Robledo Ridge, LLLP

Financial Statements
And Supplementary Information

Year Ended December 31, 2013

Robledo Ridge, LLLP

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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, 2013, 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, 2013, 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 20 - 21 is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary information shown on Pages 20 - 21 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 20 - 21 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 May 28, 2014, 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

May 28, 2014
Big Spring, Texas

Robledo Ridge, LLLP

Balance Sheet

December 31, 2013

ASSETS

		12/31/2013
Current Assets:		
Cash and Cash Equivalents	$	196,174
Accounts Receivable - Tenants		3,402
Prepaid Expenses		15,448
Total Current Assets		215,024
Restricted Deposits & Funded Reserves:		
Tenant Security Deposits		18,716
Total Restricted Deposits & Funded Reserves		18,716
Property & Equipment:		
Land		586,168
Buildings		8,799,055
Site Improvements		656,437
Furniture for Project/Tenant Use		67,191
Office Furniture and Equipment		5,052
Accumulated Depreciation		(99,612)
Total Property & Equipment		10,014,291
Other Assets:		
Deferred Tax Credit Fees		56,866
Deferred Permanent Loan Fees		28,763
Accumulated Amortization		(1,879)
Deposits		46
Total Other Assets		83,796
Total Assets	$	10,331,827

The accompanying notes are an integral part of these financial statements

Robledo Ridge, LLLP

Balance Sheet

December 31, 2013

LIABILITIES & PARTNERS' EQUITY

	12/31/2013
Liabilities:	
Current Liabilities:	
Current Maturities of Long-Term Debt	$ 10,517
Accounts Payable	7,069
Accrued Interest	18,612
Accrued Expenses	78,367
Accrued Owner Fees	26,390
Total Current Liabilities	140,955
Deposits & Prepaid Liabilities:	
Tenant Security Deposits	17,664
Total Deposits & Prepaid Liabilities	17,664
Long-Term Liabilities:	
Long-Term Debt (net of current maturities)	486,902
Notes Payable - Line of Credit	4,580,760
Development Fees	800,883
Total Long-Term Liabilities	5,868,545
Total Liabilities	6,027,164
Partners' Equity (Deficit)	4,304,663
Total Liabilities & Partners' Equity	$ 10,331,827

The accompanying notes are an integral part of these financial statements

Robledo Ridge, LLLP

Statement of Operations

For the Year Ended December 31, 2013

		12/31/2013
Rental Income:		
Rental Assistance	$	259,101
Rental Income - Tenant Portion		219,222
Potential Rental Income		478,323
Less: Vacancies		(114,278)
Total Rental Income		364,045
Other Income:		
Interest Income		18
Laundry & Vending		99
Tenant Charges		2,104
Miscellaneous Income		7,717
Total Other Income		9,938
Total Income		373,983
Operating Expenses:		
Administrative		109,894
Utilities		28,969
Maintenance		77,461
Taxes & Insurance		26,137
Financial Expense		305,867
Total Cost of Operations		548,328
Net Income/(Loss) from Operations		(174,345)
Non-Operating Income & (Expenses):		
Investor Service Fee		(4,120)
Partnership Administration Fee		(13,390)
Bond Fees		(3,214)
Depreciation Expense		(92,695)
Amortization Expense		(1,879)
Total Non-Operating Income & (Expenses)		(115,298)
Net Income/(Loss)	$	(289,643)

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, 2013

	Total	General Partner Equity	Limited Partner Equity
Partners' Equity (Deficit), December 31, 2012	$ 2,828,706	$ 14,212	$ 2,814,494
Net Income/(Loss): 12/31/2013	(289,643)	(29)	(289,614)
Partners' Capital Contributions	1,765,600	71,000	1,694,600
Partners' Distributions	0	0	0
Partners' Equity (Deficit), December 31, 2013	$ 4,304,663	$ 85,183	$ 4,219,480

The accompanying notes are an integral part of these financial statements

Robledo Ridge, LLLP

Statement of Cash Flows

For the Year Ended December 31, 2013

Increase (Decrease) in Cash and Cash Equivalents

	12/31/2013
Cash Flows From Operating Activities:	
Revenue:	
Rental Receipts	$ 364,704
Other Income	2,221
Miscellaneous Income	7,717
Total Receipts	374,642
Expenses:	
Administrative	(36,082)
Utilities	(28,969)
Maintenance	(77,461)
Taxes & Insurance	(26,137)
Financial Expense	(303,042)
Bond Fees	(3,214)
Tenant Security Deposits	59
Investor Service and Partnership Administration Fee	(8,120)
Total Disbursements	(482,966)
Net Cash from Operating Activities:	(108,324)
Cash Flows From Investing Activities:	
Assets Placed in Service	(9,298,781)
Construction in Progress	6,098,803
Initial Recognition of Deferred Assets	(85,629)
Deposits	46
Net Cash from Investing Activities:	(3,285,561)
Cash Flows From Financing Activities:	
Principal Payments on Mortgage	(2,581)
Proceeds on Line of Credit	2,479,551
Payment on Line of Credit	(1,119,240)
Development Fees Recognized	792,847
Development Fee Payments	(155,860)
Accrued Construction Payments	(438,232)
Partners' Capital Contributions	1,765,600
Net Cash from Financing Activities:	3,322,085
Increase (Decrease) In Cash	(71,800)
Cash at Beginning of Period	267,974
Cash at End of Period	$ 196,174

The accompanying notes are an integral part of these financial statements

Robledo Ridge, LLLP

Statement of Cash Flows

For the Year Ended December 31, 2013

Increase (Decrease) in Cash and Cash Equivalents

	12/31/2013
Reconciliation of Net Profit (Loss) to Net Cash Provided by Operating Activities:	
Net Income (Loss)	$ (289,643)
Adjustments to Reconcile Net Profit (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	92,695
Amortization Expense	1,879
(Increase) Decrease In Assets	
Accounts Receivable - Tenants	659
Prepaid Expenses	(656)
Tenant Security Deposits	(10,014)
Increase (Decrease) In Liabilities	
Accounts Payable	(1,826)
Accrued Interest	2,825
Accrued Expenses	76,294
Tenant Security Deposits	10,073
Accrued Owner Fees	9,390
Net Cash from Operating Activities:	$ (108,324)
Supplemental Disclosures:	
Interest Paid	$ 328,273

The accompanying notes are an integral part of these financial statements

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). The Project obtained permanent financing subsequent to December 31, 2013 as described in Note K. 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:

<u>Basis of Accounting</u>

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

NOTE B - SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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. 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.

Collateralization of Deposits

The Project is a component unit of the Housing Authority of the City of Las Cruces and as such, is not required to secure collateralization on cash deposits.

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, 2013.

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
Site Improvements	20
Furniture for Project/Tenant Use	10
Office Furniture and Equipment	10

NOTE B - SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 2013.

Schedule of Changes in Fixed Assets

	Balance 12/31/2012	Additions	Deductions	Balance 12/31/2013
Land	$ 586,168	$ 0	$ 0	$ 586,168
Buildings	228,954	8,570,101	0	8,799,055
Site Improvements	0	656,437	0	656,437
Construction in Progress	6,005,658	0	6,005,658	0
Furniture for Project/Tenant Use	0	67,191	0	67,191
Office Furniture and Equipment	0	5,052	0	5,052
Totals	6,820,780	9,298,781	6,005,658	10,113,903
Accumulated Depreciation	6,917	$ 92,695	$ 0	99,612
Net Book Value	$ 6,813,863			$10,014,291

Deferred Fees and Amortization

Financing costs are amortized over the term of the mortgage loan using the straight-line method. Accounting principles generally accepted in the United Sates of America require that the effective yield method be used to amortize financing costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method. Tax credit fees are amortized over fifteen years using the straight-line method.

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 could 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, 2013, the Partnership's tax years for 2011 and 2012 are subject to examination by the federal and state tax authorities.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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, 2013:

General Partner:	
Robledo Ridge, LLC	0.01 %
Limited Partner:	
Enterprise Multi-State LIHTC Fund, LLLP	99.99 %
Total	100.00 %

On the prior year audit, the Limited Partner listed was *Unitedhealthcare Fund 1, LLLP*. During 2013, the partnership executed a name change to *Enterprise Multi-State LIHTC Fund, LLLP*.

As of December 31, 2013, the general partner had made capital contributions of $71,000. In accordance with the partnership agreement, the limited partner is required to make capital contributions of $6,778,399. The limited partner will make additional contributions of $127,800 as a result of the partnership receiving an upward adjuster. Limited partner contributions previously made were $2,711,360. During 2013, $1,694,600 was contributed and $2,500,239 will become payable upon meeting certain construction milestones.

NOTE D - LONG-TERM DEBT

	12/31/2013
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 of $2,108. Maturity of the loan occurs at the sale, refinance, and transfer of the property or on September 1, 2043. Accrued interest was $1,244 as of December 31, 2013. Interest was capitalized during the construction period. Interest expensed on this loan was $7,481 as of December 31, 2013.	
Total	497,419
Less: Current Portion	10,517
Long-Term Notes Payable	$ 486,902

Aggregate maturities of the notes are approximated as follows:

	Principal	Interest
December 31, 2014	$ 10,517	$ 14,779
2015	10,837	14,459
2016	11,167	14,129
2017	11,507	13,790
2018	11,857	13,440
2019-2023	64,917	61,564
2024-2028	75,409	51,072
2029-2033	87,596	38,885
2034-2038	101,753	24,728
2039-2043	111,859	8,299
Total	$ 497,419	$ 255,145

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 in 2014. The amount due related to outstanding principal drawn is $4,580,760 as of December 31, 2013. Interest was capitalized during the construction period. Interest expensed on this loan was $298,386 as of December 31, 2013. The accrued interest was $17,369 as of December 31, 2013. This line of credit was paid and closed with permanent financing subsequent to December 31, 2013. See Subsequent Event Note K.

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. In accordance with the Partnership Agreement, the reserve deposits should have been made for October through December 2013 in the amount of $7,908. The Replacement Reserve has not been established or funded as of December 31, 2013. An amount of $1,305 was reported as Replacement Reserve in the prior year and has been reclassified as unrestricted cash and cash equivalents in the current year.

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 fourth contribution has not occurred; therefore, the Operating Reserve has not been established or funded as of December 31, 2013.

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.

NOTE G - COMMITMENTS AND CONTINGENCIES *(continued)*

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. As of December 31, 2013, the construction amount of $7,229,877 has been completed and billed. As of December 31, 2013 there are no outstanding amounts due to the general contractor.

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. The obligation of the General Partner to make Operating Deficit Contributions shall terminate on the date that the following have occurred simultaneously: 1) the Project has operated at the Required Debt Service Coverage for a period of at least twelve consecutive months, which shall have commenced no earlier than four years after the achievement of the Stabilization Date, and 2) the balance in the Operating Reserve equals or exceeds the sum of the Operating Reserve Amount. Operating Deficit Contributions shall be repayable, without interest, solely from Cash Flow or as provided in the partnership agreement.

NOTE H - TRANSACTIONS WITH AFFILIATES AND RELATED PARTIES

Management Fee

In accordance with the 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 $22,461 during 2013. There were no amounts due to UAH Property Management LP related to Management Fees as of December 31, 2013.

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

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 $4,120 were recognized during 2013. There were no amounts due to the Limited Partner related to Investor Services Fees as of December 31, 2013.

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 $13,390 were recognized during 2013. The amounts due to the General Partner related to Partnership Administrative Fees were $26,390 as of December 31, 2013.

Development Fee

The Partnership has incurred a Development Fee 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, 2013, $331,756 of this fee has been paid. The amount due related to Development Fees was $800,883 as of December 31, 2013. The deferred portion of the development fee is $494,711 and 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.

Reimbursed Expenses

The Contractor and Subcontractor are reimbursed for some expenses that are directly related to this property. Due to the nature and function of the Subcontractor, some expenses are incurred for the property by the Subcontractor. These reimbursements qualify as eligible project expenses and do not duplicate expenses that are included in the management fee. Reimbursements for project expenses were $15,790 during 2013. The Subcontractor also processes payroll for the property. The Property paid the Subcontractor for all of payroll and benefits of $70,355 during 2013. The Property also paid the Subcontractor for other fees related to compliance monitoring, inspections, and payroll processing fees. These other Subcontractor fees were $6,519 during 2013. There are no amounts due to the Contractor or Subcontractor related to reimbursed expenses, including payroll, as of December 31, 2013.

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 EXPENSES

The accrued expenses on the balance sheet contain the following:

	12/31/2013
Accrued Miscellaneous Construction Costs	$ 5,973
Accrued Construction Tap Costs	24,537
Accrued Architecture Fees	45,910
Accrued Miscellaneous	505
Accrued Reimbursement to Partner	1,442
Total Accrued Expenses	$ 78,367

NOTE K - SUBSEQUENT EVENTS

The Project has evaluated subsequent events through May 28, 2014 which is the date the financial statements were available to be issued.

On January 10, 2014, the Project obtained a line of credit with Citizens Bank of Las Cruces. The line is secured by a Promissory Note held by the Grantor, Mesilla Valley Public Housing Authority. The line is held for the Latent Defects Reserve required by New Mexico Mortgage Finance Authority and will be released to MVPHA immediately after the eighteenth month after the first payment of principal and interest on the mortgage. The amount available on the line is $50,000. Interest is accrued at 3.55% per annum. The amounts due related to outstanding principal and interest are payable in full at maturity on October 10, 2015.

NOTE K - SUBSEQUENT EVENTS *(continued)*

On April 3, 2014, the Project obtained a nonrecourse loan from the General Partner, Mesilla Valley Public Housing Authority, in the amount of $543,476. The note is secured by the Mortgage, Assignment of Rents, Security Agreement and Fixture Filing. Interest is accrued at 1% per annum and payments of principal and interest compounded monthly on the outstanding balance are due and payable in arrears from Cash Flow as defined in the partnership agreement. The balance is being paid down as the tax credits are sold, and the balance due as of the date the financial statements were available to be issued is $216,155. The entire outstanding principal and accrued and unpaid interest are payable in full by the maturity date, which is the earlier of the 35th anniversary date upon which the City of Las Cruces issues a final certificate of occupancy or equivalent for the Project or December 31, 2048.

On April 3, 2014, the Project obtained a nonrecourse loan from the General Partner, Mesilla Valley Public Housing Authority, in the amount of $95,000. Interest is accrued at 1% per annum and payments of principal and interest compounded monthly on the outstanding balance are due and payable in arrears from Cash Flow as defined in the partnership agreement. The entire outstanding principal and accrued and unpaid interest are payable in full by the maturity date on April 3, 2049.

On April 4, 2014, the Project obtained a mortgage payable to New Mexico Mortgage Finance Authority in the original amount of $2,000,000. The mortgage is secured by real property of the Project. Interest will accrue on the outstanding principal balance of the mortgage at 5.5% per annum. Payments of monthly principal and interest are due and the final payment will be due on all outstanding principal and accrued interest at maturity on May 1, 2049.

On April 7, 2014, Citizens Bank executed a Release of Deed of Trust and the line of credit held during construction was paid and closed with the permanent financing that was obtained as disclosed above.

Robledo Ridge, LLLP

Supplementary Information Required by HUD

Year Ended December 31, 2013

Robledo Ridge, LLLP

Supplementary Information Required by HUD

Year Ending December 31, 2013

1. SCHEDULE OF CHANGES IN FIXED ASSETS

	Balance 12/31/2012	Additions	Deductions	Balance 12/31/2013
Land	$ 586,168	$ 0	$ 0	$ 586,168
Buildings	228,954	8,570,101	0	8,799,055
Site Improvements	0	656,437	0	656,437
Construction in Progress	6,005,658	0	6,005,658	0
Furniture for Project/Tenant Use	0	67,191	0	67,191
Office Furniture and Equipment	0	5,052	0	5,052
Totals	6,820,780	9,298,781	6,005,658	10,113,903
Accumulated Depreciation	6,917	$ 92,695	$ 0	99,612
Net Book Value	$ 6,813,863			$10,014,291

Schedule of Additions to Fixed Assets:

	12/31/2013
Construction & Rehabilitation Placed in Service	9,298,781
Totals:	$ 9,298,781

Schedule of Deductions to Fixed Assets:

	12/31/2013
Construction placed in service and capitalized.	6,005,658
Totals:	$ 6,005,658

Robledo Ridge, LLLP

Computation of Surplus Cash, Distributions and Residual Receipts

Year Ending December 31, 2013

		12/31/2013
Cash:		
	Cash	$ 214,890
	Less Construction Cash	(33,830)
	Total Cash	181,060
Current Obligations:		
	Accrued Mortgage Interest Payable	1,244
	Accounts Payable - 30 Days	7,069
	Accrued Expenses (not escrowed)	505
	Tenant Security Deposits Liability	17,664
	Other Current Obligations	26,390
	Total Current Obligations	52,872
	Surplus Cash (Deficiency)	$ 128,188
Amount Available for Distribution During Next Fiscal Period:		
	Surplus Cash	$ 128,188

BOOTHE ★ VASSAR

1001 East FM 700 (432) 263-1324
Big Spring, Texas 79720 www.boothevassar.com

Certified Public Accountants

Kenneth C. Boothe, CPA
kenneth@boothevassar.com

Mark S. Vassar, CPA
mark@boothevassar.com

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, 2013, 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 May 28, 2014.

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

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 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.

Boothe, Vassar & Company

May 28, 2014
Big Spring, Texas

Current Year Audit Findings, Questioned Costs, and Recommendations: December 31, 2013

None Noted

Status of Prior Audit Findings, Questioned Costs, and Recommendations:

Audit Report Dated June 6, 2013, for the year ended December 31, 2012, issued by Boothe, Vassar & Company:

2012-1 Completion of Audit Report

Condition: The audit report was not completed and forwarded to the New Mexico State auditor by the contract date of June 1, 2013. The audit report was submitted to the Office of the State Auditor on June 14, 2013.

Status: The audit report for the prior year was finalized and there is not a continuing condition related to the prior year audit. The current year audit was filed as required by May 31, 2014. The finding is closed.

Robledo Ridge, LLLP

Mortgagor's Certification

December 31, 2013

We hereby certify that we have examined the accompanying financial statements and supplemental information of Robledo Ridge, LLLP as of December 31, 2013, and to the best of our knowledge and belief, the same are complete and accurate.

Signatories:

Signed: Robbie R Levey Date: 6/17/14

Name: Robbie Levey

Title: Executive Director
Mesilla Valley Public Housing Authority

Auditee Information:
575-528-2007
May 28, 2014
Robledo Ridge, LLLP
1571 Medina Dr
Las Cruces, New Mexico 88001

Robledo Ridge, LLLP

Management Agent's Certification

December 31, 2013

We hereby certify that we have examined the accompanying financial statements and supplemental information of Robledo Ridge, LLLP as of December 31, 2013, and to the best of our knowledge and belief, the same are complete and accurate.

Signed: Robbie R Levey   Date: 6/17/14

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:

Robledo Ridge, LLLP

Information on Auditor

December 31, 2013

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:	
	May 28, 2014
Contacts:	
	kenneth@boothevassar.com

EXIT CONFERENCE

An exit conference was held on May 28, 2014, which was attended by the following:

Housing Authority Administration

Robbie Levey	Executive Director
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.