	5,962
Repair and Replace (SF Hsg Dev Corp)	Checking	6,288	-	-	6,288	6,288
Debt Service Reserve (SF Hsg Dev Corp)	Checking	10,710	-	-	10,710	10,710
Development Board account (SF Hsg Dev Corp)	Checking	19,891	-	-	19,891	19,891
Operating (Cielo Azul)	Checking	349,732	(9,466)	-	340,266	340,266
Security Deposit (Operating)	Checking	11,319	(778)	-	10,541	10,541
Employee Fund (Cielo Azul)	Checking	8,781	-	-	8,781	8,781
Development Account (Cielo Azul)	Checking	1,738,552	-	-	1,738,552	1,738,552
Security Deposits (Cielo Azul)	Checking	13,100	-	-	13,100	13,100
Cielo Replacement Reserve (Cielo Azul)	Checking	147,685	-	-	147,685	147,685
TBRA (Voucher)	Checking	61,199	(200)	-	60,999	60,999
Mainstream (Voucher)	Checking	17,816	-	-	17,816	17,816
FSS PH (Operating)	Savings	7,756	-	-	7,756	7,756
9/8 S/T Loan Proceeds (SF Hsg Dev Corp)	Savings	0	-	-	-	-
Rehabilitation (SF Hsg Dev Corp)	Savings	10,955	-	-	10,955	10,955
		<u>4,009,265</u>	<u>(17,049)</u>	<u>-</u>	<u>3,992,216</u>	<u>3,992,216</u>
<b>Total deposits</b>		<u>6,455,196</u>	<u>(137,276)</u>	<u>97,188</u>	<u>6,415,108</u>	<u>6,415,108</u>
Investments:						
Charles Schwab:						
Security Deposits (Operating)	Treasury Bill	35,473	-	-	35,473	35,473
Rehabilitation (SF Hsg Dev Corp)	Treasury Bill	277,089	-	-	277,089	277,089
Repair and Replace (SF Hsg Dev Corp)	Treasury Bill	125,946	-	-	125,946	125,946
Debt Service Reserve (SF Hsg Dev Corp)	Treasury Bill	161,212	-	-	161,212	161,212
Board Account (SF Hsg Dev Corp)	Treasury Bill	50,513	-	-	50,513	50,513
Security Deposit (SF Hsg Dev Corp)	Treasury Bill	15,112	-	-	15,112	15,112
Security Deposit (Cielo Azul)	Treasury Bill	5,339	-	-	5,339	5,339
<b>Total investments</b>		<u>670,683</u>	<u>-</u>	<u>-</u>	<u>670,683</u>	<u>670,683</u>
<b>Total cash deposits and investments</b>		<u>\$ 7,125,879</u>	<u>\$ (157,276)</u>	<u>\$ 97,188</u>	<u>\$ 7,085,791</u>	<u>\$ 7,085,791</u>
Shown on the Statement of Net Position as:						
Cash, investments and equivalents					\$ 6,786,865	
Cash, investments and equivalents - restricted					298,926	
<b>Total cash, investments and equivalents</b>					<u>\$ 7,085,791</u>	

STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF PLEDGED COLLATERAL  
MARKET VALUE  
June 30, 2018

	<u>Maturity Date</u>	<u>Bank Balance</u>	<u>Federal Depository Insurance</u>	<u>Total Uninsured Public Funds</u>	<u>Required Collateral</u>	<u>Pledged Securities Market Value</u>	<u>Over/ (Under)</u>
<u>New Mexico Bank &amp; Trust</u>							
Checking	None	\$ 631,557	\$ 250,000	\$ 381,557	\$ 190,779	\$ -	-
Savings	None	276,413	250,000	26,413	13,207	-	-
Collateral:							
Cherokee ColoMet Wtr. & W Rev. Bds, CUSIP 16415TAS0., 4.0%, \$560,000 face (Underwritten by a member of NASDA) (Compliant with NMSA 1978)	8/1/29					588,146	384,161
		<u>907,970</u>	<u>500,000</u>	<u>407,970</u>	<u>203,985</u>	<u>588,146</u>	<u>384,161</u>
<u>US Bank:</u>							
Checking	None	1,537,961	250,000	1,287,961	643,981	-	-
Savings	None	-	-	-	-	-	-
Collateral held at FRB Dallas:							
FHLB of Cincinnati, OH Letter of Credit \$4,000,000						4,000,000	3,356,020
		<u>1,537,961</u>	<u>250,000</u>	<u>1,287,961</u>	<u>643,981</u>	<u>4,000,000</u>	<u>3,356,020</u>
<u>Los Alamos National Bank</u>							
Checking	None	3,990,554	250,000	3,740,554	1,870,277		-
Savings	None	18,711	18,711	-	-		-
Collateral:							
FHLMC , Cusip 3137AQME5 \$1,000,000 face ( 100% pledge)	5/15/27					300,222	
FMHS , Cusip 3137BJP64 \$3,000,000 face ( 85.71% ) pledge)	3/25/25					2,999,858	
FMHS , Cusip 3137BLUR7 \$3,650,000 face ( 10% ) pledge)	6/25/22					988,087	2,417,890
		<u>4,009,265</u>	<u>268,711</u>	<u>3,740,554</u>	<u>1,870,277</u>	<u>4,288,167</u>	<u>2,417,890</u>
		<u>\$ 6,455,196</u>	<u>\$ 1,018,711</u>	<u>\$ 5,436,485</u>	<u>\$ 2,718,243</u>	<u>\$ 8,876,313</u>	<u>\$ 6,158,071</u>

Santa Fe Civic Housing Authority (NM009)

SANTA FE, NM

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2018

	14,850 and 14,872 Housing Project Total	14,870 Resident Opportunity and Supportive Services	14,871 Housing Choice Vouchers	14,879 Mainstream Vouchers	1 Business Activities	Subtotal	Eliminations	Total
111 Cash - Unrestricted	261,798	-	1,268,140	17,816	5,203,829	6,751,581	-	6,751,581
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	0	-	0
113 Cash - Other Restricted	-	-	35,284	-	-	35,284	-	35,284
114 Cash - Tenant Security Deposits	50,726	-	-	-	98,946	149,674	-	149,674
115 Cash - Restricted for Payment of Current Liabilities	-	-	149,252	-	-	149,252	-	149,252
100 Total Cash	312,522	-	1,452,676	17,816	5,302,777	7,085,791	-	7,085,791
121 Accounts Receivable - PHA Projects	615,153	-	-	-	6,079,927	6,695,080	-	6,695,080
122 Accounts Receivable - HUD Other Projects	-	-	-	-	-	0	-	0
124 Accounts Receivable - Other Government	-	-	-	-	-	0	-	0
125 Accounts Receivable - Miscellaneous	-	-	-	-	-	0	-	0
126 Accounts Receivable - Tenants	112,663	-	-	-	11,015	123,678	-	123,678
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	0	-	0
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	0	-	0
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	0	-	0
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	-	-	-	-	-	0	-	0
120 Total Receivables, Net of Allowances for Doubtful Accounts	727,816	-	-	0	6,090,942	6,818,758	-	6,818,758
131 Investments - Unrestricted	-	-	-	-	-	0	-	0
132 Investments - Restricted	-	-	-	-	-	0	-	0
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	0	-	0
142 Prepaid Expenses and Other Assets	56,588	-	-	-	34,656	91,242	-	91,242
143 Inventories	-	-	-	-	-	0	-	0
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	0	-	0
144 Inter Program Due From	980,265	-	-	3,189	1,300,000	2,293,454	(2,293,454)	0
145 Assets Held for Sale	-	-	-	-	-	0	-	0
150 Total Current Assets	2,097,189	-	1,452,676	21,005	12,728,375	16,289,245	(2,293,454)	13,995,791
161 Land	299,637	-	-	-	842,952	1,142,589	-	1,142,589
162 Buildings	15,304,638	-	-	-	9,660,108	24,964,745	-	24,964,745
163 Furniture, Equipment & Machinery - Dwellings	1,066,335	-	-	-	207,900	1,274,235	-	1,274,235
164 Furniture, Equipment & Machinery - Administration	157,068	-	-	-	-	157,068	-	157,068
165 Leasehold Improvements	-	-	-	-	-	0	-	0
166 Accumulated Depreciation	(12,796,950)	-	-	-	(5,758,854)	(18,555,804)	-	(18,555,804)
167 Construction in Progress	-	-	-	-	2,000,000	2,000,000	-	2,000,000
168 Infrastructure	-	-	-	-	-	0	-	0
160 Total Capital Assets, Net of Accumulated Depreciation	4,030,729	-	0	0	6,852,104	10,982,833	-	10,982,833
171 Notes, Loans and Mortgages Receivable - Non-Current	28,765,255	-	-	-	-	28,765,255	-	28,765,255



172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	0	-	0
173 Grants Receivable - Non Current	-	-	-	0	-	0
174 Other Assets	-	-	-	0	-	0
176 Investments in Joint Ventures	-	-	-	0	-	0
180 Total Non-Current Assets	30,795,984	\$0	0	6,952,104	37,748,088	37,748,088
200 Deferred Outflow of Resources	218,598	121,695	0	167,566	507,849	507,849
290 Total Assets and Deferred Outflow of Resources	33,101,771	1,574,361	21,005	19,849,045	54,545,162	(2,293,454) 52,251,728
311 Bank Overdraft	-	-	-	0	-	0
312 Accounts Payable <= 90 Days	-	-	-	137,081	137,081	137,081
313 Accounts Payable >90 Days Past Due	-	-	-	0	-	0
321 Accrued Wage/Payroll Taxes Payable	-	-	-	0	-	0
322 Accrued Compensated Absences - Current Portion	246,321	-	-	246,321	-	246,321
324 Accrued Contingency Liability	-	-	-	0	-	0
325 Accrued Interest Payable	-	-	-	0	-	0
331 Accounts Payable - HUD PHA Programs	-	-	-	0	-	0
332 Account Payable - PHA Projects	-	1,000	-	1,000	-	1,000
333 Accounts Payable - Other Government	-	-	-	0	-	0
341 Tenant Security Deposits	50,726	-	-	99,948	149,674	149,674
342 Unearned Revenue	-	-	-	0	-	0
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	148,292	148,292	148,292
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	86,716	86,716	86,716
345 Other Current Liabilities	-	149,252	-	149,252	-	149,252
346 Accrued Liabilities - Other	348,021	-	-	348,021	-	348,021
347 Inter Program - Due To	266,637	3,189	2,401	2,021,227	2,293,454	(2,293,454) 0
348 Loan Liability - Current	-	-	-	0	-	0
310 Total Current Liabilities	911,705	153,441	2,401	2,492,264	3,558,811	(2,293,454) 1,266,357
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	3,598,879	3,598,879	3,598,879
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	2,452,456	2,452,456	2,452,456
353 Non-current Liabilities - Other	-	-	-	0	-	0
354 Accrued Compensated Absences - Non Current	-	-	-	0	-	0
355 Loan Liability - Non Current	-	-	-	0	-	0
356 FASB 5 Liabilities	-	-	-	0	-	0
357 Accrued Pension and OPEB Liabilities	1,496,812	833,222	-	1,147,401	3,477,435	3,477,435
350 Total Non-Current Liabilities	1,496,812	833,222	0	7,198,756	9,528,770	9,528,770
300 Total Liabilities	2,408,517	986,663	2,401	9,691,000	13,088,581	(2,293,454) 10,795,127
400 Deferred Inflow of Resources	268,045	149,211	0	205,472	622,728	622,728
508.4 Net Investment in Capital Assets	4,030,729	0	-	3,204,933	7,235,662	7,235,662
511.4 Restricted Net Position	-	35,284	-	-	35,284	35,284
512.4 Unrestricted Net Position	29,394,480	403,203	18,604	6,746,640	33,562,927	33,562,927
513 Total Equity - Net Assets / Position	30,425,209	438,487	18,604	9,951,573	40,833,873	40,833,873
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	33,101,771	1,574,361	21,005	19,848,045	54,545,162	(2,293,454) 52,251,728

Santa Fe Civic Housing Authority (NM009)

SANTA FE, NM

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2018

	14.850 and 14.872 Housing Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	1 Business Activities	Subtotal	Eliminations	Total
70300 Net Tenant Rental Revenue	203,954				1,454,912	1,658,866		1,658,866
70400 Tenant Revenue - Other						0		0
70500 Total Tenant Revenue	203,954	0	0	0	1,454,912	1,658,866	0	1,658,866
70800 HUD PHA Operating Grants	1,014,404	18,476	7,148,605	143,933		8,325,418	0	8,325,418
70810 Capital Grants						0	0	0
70710 Management Fee						0		0
70720 Asset Management Fee						0		0
70730 Book Keeping Fee						0		0
70740 Front Line Service Fee						0		0
70750 Other Fees						0		0
70700 Total Fee Revenue	0	0	0	0	0	0	0	0
70800 Other Government Grants						0		0
71100 Investment Income - Unrestricted	104	0	246		33,418	33,768		33,768
71200 Mortgage Interest Income						0		0
71300 Proceeds from Disposition of Assets Held for Sale						0		0
71310 Cost of Sale of Assets						0		0
71400 Fraud Recovery	75		8,108			8,183		8,183
71500 Other Revenue	1,464,698		854,435	8	1,778,032	4,097,174		4,097,174
71600 Gain or Loss on Sale of Capital Assets	4,441,490					4,441,490		4,441,490
72000 Investment Income - Restricted						0		0
70000 Total Revenue	7,124,726	18,476	8,011,394	143,941	3,265,362	18,564,899	0	18,584,899
91100 Administrative Salaries	292,299		292,850	8,539	349,866	941,554		941,554
91200 Auditing Fees	22,245		22,245		7,510	52,000		52,000
91300 Management Fee						0		0
91310 Book-keeping Fee						0		0
91400 Advertising and Marketing						0		0
91500 Employee Benefit Contributions - Administrative	271,919		162,722	2,997	232,404	670,042		670,042
91600 Office Expenses	91,887		85,536		122,413	299,836		299,836
91700 Legal Expense	607				15,566	16,203		16,203
91800 Travel			2,386			2,386		2,386
91810 Allocated Overhead						0		0
91900 Other	20,851				107,394	128,255		128,255
91000 Total Operating - Administrative	699,818	0	565,739	9,536	835,183	2,110,276	0	2,110,276
92000 Asset Management Fee								
92100 Tenant Services - Salaries	73,508	12,575				86,083		86,083
92200 Relocation Costs			17,887			17,887		17,887
92300 Employee Benefit Contributions - Tenant Services		5,901				5,901		5,901

92400 Tenant Services - Other	3,687				6,305	9,992		9,992
92500 Total Tenant Services	77,185	18,476	17,887	0	6,305	119,863	0	119,863
93100 Water	15,421				48,578	63,999		63,999
93200 Electricity	15,043				32,685	47,938		47,938
93300 Gas	17,226				20,649	37,875		37,875
93400 Fuel						0		0
93500 Labor						0		0
93600 Sewer	2,090				42,566	44,856		44,650
93700 Employee Benefit Contributions - Utilities						0		0
93800 Other Utilities Expense	3,861				12,679	16,540		16,540
93900 Total Utilities	53,641	0	0	0	157,367	211,008	0	211,008
94100 Ordinary Maintenance and Operations - Labor	277,879				135,839	413,518		413,518
94200 Ordinary Maintenance and Operations - Materials and Other	84,801				79,042	163,843		183,843
94300 Ordinary Maintenance and Operations Contracts	240,347				224,211	464,558		464,558
94500 Employee Benefit Contributions - Ordinary Maintenance						0		0
94000 Total Maintenance	603,027	0	0	0	438,892	1,041,919	0	1,041,919
95100 Protective Services - Labor						0		0
95200 Protective Services - Other Contract Costs						0		0
95300 Protective Services - Other						0		0
95500 Employee Benefit Contributions - Protective Services						0		0
95000 Total Protective Services	0	0	0	0	0	0	0	0
96110 Property Insurance	90,927				44,055	134,986		134,986
96120 Liability Insurance			1,709			1,709		1,709
96130 Workmen's Compensation						0		0
96140 All Other Insurance						0		0
96100 Total Insurance Premiums	90,927	0	1,709	0	44,059	136,695	0	136,695
96200 Other General Expenses	74,128		14,189		341,665	429,982		429,982
96210 Compensated Absences						0		0
96300 Payments in Lieu of Taxes						0		0
96400 Bad debt - Tenant Rents						0		0
96500 Bad debt - Mortgages						0		0
96600 Bad debt - Other						0		0
96800 Severance Expense						0		0
96000 Total Other General Expenses	74,128	0	14,189	0	341,665	429,982	0	429,982
96710 Interest of Mortgage (or Bonds) Payable						0		0
96720 Interest on Notes Payable (Short and Long Term)						0		0
96730 Amortization of Bond Issue Costs						0		0
96700 Total Interest Expense and Amortization Cost	0	0	0	0	0	0	0	0
96900 Total Operating Expenses	1,598,736	18,476	599,524	9,536	1,823,471	4,049,743	0	4,049,743
97000 Excess of Operating Revenue over Operating Expenses	5,525,960	0	7,411,070	134,405	1,442,891	14,515,156	\$0	14,515,156
97100 Extraordinary Maintenance						0		0

97200 Casualty Losses - Non-capitalized					0		0
97300 Housing Assistance Payments			6,659,964	131,846	6,791,830		6,791,830
97350 HAF Portability-In			820,209		820,209		820,209
97400 Depreciation Expense	464,155	0			263,931	728,086	728,086
97500 Fraud Losses					0		0
97600 Capital Outlays - Governmental Funds					0		0
97700 Debt Principal Payment - Governmental Funds					0		0
97900 Dwelling Units Rent Expense					0		0
90000 Total Expenses	2,062,891	18,476	8,079,717	141,362	2,087,402	12,389,868	0
10010 Operating Transfer In					0		0
10020 Operating transfer Out					0		0
10030 Operating Transfers from/to Primary Government					0		0
10040 Operating Transfers from/to Component Unit					0		0
10050 Proceeds from Notes, Loans and Bonds					0		0
10060 Proceeds from Property Sales					0		0
10070 Extraordinary Items, Net Gain/Loss					0		0
10080 Special Items (Net Gain/Loss)					0		0
10091 Inter Project Excess Cash Transfer In					0		0
10092 Inter Project Excess Cash Transfer Out					0		0
10093 Transfers between Program and Project - In					0		0
10094 Transfers between Project and Program - Out					0		0
10100 Total Other financing Sources (Uses)	0	0	0	0	\$0	0	0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	5,061,835	0	(68,323)	2,559	1,178,960	6,175,031	\$0
11020 Required Annual Debt Principal Payments	0	0	0	0	148,292	148,292	148,292
11030 Beginning Equity	26,589,451	0	905,613	16,045	9,291,944	36,803,053	36,803,053
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(1,226,077)		(398,803)		(519,331)	(2,144,211)	(2,144,211)
11050 Changes in Compensated Absence Balance							
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity			403,203			403,203	403,203
11180 Housing Assistance Payments Equity			35,284			35,284	35,284
11190 Unit Months Available	3,336		13,740	240		17,316	17,316
11210 Number of Unit Months Leased	3,300		11,139	254		14,673	14,673
11270 Excess Cash	991,848					991,848	991,848
11610 Land Purchases	0					0	0
11620 Building Purchases	0					0	0
11630 Furniture & Equipment - Dwelling Purchases	0					0	0
11640 Furniture & Equipment - Administrative Purchases	0					0	0
11650 Leasehold Improvements Purchases	0					0	0
11660 Infrastructure Purchases	0					0	0
13510 CFFP Debt Service Payments	0					0	0
13901 Replacement Housing Factor Funds	0					0	0

**STATE OF NEW MEXICO**  
**SANTA FE CIVIC HOUSING AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2018**

Federal Grantor/ Program Title	Federal CFDA Number	Receivable			Prior- period Adjust- ments	Cash Receipts	Expenditures	Receivable		
		(Deferred Revenue) July 1, 2017	HAP Equity July 1, 2017	Admin Equity July 1, 2017				(Deferred Revenue) June 30, 2018	HAP Equity June 30, 2018	Admin Equity June 30, 2018
<b>Department of Housing and Urban Development</b>										
<b>Direct Programs:</b>										
Public Housing Subsidy (MAJOR)	14.850	-	-	-	-	(1,014,404)	1,014,404	-	-	-
Resident Opportunity and Supportive Services (ROSS)	14.855	-	-	-	-	(18,476)	18,476	-	-	-
Total Direct Programs		-	-	-	-	(1,032,880)	1,032,880	-	-	-
<b>Other Direct Programs:</b>										
Section 8 Housing Choice Vouchers (MAJOR)	14.871	-	(256,573)	(462,170)	-	(8,011,394)	8,118,053	-	(35,284)	(576,800)
Mainstream Vouchers (MSS) (MAJOR)	14.879	-	-	(16,046)	-	(143,941)	141,382	-	-	(18,605)
Shelter Plus Income	14.238	65,162	-	-	-	(65,162)	-	-	-	-
Total Other Direct Programs		65,162	(256,573)	(478,216)	-	(8,220,497)	8,259,435	-	(35,284)	(595,405)
<b>Total Department of Housing and Urban Development</b>		<b>\$ 65,162</b>	<b>\$ (256,573)</b>	<b>\$ (478,216)</b>	<b>\$ -</b>	<b>\$ (9,253,377)</b>	<b>\$ 9,292,315</b>	<b>\$ -</b>	<b>\$ (35,284)</b>	<b>\$ (595,405)</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, 2018.

**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

**COMPLIANCE AND SINGLE AUDIT INFORMATION**

---

# Robert J. Rivera, CPA, PC

Certified Public Accountants

6 Calle Medico, Suite 4

(505) 983-6002

Santa Fe, New Mexico 87505-4761

Fax (505) 983-6474

## **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. Brian Colón  
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, 2018, 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 re-issued our report thereon dated March 23, 2020.

#### **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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2018-001 that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Santa Fe Civic Housing Authority's Response to Findings**

The Housing Authority's response to the 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 the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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



Robert J. Rivera, CPA, PC

Santa Fe, New Mexico

March 23, 2020 (re-issue date)



# Robert J. Rivera, CPA, PC

Certified Public Accountants

6 Calle Medico, Suite 4

Santa Fe, New Mexico 87505-4761

(505) 983-6002

Fax (505) 983-6474

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors -  
Santa Fe Civic Housing Authority  
and  
Mr. Brian Colón  
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, 2018. 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, 2018.

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

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Housing Authority as of and for the year ended June 30, 2018, and have re-issued our report thereon dated March 23, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Robert J. Rivera, CPA, PC

Santa Fe, New Mexico

March 23, 2020 (re-issue date)

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2018**

**STATUS OF PRIOR-YEAR AUDIT FINDINGS**

**Financial Statements Findings**

None

**Federal Award Findings and Questioned Costs**

2017-001	Conflict-of-Interest Requirements	Resolved
----------	-----------------------------------	----------

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

2007-004	Budgetary Compliance - Other	Resolved
2014-002	Late Delivery of Audit Report	Resolved

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2018**

**A. SUMMARY OF AUDIT RESULTS**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   |            |
| Primary Government:  |            |
| a. Business-Type activities, each major fund and the remaining fund information  | Unmodified |
| b. Aggregate discretely-presented component units                                | Adverse    |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | Yes        |
| 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?                              | None noted                     |
| 2. Type of auditors' report issued on compliance for major programs   | Unmodified                     |
| 3. Any audit findings disclosed that are required to be reported in Accordance with 2 CFR section 200.516(a)? | No                             |
| 4. Identification of major programs   |                                |
| <u>CFDA Number</u>  | <u>Name of Federal Program</u> |
| 14.850  | Public Housing Subsidy         |
| 14.871  | Section 8 Housing              |
| 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, 2018**

**B. FINANCIAL STATEMENT FINDINGS**

**Finding 2018-001 Component Units (new in March 23, 2020 re-issued report)**  
**(Material Weakness and Other Non-Compliance)**

*Criteria:* Accounting principles generally accepted in the United States of America and AU-C 600, Special Considerations - Audits of Group Financial Statements require the financial statements of discretely-presented component units to be included in the Housing Authority's primary government financial statements if they are considered significant components that are of individual significance to the group, or due to its specific nature or circumstances, is likely to include significant risks of material misstatement of the group financial statements. In addition, Section 2.2.2.10 (A)(1)NMAC requires that all component unit entities, except component units that are housing authorities, to be audited by the same auditor unless a request for an exception is made and granted by the Office of the State Auditor (OSA); requires the component units auditor be on the list of the OSA's approved auditors; requires the OSA standard contract form be used; and requires separately issued financial statements and associated auditor's reports be submitted to the OSA for review. Section 2.2.2.10(L)(7) NMAC also requires that all component unit audit findings be included in the report of the primary government.

*Condition:* The financial statements of the Housing Authority's discretely-presented component units are not included in the Housing authority's primary government financial statements. All of the Santa Fe Civic Housing Authority's discretely presented component units were audited by the same auditor of the Housing Authority and the auditor was on the list of OSA approved auditors. However, the OSA standard contract form was not used. The managing partner (the Housing Authority) of each component unit independently contracted with the auditor

*Cause:* The discretely-presented component units of the Housing Authority engaged an auditor to meet their financial statements audit requirements; however, the managing partner (Housing Authority) did not completely follow the requirements of State Auditor Rule 2.202.10(A)(1) NMAC. In addition, the Housing Authority and the auditor had not fully assessed the inclusion of the component units in the Housing Authority's financial statements.

*Effect:* The discretely-presented component units of the Housing Authority which have been considered to be significant components have been excluded from the financial statements of the Housing Authority (primary government) which is contrary to accounting principles generally accepted in the United States of America and AU-C600, Special Considerations - Audits of Group Financial Statements. In addition, Section 2.2.2.10 (A)(1) and 2.2.2.10 (L)(7) NMAC have not been fully complied with.

*Auditor's Recommendation:* We recommend that the Housing Authority develop policies and procedures that ensure the financial statements of significant component units, for which the Housing Authority maintains management control as a managing partner, are included in the Housing Authority's financial statements. In addition, we recommend that the Housing Authority follow the provisions of Section 2.2.2.10 (A)(1) NMAC.

*Entity Response, corrective Action Plan and Contact Person:* The Santa Fe Civic Housing Authority agrees with the finding. Policies and procedures have already been implemented to ensure that the

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2018**

**B. FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Finding 2018-001 Component Units (new in March 23, 2020 re-issued report)  
(Material Weakness and Other Non-Compliance) (continued)**

*Entity Response, corrective Action Plan and Contact Person: (continued)*

entity's presentation of financial statements include the significant component unit entities for which the Housing Authority maintains management control as a managing partner. The Housing Authority will meet with the State Auditor's Office no later than March 23, 2020 to identify and resolve the requirements of Section 2.2.2.10 (A)(1) NMAC.

The contact person for the Housing authority is Mr. Ed Romero, Director of the Housing Authority and is responsible for implementing the corrective action by March 23, 2020.

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

None

**D. COMPLIANCE AND OTHER MATTERS FINDINGS**

None

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
Corrective Action Plan  
Year Ended June 30, 2018**

**Findings-Financial Statement Audit**

<b><u>Audit Finding</u></b>	<b><u>Corrective Action Plan</u></b>	<b><u>Person Responsible</u></b>	<b><u>Estimated Completion Date</u></b>
2018-001	See Finding 2018-001	Ed Romero, Director	May 23, 2020

**Findings-Federal Award Programs Audit**

<b><u>Audit Finding</u></b>	<b><u>Corrective Action Plan</u></b>	<b><u>Person Responsible</u></b>	<b><u>Estimated Completion Date</u></b>
None	N/A	N/A	N/A



**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
June 30, 2018**

**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 October 1, 2018 and again on March 23, 2020 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