

Robledo Ridge, LLLP

Financial Statements

Years Ended December 31, 2015 and 2014

And Supplementary Information

Year Ended December 31, 2015

Robledo Ridge, LLLP

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INDEPENDENT AUDITOR'S REPORT

To the Partners of

Robledo Ridge, LLLP
Las Cruces, New Mexico
and
Tim Keller, New Mexico State Auditor

Report on the Financial Statements

We have audited the accompanying financial statements of Robledo Ridge, LLLP, which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of operations, changes in partners' equity (deficit), and cash flows for the years 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 audits. We conducted our audits 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, 2015 and 2014, and the results of its operations and its cash flows for the years 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 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 accompanying supplementary information shown on pages 20 - 21 is fairly stated, in all material respects, in relation to the financial statements as a whole.

The *Schedule of Vendors* shown on page 22 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2016, 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 and 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 12, 2016
Big Spring, Texas

Robledo Ridge, LLLP
Balance Sheets
December 31, 2015 and 2014

ASSETS

	12/31/2015	12/31/2014
Current Assets:		
Cash and Cash Equivalents	\$ 84,688	\$ 56,530
Accounts Receivable - Tenants	9,647	5,446
Less Allowance for Doubtful Accounts of \$292 and \$7,735		
Accounts Receivable - Miscellaneous	448	29
Prepaid Expenses	22,170	21,503
Total Current Assets	116,953	83,508
 Restricted Deposits & Funded Reserves:		
Tenant Security Deposits	20,155	17,940
Other Escrows	3,960	7,419
Replacement Reserve	50,409	18,431
Total Restricted Deposits & Funded Reserves	74,524	43,790
 Property & Equipment:		
Land	586,168	586,168
Buildings	8,774,516	8,774,516
Site Improvements	671,495	671,495
Furnishings	72,243	72,243
Accumulated Depreciation	(628,484)	(363,325)
Total Property & Equipment	9,475,938	9,741,097
 Other Assets:		
Operating Reserve	2,591	2,590
Deferred Tax Credit Fees	56,866	56,866
Deferred Permanent Loan Fees	60,041	60,041
Accumulated Amortization	(10,880)	(7,089)
Deposits	46	46
Total Other Assets	108,664	112,454
Total Assets	\$ 9,776,079	\$ 9,980,849

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

Robledo Ridge, LLLP
Balance Sheets
December 31, 2015 and 2014

LIABILITIES & PARTNERS' EQUITY

	<u>12/31/2015</u>	<u>12/31/2014</u>
Liabilities:		
Current Liabilities:		
Current Maturities of Long-Term Debt	\$ 32,292	\$ 30,343
Accounts Payable	3,652	4,631
Accrued Interest	10,214	10,333
Accrued Owner Fees	58,758	40,182
Total Current Liabilities	<u>104,916</u>	<u>85,489</u>
Deposits & Prepaid Liabilities:		
Tenant Security Deposits	18,722	16,095
Prepaid Tenant Fees	6,174	0
Total Deposits & Prepaid Liabilities	<u>24,896</u>	<u>16,095</u>
Long-Term Liabilities:		
Long-Term Debt (net of current maturities)	3,051,083	3,083,867
Long-Term Accrued Interest	21,600	5,321
Development Fees	800,883	800,883
Total Long-Term Liabilities	<u>3,873,566</u>	<u>3,890,071</u>
Total Liabilities	<u>4,003,378</u>	<u>3,991,655</u>
Partners' Equity (Deficit)	<u>5,772,701</u>	<u>5,989,194</u>
Total Liabilities & Partners' Equity	<u>\$ 9,776,079</u>	<u>\$ 9,980,849</u>

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

Robledo Ridge, LLLP
Statements of Operations
For the Years Ended December 31, 2015 and 2014

	12/31/2015	12/31/2014
Rental Income:		
Potential Rental Income	\$ 486,213	\$ 488,525
Less: Vacancies	(27,510)	(21,063)
Total Rental Income	458,703	467,462
Miscellaneous Rental Income	292	580
Total Other Rental Income	292	580
Other Income:		
Interest Income	25	31
Laundry & Vending	160	167
Tenant Charges	6,806	4,503
Miscellaneous Income	547	5,131
Total Other Income	7,538	9,832
Total Income	466,533	477,874
Operating Expenses:		
Administrative	122,374	137,448
Utilities	21,060	22,847
Maintenance	69,846	81,526
Taxes & Insurance	29,958	27,535
Financial Expense	149,136	186,619
Total Cost of Operations	392,374	455,975
Net Income/(Loss) from Operations	74,159	21,899
Non-Operating Income & (Expenses):		
Investor Service Fee	(4,371)	(4,244)
Partnership Administration Fee	(14,205)	(13,792)
Bond Fees	(3,126)	(3,057)
Depreciation Expense	(265,159)	(263,713)
Amortization Expense	(3,791)	(5,210)
Total Non-Operating Income & (Expenses)	(290,652)	(290,016)
Net Income/(Loss)	\$ (216,493)	\$ (268,117)

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

Robledo Ridge, LLLP
Statements of Changes in Partners' Equity (Deficit)
For the Years Ended December 31, 2015 and 2014

	<u>Total</u>	<u>General Partner Equity</u>	<u>Limited Partner Equity</u>
Partners' Equity (Deficit), December 31, 2013	\$ 4,304,663	\$ 85,183	\$ 4,219,480
Net Income/(Loss): 12/31/2014	(268,117)	(27)	(268,090)
Partners' Capital Contributions	1,952,648	0	1,952,648
Partners' Distributions	<u>0</u>	<u>0</u>	<u>0</u>
Partners' Equity (Deficit), December 31, 2014	\$ 5,989,194	\$ 85,156	\$ 5,904,038
Net Income/(Loss): 12/31/2015	(216,493)	(22)	(216,471)
Partners' Capital Contributions	0	0	0
Partners' Distributions	<u>0</u>	<u>0</u>	<u>0</u>
Partners' Equity (Deficit), December 31, 2015	<u>\$ 5,772,701</u>	<u>\$ 85,134</u>	<u>\$ 5,687,567</u>

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

Robledo Ridge, LLLP
Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014
Increase (Decrease) in Cash and Cash Equivalents

	12/31/2015	12/31/2014
Cash Flows From Operating Activities:		
Revenue:		
Rental Receipts	\$ 460,549	\$ 465,969
Other Income	6,991	4,701
Miscellaneous Income	547	5,131
Total Receipts	468,087	475,801
Expenses:		
Administrative	(98,399)	(198,350)
Management Fees	(25,621)	(25,958)
Utilities	(21,060)	(22,847)
Maintenance	(69,846)	(81,526)
Taxes & Insurance	(29,958)	(27,535)
Financial Expense	(149,255)	(194,898)
Bond Fees	(3,126)	(3,057)
Tenant Security Deposits	412	(793)
Investor Service and Partnership Administration Fee	0	(4,244)
Total Disbursements	(396,853)	(559,208)
Net Cash from Operating Activities:	71,234	(83,407)
Cash Flows From Investing Activities:		
Assets Placed in Service	0	(15,058)
Fixed Asset Reduction	0	24,539
Other Escrows	3,459	(7,419)
Replacement Reserve	(31,978)	(18,431)
Operating Reserve	(1)	(2,590)
Initial Recognition of Deferred Assets	0	(31,278)
Net Cash from Investing Activities:	(28,520)	(50,237)
Cash Flows From Financing Activities:		
MVPHA Loan Proceeds	0	638,476
Notes Payable - Line of Credit	0	(4,580,760)
Long-Term Accrued Interest	16,279	5,321
HOME Loan Payments	(10,837)	(10,517)
NMMFA Loan Payments	(19,998)	(11,168)
NMMFA Loan Proceeds	0	2,000,000
Partners' Capital Contributions	0	1,952,648
Net Cash from Financing Activities:	(14,556)	(6,000)
Increase (Decrease) In Cash	28,158	(139,644)
Cash at Beginning of Period	56,530	196,174
Cash at End of Period	\$ 84,688	\$ 56,530

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

Robledo Ridge, LLLP
Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014
Increase (Decrease) in Cash and Cash Equivalents

	12/31/2015	12/31/2014
Reconciliation of Net Profit (Loss) to Net Cash Provided by Operating Activities:		
Net Income (Loss)	\$ (216,493)	\$ (268,117)
Adjustments to Reconcile Net Profit (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	265,159	263,713
Amortization Expense	3,791	5,210
(Increase) Decrease In Assets		
Accounts Receivable - Tenants	(4,201)	(2,044)
Accounts Receivable - Miscellaneous	(419)	(29)
Prepaid Expenses	(667)	(6,055)
Tenant Security Deposits	(2,215)	776
Increase (Decrease) In Liabilities		
Accounts Payable	(979)	719
Accrued Interest	(119)	(8,279)
Accrued Expenses	0	(81,524)
Tenant Security Deposits	2,627	(1,569)
Prepaid Tenant Fees	6,174	0
Accrued Owner Fees	18,576	13,792
Net Cash from Operating Activities:	\$ 71,234	\$ (83,407)
<u>Supplemental Disclosures:</u>		
Interest Paid	\$ 123,346	\$ 180,503

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

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2015 and 2014

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 obtained permanent financing under Section 542(c) of the Housing and Community Development Act, as amended, administered by the New Mexico Mortgage Finance Authority (MFA) during 2014. 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.

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2015 and 2014

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, 2015 and 2014.

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 established an allowance for doubtful accounts and uses the reserve method for recognizing bad debts. Bad debts are expensed 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 statements 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	27.5-40
Site Improvements	10-20
Furnishings	10

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2015 and 2014

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 2015 or 2014.

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 States 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. Loan fees are amortized over the life of their respective loans.

Property Taxes

The General Partner is owned by a public housing authority which qualifies the Partnership for full exemption for property taxes. 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, 2015, the Partnership's tax years for 2012, 2013, and 2014 are subject to examination by the federal and state tax authorities. With few exceptions, as of December 31, 2015, the Partnership is no longer subject to examinations by tax authorities for years before 2012.

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, 2015 and 2014

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain items in the 2014 financial statements have been reclassified to conform to the 2015 presentation.

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, 2015 and 2014:

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

As of December 31, 2015 and 2014 the General Partner has contributed \$71,000. The Limited Partner is required to make capital contributions of \$6,778,399. In the prior year an upward adjuster of \$127,800 was reported and in the current year a downward Lease-Up Tax Credit Adjuster of \$345,800. As of December 31, 2015 and 2014, the Limited Partners have contributed a total of \$6,358,608 and \$6,358,608. They made capital contributions of \$0 and \$1,952,648 during the year ended December 31, 2015 and 2014, respectively. As of December 31, 2015, \$201,791 is due to the property.

NOTE D - LONG-TERM DEBT

The Project is financed with a mortgage payable to New Mexico Mortgage Finance Authority in the original amount of \$2,000,000, with an interest rate of 5.50%. The mortgage is secured by real property of the Project. The mortgage is payable in monthly installments of \$10,740 through May 1, 2049 at which time the final payment will be due on all outstanding principal and accrued interest. The accrued interest was \$9,024 and \$9,116 as of December 31, 2015 and 2014, respectively. Interest expensed on this loan was \$108,795 and \$81,380 as of December 31, 2015 and 2014, respectively.

<u>12/31/2015</u>	<u>12/31/2014</u>
\$ 1,968,834	\$ 1,988,832

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2015 and 2014

NOTE D - LONG-TERM DEBT (continued)

	<u>12/31/2015</u>	<u>12/31/2014</u>
<p>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 \$1,190 and \$1,217 as of December 31, 2015 and 2014, respectively. Interest was capitalized during the construction period. Interest expensed on this loan was \$14,432 and \$14,752 as of December 31, 2015 and 2014, respectively.</p>	\$ 476,065	\$ 486,902

<p>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 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. The long-term accrued interest was \$9,964 and \$4,529 as of December 31, 2015 and 2014, respectively. Interest expensed on this loan was \$5,435 and \$4,529 as of December 31, 2015 and 2014, respectively.</p>	\$ 543,476	\$ 543,476
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<p>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. The long-term accrued interest was \$1,742 and \$792 as of December 31, 2015 and 2014, respectively. Interest expensed on this loan was \$950 and \$792 as of December 31, 2015 and 2014, respectively.</p>	\$ 95,000	\$ 95,000
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Total	3,083,375	3,114,210
Less: Current Portion	32,292	30,343
Long-Term Notes Payable	<u>\$ 3,051,083</u>	<u>\$ 3,083,867</u>

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2015 and 2014

NOTE D - LONG-TERM DEBT (continued)

Aggregate maturities of the notes are approximated as follows:

	<u>Principal</u>	<u>Interest</u>
December 31, 2016	\$ 32,292	\$ 127,323
2017	33,824	125,791
2018	35,432	124,182
2019	37,123	122,492
2020	38,899	120,716
2021-2025	224,488	573,587
2026-2030	284,739	513,336
2031-2035	362,295	435,780
2036-2040	462,341	335,734
2041-2045	532,852	208,307
2046-2050	<u>1,039,090</u>	<u>57,855</u>
Total	<u>\$ 3,083,375</u>	<u>\$ 2,745,103</u>

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.

On January 10, 2014, the Project obtained a letter of credit with Citizens Bank of Las Cruces. The letter is secured by a Promissory Note held by the Grantor, Mesilla Valley Public Housing Authority. The letter 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 letter of credit was \$50,000. Interest was accrued at 3.55% per annum. There are no amounts due as of December 31, 2015 and 2014. Any amounts due related to outstanding principal and interest were payable in full at maturity on October 10, 2015.

NOTE E - LINE OF CREDIT

The Project obtained a line of credit with Citizens Bank of Las Cruces on April 18, 2012. The line was secured by real property of the Project and guaranteed by the Mesilla Valley Public Housing Authority and the New Mexico Housing Corporation. The amount available on the line was \$5,700,000. Interest accrued at 6.5% and was payable in monthly installments. This line of credit was paid and closed with permanent financing during 2014. Interest was previously capitalized during the construction period. Interest expensed on this loan prior to permanent financing was \$76,092 during 2014.

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2015 and 2014

NOTE F - RESERVE FUNDS

Replacement Reserve

In accordance with the Partnership Agreement, the Partnership shall establish a Replacement Reserve in the amount of \$85,329 at the time of the limited partner's fourth capital contribution installment to fund major repairs or replacements. 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 October through December 2013 in the amount of \$7,908 and January through May in the amount of \$13,179. The Replacement Reserve was funded through a mortgage escrow beginning in June, 2014, and the balance was \$50,409 and \$18,431 as of December 31, 2015 and 2014.

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 balance was \$2,591 and \$2,590 as of December 31, 2015 and 2014.

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.

Regulatory Agreement Provisions

On February 5, 2001, the Company executed a 542 (c) Multifamily Insurance Program Regulatory Agreement with the New Mexico Mortgage Finance Authority in order to obtain the "risk-sharing" mortgage loan. The Company is required to abide by the Regulatory Agreement provisions including, but not limited to, (1) the maintenance of certain tenant income requirements, (2) limitations on surplus cash distributions, (3) Replacement Reserve requirements, and (4) compliance with Affirmative Fair Housing marketing plans.

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2015 and 2014

NOTE G - COMMITMENTS AND CONTINGENCIES *(continued)*

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. If Operating Deficit Contributions are required, they shall be repayable, without interest, solely from Cash Flow or as provided in the partnership agreement. There are no amounts due related to Operating Deficit Contributions as of December 31, 2015 and 2014.

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 \$28,213 and \$28,023 during 2015 and 2014. The amounts included in accounts payable that are due to UAH Property Management LP related to Management Fees were \$2,592 and \$2,065 as of December 31, 2015 and 2014, respectively.

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 \$4,371 and \$4,244 were recognized during 2015 and 2014. The amounts due to the Limited Partner related to Investor Services Fees were \$4,371 and \$0 as of December 31, 2015 and 2014, respectively.

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2015 and 2014

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

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 \$14,205 and \$13,792 were recognized during 2015 and 2014. The amounts due to the General Partner related to Partnership Administrative Fees were \$54,387 and \$40,182 as of December 31, 2015 and 2014, respectively.

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, 2015, \$331,756 of this fee has been paid. The amounts due related to Development Fees were \$800,883 and \$800,883 as of December 31, 2015 and 2014, respectively. Per the original agreement the deferred portion of the development fee was expected to be \$494,711; however, due to the downward adjuster referenced in the limited partner contribution footnote an additional amount of the fee will be deferred. All deferred development fees 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. The long-term accrued interest was \$9,894 and \$0 as of December 31, 2015 and 2014, respectively.

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. The Subcontractor processes payroll for the property. The Property paid the Subcontractor for all payroll and benefits of \$80,628 and \$79,927 during 2015 and 2014. The Property also paid the Subcontractor for other fees related to compliance monitoring and payroll processing fees. These other Subcontractor fees were \$7,110 and \$5,827 during 2015 and 2014. Reimbursements for miscellaneous project expenses not listed separately were \$8,544 and \$9,013 during 2015 and 2014. The amounts included in accounts payable that are due to UAH Property Management LP related to any of the aforementioned reimbursements were \$334 and \$164 as of December 31, 2015 and 2014, respectively.

Robledo Ridge, LLLP
Notes to Financial Statements
December 31, 2015 and 2014

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

There were no other accrued expenses as of December 31, 2015 and 2014.

NOTE K - SUBSEQUENT EVENTS

The Project has evaluated subsequent events through May 12, 2016 which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

Robledo Ridge, LLLP
Supplemental Information
Year Ended December 31, 2015

Robledo Ridge, LLLP
Supplementary Information Required by HUD
Year Ending December 31, 2015

1. SCHEDULE OF RESERVE FOR REPLACEMENTS

Balance as of January 1, 2015	\$ 18,431
Deposits	31,974
Interest Earned on Reserve for Replacement Account (Net of Service Fees)	<u>4</u>
Balance as of December 31, 2015	<u><u>\$ 50,409</u></u>

2. SCHEDULE OF OPERATING RESERVE

Balance as of January 1, 2015	\$ 2,590
Deposits	0
Interest Earned on Operating Reserve Account (Net of Service Fees)	<u>1</u>
Balance as of December 31, 2015	<u><u>\$ 2,591</u></u>

3. SCHEDULE OF CHANGES IN FIXED ASSETS

	Balance <u>12/31/2014</u>	Additions	Deductions	Balance <u>12/31/2015</u>
Land	\$ 586,168	\$ 0	\$ 0	\$ 586,168
Buildings	8,774,516	0	0	8,774,516
Site Improvements	671,495	0	0	671,495
Furnishings	<u>72,243</u>	<u>0</u>	<u>0</u>	<u>72,243</u>
Totals	10,104,422	<u>0</u>	<u>0</u>	10,104,422
Accumulated Depreciation	<u>363,325</u>	<u>\$ 265,159</u>	<u>\$ 0</u>	<u>628,484</u>
Net Book Value	<u><u>\$ 9,741,097</u></u>			<u><u>\$ 9,475,938</u></u>

Robledo Ridge, LLLP
Computation of Surplus Cash and Distributions
Year Ending December 31, 2015

		<u>12/31/2015</u>
Cash:		
	Cash	\$ 104,843
	Total Cash	<u>104,843</u>
Current Obligations:		
	Accounts Payable	3,652
	Accrued Interest	10,214
	Prepaid Tenant Fees	6,174
	Tenant Security Deposits	18,722
	Total Current Obligations	<u>38,762</u>
	Surplus Cash (Deficiency)	<u>\$ 66,081</u>
Amount Available for Distribution During Next Fiscal Period:		
	Surplus Cash	<u>\$ 66,081</u>

Robledo Ridge, LLLP
Schedule of Vendors
Year Ending December 31, 2015

<u>Agency Number</u>	<u>Agency Name</u>	<u>Agency Type</u>	<u>RFB#/RFP#</u>
9010-H	Robledo Ridge, LLLP	Other Agencies	None

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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
Tim Keller, 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, 2015, and related statements 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 12, 2016.

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 12, 2016
Big Spring, Texas

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR HUD PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE CONSOLIDATED AUDIT GUIDE FOR AUDITS OF HUD PROGRAMS

To the Partners of
Robledo Ridge, LLLP
Las Cruces, New Mexico
and
Tim Keller, New Mexico State Auditor

Report on Compliance for Each Major HUD Program

We have audited Robledo Ridge, LLLP's compliance with the compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs* (the Guide) that could have direct and material effect on each of Robledo Ridge, LLLP's major U.S. Department of Housing and Urban Development (HUD) programs for the year ended December 31, 2015. Robledo Ridge, LLLP's major HUD program is a HUD insured mortgage.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its HUD program(s).

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Robledo Ridge, LLLP's major HUD programs based on our audit of the 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 Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major HUD program occurred. An audit includes examining, on a test basis, evidence about Robledo Ridge, LLLP'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 HUD program. However, our audit does not provide a legal determination of Robledo Ridge, LLLP's compliance.

Opinion on Each Major HUD Program

In our opinion, Robledo Ridge, LLLP complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major HUD programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of Robledo Ridge, LLLP is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Robledo Ridge, LLLP's internal control over compliance with the requirements that could have a direct and material effect on each major HUD program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major HUD program and to test and report on internal control over compliance in accordance with the Guide, 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 Robledo Ridge, LLLP'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 compliance requirement of a HUD 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 compliance requirement of a HUD 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 compliance requirement of a HUD 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 the Guide. Accordingly, this report is not suitable for any other purpose.



Boothe, Vassar & Company

May 12, 2016
Big Spring, Texas

Robledo Ridge, LLLP
Schedule of Findings and Responses
December 31, 2015

Current Year Audit Findings: December 31, 2015

Our audit disclosed no findings that are required to be reported.

Robledo Ridge, LLLP
Schedule of the Status of Prior Audit Findings,
Questioned Costs, and Recommendations
December 31, 2015

Prior Year Audit Findings: December 31, 2014

Matters reported for the year ended December 31, 2014.

2014-001 - Tenant Files Material Weakness

Condition: Tenant files had multiple errors including errors in income calculations, errors on the use of deductions, and missing or delayed receipt of tenant signatures. Corrections were being made to files subsequent to the effective date of the certification, as they were required for the audit.

Response: The 100% file audit by the UAH compliance department was completed timely.

Status: Cleared

Robledo Ridge, LLLP
Mortgagor's Certification
December 31, 2015

We hereby certify that we have examined the accompanying financial statements and supplemental information of Robledo Ridge, LLLP as of December 31, 2015, and to the best of our knowledge and belief, the same are complete and accurate.

Signatories:

Signed: _____  _____ Date: 5/12/2016

Name: Juan Olvera


Title: Executive Director
Mesilla Valley Public Housing Authority

Auditee Information:

575-528-2007
May 12, 2016
Robledo Ridge, LLLP
1571 Medina Dr
Las Cruces, New Mexico 88001

Robledo Ridge, LLLP
Management Agent's Certification
December 31, 2015

We hereby certify that we have examined the accompanying financial statements and supplemental information of Robledo Ridge, LLLP as of December 31, 2015, and to the best of our knowledge and belief, the same are complete and accurate.

Signed:  Date: 5/12/2016
Name: Juan Olvera

Title: Executive Director

Management Company: Mesilla Valley Public Housing Authority

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

Robledo Ridge, LLLP
Information on Auditor
December 31, 2015

Auditor's Transmittal Letter

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

Lead Auditor: Diane Fox
Certified Public Accountant

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

Auditor's Report Date: May 12, 2016

Contacts: diane@boothevassar.com

Robledo Ridge, LLLP

Exit Conference

December 31, 2015

EXIT CONFERENCE

An exit conference was held on May 12, 2016, which was attended by the following:

Housing Authority Administration

Juan Olvera	Executive Director
Laura Ramos	Accountant

Boothe, Vassar & Company

Mark Vassar	Partner
Diane Fox	Audit Manager
Shelleyn Garcia	Audit Manager

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.