



# **ALBUQUERQUE HOUSING AUTHORITY**

**Empowering people in our community through affordable housing and self-sufficiency opportunities**

**ALBUQUERQUE HOUSING AUTHORITY  
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO  
FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT AND  
SUPPLEMENTARY INFORMATION  
JUNE 30, 2015**

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**JUNE 30, 2015**

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## **OFFICIAL ROSTER**

### **Board of Housing Commissioners**

Stephen J. Vogel, **Chairperson**

D. Todd Clarke, **Vice-Chairperson**

Rebecca Chavez, **Resident Commissioner**

Janet M. McHard, CPA, CFE, MAFF, CFF, **Commissioner at Large**

Roxanne Rivera-Wiest, **Commissioner at Large**

### **AHA Management**

Linda Bridge, **Executive Director and Secretary to the Board**

Andrew Estocin, **Deputy Director**

Barbara D'Onofrio, **Director of Finance**

### **Board of Housing Commissioners**

The Board of Housing Commissioners is the governing body to AHA. The Board of Housing Commissioners is authorized by the City of Albuquerque through Resolution (R-2010-97). The Board of Housing Commissioners has a role of oversight to the Housing Authority. Although the Board members are appointed by the Mayor of the City of Albuquerque, the Board is responsible for electing the member(s) roles and officers. Regular Meetings are held on the 3rd Wednesday of each month, at 12:00 pm (Noon) in the Manuel Cordova Conference Room, at the AHA Administration Office, Carnis Salisbury Building, unless otherwise posted.

## Independent Auditor's Report

Board of Housing Commissioners of the  
Albuquerque Housing Authority  
and  
Mr. Timothy Keller  
New Mexico State Auditor

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Albuquerque Housing Authority (the "Authority"), a component unit of the City of Albuquerque, as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express 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 the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2015, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of American require that the management's discussion and analysis and schedules of PERA net pension liability and contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

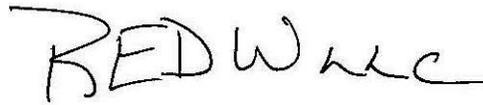
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the financial data schedule required by the U.S. Department of Housing and Urban Development, and the other schedules required by Section 2.2.2.NMAC are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards, the financial data schedule, and the other schedules required by Section 2.2.2.NMAC are the responsibility of management and were 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 schedule of expenditures of federal awards, the financial data schedule and the other schedules required by Section 2.2.2.NMAC are fairly stated, in all material respects, in relation to the financial statements as a whole.

The schedule of vendor information has not been subjected to the audit 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 November 18, 2015, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "RED W LLC". The letters are written in a cursive, slightly slanted style.

Albuquerque, New Mexico  
November 18, 2015

## **Management's Discussion and Analysis**

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

This section of the Albuquerque Housing Authority's (AHA) financial statements presents management's discussion and analysis (MD&A) for the fiscal year ended June 30, 2015. The activities of AHA include Public Housing, Housing Choice Voucher, and Capital Fund Programs. The management's discussion and analysis (MD&A) is designed to assist the reader in focusing on significant financial issues, provide an overview of the AHA's financial activity and changes in the AHA's financial position.

### **Overview of the Housing Authority**

AHA provides housing assistance programs to low income families, elderly and disabled households. Our mission is "empowering people in our community through affordable housing and self-sufficiency opportunities." These services are delivered through our public housing program with 953 units and our housing choice voucher program with roughly 4,000 vouchers. Other services are provided through community networking and as a recipient of various special programs.

AHA is a separate public body-corporate that contracts with the U.S. Department of Housing and Urban Development (HUD) to provide affordable public housing (PH), housing choice voucher (HCV) assistance payments and federal housing program oversight. All operating and capital expenses of AHA, including the employees, are paid for by a combination of rent paid by Public Housing tenants and grant funds from HUD. AHA is responsible for its own debts, has its own powers of operation and relies on a variety of revenue streams for its income.

AHA was established in 1967 as a department of the City of Albuquerque (City). Enacted by the City Council, a Board of Housing Commissioners was established to govern AHA on December 6, 2010. As of July 1, 2011, AHA became a public body-corporate and is recognized as a quasi-governmental agency. Then on July 1, 2014, the City transferred the housing department's assets, deferred outflow of resources, liabilities, and deferred inflow of resources and net position to AHA. For financial reporting purposes, AHA is considered a component unit of the City. As such, the financial condition and results of operations of AHA are included in the City's financial statements.

### **Measurement Focus and Basis of Accounting**

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Financial Data Schedule (FDS), which is included in the supplementary information section, is prepared by AHA on a GAAP basis, using the Department of Housing and Urban Development's (HUD) specific format. AHA expends more than \$500,000 in federal financial awards in a given year and is therefore required to have a Single Audit conducted in accordance with the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. The Single Audit covers the following:

- The basic financial statements
- The Supplemental Schedule of Expenditures of Federal Awards (SEFA)
- Internal control over and compliance with the types of compliance requirements described in 2 CFR 200, Appendix XI

The AHA fiscal year end is June 30<sup>th</sup> and AHA submits its financial statements to the following three agencies:

- City of Albuquerque - AHA is included as a component unit of the City
- New Mexico Office of the State Auditor – Due December 1st
- HUD – FDS is due March 30th online and at the Regional HUD office

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**Highlights of Fiscal Year 2015**

On July 1, 2014, AHA completed its transition to separate from the City, which began in 2011. AHA was created as a separate public body politic and corporate on July 1, 2011. The City delegated authority to the appointed AHA Board of Housing Commissioners. It took three years to complete the transition, concluding with the transfer of employees from the City to AHA as of July 1, 2014. This transition has resulted in significant changes for AHA and opportunities as highlighted below:

- AHA and the City entered into an MOU “Memorandum of Understanding between the Albuquerque Housing Authority and the City of Albuquerque” in May 2014 to establish the procedures to divide the assets, debts and support services provided to AHA and to identify the transition process for the employees. AHA proceeded to rebuild the Authority with 29 employees on July 1, 2014, establishing policies, procedures, contracts, vendors and other services independent from the City. AHA ended the year meeting many strategic goals and hiring to a capacity of 55 employees. Services created in the year included the areas of Human Resources, Procurement, Warehouse, Safety and Fleet Maintenance.
- AHA created more opportunities for personal and professional development. In addition, AHA developed a compensation system that awards employee performance and contributions towards agency goals. AHA tracks its performance on goals that are set annually. Each employee has goals that are tied to AHA’s strategic plan.
- AHA launched an online application system to be utilized by all applicants. The new online system makes the application process easier to access, in addition to being more streamlined and efficient. As a result, AHA received 1,807 applications for public housing in a two-month period during FY 2015.
- Housing Choice Voucher program reduced the waiting list from 3,399 to 2,464.
- Housing Choice Voucher staff increased the usage of the Veterans Affairs Supportive Housing (the “VASH”) program from 68 vouchers to 175 vouchers utilized.
- In May 2014, AHA received a Community Development Block Grant (CDBG) from the City to improve resident public housing. The grant for \$1,094,700 was quickly utilized to improve resident structures; make landscaping and playground improvements, make site safety improvements, and begin unit modifications to meet Uniform Federal Accessibility Standards. The work was completed in the fall 2014.
- AHA successfully completed the energy savings program with AMERESCO, Inc. and the final payment for a 10 year lease program was made in March 2015, allowing AHA to seek further opportunities with new technology in energy savings and consumption.
- AHA completed an energy audit of the properties and compiled data for the last three years to establish a benchmark to measure future consumption. In addition, AHA is conducting a comprehensive analysis of the capital needs of all its properties. The energy audit and capital needs assessment will enable the housing authority to complete a housing plan that will help to set budgets, appropriate funding and set priorities to address the needs of the housing stock.

**Overview of the Financial Statements**

Because AHA began operations separate from the City on July 1, 2014, the MD&A present only the financial position and the results of operations of AHA for FY 2015. This discussion and analysis is intended to serve as an introduction to the Authority’s basic financial statements, which are comprised of the following: (1) the statement of net position, (2) the statement of revenues, expenses and changes in net position, (3) the statement of cash flows, and (4) the notes to the financial statements.

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- **The Statement of net position** presents financial information on all of AHA's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. It assesses the balance of a government's assets and deferred outflows of resources against its liabilities and deferred inflow of resources in order to determine what is left over after satisfying its obligations of resources to others. This is a picture of AHA's net position at a given point in time, such as fiscal year end. Tracking net position over time, with its increases and decreases, is an indicator of AHA's financial position.
- **The Statement of revenues, expenses and changes in net position** presents financial information to show how AHA's net position has changed during the fiscal year. It can be used to measure the success of AHA's operations during the year and will indicate how AHA has funded its costs.
- **The Statement of cash flows** presents financial information regarding AHA's cash receipts and cash payments. It shows the inflows and outflows of cash resulting from operating, noncapital financing activities, capital and related financing activities, and investing activities. This is a good indicator of AHA's ability to pay its obligations.
- **The notes to the financial statements** provide additional information that is essential to the full understanding of the data provided in the financial statements.

### **The Authority's Programs**

The Authority operates the following programs:

- **Housing Choice Voucher (HCV) Program** – a HUD-funded program that provides rent subsidies to families residing in privately-owned rental properties.
- **Capital Improvement Programs** – HUD-funded program that includes the Capital Fund Program that provides funds for new construction and the rehabilitation of existing housing units.
- **Public Housing Program** – a HUD-funded program under which the Authority manages and maintains 953 public housing rental units for eligible low-income families, seniors and individuals with disabilities.

## **FINANCIAL ANALYSIS**

### **General**

Over time, net position may serve as a useful indicator of AHA's financial health. At June 30, 2015, AHA's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$25.2 million. The largest portion of net position, \$9.9 million, is the AHA's investment in capital assets (e.g., land, buildings, furniture and equipment, and construction in progress) less any related debt used to acquire those assets still outstanding. The AHA uses these capital assets to provide services and housing to its clients. Consequently, these assets are not available for future spending. Although the AHA's investment in capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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**JUNE 30, 2015**

**ASSETS, DEFERRED OUTFLOW OF RESOURCES LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION INFORMATION**

Presented below are AHA's assets, deferred outflow of resources, liabilities, deferred inflow of resources and net position information for FY 2015. This information reflects the economic resources of AHA, as well as its economic obligations at the end of FY 2015.

**ASSETS**

Current assets	\$ 10,075,505
Restricted assets	9,099,101
Noncurrent assets	<u>9,914,132</u>
Total assets	29,088,738

<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>430,422</u>
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<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>29,519,160</u>
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**LIABILITIES**

Current liabilities	752,017
Noncurrent liabilities	<u>2,693,253</u>
Total liabilities	3,445,270

<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>876,147</u>
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<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>4,321,417</u>
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**NET POSITION**

Net investment in capital assets	9,893,003
Restricted for housing projects	8,701,707
Unrestricted	<u>6,603,033</u>
<b>TOTAL NET POSITION</b>	<u>\$ 25,197,743</u>

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**Assets**

During FY 2015, total assets decreased approximately \$967 thousand. Current assets decreased by \$2.47 million or 20% due to a decrease in housing choice voucher funding relating to a HUD mandate for the agency to reduce reserves in our Restricted Net Position (RNP). HUD reduced HCV funding by \$1.4 million. The other factor is due to the payment of prior year amounts owed by the Housing Authority to the City's General Fund of \$1.1 million. Restricted assets increased by \$635 thousand as a result of the classification of cash deposits as restricted. Capital assets increased by \$868 thousand. The increase in capital assets for the period was the utilization of CDBG funds for capital improvements to the public housing units.

**Deferred Outflow of Resources**

Pension contributions related to FY 2015 have been reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in fiscal year 2016. This relates to the adoption of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension Plans*, which became effective for FY 2015.

**Liabilities**

Total liabilities decreased by \$1.8 million or 34%. Current liabilities decreased by \$1.2 million or 61% primarily due to a payment of the prior year payable to the City. Noncurrent liabilities decreased by \$613 thousand as a result of a \$533 thousand decrease in net pension liability and the pay off of a capital lease.

**Deferred Inflow of Resources**

The deferred inflow of resources is mainly attributed to the differences between projected and actual investment earnings on pension plan investments. This also related to the implementation of GASB Statement No. 68.

**Net Position**

AHA's net position totaled \$25.2 million at June 30, 2015 and is comprised of net investment in capital assets of \$9.9 million; restricted net position of \$8.7 million; and unrestricted net position of \$6.6 million. Total net position increased by \$401 thousand, or 1.6% as a result of operations for the fiscal year. The balance in unrestricted net position represents resources available to meet the AHA's ongoing obligations to tenants, citizens and creditors.

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**REVENUES, EXPENSES AND CHANGES IN NET POSITION INFORMATION**

Presented below are the revenues, expenses and changes in net position information for FY 2015. The information reflects the result of operations for the Authority and displays the sources of revenue, the nature of expenses for the year and the resulting change in net position. All revenues and expenses are accounted for on an accrual basis.

Total operating revenues	\$ 2,155,941
Total operating expenses	<u>8,411,650</u>
Operating loss	<u>(6,255,709)</u>
Total nonoperating revenues, net	<u>6,656,547</u>
Change in net position	<u>400,838</u>
Net position, beginning of year	28,369,144
Adjustment to beginning net position (note II. H.)	<u>(3,572,239)</u>
Net position, beginning of year, as restated	<u>24,796,905</u>
Net position, end of year	<u><u>\$ 25,197,743</u></u>

**Operating Revenues and Expenses**

Operating revenues remained relatively the same with a slight decrease from the previous year, while operating expenses decreased by \$1.7 million or 17%. This decrease in operating expenses was a result of AHA's continued efforts of identifying ways to operate more cost effectively, with an emphasis on reducing costs and improving efficiency. Depreciation expense, which does not require cash expenditures, but impacts the total operating expenses, totaled \$922,822 for the fiscal year ended June 30, 2015.

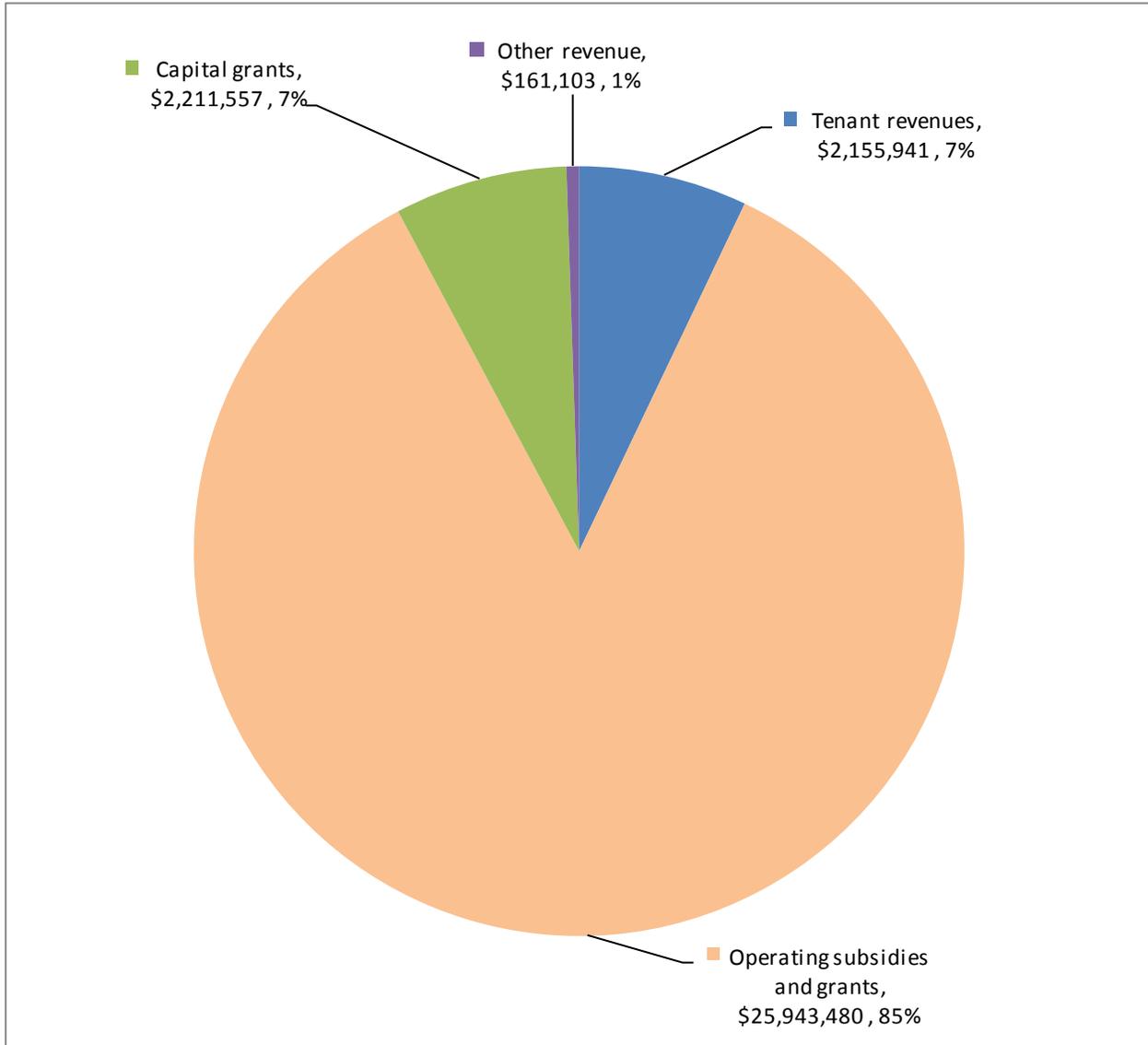
**Nonoperating Revenues, Expenses and Changes in Net Position**

Nonoperating revenues mainly consist of operating and capital grants totaling \$28.2 million. Nonoperating expenses mainly consist of housing assistance payments totaling \$21.7 million. FY 2015 had an overall increase in net position of \$401 thousand.

AHA restated its beginning net position in FY 2015 as a result of errors identified on prior year reported amounts, as well as due to the implementation of GASB Statement No. 68. The total amount of this restatement was to decrease beginning net position by \$3.6 million.

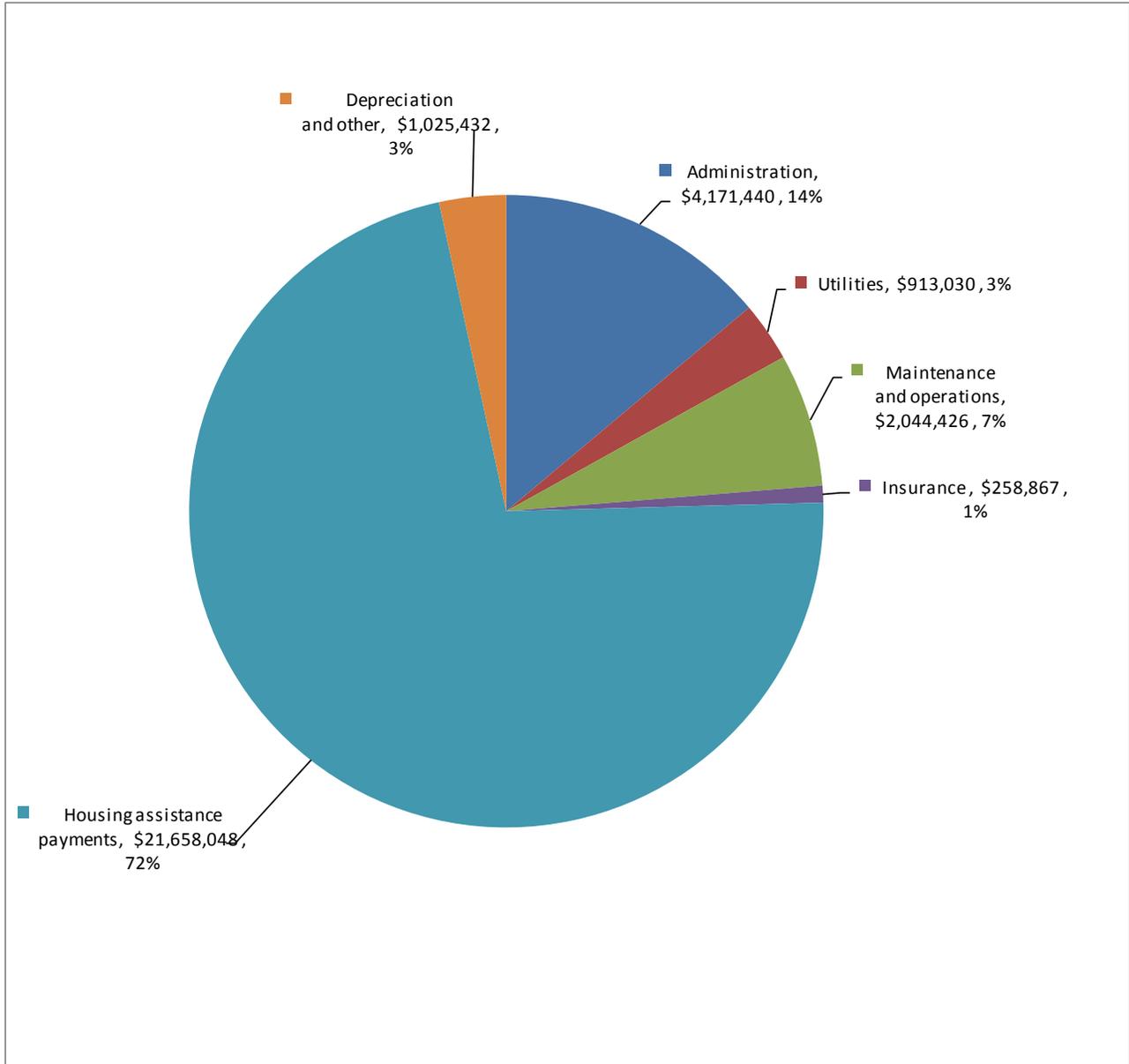
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The following graph shows the different sources and amounts of revenues for the fiscal year ending June 30, 2015:



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The following graph shows the different types and amounts of expenses for the fiscal year ending June 30, 2015:



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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Net Capital Assets*

At the end of FY 2015, AHA had \$9,914,132, net of depreciation, invested in a broad range of capital assets including land, buildings, machinery, equipment, vehicles, and construction in progress. Additional information on AHA's capital assets can be found in the notes to the financial statements.

*Long-Term Obligations*

At June 30, 2015, AHA had a non-interest repayment agreement with HUD in the amount of \$190,165. This amount is payable in quarterly payments of \$5,282. Additional information on AHA's loan liability can be found in notes to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Albuquerque rental market is experiencing increased rents and occupancy levels. As a result, it is more difficult for clients that hold housing choice vouchers to find units. These market conditions are impacting the utilization of vouchers, while the wait for AHA services (vouchers and public housing) remains long. AHA is only able to serve a small portion of the population that is eligible for our services due to limited funding. Additionally proration and budget concerns at the federal level continue to impact housing authorities. As a result of these factors, AHA needs to focus on how to bring in new resources to help address the gap of affordable housing options in Albuquerque.

AHA will be creating a housing plan to guide real estate activities, including making determinations on disposition and redevelopment of assets. This plan will set priorities to guide future budgets, in addition to identifying other resources to address the needs of our own housing communities. AHA will be seeking to improve existing housing and also add more units. New development opportunities will provide both additional revenues as well as help minimize the wait for affordable housing assistance.

AHA is researching alternative revenue sources. AHA is currently exploring an option to contract our services to other agencies. Ideally AHA will utilize its strengths to offer services to peer housing authorities who do not have the resources available. Additionally, AHA continues to look for other grant sources, similar to the successful utilization of the CDBG funding received from the City this year. The use of the CDBG funds of \$1,094,700 allowed AHA to double a typical years capital fund improvements for our Public Housing units.

The operating budgets for AHA's 2015-2016 fiscal year were approved by the Board of Housing Commissioners on June 29, 2015, and became effective July 1, 2015. The budget for Central Office Cost Center is balanced, while the budgets for Public Housing and Housing Choice Voucher programs show a deficit that is covered by reserves available for each of those programs. Combined, the estimated revenues are \$33 million, with these funds being used primarily for HCV payments to landlords, public housing operations, salaries and benefits, upgrades, repairs and maintenance of the Authority's housing communities, as well as other operating costs.

AHA's goal remains to continue to provide housing to the approximately 4,800 households served through its two core housing programs: Housing Choice Voucher (HCV) and Public Housing. In fiscal year 2016, AHA looks forward to expanding services to our clients; significantly enhancing property management and housing operations; implementing additional efficiencies across AHA; continue providing training and other opportunities for employees for job enhancement and growth; diversifying revenue sources and funding; and implementing a housing plan to improve and expand our housing stock.

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**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, tenants, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

**Albuquerque Housing Authority**  
Attn: Barbara D'Onofrio  
Director of Finance and Accounting  
1840 University Blvd. S.E.  
Albuquerque, NM 87106

## **Basic Financial Statements**

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

**ASSETS**

**Current assets**

Cash and cash equivalents - unrestricted	\$	9,674,091
Grants and accounts receivable, net of allowance for uncollectable accounts of \$62,908		140,429
Prepaid expenses		104,061
Inventories of supplies		156,924
Total current assets		10,075,505

**Noncurrent assets**

Restricted assets

Cash and cash equivalents		8,878,191
Cash - tenant security deposits		220,910
Total restricted assets		9,099,101

Capital assets

Nondepreciable		3,770,389
Depreciable, net of accumulated depreciation		6,143,743
Total capital assets, net of accumulated depreciation		9,914,132
Total noncurrent assets		19,013,233
Total assets		29,088,738

**DEFERRED OUTFLOWS OF RESOURCES**

Amounts related to pensions		430,422
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<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		<b>29,519,160</b>
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The accompany notes are an integral part of these financial statements.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF NET POSITION — CONTINUED**  
**JUNE 30, 2015**

**LIABILITIES**

**Current liabilities**

Accounts payable	179,833
Accrued payroll	154,923
Accrued vacation and sick leave pay, current portion	74,972
Due to other governments	68,640
Other liabilities	252,520
Payable from restricted assets	
HUD payable, current portion	21,129
Total current liabilities	752,017

**Noncurrent liabilities**

Payable from restricted assets	
Tenant security deposits	220,910
HUD payable, excluding current portion	169,036
Net pension liability	2,235,616
Accrued vacation and sick leave pay, excluding current portion	67,691
Total noncurrent liabilities	2,693,253
Total liabilities	3,445,270

**DEFERRED INFLOWS OF RESOURCES**

Amounts related to pensions	876,147
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>4,321,417</b>

**NET POSITION**

Net investment in capital assets	9,893,003
Restricted for housing projects	8,701,707
Unrestricted	6,603,033
<b>TOTAL NET POSITION</b>	<b>\$ 25,197,743</b>

The accompany notes are an integral part of these financial statements.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES OF NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**OPERATING REVENUES**

Tenant revenues	\$ 2,155,941
Total operating revenues	<u>2,155,941</u>

**OPERATING EXPENSES**

Administration	4,171,440
Utilities	913,030
Maintenance and operations	2,044,426
Insurance	258,867
Depreciation	922,822
Other	<u>101,065</u>
Total operating expenses	<u>8,411,650</u>
Operating loss	<u>(6,255,709)</u>

**NONOPERATING REVENUES (EXPENSES)**

Operating subsidies and grants	25,943,480
Capital grants	2,211,557
Interest on investments	9,748
Housing assistance payments	(21,658,048)
Interest expense	(1,545)
Other	<u>151,355</u>
Total nonoperating revenues, net	<u>6,656,547</u>
Change in net position	<u>400,838</u>
Net position, beginning of year	28,369,144
Adjustment to beginning net position (note II. H.)	<u>(3,572,239)</u>
Net position, beginning of year, as restated	<u>24,796,905</u>
Net position, end of year	<u><u>\$ 25,197,743</u></u>

The accompany notes are an integral part of these financial statements.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$ 2,197,177
Cash paid to employees for services	(3,007,669)
Cash paid to suppliers and others	<u>(5,804,996)</u>
Net cash used by operating activities	<u>(6,615,488)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Operating subsidies and grants received	25,918,851
Housing assistance payments	(21,658,048)
Payments made on HUD payable	(21,129)
Other revenue	<u>151,355</u>
Net cash provided by noncapital financing activities	<u>4,391,029</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Capital grants received	2,211,557
Principal paid on capital leases	(85,051)
Interest paid on capital leases	(1,545)
Acquisition and construction of capital assets	<u>(1,790,877)</u>
Net cash used by capital and related financing activities	<u>334,084</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest and dividends on investments	<u>9,748</u>
Net cash provided by investing activities	<u>9,748</u>

Net decrease in cash and cash equivalents	<u>(1,880,627)</u>
Cash and cash equivalents, beginning of year	<u>20,653,819</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>18,773,192</u></u>

**Cash and cash equivalents are comprised of the following:**

Cash and cash equivalents - unrestricted	9,674,091
Cash and cash equivalents - restricted	8,878,191
Cash - tenant security deposits	<u>220,910</u>
	<u><u>\$ 18,773,192</u></u>

The accompany notes are an integral part of these financial statements.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATEMENT OF CASH FLOWS — CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Reconciliation of operating loss to net cash used by operating activities**

Operating loss	\$ (6,255,709)
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**Adjustments to reconcile operating loss to net cash used by operating activities**

Depreciation	922,822
Change in assets and liabilities	
Accounts receivable	25,830
Prepaid expenses	(88,834)
Inventories of supplies	41,896
Accounts payable	(32,958)
Accrued payroll, vacation and sick leave pay	148,506
Due to other governments	(1,305,402)
Net pension liability	(87,045)
Tenant security deposits	15,406
<b>Total adjustments</b>	<u>(359,779)</u>
<b>Net cash used by operating activities</b>	<u><u>\$ (6,615,488)</u></u>

The accompany notes are an integral part of these financial statements.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting entity**

Albuquerque Housing Authority (AHA), a component unit of the City of Albuquerque, New Mexico (the "City"), is a separate public body-corporate that contracts with the U.S. Department of Housing and Urban Development (HUD) to provide affordable public housing (PH), housing choice voucher (HCV) assistance payments, and federal housing program oversight. AHA is funded by a combination of public housing tenant revenues, and U.S Department of Housing and Urban Development grants. AHA is responsible for its own debts, has its own powers of operation and relies on a variety of revenue streams, for its income.

AHA was established in 1967 as a department of the City of Albuquerque (City). Enacted by the City Council, a Board of Housing Commissioners was established to govern the AHA on July 1, 2011. As of July 1, 2014, AHA became a public body-corporate and is recognized as a quasi-governmental agency. For financial reporting purposes, AHA is considered a component unit of the City. As such, the financial condition and results of operations of AHA are included in the City's financial statements.

**B. Basis of presentation**

AHA's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and related statements, and are comprised of three components: *Management's Discussion and Analysis, Basic Financial Statements, and Supplementary Information*. AHA follows GASB pronouncements as codified under GASB 62.

The financial statements comply with the provisions of GASB statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all the organization's activities and functions for which AHA is financially accountable. Determination of financial accountability includes, among other factors, appointment of a voting majority of the component's governing body and (1) ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, AHA. Based on the preceding criteria, the accompanying financial statements do not include the financial activities of any entity other than AHA.

**C. Measurement focus and basis of accounting**

AHA's activity is accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. These activities include, but are not limited to, administration, operation, maintenance, financing and related debt service, billing and collection. This proprietary type fund provides services which are intended to be financed primarily through user charges or activities where periodic determination of net income is appropriate.

AHA distinguishes operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with AHA's principal ongoing operations. The principal operating revenues, such as tenant revenues, result from exchange transactions in which each party receives and gives up essentially equal values. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues or expenses. These include federal housing grants, investment earnings, interest expense, and transactions that result from nonexchange transactions or ancillary activities.

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**D. Assets, liabilities, and net position**

**1. Cash and cash equivalents**

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and held by banks in demand deposits and savings accounts. All pooled cash and investments (including restricted assets) are also considered to be cash equivalents although there are investments with a maturity in excess of three months when purchased because they have the characteristics of demand deposits. Nonpooled investments with original maturities of three months or more are deducted from cash and cash equivalents and changes therein are reported as cash flows from investing activities.

**2. Investments**

The investment in the State of New Mexico local government investment pool (LGIP) is valued at fair value based on quoted market prices as of the valuation date in accordance with GASB Statement No. 31. The LGIP is not SEC registered. The State Treasurer is authorized to invest the LGIP, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10.I through 6-10-10.P and Sections 6-10-10.1A and E NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F NMSA 1978, at the end of each month all interest is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary. This pool is subject to the standards set forth in the State Treasurer's Local Government Investment Policy document incorporated in and made a part of the State Treasurer's Investment Policy document. The Independent Auditors' Report, together with the Financial Statements, the accompanying Notes to the Financial Statements and the Independent Auditors' Report on Compliance and Internal Controls are available from the State Investment Council, 2055 South Pacheco Street, Suite 100, Santa Fe, New Mexico 87505, upon written request.

The following categories of investments are specifically authorized by AHA's policy:

- a) **Repurchase Agreements**—secured by collateral, which is delivered to a third-party safekeeping institution, with a market value equal to or greater than the value of the agreement.
- b) **U.S. Treasury Obligations**—bills, notes, and bonds.
- c) **Obligations of Federal Agencies or Instrumentalities**—interest bearing or discount form.
- d) **Municipal Bonds**—rated in any of the three highest major ratings categories by one or more nationally recognized rating agencies.

The following categories of deposits are specifically authorized by the policy:

- a) **Checking accounts**—at insured financial institutions.

**3. Receivables**

All accounts receivable, except for restricted accounts receivable, are shown net of allowance for uncollectable accounts. The allowance for uncollectable accounts is based on management's assessment of the collectability of specific accounts, aging of accounts receivable, historical experience and other currently available evidence.

**4. Restricted assets**

Restricted assets arise principally from tenant security deposits and investments.

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**5. Inventories of supplies**

Inventories of supplies are valued at average cost and recorded as an expense when inventory items are consumed. Inventory consists primarily of appliances and materials for the Public Housing Program, such as refrigerators and toilets.

**6. Capital assets**

Capital assets are stated at historical cost. Donated capital assets are recorded at estimated fair market value at the time received. State of New Mexico Administrative Code requires state and local governmental agencies to capitalize capital assets costing in excess of \$5,000. Depreciation on capital assets is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	15 - 50 years
Machinery and equipment	3 - 13 years

**7. Accrued vacation and sick leave pay**

Subject to specific limits, employees accumulate vacation pay that is payable upon termination or retirement. Vacation costs are recognized as a liability when incurred. Employees also accumulate specified amounts of sick leave that are payable to the employee upon retirement. Accumulated sick leave pay is recognized when vested or taken, whichever occurs first.

**8. Defined benefit pension plan**

AHA is an affiliated public employer with the State of New Mexico Public Employees Retirement Association (PERA) for purposes of providing AHA employees with the benefits of a retirement program. Employees participate in a defined benefit plan offered by PERA. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERA and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

This year's fiscal report for PERA reflecting the June 30, 2014 balance was reported when AHA was a department with the City. AHA pension amounts are reported based on the City's actuarial amounts and study due to the integrated reporting by PERA and the City. Future reporting will be reflect AHA's individual pension code and balances separate from the City.

**9. Unearned revenue**

Unearned revenue is reported as a liability payable from restricted assets for revenues collected in advance, and as a current liability for customer deposits received. There is no unearned revenue reported as of June 30, 2015.

**10. Long-term liabilities**

Long-term liabilities used to finance the AHA's capital acquisitions are recorded in the statement of net position. Revenues earned by AHA are used to liquidate these obligations.

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### **11. Net position**

Net position is reported in three categories:

- **Net investment in capital assets**—This category reflects the portion of net position that is associated with capital assets less outstanding capital asset related debt.
- **Restricted net position**—Restricted net position results from constraints placed on the use of net position when externally imposed by creditors, grantors, laws and regulations of other governments and imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is AHA's policy to use restricted resources first and then unrestricted resources as they are needed.
- **Unrestricted net position**—This category reflects net position not restricted for any project or other purpose.

### **12. Estimated amounts reported in financial statements**

The preparation of financial statements in conformity with generally accepted accounting principles 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 year. Actual results could differ from those estimates.

### **13. New accounting standard**

Effective July 1, 2015, AHA implemented GASB Statement No. 68, *Accounting and Financial Reporting for pensions - an amendment of GASB Statement No. 21* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. These statements change how obligations and annual costs associated with pension benefits are measured and reported in the financial statements.

The adoption of these statements required AHA to recognize a net pension liability for its participation in a defined benefit retirement plan. The net pension liability represents the difference between the total pension liability and the value of pension plan assets available to pay pension benefits. The cumulative effect of this accounting change resulted in a decrease of \$2,768,386 to the beginning net position.

### **14. Future accounting standards**

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2015:

- **GASB Statement No. 72, Fair Value Measurement and Application**; Effective for the year beginning after June 30, 2015 and requires fair value measurement for certain investments not previously measured at fair value.
- **GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are Not within the scope of GASB Statement 68**, and amendments to Certain Provisions of GASB Statements 67 and 68; is effective for the year beginning after June 30, 2016. This standard establishes requirements for pension plans that are not administered through a trust.
- **GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans**; is effective the year beginning after June 30, 2016. This standard expands the disclosure requirements for certain postemployment benefit plans.

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- **GASB Statement No. 75**, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; is effective for the year beginning after June 30, 2017 and requires the recognition of a liability for obligations incurred under postemployment benefit plans.
- **GASB Statement No. 76**, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; is effective for the year beginning after June 30, 2015 and modifies the hierarchy of authoritative standards for accounting and reporting on governmental entities. It establishes 2 tiers of standards: Tier 1- GASB statements and Tier 2 - GASB technical bulletins and implementation guides and AICPA guidance that has been cleared by the GASB.
- **GASB Statement No. 77**, *Tax Abatement Disclosures*; is effective for the year beginning after December 31, 2015 and requires state and local governments to disclose information about property and other tax abatement agreements.

AHA has not yet adopted these standards and is evaluating the impact they may have on its financial statements.

## **15. Budgets**

An annual budget, which is not legally adopted, is prepared in accordance with the U.S. Department of Housing and Urban Development regulations on an accrual basis and includes both operating and debt service activities as a single budget. An annual submission of the AHA board resolution approving the operating budget is submitted to the local HUD office with form HUD-52574. Fiscal year 2015 had one adopted budget amendment that applied to all AHA programs (e.g. Public Housing, Housing Choice Vouchers for rental assistance, and Central Office Cost Center (COCC)).

## **II. DETAILED NOTES**

### **A. Cash, cash equivalents, and tenant security deposits**

AHA utilizes the City of Albuquerque formal Investment Policy that outlines its investment practices and policies. The primary purpose of the policy is to ensure safety of principal while managing liquidity to pay AHA's financial obligations. AHA's deposit policy is to have its deposits covered by insurance, collateralized or deposited in well capitalized institutions.

The total cash, cash equivalents, and tenant security deposits at June 30, 2015, consist of the following (in thousands of dollars):

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Deposits

Bank accounts at book balances	\$	10,487
Tenant deposits		221
Total deposits		10,708
Local government investment pool		8,065
<b>Total cash, cash equivalents, and tenant security deposits</b>	<b>\$</b>	<b>18,773</b>

As reported in the statement of net position

Cash and cash equivalents - unrestricted	\$	9,674
Cash and cash equivalents - restricted		8,878
Cash - tenant security deposits		221
<b>Total cash, cash equivalents, and tenant security deposits</b>	<b>\$</b>	<b>18,773</b>

Custodial credit risk – Deposits—Custodial credit risk for deposits is the risk that in the event of a bank failure, the AHA’s funds may not be returned to it. AHA is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account (Section 6-10-17 NMSA 1978). No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). Amounts in excess of FDIC limitations are collateralized. As of June 30, 2015, the carrying amount of bank deposits was \$10,708,049 and the bank balance was \$10,970,483. Of the bank balance, \$250,000 was covered by federal depository insurance and \$10,559,100 was collateralized by securities held by a third party bank. The remaining bank balance of \$161,383 was uninsured and uncollateralized.

Custodial credit risk – Investments—Custodial credit risk with respect to investments is the risk that in the event of the failure of the counterparty, AHA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. AHA’s investment policy, reflected in the City’s policy that AHA has followed, requires that all security transactions, including collateral for repurchase agreements, entered into shall be conducted on a delivery-versus-payment basis. AHA’s investment in the Local Government Investment Pool (LGIP) represents a proportionate interest in the LGIP’s portfolio. AHA’s portion is not identified with specific investments and is not subject to custodial credit risk.

Credit risk—Credit risk is the risk that in the event an issuer or other counterparty to an investment does not fulfill its obligation, AHA will not be able to recover the value of its principle. As a rule, AHA’s general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. AHA annually reviews its asset allocation strategies and guidelines for the percentage of its total portfolio that may be invested in securities other than repurchase agreements, U.S. Treasury bills and notes or insured/collateralized certificates of deposit. As part of the allocation evaluation, these guidelines are reviewed periodically, considering the probability of market and default risk in various investment sectors. The investment policy describes permitted investments as those allowed per Section 6-10-10 NMSA. Among permitted investments, the investment policy requires that 1) repurchase agreements have a collateralized value of 102% of the par value of the agreement, and 2) certificates of deposit with local banks be fully insured by the FDIC. Investments in direct obligations of the U.S. Treasury are permitted as are securities of the U.S.

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Government agencies denoted in Section 6-10-10 F (2) NMSA 1978. The LGIP is rated AAAM by Standard and Poors.

**Interest rate risk**—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the AHA’s investments. AHA’s investment policy limits its exposure to interest rate risk by requiring that no less than 80% of the funds invested in the core segment of the internal investment pool or in other discretionary funds be in maturities of no more than three years from date of purchase. No more than 20% of the funds may be invested in maturities between three and five years. Investment of nondiscretionary assets, including funds to be held in trust, may be committed to maturities up to ten years from the date of purchase. The LGIP maintains 99% of its holdings as investment grade (A-1 or AAA) or better, a weighted average maturity specific to the WAM (R) of 54.6 days, and WAM(F) of 77.7 days.

**B. Capital assets**

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014 (as restated)	Increases	Decreases	Balance June 30, 2015
<b>Assets not being depreciated</b>				
Land	\$ 3,767,389	\$ -	\$ -	\$ 3,767,389
Construction work-in-progress	-	3,000	-	3,000
<b>Total assets, not being depreciated</b>	<b>3,767,389</b>	<b>3,000</b>	<b>-</b>	<b>3,770,389</b>
<b>Assets being depreciated</b>				
Buildings and improvements	54,782,922	1,787,877	-	56,570,799
Machinery and equipment	1,671,328	-	(15,646)	1,655,682
<b>Total assets, being depreciated</b>	<b>56,454,250</b>	<b>1,787,877</b>	<b>(15,646)</b>	<b>58,226,481</b>
<b>Less accumulated depreciation for</b>				
Buildings and improvements	49,724,270	865,544	-	50,589,814
Machinery and equipment	1,451,292	57,278	(15,646)	1,492,924
<b>Total accumulated depreciation</b>	<b>51,175,562</b>	<b>922,822</b>	<b>(15,646)</b>	<b>52,082,738</b>
Capital assets being depreciated, net	5,278,688	865,055	-	6,143,743
<b>Total capital assets, net</b>	<b>\$ 9,046,077</b>	<b>\$ 868,055</b>	<b>\$ -</b>	<b>\$ 9,914,132</b>

Management determined that \$2,416,494 in capital assets previously reported as construction work-in – progress should have been placed in service in prior years. Therefore, AHA corrected this error by transferring these assets to building and improvements, machinery and equipment, and calculated depreciation related to prior years. This correction resulted in the restatement of building and improvements, accumulated depreciation and net position. See note II.H. for the effect of this restatement.

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**C. Long-term obligations**

The change in long-term obligations for the year ended June 30, 2015 is as follows:

	Outstanding				Amount due within one year
	July 1, 2014	Increase	Decrease	June 30, 2015	
Capital lease	\$ 85,051	\$ -	\$ 85,051	\$ -	\$ -
Tenant security deposits (including pet deposits)	205,504	52,342	36,936	220,910	-
HUD payable	211,294	-	21,129	190,165	21,129
Accrued Vacation and sick leave pay	149,080	219,713	226,130	142,663	74,972
	<u>\$ 650,929</u>	<u>\$ 272,055</u>	<u>\$ 369,246</u>	<u>\$ 553,738</u>	<u>\$ 96,101</u>

On June 25, 2014, AHA entered into a non-interest agreement with the U.S. Department of Housing and Urban Development to repay \$711,294 in contract payments that did not comply with the funding source, the American Recovery and Reinvestment Act of 2009 and federal procurement requirements. The balance outstanding at June 30, 2015 was \$190,165.

Per the agreement, the annual debt service requirements are as follows:

Year ending June 30,

2016	\$ 21,129
2017	21,129
2018	21,129
2019	21,129
2020	21,129
2021-2024	<u>84,520</u>
Total	<u>\$ 190,165</u>

**D. Defined benefit pension plan**

*Plan Description.* The Public Employees Retirement Fund (PERA) is a cost-sharing, multiple employer defined benefit pension plan. The fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit report Search function for agency 366.

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During the FY 2014 AHA employees contributed to PERA as a part of the City's Municipal General Member Coverage Plan 3. The contribution rates for Municipal Plan 3 as of July 1, 2013 are for the employee 13.15% (if annual salary of \$20,000 or less) or 14.65% (if annual salary greater than \$20,000), and the employer contribution percentage is 9.55%.

*Benefits provided.* For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial for the fiscal year ended June 30, 2014 available at [http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf).

*Contributions.* The contribution requirement of defined benefit plan members and AHA are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at [http://osanm.org/media/audits/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf).

The PERA coverage options that apply specifically to AHA are the Municipal General Division. Statutorily required contributions to the pension plan from AHA for the year ending June 30, 2015 was \$430,422.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward for the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as the measurement date June 30, 2014.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups; municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The AHA's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Municipal General Division, at June 30, 2015, AHA reported a liability of \$2,235,616 for its proportionate share of the net pension liability. At June 30, 2014, the AHA's proportion was 0.29 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

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For the year ended June 30, 2015, AHA recognized PERA Municipal General Division pension expense of \$343,374. At June 30, 2015, AHA reported PERA Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Change in assumptions	-	1,515
Net difference between projected and actual earnings on pension plan investments	-	874,632
Changes in proportion and differences between AHA contributions and proportionate share of contributions	-	-
AHA contributions subsequent to the measurement date	430,422	-
Total	\$ 430,422	\$ 876,147

\$430,422 reported as deferred outflows of resources related to pensions resulting from AHA contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in fiscal year 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ending June 30, 2015	Amount
2016	\$ 218,992
2017	218,992
2018	218,992
2019	218,992
2020	179

*Actuarial assumptions.* As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation dated to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

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Actuarial Methods

Actuarial valuation date	June 30,2013
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair Value

Actuarial Assumptions

Investment rate of return	7.75% annual rate, net of investment
Payroll Growth	3.5% annual rate
Projected salary increases	3.5% to 14.25% annual rate
Inflation assumption	3.00% annual rate

The long-term expected rate of return on pension plan investments was determined using statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	21.1%	5.00%
International Equity	24.8%	5.20%
Private Equity	7.0%	8.20%
Core and Global Fixed Income	26.1%	1.85%
Fixed Income Plus Sectors	5.0%	4.80%
Real Estate	5.0%	5.30%
Real Assets	7.0%	5.70%
Absolute Return	4.0%	4.15%
	100.0%	

*Discount rate.* The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of AHA's proportionate share of the net pension liability to changes in the discount rate.* The following presents AHA's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what AHA's proportionate share of the net pension liability would be if it

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were calculated using a discount rate that is 1-percent lower (6.75 percent) or 1-percent higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
AHA's proportionate share of the net pension liability	\$ 4,213,824	\$ 2,235,616	\$ 706,589

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA Financial Report. The report is available at <http://www.pera.state.nm.us/publications.html>.

*Payables to the pension plan.* As of June 30, 2015, there was no liability due to PERA.

**E. Post employment benefits**

In addition to providing pension benefits described in Note II. D, AHA provides certain health care and life insurance benefits for retired employees. Substantially all of AHA's employees may become eligible for those benefits if they reach the normal retirement eligibility conditions while working for AHA.

***Post-Employment Life Insurance Benefits***

*Plan Description.* AHA's Life Insurance Benefit Plan (Plan) is administered through The Hartford Financial Services Group, Inc. Upon retirement with AHA, an employee will continue to be covered by AHA's plan at no cost to the employee. Coverage will be one-half of the coverage reflected on the most recent annual life insurance adjustment report immediately prior to retirement up to a maximum of \$5,000. One retired employee was covered under the life insurance benefit at June 30, 2015, and the amount of life insurance coverage was \$5,000.

*Funding Policy.* AHA's funding practice has been to only contribute the amount required to pay retiree life insurance premiums for the year. Since AHA management considers the current OPEB liability for this particular benefit to be immaterial, the actuary advised waiting until the third year of implementation for the actuarial valuation, which would be in fiscal year ending 2017. AHA's contribution responsibility for the year ending June 30, 2015, was \$8.40.

***Retiree Health Care Act Contributions***

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

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective

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date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Retiree Health Care Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at <https://www.nmrhca.state.nm.us>.

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

AHA's contributions to the RHCA for the year ended June 30, 2015, were \$40,304. When AHA was part of the City, the City's contributions to the RHCA for the years ended 2014 and 2013 were \$5,350,483 and \$5,470,619, respectively. Contributions from both AHA and the City equal the required contributions for each year.

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**F. Risk management**

The AHA is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; workers' compensation losses; errors and omissions; and natural disasters. The AHA covers these risks through the purchase of commercial insurance. Settlement amounts have not exceeded insurance coverage except for deductibles since AHA separated from the City on July 1, 2014.

**G. Commitments and contingencies**

***Federal and State Grant Commitments***

AHA has received a number of Federal grants for specific purposes. These grants are subject to audit and may result in discrepancies between the expenditures reported on the general ledger and requests for reimbursements to granting agencies that may not comply with the terms of the respective grant agreements. Based on prior experience, AHA management believes that such discrepancies, if any, will not be material.

***Contingent Liabilities***

In the normal course of business, AHA is subject to certain contingent liabilities and un-asserted claims. These contingencies are evaluated in light of asserted claims being probable and estimable. Those claims that are probable and estimable have been accrued in the accompanying financial statements. Claims that are possible and/or not estimable are disclosed herein. Remote claims are monitored until such time as they are resolved, disclosed, or accrued.

**H. Recognition of Prior-Period Adjustment**

AHA identified errors related to the reporting of construction work-in-progress and transfers in from the City. Prior period adjustments were needed to correct construction work-in-progress, accumulated depreciation, due to other funds and net position. Additionally, AHA implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. The implementation of the new accounting standards required an adjustment to the beginning deferred outflows of resources, net pension liability, deferred inflows of resources and net position. The beginning net position has been restated for these errors and change in accounting principles as follows:

Beginning net position, as previously reported	\$ 28,369,144
Change in accounting principal, GASB 68	(2,768,386)
Adjustment to capital assets and accumulated depreciation	(453,853)
Adjustment to due to other funds	(350,000)
Restated beginning net position	<u>\$ 24,796,905</u>

**III. SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS**

There are no recognized significant effects of subsequent events at this time.

**OTHER REQUIRED SUPPLEMENTARY INFORMATION**

**ALBUQUERQUE HOUSING AUTHORITY  
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SCHEDULE OF THE HOUSING AUTHORITY'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY OF PERA MUNICIPAL GENERAL DIVISION  
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN  
LAST 10 FISCAL YEARS\***

	2015
AHA's proportion of the net pension liability	.29%
AHA's proportionate share of the net pension liability	\$2,235,616
AHA's covered-employee payroll	\$2,392,594
AHA's proportionate share of the net pension liability as a percentage of its covered-employee payroll	93.44%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the (name of Government) will present information for those years for which information is available.

**ALBUQUERQUE HOUSING AUTHORITY**  
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**SCHEDULE OF THE HOUSING AUTHORITY'S CONTRIBUTIONS**  
**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN**  
**PERA MUNICIPAL GENERAL DIVISION**  
**LAST 10 FISCAL YEARS\***

	2015
Contractually required contribution	\$ 418,459
Contributions in relation to the contractually required contribution	430,422
Contribution deficiency (excess)	\$ (11,963)
 AHA's covered-employee payroll	\$ 2,392,594
Contributions as a percentage of covered-employee payroll	18%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, AHA will present information for those years for which information is available.

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*Changes of benefit terms.* The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at [http://pera.state.nm.us/pdf/AuditFinancialStatements/366\\_Public\\_Employees\\_Retirement\\_Association\\_2014.pdf](http://pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf).

*Changes of assumptions.* The public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at [http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports;6-30-2014%20PERA%20Valuation%20Report\\_FINAL.pdf](http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports;6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf). The summary of Key Findings for the PERA Fund (on page 2 of the report) state “based on a recent experience study for the five-year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million in Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

**FINANCIAL DATA SCHEDULE**

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FDS Line Item No.	Description	Project Total	14.871 Housing Choice Vouchers	14.879 Housing Choice Voucher 5-year Mainstream
111	Cash - unrestricted	\$ 4,756,152	\$ 4,814,771	\$ 24,311
113	Cash - other restricted	39,482	750,432	-
114	Cash - tenant security deposits	220,910	-	-
100	Total cash	<u>5,016,544</u>	<u>5,565,203</u>	<u>24,311</u>
122	Accounts receivable - HUD other projects	-	-	-
125	Accounts receivable - miscellaneous	-	83	-
126	Accounts receivable - tenants	18,875	33,688	-
126.1	Allowance for doubtful accounts - tenants	(512)	-	-
126.2	Allowance for doubtful accounts - other	-	(23,372)	-
120	Total receivables, net of allowances for doubtful accounts	<u>18,363</u>	<u>10,399</u>	<u>-</u>
132	Investments - restricted	-	-	-
142	Prepaid expenses and other assets	-	-	-
143	Inventories	-	-	-
143.1	Allowance for obsolete inventories	-	-	-
144	Inter program due from	-	-	-
150	Total current assets	<u>5,034,907</u>	<u>5,575,602</u>	<u>24,311</u>
161	Land	3,767,389	-	-
162	Buildings	53,773,462	-	-
164	Furniture, equipment and machinery - administration	1,039,155	192,120	-
166	Accumulated depreciation	(49,265,138)	(192,120)	-
167	Construction in progress	3,000	-	-
160	Total capital assets, net of accumulated depreciation	<u>9,317,868</u>	<u>-</u>	<u>-</u>
180	Total noncurrent assets	<u>9,317,868</u>	<u>-</u>	<u>-</u>
190	Total assets	<u>14,352,775</u>	<u>5,575,602</u>	<u>24,311</u>
200	Deferred outflows of resources	<u>129,127</u>	<u>111,910</u>	<u>-</u>
290	Total assets and deferred outflows of resources	<u>14,481,902</u>	<u>5,687,512</u>	<u>24,311</u>

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14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.856 Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation	14.218 Community Development Block Grant	COCC	Subtotal	ELIM	Total
\$ 36,860	\$ 41,997	\$ -	\$ -	\$ 9,674,091	\$ -	\$ 9,674,091
23,134	-	-	-	813,048	-	813,048
-	-	-	-	220,910	-	220,910
<u>59,994</u>	<u>41,997</u>	<u>-</u>	<u>-</u>	<u>10,708,049</u>	<u>-</u>	<u>10,708,049</u>
-	-	-	111,667	111,667	-	111,667
-	-	-	-	83	-	83
-	-	-	-	52,563	-	52,563
-	-	-	-	(512)	-	(512)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,372)</u>	<u>-</u>	<u>(23,372)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>111,667</u>	<u>140,429</u>	<u>-</u>	<u>140,429</u>
-	-	-	8,065,143	8,065,143	-	8,065,143
-	-	-	104,061	104,061	-	104,061
-	-	-	160,248	160,248	-	160,248
-	-	-	(3,324)	(3,324)	-	(3,324)
<u>-</u>	<u>-</u>	<u>-</u>	<u>811,307</u>	<u>811,307</u>	<u>(811,307)</u>	<u>-</u>
<u>59,994</u>	<u>41,997</u>	<u>-</u>	<u>9,249,102</u>	<u>19,985,913</u>	<u>(811,307)</u>	<u>19,174,606</u>
-	-	-	-	3,767,389	-	3,767,389
-	-	-	2,797,336	56,570,798	-	56,570,798
-	-	-	424,407	1,655,682	-	1,655,682
-	-	-	(2,625,479)	(52,082,737)	-	(52,082,737)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>596,264</u>	<u>9,914,132</u>	<u>-</u>	<u>9,914,132</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>596,264</u>	<u>9,914,132</u>	<u>-</u>	<u>9,914,132</u>
<u>59,994</u>	<u>41,997</u>	<u>-</u>	<u>9,845,366</u>	<u>29,900,045</u>	<u>(811,307)</u>	<u>29,088,738</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>189,385</u>	<u>430,422</u>	<u>-</u>	<u>430,422</u>
<u>59,994</u>	<u>41,997</u>	<u>-</u>	<u>10,034,751</u>	<u>30,330,467</u>	<u>(811,307)</u>	<u>29,519,160</u>

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FDS Line Item No.	Description	Project Total	14.871 Housing Choice Vouchers	14.879 Housing Choice Voucher 5-year Mainstream
312	Accounts payable <= 90 days	17,122	56,772	-
321	Accrued wage/payroll taxes payable	49,575	35,495	-
322	Accrued compensated absences - current portion	26,418	11,446	-
333	Accounts payable - other government	-	-	-
341	Tenant security deposits	220,910	-	-
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	-	-	-
345	Other current liabilities	44,883	205,721	-
347	Inter program - due to	-	796,930	-
310	Total current liabilities	<u>358,908</u>	<u>1,106,364</u>	<u>-</u>
354	Accrued compensated absences - noncurrent	27,065	6,645	-
355	Loan liability - noncurrent	-	-	-
357	Accrued pension and OPEB liabilities	670,685	581,260	-
350	Total noncurrent liabilities	<u>697,750</u>	<u>587,905</u>	<u>-</u>
300	Total liabilities	<u>1,056,658</u>	<u>1,694,269</u>	<u>-</u>
400	Deferred inflows of resources	<u>262,844</u>	<u>227,798</u>	<u>-</u>
508.4	Net investment in capital assets	9,317,868	-	-
511.4	Restricted net position	-	613,430	-
512.4	Unrestricted net position	<u>3,844,532</u>	<u>3,152,015</u>	<u>24,311</u>
513	Total equity/net position	<u>13,162,400</u>	<u>3,765,445</u>	<u>24,311</u>
600	Total liabilities, deferred inflows of resources and equity/net position	<u>\$ 14,481,902</u>	<u>\$ 5,687,512</u>	<u>\$ 24,311</u>

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14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.856 Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation	14.218 Community Development Block Grant	COCC	Subtotal	ELIM	Total
-	-	-	105,939	179,833	-	179,833
-	-	-	69,853	154,923	-	154,923
-	-	-	37,108	74,972	-	74,972
-	-	-	68,640	68,640	-	68,640
-	-	-	-	220,910	-	220,910
-	-	-	21,129	21,129	-	21,129
-	56	-	1,860	252,520	-	252,520
-	14,377	-	-	811,307	(811,307)	-
-	14,433	-	304,529	1,784,234	(811,307)	972,927
-	-	-	33,981	67,691	-	67,691
-	-	-	169,036	169,036	-	169,036
-	-	-	983,671	2,235,616	-	2,235,616
-	-	-	1,186,688	2,472,343	-	2,472,343
-	14,433	-	1,491,217	4,256,577	(811,307)	3,445,270
-	-	-	385,505	876,147	-	876,147
-	-	-	575,135	9,893,003	-	9,893,003
23,134	-	-	8,065,143	8,701,707	-	8,701,707
36,860	27,564	-	(482,249)	6,603,033	-	6,603,033
59,994	27,564	-	8,158,029	25,197,743	-	25,197,743
<u>\$ 59,994</u>	<u>\$ 41,997</u>	<u>\$ -</u>	<u>\$ 10,034,751</u>	<u>\$ 30,330,467</u>	<u>\$ (811,307)</u>	<u>\$ 29,519,160</u>

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**FINANCIAL DATA SCHEDULE**  
**JUNE 30, 2015**

FDS Line Item No.	Description	Project Total	14.871 Housing Choice Vouchers	14.879 Housing Choice Voucher 5-year Mainstream
70300	Net tenant rental revenue	\$ 2,155,941	\$ -	\$ -
70500	Total tenant revenue	<u>2,155,941</u>	<u>-</u>	<u>-</u>
70600	HUD PHA operating grants	<u>3,020,057</u>	<u>22,695,154</u>	<u>157,061</u>
70610	Capital grants	<u>1,116,857</u>	<u>-</u>	<u>-</u>
70710	Management fee	-	-	-
70720	Asset management fee	-	-	-
70730	Book-keeping fee	-	-	-
70740	Front line service fee	<u>-</u>	<u>-</u>	<u>-</u>
70700	Total fee revenue	<u>-</u>	<u>-</u>	<u>-</u>
70800	Other government grants	-	-	-
71100	Investment income - unrestricted	-	-	-
71400	Fraud recovery	-	19,532	-
71500	Other revenue	<u>69,765</u>	<u>54,800</u>	<u>-</u>
70000	Total revenue	<u>6,362,620</u>	<u>22,769,486</u>	<u>157,061</u>
91100	Administrative salaries	394,847	523,126	-
91200	Auditing fees	-	29,260	-
91300	Management fee	743,542	526,632	-
91310	Book-keeping fee	80,468	329,145	-
91500	Employee benefit contributions - administrative	197,902	280,751	-
91600	Office expenses	332,634	376,586	-
91700	Legal expense	14,283	5,834	-
91800	Travel	1,944	3,882	-
91900	Other	<u>258,061</u>	<u>-</u>	<u>-</u>
91000	Total operating - administrative	<u>2,023,681</u>	<u>2,075,216</u>	<u>-</u>
92000	Asset management fee	<u>114,360</u>	<u>-</u>	<u>-</u>
93100	Water	522,672	-	-
93200	Electricity	231,247	-	-
93300	Gas	<u>103,770</u>	<u>-</u>	<u>-</u>
93000	Total utilities	<u>857,689</u>	<u>-</u>	<u>-</u>
94100	Ordinary maintenance and operations - labor	104,980	-	-
94200	Ordinary maintenance and operations - materials and other	388,256	-	-
94300	Ordinary maintenance and operations contracts	1,712,752	3,878	-
94500	Employee benefit contributions - ordinary maintenance	<u>59,622</u>	<u>-</u>	<u>-</u>
94000	Total maintenance and operations	<u>2,265,610</u>	<u>3,878</u>	<u>-</u>

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**FINANCIAL DATA SCHEDULE**  
**JUNE 30, 2015**

14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.856 Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation	14.218 Community Development Block Grant	COCC	Subtotal	ELIM	Total
\$ -	\$ -	\$ -	\$ -	\$ 2,155,941	\$ -	\$ 2,155,941
-	-	-	-	2,155,941	-	2,155,941
54,322	16,886	-	-	25,943,480	-	25,943,480
-	-	-	-	1,116,857	-	1,116,857
-	-	-	1,438,349	1,438,349	(1,438,349)	-
-	-	-	114,360	114,360	(114,360)	-
-	-	-	409,613	409,613	(409,613)	-
-	-	-	467,961	467,961	(467,961)	-
-	-	-	2,430,283	2,430,283	(2,430,283)	-
-	-	1,094,700	-	1,094,700	-	1,094,700
-	-	-	9,748	9,748	-	9,748
-	-	-	-	19,532	-	19,532
-	-	-	7,258	131,823	-	131,823
54,322	16,886	1,094,700	2,447,289	32,902,364	(2,430,283)	30,472,081
4	2	-	934,633	1,852,612	-	1,852,612
-	-	-	19,506	48,766	-	48,766
-	-	-	-	1,270,174	(1,270,174)	-
-	-	-	-	409,613	(409,613)	-
-	-	-	414,850	893,503	-	893,503
395	197	-	234,517	944,329	-	944,329
-	-	-	57,234	77,351	-	77,351
2	1	-	16,121	21,950	-	21,950
-	-	-	74,868	332,929	-	332,929
401	200	-	1,751,729	5,851,227	(1,679,787)	4,171,440
-	-	-	-	114,360	(114,360)	-
-	-	-	5,313	527,985	-	527,985
-	-	-	40,757	272,004	-	272,004
-	-	-	9,271	113,041	-	113,041
-	-	-	55,341	913,030	-	913,030
-	-	-	112,802	217,782	-	217,782
-	-	-	53,421	441,677	-	441,677
-	-	-	199,240	1,915,870	(636,136)	1,279,734
-	-	-	45,611	105,233	-	105,233
-	-	-	411,074	2,680,562	(636,136)	2,044,426

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**FINANCIAL DATA SCHEDULE**  
**JUNE 30, 2015**

FDS Line Item No.	Description	Project Total	14.871 Housing Choice Vouchers	14.879 Housing Choice Voucher 5-year Mainstream
96110	Property insurance	-	-	-
96140	All other insurance	167,103	29,319	-
96100	Total insurance premiums	<u>167,103</u>	<u>29,319</u>	<u>-</u>
96200	Other general expenses	(46,095)	371	-
96210	Compensated absences	(2,177)	(1,490)	-
96400	Bad debt - tenant rents	87,627	-	-
96000	Total other general expenses	<u>39,355</u>	<u>(1,119)</u>	<u>-</u>
96720	Interest on notes payable (short- and long-term)	-	-	-
96700	Total interest expense and amortization cost	<u>-</u>	<u>-</u>	<u>-</u>
96900	Total operating expenses	<u>5,467,798</u>	<u>2,107,294</u>	<u>-</u>
97000	Excess of revenue over operating expenses	<u>894,822</u>	<u>20,662,192</u>	<u>157,061</u>
97300	Housing assistance payments	-	21,389,975	207,983
97400	Depreciation expense	756,661	-	-
97500	Collection losses	-	562	-
90000	Total expenses	<u>6,224,459</u>	<u>23,497,831</u>	<u>207,983</u>
10010	Operating transfer in	1,094,700	-	67,666
10020	Operating transfer out	(30,009)	(67,666)	-
10100	Total other financing sources (uses)	<u>1,064,691</u>	<u>(67,666)</u>	<u>67,666</u>
10000	Excess (deficiency) of total revenue over (under) total expenses	<u>\$ 1,202,852</u>	<u>\$ (796,011)</u>	<u>\$ 16,744</u>
11020	Required annual debt principal payments	\$ -	\$ -	\$ -
11030	Beginning equity	13,242,560	5,281,235	7,567
11040	Prior period-adjustments, equity transfers and correction of errors	(1,283,012)	(719,779)	-
11170	Administrative fee equity	-	3,152,015	24,311
11180	Housing assistance payments equity	-	613,430	-
11190	Unit months available	11,398	48,996	600
11210	Unit months leased	10,917	43,842	530
11270	Excess cash	3,317,956	-	-
11620	Building purchases	1,724,313	-	-

14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.856 Lower Income Housing Assistance Program_ Section 8 Moderate Rehabilitation	14.218 Community Development Block Grant	COCC	Subtotal	ELIM	Total
-	-	-	62,445	62,445	-	62,445
-	-	-	-	196,422	-	196,422
-	-	-	62,445	258,867	-	258,867
-	-	-	65,017	19,293	-	19,293
-	-	-	(2,750)	(6,417)	-	(6,417)
-	-	-	-	87,627	-	87,627
-	-	-	62,267	100,503	-	100,503
-	-	-	1,545	1,545	-	1,545
-	-	-	1,545	1,545	-	1,545
401	200	-	2,344,401	9,920,094	(2,430,283)	7,489,811
53,921	16,686	1,094,700	102,888	22,982,270	-	22,982,270
34,890	25,200	-	-	21,658,048	-	21,658,048
-	-	-	166,161	922,822	-	922,822
-	-	-	-	562	-	562
35,291	25,400	-	2,510,562	32,501,526	(2,430,283)	30,071,243
-	4,626	-	30,009	1,197,001	-	1,197,001
(4,626)	-	(1,094,700)	-	(1,197,001)	-	(1,197,001)
(4,626)	4,626	(1,094,700)	30,009	-	-	-
\$ 14,405	\$ (3,888)	\$ -	\$ (33,264)	\$ 400,838	\$ -	\$ 400,838

\$ -	\$ -	\$ -	\$ 21,129	\$ 21,129	\$ -	\$ 21,129
45,589	31,452	-	9,410,741	28,019,144	-	28,019,144
-	-	-	(1,219,448)	(3,222,239)	-	(3,222,239)
36,860	27,564	-	-	3,240,750	-	3,240,750
23,134	-	-	-	636,564	-	636,564
144	84	-	-	61,222	-	61,222
132	70	-	-	55,491	-	55,491
-	-	-	-	3,317,956	-	3,317,956
-	-	-	30,009	1,754,322	-	1,754,322

**STATE COMPLIANCE AND SINGLE AUDIT SECTION**

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR JUNE 30, 2015**

<u>Grantor Agency and Grant Title</u>	<u>Grant (Contract) Number- Federal or State</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>		<u>Expenditures/ Per the GL</u>
			<u>From</u>	<u>To</u>	
<b><u>Section 8 Moderate Rehabilitation</u></b>					
Direct					
Single Room Occupancy	NM001SR-0004	14.249	07/01/14	06/30/15	\$ <u>35,291</u>
<b><u>Public and Indian Housing</u></b>					
Direct					
Low Rent Operating Subsidy	NM00100000015D_513D	14.850	01/01/14	12/31/15	1,537,136
Low Rent Operating Subsidy	NM00100000014D_513D	14.850	01/01/14	12/31/14	1,482,921
					<u>3,020,057</u>
<b><u>Lower Income Housing Assistance Program</u></b>					
Direct					
Section 8 Moderate Rehabilitation	NM001MR-0002	14.856	07/01/14	06/30/15	<u>25,400</u>
<b><u>Section 8 Housing Choice Vouchers</u></b>					
Direct					
Section 8-Housing Choice Voucher	NM001VO	14.871	07/01/14	06/30/15	23,497,832
<b><u>Mainstream Vouchers</u></b>					
Direct					
Housing Choice Voucher 5-year Main Stream	NM001DV0001	14.879	07/01/14	06/30/15	<u>207,983</u>
<b>Total Section 8 Voucher Cluster</b>					<u>23,705,815</u>
<b><u>Community Development Block Grant (passed through the City of Albuquerque)</u></b>					
Pass-through	CCN# 201400797.1	14.218	11/07/14	12/31/14	<u>1,094,700</u>
<b><u>Public Housing Capital Fund</u></b>					
Direct					
Public Housing Capital Fund Program	NM02P00150114	14.872	05/13/14	05/12/18	176,500
Public Housing Capital Fund Program	NM02P00150113	14.872	09/09/13	09/08/17	328,717
Public Housing Capital Fund Program	NM02P00150112	14.872	03/12/12	03/11/16	272,324
Public Housing Capital Fund Program	NM02P00150111	14.872	08/03/11	08/02/15	339,316
					<u>1,116,857</u>
<b>Total expenditures of federal awards</b>					<b>\$ <u>28,998,120</u></b>

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR JUNE 30, 2015**

**Notes to the Schedule of Expenditures of Federal awards**

**NOTE A Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of the Albuquerque Housing Authority (AHA) under the program of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule only presents a selected portion of AHA it is not intended to and does not present the financial position or changes in net position for AHA.

**NOTE B Significant Accounting Policy**

The accompanying schedule of federal awards is prepared on the accrual basis of accounting. The schedule of federal awards includes expenditures of AHA.

**NOTE C Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements**

	Expenditures		Less Capitalized Costs	Total
	Federal	Nonfederal		
Housing Choice Vouchers	\$ 23,766,506	\$ -	\$ -	\$ 23,766,506
Public Housing Capital Grants	1,116,857	-	(696,177)	420,680
Low Rent Operating Subsidy	3,020,057	2,862,455	-	5,882,512
Community Development Block Grant (A pass through grant from the City)	1,094,700	-	(1,094,700)	-
	<u>\$ 28,998,120</u>	<u>\$ 2,862,455</u>	<u>\$ (1,790,877)</u>	<u>\$ 30,069,698</u>

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*

Board of Housing Commissioners of the  
Albuquerque Housing Authority  
And  
Mr. Timothy 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Albuquerque Housing Authority (the "Authority"), a component unit of the City of Albuquerque, as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2015-001, to be a material weakness.

### **Compliance and Other Matters**

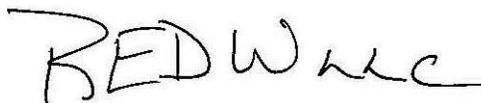
As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2015-002.

### **The Authority's Responses to Findings**

The Authority's responses to the findings identified in our audit are included in the accompanying schedule of findings and questioned costs. We did not audit the Authority's responses and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

A handwritten signature in black ink that reads "REDW LLC". The letters are written in a cursive, slightly slanted style.

Albuquerque, New Mexico  
November 18, 2015

## Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

Board of Housing Commissioners of the Albuquerque Housing Authority  
And  
Mr. Timothy Keller  
New Mexico State Auditor

### **Report on Compliance for Each Major Federal Program**

We have audited the Albuquerque Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2015. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2015-003. Our opinion on each major federal program is not modified with respect to this matter.

The Authority's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

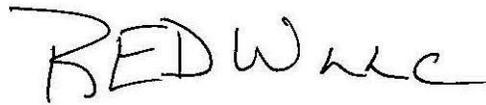
Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all the deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-003, 2015-004 and 2015-005, which we consider to be significant deficiencies.

The Authority's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "REDW LLC". The letters are written in a cursive, slightly slanted style.

Albuquerque, New Mexico  
November 18, 2015

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2015**

**Section I — Summary of Auditor’s Results**

***Financial Statements***

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies reported?	No
Noncompliance material to financial statements noted?	No

***Federal Awards***

Type of auditor’s report issued on compliance for major programs:	Unmodified
Internal control over compliance for major programs:	
Material weaknesses identified?	No
Significant deficiencies reported?	Yes
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes

**ALBUQUERQUE HOUSING AUTHORITY  
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2015**

Section I — Summary of Auditor’s Results — continued

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.850	Public and Indian Housing
14.871 & 14.879	Housing Voucher Cluster
14.872	Public Housing Capital Fund

Dollar threshold used to distinguish between type A and type B programs:	\$869,944
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Auditee qualified as a low-risk auditee?	No
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**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2015**

**Section II — Financial Statement Findings**

**2015-001 — Internal Control over Financial Reporting (Material Weakness)**

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*Criteria:* Monthly maintenance of the trial balance and preparation of annual financial statements and footnotes in accordance with generally accepted accounting principles (GAAP) helps ensure that timely, accurate and useful information is available to management and those charged with governance.

*Condition:* Several subsidiary ledgers, including accounts payable, capital assets and inter-fund balances, were not reconciled to the general ledger on a monthly basis. This increases the risk for undetected errors and irregularities. As a result, material adjusting journal entries were required after the fiscal year 2015 accounting records were closed, and material prior-period adjustments to capital assets were made during the fiscal year 2015 audit.

*Cause:* In fiscal year 2013, the Authority converted their accounting records to a new public housing and accounting software system. During review of the different housing projects in fiscal year 2015, management identified assets that were previously placed in service but were reported in their records as nondepreciable assets. This error required a prior period adjustment to recognize depreciation and reclassify these assets out of the capital project funds and into the different housing projects. Additionally, when reconciling the trial balance, errors were made in preparing correcting journal entries and review and approval of these journal entries did not detect the errors.

*Effect:* There is an increased risk that errors and/or irregularities will occur and not be detected and corrected in a timely manner. Financial information reported to management and the Board is not accurate. In addition, additional time and effort is needed to research these errors and prepare correcting entries.

*Auditor's Recommendations:* The Authority should devote appropriate resources to reconcile each subsidiary ledger to the appropriate general ledger account monthly. Any correcting journal entries should be critically reviewed by someone independent of the preparation of the journal entry. Additionally, reconciliations should also be critically reviewed management monthly.

*Management's Response:* Management is in agreement with the finding. Each sub ledger will be assigned to a staff member with a monthly reconciliation process where the Finance Director signs off for approval. This would include the following funds and/or software modules for the sub ledgers – Accounts Payable, Accounts Receivable repayment agreements, Housing Choice Vouchers (HCV), Public Housing (PH), Capital funds, capital assets and Construction In Progress. The Finance Director will be responsible to ensure that this is accomplished during the fiscal year ending June 30, 2016.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2015**

Section II — Financial Statement Findings — continued

**2015-002 — PERA Contributions (Other Noncompliance)**

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*Criteria:* Membership in the Public Employers Retirement Association (PERA) is mandatory under the PERA Act, unless membership is specifically excluded pursuant to Section 10-11-3 (B) NMSA 1978. Agencies should ensure that 100% of payroll wages are reported to PERA.

*Condition:* The Authority reported 100% of the wages to PERA, and accurately calculated required contributions during fiscal year 2015. However, for three payroll periods tested in fiscal year 2015, we identified differences in the amount of required contributions and the amounts actually remitted to PERA. The total underpayment of required contributions for these three payroll periods was \$242.75.

*Cause:* During fiscal year 2015, the Authority outsourced the processing of payroll. The payroll company hired to process the payroll also assists in processing the payment for payroll related liabilities. The remittance of PERA contributions were not reconciled to the payroll ledger reports.

*Effect:* The Authority did not remit the correct amount of employer and employee contributions to PERA.

*Auditor's Recommendations:* The Authority should implement procedures to ensure that calculated required contributions are completely remitted to PERA, and that amounts remitted are reconciled to the payroll reports each pay period.

*Management's Response:* Management is in agreement with the finding. AHA will identify from the third party payroll company the payment history to each vendor and reconcile to the reporting. Since the third party payroll company is paying our bills based on the reporting, this will allow AHA to confirm what is reported is received by the vendor for services. The Finance Director will be responsible to ensure this is accomplished during the fiscal year ending June 30, 2016.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2015**

**Section III — Federal Award Findings**

**2015-003 — Project-Specific Costs (Noncompliance and Significant Deficiency)**

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*Federal program information:*

Funding agency:	U.S. Department of Housing and Urban Development
Title:	Public and Indian Housing Program
CFDA number:	14.850
Award number:	NM00100000015D_513D
Award period:	1/1/2014 – 12/31/2015

*Criteria:* According to 2 CFR Part 200 - Compliance Supplement, project-specific operating expenses include, but are not limited to, direct administrative costs, utilities costs, maintenance costs (maintenance must be either decentralized, or if centralized, recovered via fee-for service), tenant services, protective services, general expenses, nonroutine or capital expenses, and other PHA- or HUD-identified costs which are project-specific for management purposes.

*Condition:* Direct project costs or centralized project costs are not being charged to programs using an approved method or were charged to an incorrect project.

*Context:* Six of six temporary maintenance labor costs invoices tested were allocated to different housing projects based on the number of units within each project and not by actual time worked on each project or through a fee-for service. Additionally, one payroll transaction out of 28 tested was charged to the incorrect housing project.

*Cause:* The Authority lost several maintenance employees during the separation from the City of Albuquerque and hired many temporary employees to fill maintenance positions. These temporary employees were moved around from project to project based on their skills and abilities. The time worked on each project by these temporary employees was not adequately documented and the cost was charged to the programs based on the number of units in each project. Additionally, the time an employee worked on a specific project was charged to a different project.

*Effect:* Specific housing projects may be charged with costs associated with other projects funded by the same federal award.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2015**

Section III — Federal Award Findings — continued

2015-003 — Project-Specific Costs (Significant Deficiency) — continued

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*Auditor's Recommendations:* Establish appropriate procedures to ensure that program specific operating costs are either decentralized and are appropriately charged to each program directly, or are centralized and charged to the programs using a fee-for service approach.

*Management's Response:* Management is in agreement with the finding. A quarterly time study will be completed by management of each department. The time study will involve all employees and temporary staffing. Temporary staff will be designating on each weekly timesheet where they will had worked by funding source. All documents will be submitted to Finance and payroll and the accountants will evaluate the distribution and make the necessary adjustments to the allocations. The Deputy Director will be responsible to ensure this is accomplished during the fiscal year ending June 30, 2016.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2015**

Section III — Federal Award Findings — continued

**2015-004 — Eligibility (Significant Deficiency)**

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*Federal program information:*

Funding agency:	U.S. Department of Housing and Urban Development
Title:	Public and Indian Housing Program
CFDA number:	14.850
Award number:	NM00100000015D_513D
Award period:	1/1/2014 – 12/31/2015

*Criteria:* Internal controls over the tenant application and admissions process is essential in demonstrating compliance with tenant eligibility requirements. According to CFR part 5, subpart B and subpart F, Public Housing Agencies must, as a condition of admission or continued occupancy of eligible tenants, require the tenant to provide necessary information, documentation, and releases for the PHA to verify income eligibility and to calculate the tenant's rent payment.

*Condition:* Tenant release of information forms and documentation of income verification were not maintained in a tenant's application file.

*Context:* Out of 25 eligibility files selected for testing, we identified one file that was missing documentation of a tenant release of information form and income verification.

*Cause:* Internal control procedures were not followed to ensure necessary documentation is gathered during the admissions or continued occupancy process.

*Effect:* Failure to follow internal control procedures in obtaining necessary documentation could result in errors in the admission or continued occupancy process. The Authority could be serving ineligible tenants.

*Auditor's Recommendations:* Communicate internal control procedures for admission or continued occupancy of tenants to all employees who are involved in the admissions process. Require management review and provide additional training, as needed, for underperforming employees.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2015**

Section III — Federal Award Findings — continued

2015-004 — Eligibility (Significant Deficiency) — continued

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*Management's Response:* Management is in agreement with the finding. Albuquerque Housing Authority has already instituted a quality control program for rent and income calculations in this program. This program samples files in programs on a monthly basis to ensure all documentation is complete and calculations are correct. AHA presently tracks the type of error, the specialist who makes the error and the resulting corrective action taken. This program will significantly reduce overall errors in program files. Likewise, program staff in public housing recently underwent comprehensive weeklong Public Housing Management training and Section 8 Staff will be undergoing weeklong HCV Specialist Training. This combination of quality control and training along with the use of detailed checklists should help to eliminate such findings in the future. The Deputy Director will be responsible to ensure this is accomplished during the fiscal year ending June 30, 2016.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2015**

Section III — Federal Award Findings — continued

**2015-005 — Reporting (Significant Deficiency)**

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Federal program information:

Funding agency:	U.S. Department of Housing and Urban Development
Title:	Housing Voucher Cluster
CFDA number:	14.871 and 14.879
Award number:	NM001DV0001
Award period:	7/1/2014 – 6/30/2015

*Criteria:* Internal control over reporting is essential to provide reasonable assurance that reports of federal awards submitted to the federal awarding agency or pass-through entity include all activity of the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements.

*Condition:* Submitted HUD 52861-B and FASS-PH reports did not contain evidence of independent review and approval prior to submitting the reports.

*Context:* The Authority did not maintain documentation that the HUD 52861-B report was independently reviewed and approved prior to submitting the report on one out of three reports tested. Additionally, the Authority did not maintain documentation that the submitted FASS-PH report was independently reviewed and approved prior to submitting.

*Cause:* Internal control procedures were not followed to ensure that submitted reports are independently reviewed and approved prior to submitting.

*Effect:* Failure to follow control procedures for reviewing and approving reports prior to submission could result in erroneous information being reported to the awarding agency.

*Auditor's Recommendations:* Communicate internal control procedures to all employees preparing and submitting reports to awarding agencies and document the independent review and approval of all submitted reports.

*Management's Response:* Management is in agreement with the finding. Managers will implement a process to review and sign off on all reports submitted to HUD either directly or on the REAC system. A hard copy of the approved document will be kept on file. The Finance Director has already implemented procedures to ensure reports are reviewed and approved.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**STATUS OF PRIOR YEAR AUDIT FINDINGS**  
**JUNE 30, 2015**

<b>Prior-Year Number</b>	<b>Description</b>	<b>Current-Year Status</b>
2013-003	Journal Entries	Resolved
2013-004	Audit Report Due Date	Resolved
2014-001	Transfer of Construction in Process	Resolved
2014-002	Reporting Unclaimed Property	Resolved
2014-003	Restricted Fund Balance Classifications	Resolved
2014-004	New Admissions Rent Calculation	Resolved
2014-010	Special Tests – Management Fees	Resolved
2014-011	Allowable Costs and Activities	Resolved
2014-012	Eligibility	Resolved
2014-013	Special Tests – Waiting List	Resolved
2014-014	Reporting	Resolved
2014-015	Procurement	Resolved

In fiscal year 2014, the Authority operated as a fund of the City of Albuquerque (the “City”). Effective July 1, 2014, the Authority became a component unit of the City. The federal award programs managed by the Housing Authority Fund of the City were audited in accordance with OMB Circular A-133 as part of the City’s audit. Findings 2014-010 through 2014-015 were reported in the City’s schedule of findings and questioned costs for the year ended June 30, 2014.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**CORRECTIVE ACTION PLAN**  
**JUNE 30, 2015**

<b>Audit Finding</b>	<b>Corrective Action Plan</b>	<b>Persons Responsible</b>	<b>Estimated Completion Date</b>
<b>2015-001</b> Internal control over financial reporting	See management's response in the schedule of findings and questioned costs	Finance Director	June 30, 2016
<i>Subsidiary ledgers, including accounts payable, capital assets and inter-fund balances, were not reconciled to the general ledger on a monthly basis.</i>			
<b>2015-002</b> PERA Contributions	See management's response in the schedule of findings and questioned costs	Finance Director	June 30, 2016
<i>PERA differences in the amount of required contributions and the amounts actually remitted to PERA. The total underpayment of required contributions for these three payroll periods was \$242.75.</i>			
<b>2015-003</b> Project-Specific Costs	See management's response in the schedule of findings and questioned costs	Deputy Director	June 30, 2016
<i>Direct project costs or centralized project costs are not being charged to programs using an approved method or were charged to an incorrect project.</i>			
<b>2015-004</b> Eligibility	See management's response in the schedule of findings and questioned costs	Deputy Director	June 30, 2016
<i>Internal control procedures were not followed to ensure necessary documentation is gathered during the admissions or continued occupancy process.</i>			
<b>2015-005</b> Reporting	See management's response in the schedule of findings and questioned costs	Finance Director	June 30, 2016
<i>Internal control procedures were not followed to ensure that submitted reports are independently reviewed and approved prior to submitting.</i>			

**OTHER INFORMATION REQUIRED BY 2.2.2 NMAC**

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF DEPOSITS AND INVESTMENTS**  
**JUNE 30, 2015**

Account Name	Type of Account	Bank Balance	Outstanding (checks) deposits	Book Balance
<b>Deposits</b>				
Bank of America				
Housing Authority - Public Housing	Checking	\$ 3,216,210	\$ (218,781)	\$ 2,997,429
Housing Authority - Section 8	Checking	7,580,597	(45,088)	7,535,509
Housing Authority - Section 8 FSS	Checking	134,192	-	134,192
Housing Authority - Public Housing FSS	Checking	39,482	-	39,482
		<u>10,970,481</u>	<u>(263,869)</u>	<u>10,706,612</u>
<b>Investments</b>				
Local Government Investment Pool				
LGIP Fund Pool-4101	Investment	8,065,143	-	8,065,143
Total investments		19,035,624	(263,869)	18,771,755
Petty cash on hand		1,437	-	1,437
Total cash and investments		<u>\$ 19,037,061</u>	<u>\$ (263,869)</u>	<u>\$ 18,773,192</u>

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF PLEDGED COLLATERAL**  
**JUNE 30, 2015**

AHA's deposit accounts at the Bank of America are collateralized via a Tri-Party Collateral Agreement with AHA, the Bank of America and the Bank of New York Mellon (custodian). The collateral for deposit accounts is as follows.

ISSUER	COLLATERAL DESCRIPTION	COUPON	MATURITY	PAR	FACTOR	PRICE	TOTAL VALUE W/ACCRUALS
FMAC	FEDERAL HOME LOAN MORT ADJUSTABLE RATE	2.37	8/1/2035	2,192,231	0.13061125	106.2698	\$ 304,829.00
FMAC	GOLD PC (PARTICIPATING CERTIFICATES)	4	7/1/2018	6,339,721	0.03568571	105.1066	238,519.47
FMAC	GOLD PC (PARTICIPATING CERTIFICATES)	4	2/1/2042	1,839,914	0.60415489	106.0734	1,182,686.33
FMAC	GOLD PC (PARTICIPATING CERTIFICATES)	3.5	6/1/2042	362,793	0.70562818	102.9596	264,295.22
FNMA	FEDERAL NAT MORT ADJUSTABLE RATE MBS	1.964	7/1/2034	7,786	0.16890831	106.4565	1,402.11
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	5.5	10/1/2038	2,966,372	0.23380453	112.6689	784,489.34
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	4	2/1/2042	1,105,483	0.60253011	106.3694	710,658.81
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	3.5	6/1/2043	1,000	0.84653097	103.1171	875.30
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	5	5/1/2038	34,224	0.13608638	110.3522	5,158.32
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	4	11/1/2040	333,987	0.34660291	106.0317	123,116.22
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	3.5	12/1/2041	1,397,984	0.58375575	103.2164	844,630.53
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	3.5	6/1/2042	908,138	0.7622148	103.2786	716,842.18
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	3.5	5/1/2042	543,875	0.61459454	103.1922	345,875.37
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	3	8/1/2042	1,145,391	0.81493079	99.8294	934,077.74
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	4	11/1/2042	829,375	0.87372997	106.5754	774,633.40
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	6	9/1/2038	65,157	0.12791456	113.6912	9,515.91
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	5.5	4/1/2039	2,450,087	0.10687131	112.2677	295,126.36
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	6	9/1/2038	4,541,568	0.13543477	113.6717	702,151.88
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	6	4/1/2039	4,220,008	0.1527736	113.6706	735,957.05
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	5	4/1/2041	1,126,839	0.28110352	110.5001	351,294.19
FNMA	FEDERAL NATIONAL MORT BACKED SECURITY	4	11/1/2040	3,851,156	0.25718541	106.2174	1,055,233.55
GNMA	GNMA II SINGLE FAMILY LOAN POOL 15-30 YR	5.5	7/20/2040	537,497	0.28939061	113.8199	177,732.12
<b>TOTALS</b>							<b>\$ 10,559,100.41</b>

Location of collateral: Bank of New York Mellon, New York, N.Y.

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**JOINT POWERS AGREEMENTS, MEMORANDUMS OF UNDERSTANDING**  
**AND OTHER AGREEMENTS**  
**JUNE 30, 2015**

<b>Memorandum of Understanding and other Agreements</b>	<b>Participants</b>	<b>Responsible Party</b>	<b>Description</b>	<b>Begin Date</b>	<b>End Date</b>	<b>Project Amount</b>	<b>Current Year Contributions</b>	<b>Audit Responsibility</b>
The Memorandum of Understanding with the City of Albuquerque	City of Albuquerque and Albuquerque Housing Authority	COA and AHA	AHA will utilize administrative support services provided by the city (COA) after July 1, 2014. MOU to establish the procedures to divide the assets, debts and support services provided to the Authority and to identify the transition process for employees.	7/1/2014	Ongoing unless terminated by either party	billable	\$ 125,163	all parties
The Memorandum of Understanding with the County of Bernalillo	County of Bernalillo Housing Department and Albuquerque Housing Authority	COB and AHA	Both parties hold joint training seminars for FSS training; joint program coordinating committee (PCC) meetings; administrative support provided by the county to the authority by written agreement.	10/2/2012	6/30/2022	n/a	n/a	all parties
The Memorandum of Understanding with the County of Bernalillo	County of Bernalillo Housing Department and Albuquerque Housing Authority	COB and AHA	Establishment of shared jurisdictions to give each housing authority jurisdiction in both the City of Albuquerque and within the unincorporated areas of Bernalillo county to administer respective Section 8 housing programs.	1/5/1993	Ongoing unless terminated by any party upon 60 day written notice.	n/a	n/a	all parties
The Memorandum of Understanding with the City of Rio Rancho	City of Rio Rancho and Albuquerque Housing Authority	COR and AHA	AHA provides rental housing assistance programs to the eligible participants residing in the City of Rio Rancho through the Housing Choice Voucher program (HCV).	3/1/2013	Ongoing unless terminated by either party	n/a	n/a	all parties
<b>Interagency Agreements</b>	<b>Participants</b>	<b>Responsible Party</b>	<b>Description</b>	<b>Begin Date</b>	<b>End Date</b>	<b>Project Amount</b>	<b>Current Year Contributions</b>	<b>Audit Responsibility</b>
Interagency agreement with Denver Housing Authority	The Housing Authority of the City and County of Denver and Albuquerque Housing Authority	COD and AHA	DHA provides technical assistance in connection with the self-implementation of an Energy Performance Contract (EPC)	3/30/2015	30 day written notice	billable	\$ 76,240	all parties

**ALBUQUERQUE HOUSING AUTHORITY**  
**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO**  
**SCHEDULE OF VENDOR INFORMATION**  
**JUNE 30, 2015**

<b>RFB#/RFP#</b>	<b>Type of Procurement</b>	<b>Awarded Vendor</b>	<b>\$ Amount of Awarded Contract</b>	<b>\$ Amount of Amended Contract</b>	<b>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</b>	<b>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</b>	<b>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</b>	<b>Brief Description of the Scope of Work</b>
<b>RFQ-1502</b>	Request for Qualifications	Jeebs & Zuzu	\$ 340,000	-	Suina+Mead Architects 401 Edith Blvd. NE Suite 100, Albuquerque, NM 87102  Jeebs & Zuzu 11030 Menaul Blvd. NE, Suite C, Albuquerque NM 87112  Thomas Gifford Architect 805 Early St. Suite F122, Santa Fe NM 87505  Lee Gamelsky 2412 Miles Rd. SE Albuquerque NM 87106	Y	N/A	A/E UFAS/ADA Renovation. <b>note:</b> Solicitation RFQ-1502 was split between Thomas Gifford Architect and Jeebs & Zuzu
<b>RFQ-1502</b>	Request for Qualifications	Thomas Gifford Architect	\$ 325,000	-	Suina+Mead Architects 401 Edith Blvd. NE Suite 100, Albuquerque, NM 87102  Jeebs & Zuzu 11030 Menaul Blvd. NE, Suite C, Albuquerque NM 87112  Thomas Gifford Architect 805 Early St. Suite F122, Santa Fe NM 87505  Lee Gamelsky 2412 Miles Rd. SE Albuquerque NM 87106	Y	N/A	A/E UFAS/ADA Renovation <b>note:</b> Solicitation RFQ-1502 was split between Thomas Gifford Architect and Jeebs & Zuzu
<b>IFB-1501</b>	Invitation For Bid	Star Paving	\$ 152,366	-	Star Paving Co. 3109 Love Rd SW, Albuquerque, NM 87105  Pavilion Construction 7820 Pan American Freeway NE Suite 4 Albuquerque NM 87109	Y	N/A	ADA/UFAS Exterior Construction

**ALBUQUERQUE HOUSING AUTHORITY  
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO  
EXIT CONFERENCE  
JUNE 30, 2015**

An exit conference was held on November 18, 2015 and attended by the following:

**Albuquerque Housing Authority Board Members:**

Steven Vogel  
Chairperson of the Board

**Albuquerque Housing Authority Personnel:**

Linda Bridge, MBA  
Executive Director

Andrew Estocin  
Deputy Director

Barbara D'Onofrio  
Director of Finance

Anita Sanchez-Triviso  
Director of Human Resources

Matthew Arculeta  
Public Housing Program Manager

Chris Willett  
Account Manager, Section 8

David DeYoung  
Account Manager, Public Housing

**REDW LLC Personnel:**

Joshua Trujillo, CPA, CGFM, FHFMA  
Principal

Wesley Daniels, CPA  
Senior Manager, Audit and Consulting