

Robledo Ridge, LLLP

Financial Statements
And Supplementary Information

Year Ended December 31, 2012

Robledo Ridge, LLLP

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Boothe, Vassar & Company

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INDEPENDENT AUDITOR'S REPORT

To the Partners of

Robledo Ridge, LLLP
Las Cruces, New Mexico
and
Hector H. Balderas, New Mexico State Auditor

Report on the Financial Statements

We have audited the accompanying financial statements of Robledo Ridge, LLLP, which comprise the balance sheet as of December 31, 2012, and the related statement of operations, changes in partners' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

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 misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Robledo Ridge, LLLP as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

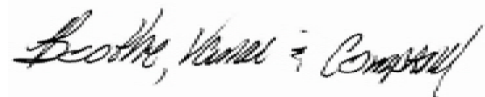
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on Pages 18 - 19 is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information shown on Pages 18 - 19 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. Such 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 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 accompanying supplementary information shown on Pages 18 - 19 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2013, on our consideration of Robledo Ridge, LLLP's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing and not to provide an opinion on 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 Robledo Ridge, LLLP's internal control over financial reporting and compliance.



Boothe, Vassar & Company

June 6, 2013
Big Spring, Texas

Robledo Ridge, LLLP

Balance Sheet

December 31, 2012

ASSETS

	<u>12/31/2012</u>
Current Assets:	
Cash and Cash Equivalents	\$ 266,669
Accounts Receivable - Tenants	4,061
Prepaid Expenses	14,792
Total Current Assets	<u>285,522</u>
Restricted Deposits & Funded Reserves:	
Tenant Security Deposits	8,702
Replacement Reserve	1,305
Total Restricted Deposits & Funded Reserves	<u>10,007</u>
Property & Equipment:	
Land	586,168
Buildings	228,954
Construction in Progress	6,098,787
Accumulated Depreciation	(6,917)
Total Property & Equipment	<u>6,906,992</u>
Other Assets:	
Organizational Cost	150
Amortization	(43)
Total Other Assets	<u>107</u>
Total Assets	<u>\$ 7,202,628</u>

*The accompanying notes are an integral part
of these financial statements*

Robledo Ridge, LLLP

Balance Sheet

December 31, 2012

LIABILITIES & PARTNERS' EQUITY

	<u>12/31/2012</u>
Liabilities:	
Current Liabilities:	
Current Maturities of Long-Term Debt	\$ 2,581
Accounts Payable	8,894
Accrued Interest	15,787
Accrued Expenses	2,073
Accrued Investor & Partnership Admin Fee	17,000
Deferred Development Fees	163,896
Accrued Construction Payments	438,232
Notes Payable - Line of Credit	3,220,449
Total Current Liabilities	<u>3,868,912</u>
Deposits & Prepaid Liabilities:	
Tenant Security Deposits	7,591
Total Deposits & Prepaid Liabilities	<u>7,591</u>
Long-Term Liabilities:	
Long-Term Debt (net of current maturities)	497,419
Total Long-Term Liabilities	<u>497,419</u>
Total Liabilities	<u>4,373,922</u>
Partners' Equity (Deficit)	<u>2,828,706</u>
Total Liabilities & Partners' Equity	<u>\$ 7,202,628</u>

*The accompanying notes are an integral part
of these financial statements*

Robledo Ridge, LLLP
Statement of Operations
For the Year Ended December 31, 2012

	12/31/2012
Rental Income:	
Rental Assistance	\$ 230,116
Rental Income - Tenant Portion	113,355
Potential Rental Income	343,471
Less: Vacancies	(38,514)
Total Rental Income	304,957
Other Rental Income:	
Miscellaneous Rental Income	(1,769)
Total Other Rental Income	(1,769)
Other Income:	
Interest Income	22
Tenant Charges	4,919
Miscellaneous Income	84
Total Other Income	5,025
Total Income	308,213
Operating Expenses:	
Administrative	69,220
Utilities	37,004
Maintenance	36,629
Taxes & Insurance	40,233
Financial Expense	73
Total Cost of Operations	183,159
Net Income/(Loss) from Operations	125,054
Non-Operating Income & (Expenses):	
Investor Service Fee	(4,000)
Partnership Administration Fee	(13,000)
Depreciation Expense	(4,880)
Amortization Expense	(30)
Total Non-Operating Income & (Expenses)	(21,910)
Net Income/(Loss)	\$ 103,144

*The accompanying notes are an integral part
of these financial statements*

Robledo Ridge, LLLP
Statement of Changes in Partners' Equity (Deficit)
For the Year Ended December 31, 2012

	<u>Total</u>	<u>General Partner Equity</u>	<u>Limited Partner Equity</u>
Partners' Equity (Deficit), December 31, 2011	\$ 14,202	\$ 14,202	\$ 0
Net Income/(Loss): 12/31/2012	103,144	10	103,134
Partners' Capital Contributions	2,711,360	0	2,711,360
Partners' Distributions	<u>0</u>	<u>0</u>	<u>0</u>
Partners' Equity (Deficit), December 31, 2012	<u>\$ 2,828,706</u>	<u>\$ 14,212</u>	<u>\$ 2,814,494</u>

*The accompanying notes are an integral part
of these financial statements*

Robledo Ridge, LLLP
Statement of Cash Flows
For the Year Ended December 31, 2012
Increase (Decrease) in Cash and Cash Equivalents

	12/31/2012
Cash Flows From Operating Activities:	
Revenue:	
Rental Receipts	\$ 301,064
Other Income	4,941
Miscellaneous Income	84
Total Receipts	306,089
Expenses:	
Administrative	(71,884)
Utilities	(37,004)
Maintenance	(36,629)
Taxes & Insurance	(40,233)
Financial Expense	7,516
Tenant Security Deposits	(821)
Total Disbursements	(179,055)
Net Cash from Operating Activities:	127,034
Cash Flows From Investing Activities:	
Construction in Progress	(5,493,446)
Replacement Reserve	(1,305)
Net Cash from Investing Activities:	(5,494,751)
Cash Flows From Financing Activities:	
Proceeds from Mortgage	500,000
Payments on Line of Credit	(226,399)
Deferred Development Fees	163,896
Due to/from MVPHA	150,269
Proceeds from Line of Credit	2,046,847
Partners' Capital Contributions	2,711,360
Net Cash from Financing Activities:	5,345,973
Increase (Decrease) In Cash	(21,744)
Cash at Beginning of Period	288,413
Cash at End of Period	\$ 266,669

*The accompanying notes are an integral part
of these financial statements*

Robledo Ridge, LLLP
Statement of Cash Flows
For the Year Ended December 31, 2012
Increase (Decrease) in Cash and Cash Equivalents

	12/31/2012
Reconciliation of Net Profit (Loss) to Net Cash Provided by Operating Activities:	
Net Income (Loss)	\$ 103,144
Adjustments to Reconcile Net Profit (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	4,880
Amortization Expense	30
(Increase) Decrease In Assets	
Accounts Receivable - Tenants	(2,124)
Prepaid Expenses	(8,542)
Tenant Security Deposits	(8,702)
Increase (Decrease) In Liabilities	
Accounts Payable	3,881
Accrued Interest	7,589
Accrued Expenses	1,997
Tenant Security Deposits	7,881
Accrued Investor & Partnership Admin Fee	17,000
Net Cash from Operating Activities:	\$ 127,034
 <u>Supplemental Disclosures:</u>	
Interest Paid	\$ 99,701

*The accompanying notes are an integral part
of these financial statements*

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2012

NOTE A - ORGANIZATION

Robledo Ridge Limited Liability Limited Partnership was organized in 2011 as a Limited Partnership to develop, construct, own, maintain, and operate a 71-unit rental housing project for mixed income tenants with both tax credit and market rate units. The Project is located in the city of Las Cruces, New Mexico, and is currently known as Robledo Ridge Apartments. The Partnership provides housing to low income families and receives payments from the Department of Housing and Urban Development (HUD) in the form of housing assistance payments pursuant to a Section 8 Housing Assistance Payment Contract. The Project is regulated by the Department of Housing and Urban Development (HUD) as to rent charges and operating methods pursuant to the provisions of the mortgage, Housing Assistance Program Contract, and related Regulatory Agreement. The major activities of the Partnership are governed by the Partnership Agreement and the Internal Revenue Code Section 42.

The management of the Partnership and the ongoing management of Robledo Ridge Apartments are vested in the Partners. The Partnership has hired Mesilla Valley Public Housing Authority (MVPHA) to provide management functions for the property. MVPHA has hired a subcontractor, UAH Property Management, to provide day to day management for the property. Compensation for such services is as determined under the Partnership Agreement, Management Agreement, and Management Subcontractor Agreement.

The Project is in the process of obtaining permanent financing under Section 542(c) of the Housing and Community Development Act, as amended, administered by the New Mexico Mortgage Finance Authority (MFA). Under this program, the Company provides housing to low and moderate income tenants, subject to regulation by MFA and the United States Department of Housing and Urban Development (HUD), as to rental charges and operating methods. Lower rental charges to tenants are recovered by the Project through rent subsidies provided by the local Public Housing Authority (PHA).

The Partnership is reported as a component unit of the Mesilla Valley Public Housing Authority because the MVPHA is a member of the General Partner of the Partnership. The Partnership has no component units.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

A summary of the Partnership's significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

Basis of Accounting

The Partnership utilized the accrual basis of accounting, whereby income is recognized as earned and expenses are recognized as obligations are incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted short-term investments with an original maturity of three months or less, cash on deposit, money market funds and certificates of deposit.

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2012

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Other Deposits

The Project maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. Cash and cash equivalents in excess of FDIC limits were \$1,904 at December 31, 2012. The Project has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Tenants' Security Deposits

Tenants' security deposits are held in a separate bank account. This account was funded in an amount greater than the security deposit liability as of December 31, 2012. This account is held at a bank in which cash and cash equivalents are in excess of FDIC limits at December 31, 2012.

Tenant Receivable and Bad Debt Policy

Tenant rent charges for the current month are due on the first of the month. The Partnership does not accrue interest on the tenant receivable balances. The Partnership has not established an allowance for doubtful accounts and does not use the reserve method for recognizing bad debts. Bad debts are treated as direct write-offs in the period management determines that collection is not probable.

Property and Equipment

Property and equipment are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. Any resulting gains and losses are reflected in the statement of operations. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method.

	Estimated Life
Buildings	40

The Partnership reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property including the Low Income Housing Tax Credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the moment by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in 2012.

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2012

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (continued)

Schedule of Changes in Fixed Assets

	Balance 12/31/2011	Additions	Deductions	Balance 12/31/2012
Land	\$ 586,168	\$ 0	\$ 0	\$ 586,168
Existing Building	228,954	0	0	228,954
Construction in Progress	167,109	5,931,678	0	6,098,787
Totals	<u>\$ 982,231</u>	<u>\$ 5,931,678</u>	<u>\$ 0</u>	<u>\$ 6,913,909</u>
Accumulated Depreciation	<u>\$ 2,037</u>	<u>\$ 4,880</u>	<u>\$ 0</u>	<u>\$ 6,917</u>
Net Book Value	<u>\$ 980,194</u>			<u>\$ 6,906,992</u>

Schedule of Additions to Fixed Assets:

	12/31/2012
Rehabilitation Project	<u>5,931,678</u>
Totals:	<u>\$ 5,931,678</u>

Property Taxes

The General Partner is owned 49% by a 501(c)(3) organization and 51% by the public housing authority which qualifies the Partnership for full exemption for property taxes. The owner of the General Partner is required to maintain in good standing its 501(c)(3) non-profit status. The tax-exemption is subject to change by an act of State Legislature. Such change may occur with little notice and would materially impact the rental operations of the Project.

Income Taxes

No provision or benefit for income taxes has been included in these financial statements since taxable income passes through to, and is reportable by, the Partners individually. As of December 31, 2012, the Partnership's tax year for 2011, the year of formation, is subject to examination by the federal and state tax authorities.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Rental Income

Rental Income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the tenants of the property are operating leases.

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2012

NOTE C - PARTNERS' PROFIT AND LOSS ALLOCATION AND DISTRIBUTIONS

The Partners of Robledo Ridge, LLLP and their respective profit and loss percentages are as follows as of December 31, 2012:

General Partner:	
<i>Robledo Ridge, LLC</i>	0.01 %
Limited Partner:	
<i>Thomas G. Hassell through 4/19/2012</i>	99.99 %
<i>Wincopin Circle, LLLP 4/19/2012 - 5/2/2012</i>	
<i>UnitedHealthCare Fund 1, LLLP after 5/2/2012</i>	
Total	100.00 %

As of December 31, 2012, the general partner has not made capital contributions. The limited partner is required to make capital contributions of \$6,778,399. During 2012 \$2,711,360 was contributed and \$4,067,039 will become payable upon meeting certain construction milestones.

NOTE D - LONG-TERM DEBT

12/31/2012

The Project is financed by a mortgage payable to New Mexico Mortgage Finance Authority in the original amount of \$500,000. Interest will accrue on the outstanding principal balance of the loan at the annual rate of 3.00%. Monthly payments of interest only are payable during the construction period not to exceed eighteen months. Beginning on October 1, 2013, principal and accrued interest, paid in arrears, are due and payable in 360 monthly installments. Maturity of the loan occurs at the sale, refinance, and transfer of the property or on September 1, 2043. Accrued interest was \$1,250 as of December 31, 2012. Interest is capitalized during the construction period. Amounts capitalized for interest are included in construction in progress and are \$7,042 as of December 31, 2012.

Total	500,000
Less: Current Portion	2,581
Long-Term Notes Payable	\$ 497,419

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2012

NOTE D - LONG-TERM DEBT (continued)

Aggregate maturities of the notes are approximated as follows:

	Principal	Interest
December 31, 2013	\$ 2,581	\$ 14,994
2014	10,517	14,779
2015	10,837	14,459
2016	11,167	14,129
2017	11,507	13,790
2018-2022	63,001	63,480
2023-2027	73,183	53,298
2028-2032	85,011	41,471
2033-2037	98,750	27,731
2038-2042	114,709	11,772
2043	18,737	235
Total	\$ 500,000	\$ 270,138

The apartment project is pledged as collateral for the mortgage. The mortgage loan is nonrecourse debt secured by deeds of trust on the related real estate.

NOTE E - LINE OF CREDIT

The Project obtained a line of credit with Citizens Bank of Las Cruces on April 18, 2012. The line is secured by real property of the Project, and is guaranteed by the Mesilla Valley Public Housing Authority and the New Mexico Housing Corporation. The amount available on the line is \$5,700,000. Interest is accrued at 6.5% and is payable in monthly installments. The amounts due related to outstanding principal and interest are payable in full at maturity on October 18, 2013. The amount due related to outstanding principal drawn is \$3,220,449 as of December 31, 2012. Accrued interest was \$14,537 as of December 31, 2012. Interest is capitalized during the construction period. Amounts capitalized for interest are included in construction in progress and are \$122,983 as of December 31, 2012.

NOTE F - RESERVE FUNDS

Replacement Reserve

In accordance with the Partnership Agreement, the Partnership shall establish a Replacement Reserve at the time of the fourth installment to fund major repairs or replacements of the Project Property. The Replacement Reserve funding amount of \$85,329 is from the limited partner's fourth capital contribution installment. The Partnership shall make deposits into the Replacement Reserve fund of \$31,630, increasing 3% annually, commencing on the second full month after completion of the Project. The Replacement Reserve balance was \$1,305 as of December 31, 2012.

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2012

NOTE F - RESERVE FUNDS (continued)

Operating Reserve

The General Partner is required to establish and maintain an Operating Reserve on the date of the fourth capital contribution in the amount of \$208,910. The Operating Reserve has not been established or funded as of December 31, 2012.

NOTE G - COMMITMENTS AND CONTINGENCIES

Housing Tax Credits

As incentive for investment equity, the Partnership applied for and received an allocation certificate for Housing Tax Credits established by the Tax Reform Act of 1986. To qualify for the Tax Credits, the Partnership must meet certain requirements, including attaining a qualified basis sufficient to support the credit allocation. In addition, tenant eligibility and rental charges are restricted in accordance with Internal Revenue Code Section 42. Management has certified that each Tax Credit unit has met these qualifications to allow the credits allocated to each unit be claimed.

Compliance with these regulations must be maintained in each of the fifteen consecutive years of the compliance period. Failure to maintain compliance with occupant eligibility, unit gross rent, or to correct noncompliance within a reasonable time period could result in recapture of previously claimed Tax Credits plus interest.

Construction Contract

The Partnership entered into a Construction Contract Agreement dated December 7, 2011 in the amount of \$7,227,730, including change orders for construction services in connection with the Project. As of December 31, 2012, the construction amount of \$4,954,079 has been completed and billed. As of December 31, 2012, \$438,232 remains payable.

Housing Assistance Agreement

The Partnership receives a significant portion of its rental income from the Department of Housing and Urban Development pursuant to a Section 8 Housing Assistance Payment Contract (HAP) for the 71 units in the project. Under the Section 8 Program a tenant is required to pay 30% of their adjusted income toward housing with the Federal Government subsidizing the difference between what the tenant pays and the fair market rent established by the Department of Housing and Urban Development.

Operating Deficit Contribution

If at any time after the completion date, an Operating Deficit exists, the General Partner shall contribute funds (an "Operating Deficit Contribution") to the Partnership as a contribution to capital in an amount equal to the amount of the Operating Deficit which is unlimited through the stabilization date, and after limited to \$228,000.

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2012

NOTE H - TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Management Fee

In accordance with the Management Agreement and Subcontractor Agreement, the Partnership has incurred Management Fee expenses for services rendered in connection with the leasing and operation of the Project. The current year management fee is equal to 6% of gross rental collections. Property Management Fees expensed were \$11,049 during 2012. The amounts included in accounts payable that are due to UAH Property Management LP related to Management Fees were \$1,340 as of December 31, 2012.

Owner Distribution - Investor Services Fee

In accordance with the Partnership Agreement, the Partnership shall pay to the Limited Partner an Investor Services Fee in the amount of \$4,000. The fee shall increase at a rate of 3% per year. The Investor Services Fee shall be payable from the available cash flows. Any unpaid fees may accrue for payment in subsequent years. Investor Services Fees of \$4,000 were recognized during 2012. The amounts due to the Limited Partner related to Investor Services Fees were \$4,000 as of December 31, 2012.

Owner Distribution - Partnership Administrative Fee

In accordance with the Partnership Agreement, the Partnership shall pay to the General Partner a Partnership Administrative Fee in the annual amount of \$13,000. The fee shall increase at a rate of 3% per year thereafter. The Partnership Administration Fee shall be payable from the available cash flows. Any unpaid fees may accrue for payment in subsequent years. Partnership Administrative Fees of \$13,000 were recognized during 2012. The amounts due to the General Partner related to Partnership Administrative Fees were \$13,000 as of December 31, 2012.

Development Fee

The Partnership has incurred a Development Fee of \$339,792 due to Mesilla Valley Public Housing Authority, rendered to the Partnership for overseeing the construction of the Project. The full development fee amount for the project is \$1,132,639. This Development Fee has been capitalized into the basis of the building. As of December 31, 2012, \$175,896 of this fee has been paid. The amounts due related to Development Fees were \$163,896 as of December 31, 2012. Additional fees of \$792,847 will be incurred upon meeting certain milestones of construction and upon receipt of scheduled capital contributions. The deferred portion of the development fee will accrue interest of 1% of the unpaid balance per the developer service agreement. Any unpaid amounts of the development fees are due on or before December 31, 2028.

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2012

NOTE H - TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES (continued)

Reimbursed Expenses

The Management Agent and Subcontractor are reimbursed for a few expenses that are directly related to this property. Due to the nature and function of the Management Agent and Subcontractor, some expenses are incurred for the property by the Management Agent and Subcontractor. These reimbursements qualify as eligible project expenses and do not duplicate expenses that are included in the management fee.

NOTE I - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Partnership's sole asset is Robledo Ridge Apartments. The Partnership's operations are concentrated in the multifamily real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies. Such administrative directives, rules, and regulations are subject to change by federal and state agencies. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

The Project's major source of revenue is from subsidy received through Section 8 Housing Assistance Payment Contract (HAP). HUD may terminate the rental assistance agreement if it determines that no subsidy is necessary or if the Project is determined to be in violation of HUD rules or regulations.

NOTE J - ACCRUED LIABILITIES

The accrued liabilities on the balance sheet contain the following:

Accrued Payroll Expenses	\$ 121
Accrued Telephone Fees	392
Accrued Reimbursement	1,560
Total Accrued Liabilities	<u>\$ 2,073</u>

NOTE K - SUBSEQUENT EVENTS

The Project has evaluated subsequent events through June 6, 2013 which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

Robledo Ridge, LLLP
Supplementary Information Required by HUD
Year Ended December 31, 2012

Robledo Ridge, LLLP
Supplementary Information Required by HUD
Year Ending December 31, 2012

1. SCHEDULE OF RESERVE FOR REPLACEMENTS

Balance as of January 1, 2012	\$	1,305
Deposits		0
Interest Earned on Reserve for Replacement Account (Net of Service Fees)		0
Balance as of December 31, 2012	<u>\$</u>	<u>1,305</u>

Deposits Suspended or Waived Indicator

Other Withdrawals

2. SCHEDULE OF CHANGES IN FIXED ASSETS

	Balance 12/31/2011	Additions	Deductions	Balance 12/31/2012
Land	\$ 586,168	\$ 0	\$ 0	\$ 586,168
Existing Building	228,954	0	0	228,954
Construction in Progress	167,109	5,931,678	0	6,098,787
Totals	<u>\$ 982,231</u>	<u>\$ 5,931,678</u>	<u>\$ 0</u>	<u>\$ 6,913,909</u>
Accumulated Depreciation	\$ 2,037	\$ 4,880	\$ 0	\$ 6,917
Net Book Value	<u>\$ 980,194</u>			<u>\$ 6,906,992</u>

Schedule of Additions to Fixed Assets:

	12/31/2012
Rehabilitation Project	5,931,678
Totals:	<u>\$ 5,931,678</u>

Robledo Ridge, LLLP
Computation of Surplus Cash, Distributions and Residual Receipts
Year Ending December 31, 2012

		<u>12/31/2012</u>
Cash:		
Cash		248,437
Total Cash		<u>\$ 248,437</u>
Current Obligations:		
Accounts Payable - 30 Days		8,894
Accrued Expenses (not escrowed)		2,073
Tenant Security Deposits Liability		7,591
Other Current Obligations		17,000
Total Current Obligations		<u>35,558</u>
Surplus Cash (Deficiency)		<u>\$ 212,879</u>
Amount Available for Distribution During Next Fiscal Period:		
Surplus Cash		<u>\$ 212,879</u>

Boothe, Vassar & Company

Certified Public Accountant

www.boothevassar.com

1001 East Farm Road 700 • Big Spring, Texas 79720 • (432) 263-1324 • FAX (432) 263-2124

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Partners of
Robledo Ridge, LLLP
Las Cruces, New Mexico
and
Hector H. Balderas, New Mexico State Auditor

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 Robledo Ridge, LLLP which comprise the balance sheet as of December 31, 2012, and related statement of operations, changes in partners' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon, dated June 6, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Robledo Ridge, LLLP'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Robledo Ridge, LLLP's internal control. Accordingly, we do not express an opinion on the effectiveness of Robledo Ridge, LLLP'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 Partnership'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 weakness or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Robledo Ridge, LLLP's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2012-1 Completion of Audit Report.

Robledo Ridge, LLLP's Response to Findings

Robledo Ridge, LLLP's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Robledo Ridge, LLLP's responses were 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 results of that testing, and not to provide an opinion on the effectiveness of the Partnership'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 Partnership's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Boothe, Vassar & Company

June 6, 2013
Big Spring, Texas

Robledo Ridge, LLLP
Schedule of Findings and Responses
December 31, 2012

Current Year Audit Findings: December 31, 2012

Matters reported for the year ended December 31, 2012:

2012-1 Completion of Audit Report

Condition:

The audit report was not completed and forwarded to the New Mexico State auditor in a timely manner. The audit report was submitted to the Office of the State Auditor on June 14, 2013.

Criteria:

As per SAO 2.2.2.9(A) NMAC, the New Mexico State Audit contract calls for this audit report to be delivered by June 1, 2013.

Cause:

Additional time was necessary to acquire documents and verification for the new construction.

Effect:

Violation of the State Auditor's Rule. Audited financial information is not available for the management to use and distribute as necessary.

Recommendation:

The owners and management, along with the auditor, must implement procedures and reviews that would facilitate in the production of a timely and materially accurate audit.

Management Response:

The owners, management, and developers will implement a review process that will facilitate in the production of accurate financial statements in a timely manner.

Robledo Ridge, LLLP
Mortgagor's Certification
December 31, 2012

We hereby certify that we have examined the accompanying financial statements and supplemental information of Robledo Ridge, LLLP as of December 31, 2012, and to the best of our knowledge and belief, the same are complete and accurate.

Signatories:

Signed: Robbie R Levey Date: 6/27/13

Name: Robbie Levey

Title: Executive Director
Mesilla Valley Public Housing Authority

Auditee Information:

575-528-2007
June 6, 2013
Robledo Ridge, LLLP
1571 Medina Dr
Las Cruces, New Mexico 88001

Robledo Ridge, LLLP
Management Agent's Certification
December 31, 2012

We hereby certify that we have examined the accompanying financial statements and supplemental information of Robledo Ridge, LLLP as of December 31, 2012, and to the best of our knowledge and belief, the same are complete and accurate.

Signed: Robbie R. Levey Date: 1/27/13

Name: Robbie Levey

Title: Executive Director

Management Company: Mesilla Valley Public Housing Authority

Address: 926 S. San Pedro St.
Las Cruces, NM 88001

Federal I.D. Number: 27-5272880

Robledo Ridge, LLLP
Information on Auditor
December 31, 2012

Auditor's Transmittal Letter

Audit Firm:

Boothe, Vassar & Company
State of New Mexico License No. 10014

Lead Auditor:

Kenneth C. Boothe
Certified Public Accountant

Audit Firm Address:

1001 East Farm Road 700
Big Spring, Texas 79720
Phone: 432-263-1324
Fax: 432-263-2124

Federal I.D. Number:

75-2335286

Auditor's Report Date:

June 6, 2013

Contacts:

kenneth@boothevassar.com

Robledo Ridge, LLLP

Exit Conference

December 31, 2012

EXIT CONFERENCE

An exit conference was held on May 23, 2013, which was attended by the following:

Housing Authority Administration

Robbie Levey	Executive Director
Christine Gonzalez	Executive Assistant
Sharon Hansen	Accountant

Boothe, Vassar & Company

Kenneth Boothe	Lead Auditor, CPA
Diane Fox	Audit Manager, CPA

Preparation of Financial Statements

The financial statements presented in this report were compiled by the auditor Boothe, Vassar & Company. However, the contents of the financial statements remain the responsibility of management.