

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A NOT-FOR-PROFIT CORPORATION)

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021



Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Greater Albuquerque Housing Partnership
Albuquerque, New Mexico

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Greater Albuquerque Housing Partnership (the Organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Greater Albuquerque Housing Partnership as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greater Albuquerque Housing Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Albuquerque Housing Partnership's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT - (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Greater Albuquerque Housing Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Albuquerque Housing Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT - (CONTINUED)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The additional information shown on pages 28 to 37 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Loveridge Hunt + Co, PLLC

Bellevue, Washington
September 26, 2022

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2021

ASSETS

Current assets:

| | |
|-------------------------------|---------------|
| Cash and cash equivalents | \$ 4,582,665 |
| Accounts receivable - tenants | 26,935 |
| Other receivables | 441,585 |
| Prepaid expenses | <u>39,393</u> |
| Total current assets | 5,090,578 |

Restricted cash:

| | |
|------------------------------------|---------------|
| Tenant security deposits | 118,797 |
| Mortgage escrow | 235,548 |
| Operating reserves | 1,253,041 |
| Replacement reserves | 646,549 |
| Endowment fund designated by Board | <u>52,473</u> |
| Total restricted cash | 2,306,408 |

Property, building, equipment, land and Construction in progress:

| | |
|---|---------------------|
| Property, building and equipment, at cost | 62,650,953 |
| Accumulated depreciation | <u>(13,584,735)</u> |
| Net property, building and equipment | 49,066,218 |
| Land | 4,955,933 |
| Construction in progress | <u>12,193,980</u> |

Property, building, equipment, land and construction in progress: 66,216,131

Other assets:

| | |
|-------------------------------|----------------|
| Notes receivable - Homebuyers | 315,982 |
| Tax credit fees, net | <u>201,954</u> |
| Total other assets | <u>517,936</u> |

Total assets \$ 74,131,053

Continued on page 5.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - (CONTINUED)

December 31, 2021

LIABILITIES AND NET ASSETS

| | |
|--|----------------------|
| Current liabilities: | |
| Accounts payable | \$ 1,121,668 |
| Accrued expenses | 34,409 |
| Accrued partnership fees | 6,458 |
| Prepaid rents | 83,565 |
| Deferred revenue | 117,600 |
| Tenant security deposits | 101,782 |
| Accrued payroll taxes | 29,000 |
| Accrued interest payable | 39,014 |
| Construction loan payable | 4,921,045 |
| Long-term debt - short term portion | <u>172,053</u> |
| Total current liabilities | 6,626,594 |
| Non-current liabilities: | |
| Long-term debt, net of debt issuance costs | <u>24,439,747</u> |
| Total non-current liabilities | <u>24,439,747</u> |
| Total liabilities | <u>31,066,341</u> |
| Net assets: | |
| Net assets without donor restrictions | <u>43,064,712</u> |
| Total net assets | <u>43,064,712</u> |
| Total liabilities and net assets | <u>\$ 74,131,053</u> |

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

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

Operating Revenues:

| | |
|-------------------------|------------------|
| Rental income | \$ 3,027,173 |
| Tenant services income | 77,997 |
| Grants | 28,787 |
| Interest income | 719 |
| Sustainable tax credits | 417,795 |
| Endowment fund | 8,223 |
| Other income | <u>43,212</u> |
| Total program revenue | <u>3,603,906</u> |

Operating Expenses:

| | |
|------------------------|------------------|
| Program | 5,340,539 |
| Supporting Service | <u>172,415</u> |
| Total program expenses | <u>5,512,954</u> |

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

(1,909,048)

| | |
|---|----------------------|
| Beginning of year | 43,418,768 |
| Capital contributions: | |
| Other limited partners in controlled partnerships | <u>1,559,220</u> |
| Total capital contributions | 1,559,220 |
| Capital distributions: | |
| Other limited partners in controlled partnerships | <u>(4,228)</u> |
| Total capital distributions | <u>(4,228)</u> |
| End of year | <u>\$ 43,064,712</u> |

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

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

| | Program Services | | | | | | Supporting Services | Eliminations | Total Expenses | |
|--|------------------|-----------------|-------------|--------------|--------------|----------------------------|---------------------|--------------|----------------|------------------------|
| | Plaza Feliz | Plaza Ciudadana | Cuatro Apts | Casa Feliz | Sterling | Affordable Housing Program | Total Program | | | Management and General |
| Salaries | \$ 73,022 | \$ 73,484 | \$ 67,619 | \$ 86,926 | \$ 107,519 | \$ 375,903 | \$ 784,473 | \$ 93,976 | \$ - | \$ 878,449 |
| Payroll taxes | 7,594 | 7,424 | 7,166 | 9,720 | 11,295 | 34,438 | 77,637 | 8,609 | - | 86,246 |
| Employee benefits | 14,233 | 16,221 | 5,535 | 194 | - | 147,815 | 183,998 | 36,954 | - | 220,952 |
| | 94,849 | 97,129 | 80,320 | 96,840 | 118,814 | 558,156 | 1,046,108 | 139,539 | - | 1,126,428 |
| Administration expense, other | 6,297 | 6,427 | 4,935 | 12,666 | 9,741 | 33,738 | 73,804 | 8,434 | - | 82,238 |
| Advertising, marketing | 4,262 | 3,877 | 4,547 | 5,366 | 1,806 | - | 19,858 | - | - | 19,858 |
| Accounting and legal | 8,336 | 8,064 | 8,155 | 33,411 | 28,347 | 19,999 | 106,312 | 5,000 | - | 111,312 |
| Bad Debt (recovery) | (449) | 168 | (388) | 6,002 | 2,070 | - | 7,403 | - | - | 7,403 |
| Contractual Services | 34,958 | 33,031 | 21,622 | 56,014 | 63,615 | 10,358 | 219,598 | 2,589 | - | 222,187 |
| Entity fees | - | - | - | - | - | 17,278 | 17,278 | 4,320 | - | 21,598 |
| Interest, fees | 65,239 | 53,163 | 4,632 | 122,873 | 243,041 | - | 488,948 | - | (163,350) | 325,598 |
| Insurance | 25,889 | 17,897 | 27,254 | 31,748 | 34,720 | 11,835 | 149,343 | 2,959 | - | 152,302 |
| Miscellaneous | 310 | 320 | 1,940 | 418 | 2,799 | 11,836 | 17,623 | 2,959 | - | 20,582 |
| Operating, maintenance expense | 71,135 | 49,762 | 53,573 | 119,084 | 73,121 | - | 366,675 | - | - | 366,675 |
| Project expenses-other | 170 | 211 | 244 | 484 | 398 | 213 | 1,720 | 53 | - | 1,773 |
| Social services expenses | 20,000 | 20,000 | 8,300 | 21,500 | - | 1,962 | 71,762 | 491 | (69,800) | 2,453 |
| Supplies | 1,217 | 1,901 | 632 | 2,475 | 1,577 | 11,106 | 18,908 | 2,777 | - | 21,685 |
| Partnership fees | 65,200 | 7,480 | 5,500 | 33,766 | 31,986 | - | 143,932 | - | (113,401) | 30,531 |
| Taxes, real estate and other | 27,645 | 33,772 | 20,298 | 19,567 | 3,688 | 608 | 105,578 | 152 | - | 105,730 |
| Telecommunications | 7,150 | 8,850 | 8,477 | 14,478 | 8,747 | 8,670 | 56,372 | 2,167 | - | 58,539 |
| Travel | - | - | - | - | - | 1,688 | 1,688 | 422 | - | 2,110 |
| Utilities | 60,834 | 99,365 | 51,986 | 102,367 | 70,086 | - | 384,638 | - | - | 384,638 |
| Total before amortization and depreciation | 493,042 | 441,417 | 302,027 | 679,059 | 694,556 | 687,447 | 3,297,548 | 171,862 | - | 3,469,410 |
| Amortization and depreciation | 306,118 | 347,267 | 328,692 | 841,690 | 567,763 | 2,212 | 2,393,742 | 553 | (4,200) | 2,390,095 |
| | \$ 799,160 | \$ 788,684 | \$ 630,719 | \$ 1,520,749 | \$ 1,262,319 | \$ 689,659 | \$ 5,691,290 | \$ 172,415 | \$ (350,751) | \$ 5,512,954 |

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

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2021

| | |
|---|---------------------|
| Cash flows from operating activities: | |
| Change in net assets | \$ (1,909,048) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation and amortization | 2,390,095 |
| Amortization, deferred financing fees | 11,984 |
| Changes in certain assets and liabilities: | |
| Accounts receivable - tenants | (16,777) |
| Other receivables | 9,248 |
| Prepaid expenses | (3,606) |
| Notes receivable - Homebuyers | 14,584 |
| Security deposits | (3,592) |
| Accounts payable | (57,709) |
| Accrued expenses | 34,409 |
| Accrued partnership fees | 6,458 |
| Prepaid rents | 45,458 |
| Tenant security deposits liability | (3,592) |
| Accrued payroll taxes | 29,000 |
| Accrued interest payable | <u>39,014</u> |
| Net cash provided by operating activities | 585,926 |
| Cash flows from investing activities: | |
| Financial guaranty fee (recorded part of other receivable) | (432,914) |
| Payments for property, building, equipment and land | (152,509) |
| Payments for construction in progress | <u>(10,049,470)</u> |
| Net cash used by investing activities | (10,634,893) |
| Cash flows from financing activities: | |
| Proceeds from Construction loan | 4,921,045 |
| Proceeds from long-term debt | 2,923,311 |
| Payments on long-term debt | (164,035) |
| Capital contributions | 1,559,220 |
| Capital distributions | <u>(4,228)</u> |
| Net cash provided by financing activities | <u>9,235,313</u> |
| Net decrease in cash, cash equivalents and restricted cash | (813,654) |
| Cash, cash equivalents and restricted cash - beginning of year | <u>7,702,727</u> |
| Cash, cash equivalents and restricted cash - end of year | <u>\$ 6,889,073</u> |

Continued on page 9.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

CONSOLIDATED STATEMENT OF CASH FLOWS - (CONTINUED)

Year Ended December 31, 2021

Supplemental disclosure of cash flow information:

| | | |
|------------------------|----|---------|
| Cash paid for interest | \$ | 101,304 |
|------------------------|----|---------|

Supplemental disclosure of non-cash investing and financing activities:

| | | |
|---|----|-----------|
| Increase in construction in progress financed by accounts payables | \$ | 1,060,478 |
|---|----|-----------|

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

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

The Greater Albuquerque Housing Partnership (GAHP) is a nonprofit organization (the "Organization") incorporated in New Mexico in 1993. The mission of GAHP is to raise the economic and social levels of residents of Albuquerque, New Mexico by providing affordable housing opportunities. GAHP is primarily funded through federal, state, and local government grants, loans, and other assistance, and developer fees earned from the development of low-income housing projects. Primary organizational activities include the development and management of multifamily rental properties, and community educational activities. The sources of financing are restricted and governed by a variety of statutory and regulatory requirements. As such, GAHP's multifamily rental properties have legal structures separate and distinct from GAHP through the use of limited partnerships.

GAHP is the General Partner in six (6) for-profit housing development affiliates (the "Controlled Affiliates"). The Controlled Affiliates consist of the six limited partnerships: Plaza Feliz Limited Partnership ("Plaza Feliz LLLP"), Plaza Ciudadana Limited Partnership ("Plaza Ciudadana LLLP"), Cuatro Apartments Limited Partnership ("Cuatro Apartments LLLP"), Casa Feliz Limited Partnership ("Casa Feliz LLLP"), Sterling Apartments Limited Partnership ("Sterling Apartments LLLP") and Luminaria Apartments Limited Partnership ("Luminaria Apartments LLLP"). The partnerships were organized to construct and manage housing projects in Albuquerque, New Mexico. Under the terms of the agreements, the General Partner is entitled to approximately .01% or less of distributable cash, profits, and losses plus reimbursement of expenses. The Limited Partners retain ownership of the remaining approximate 99.99% of the projects. The Limited Partners are entitled to tax credits over 15 years. At the expiration of the tax credit period, GAHP has the option to purchase the housing projects at a substantially discounted rate. All six projects are funded primarily with tax credits and to a lesser extent from government grants and loans. GAHP was involved in the development of these projects and received development fees, and other management and project fees.

GAHP and all the Controlled Affiliates are governed by the same Board of Directors. The Board Members have the responsibility for determining policy and for the execution and evaluation of programs and activities conducted by the Organization. GAHP's board is composed of five or more members. Board members are selected based upon the geographic, cultural, economic, and business interests of GAHP. The term served by a Board Member is two years, and no board member may serve more than four consecutive terms.

Consolidated Entities (Controlled Affiliates)

Plaza Feliz Limited Partnership

Plaza Feliz Limited Partnership is a for-profit partnership, which was formed in 2010 to lease the land and to develop, finance, construct, own, maintain, and operate the Plaza Feliz Apartments, a multi-family apartment including 55 low-income units, 10 market rate units, one non-revenue manager's unit, a daycare facility and a rental office. GAHP is the general partner, with a 0.01 percent interest in the Plaza Feliz Limited Partnership.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES - (CONTINUED)

Plaza Ciudadana Limited Partnership

Plaza Ciudadana Limited Partnership is a for-profit partnership, which was formed in 2014 to lease the land and to develop, finance, construct, own, maintain, and operate the Plaza Ciudadana Apartments, a multi-family apartment complex including 56 low-income units, 11 market rate units, and one non-revenue manager's unit. GAHP is the general partner, with a 0.01 percent interest in the Plaza Ciudadana Limited Partnership.

Cuatro Apartments Limited Partnership

Cuatro Apartments Limited Partnership is a for-profit partnership, which was formed in 2014, to lease the land and to develop, finance, construct, own, maintain, and operate Cuatro Apartments, a multi-family apartment complex for seniors including 55 low-income units and one non-revenue manager unit. GAHP is the general partner, with a 0.01 percent interest in the Cuatro Apartments Limited Partnership.

Casa Feliz Limited Partnership

Casa Feliz Limited Partnership is a for-profit partnership, which was formed in 2015 to lease the land and to develop, finance, construct, own, maintain, and operate the Casa Feliz Apartments, a multi-family housing on scattered sites including 88 low-income units and one non-revenue manager unit. GAHP is the general partner, with a 0.01 percent interest in the Casa Feliz Limited Partnership.

Sterling Apartments Limited Partnership

Sterling Apartments Limited Partnership is a for-profit partnership, which was formed in 2016 to lease the land and to develop, finance, construct, own, maintain, and operate Sterling Apartments, a multi-family apartment complex including 106 low-income units and one non-revenue manager unit. GAHP is the general partner, with a 0.01 percent interest in the Sterling Apartments Limited Partnership.

Luminaria Apartments Limited Partnership

Luminaria Apartments Limited Partnership is a for-profit partnership, which was organized in 2020 to develop, own and operate a multi-family apartment complex for seniors, including 77 low-income units, 1 non-revenue manager unit, and 14 market rate units to create a mixed-income development. GAHP is the general partner, with a 0.01 percent interest in the Luminaria Apartments Limited Partnership.

The project was under construction at year-end, and no rental activities, income or expenses had yet occurred. Therefore, no income statement for this component is included in these consolidated financial statements. The project was completed and became operational in 2022.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of GAHP and six controlled affiliates. Collectively, the consolidated entity is referred to as the Organization. All material inter-organization transactions have been eliminated in the consolidation.

Basis of Presentation

The financial statements are presented in accordance with Accounting Standards Codification 958, Financial Statements of Not-For-Profit Organizations, which requires the Organization to report information regarding its financial position and activities according to three classes of net position: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Organization had no grantor-imposed or donor-imposed restrictions at the beginning or end of the year.

There was an endowment fund designated by the Board of Directors in a prior year. This fund was not restricted by outside donors, and is therefore included as an unrestricted, but board designated, net asset.

Method of Accounting

The accrual method of accounting is used for financial statement purposes in accordance with generally accepted accounting principles.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities for the year ended December 31, 2021. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Net Assets

Net assets, revenue, and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such resources be maintained in perpetuity. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. As of December 31, 2021, there were no such net assets.

Cash, Cash Equivalents and Restricted Cash

For purposes of the statement of cash flows, all highly liquid investments available for current use with an initial maturity of three months or less are considered to be cash equivalents. The carrying amount approximates fair value because of the short maturity of those instruments.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

| | December 31, 2021 |
|---|----------------------------|
| Cash and cash equivalents (operations) | \$ 4,582,665 |
| Security deposits | 118,797 |
| Escrow deposits | 235,548 |
| Operating reserves | 1,253,041 |
| Replacement reserve | 646,549 |
| Endowment fund designated by Board | <u>52,473</u> |
| Total cash, cash equivalents and restricted cash shown in the statement of cash flows | \$ <u><u>6,889,073</u></u> |

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Concentration of Credit Risk

The Organization maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. GAHP has not experienced any losses in such accounts. Management believes that GAHP is not exposed to any significant credit risk on cash and cash equivalents.

Property and Equipment and Depreciation

All expenditures for land, land improvements, building and equipment are capitalized at cost or fair value if donated and depreciated by straight-line and accelerated methods. Assets purchased for specific grant purposes are recorded in the appropriate fund. Depreciation is calculated on the straight-line basis over the estimated useful lives that range from forty years for building, five to seven years for furniture, machinery and equipment, and three years for software. Leasehold improvements are depreciated over the life of the lease.

Improvements, additions and replacements in excess of \$1,000 are generally capitalized. Expenditures for repairs, replacements, and maintenance which do not add to the value of the asset or materially extend an asset's life are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of operations.

Impairment

The Organization reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There was no impairment loss recognized for the year ended December 31, 2021.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Amortization of Debt Issuance Costs

Debt issuance (loan) costs related to a recognized debt liability are presented in the statements of financial position as a direct deduction from the carrying amount of that debt liability and amortization of debt issuance costs are reported as interest expense in accordance with ASU 2015-03. Debt issuance costs are amortized over the period the obligation is outstanding using the straight-line method. This does not result in a significant difference from the effective interest rate method.

Donated Services and Products

Donated products such as donated furniture and equipment, to the extent they are reasonably determinable, are recorded as contributions at their fair market value at the date of contribution. Donated services are recorded per the terms of the revenue recognition subtopic for not-for-profit organizations under the ASC 958-605. There were no donated services or supplies that fell within the scope of this guidance for the fiscal year ended December 31, 2021.

Promises, Pledges to Give

Promises and pledges to give contributions are recognized upon notification of a donor's unconditional promise to give to the Organization. Contributions that are donor-restricted are recorded as increases in restricted net assets until the donor restriction expires. When a donor restriction expires because a stipulated time or purpose restriction is met, the restricted net assets are reclassified to unrestricted net assets. There were not restricted net assets received for the fiscal year ended December 31, 2021.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. To the extent that donor restrictions are met within the same reporting period that the contributions are received, the gifts are reported as unrestricted support during that period.

Revenue Recognition

Rental income for the multifamily housing properties wholly owned and operated by the Organization is recognized as earned. Approximately 84% of the consolidated Organization's revenues are apartment tenant rental fees.

Revenue from related parties, such as partnership management and developer fee, is recognized as performance obligations are satisfied during the development and operation period of the project.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Accounts Receivable and Bad Debt

Related parties receivables represents amounts due from the multi-family housing projects (LLLPs) in which GAHP owns minority interests. Accounts receivable are reported at the amount management expects to collect on balances outstanding at December 31, 2021. Management closely monitors outstanding balances and writes off all balances deemed uncollectible. No allowance was deemed necessary as all receivables are deemed fully collectible.

Federal Income Tax

The Organization is exempt from federal income tax as an entity described in Section 501(c)(3) of the Internal Revenue Code. As a result, there is no provision for federal income taxes in these financial statements and no federal income taxes were paid. Management believes that the Organization has adequately addressed all relevant tax positions and there are no unrecorded tax liabilities. Generally, the Organization's tax returns remain open for three years for federal income tax examination.

The limited partnerships, Plaza Feliz LLLP, Plaza Ciudadana LLLP, Cuatro Apartments LLLP, Casa Feliz LLLP, Sterling Apartments LLLP, and Luminaria Apartments LLLP are each taxed as a for-profit partnership. Taxable income or loss passes through to and is reportable by the partners individually. The General Partner for the partnerships, Casa Feliz LLLP and Sterling Apartments LLLP, is a single-member LLC owned by GAHP and is therefore a disregarded entity as defined by the Internal Revenue Code.

The General Partner for the partnership, Plaza Feliz LLLP, Plaza Ciudadana LLLP, Cuatro Apartments LLLP and Luminaria Apartments LLLP, made an IRC Sec 168(h) election and filed Form 8832, Entity Classification Election, to be taxed as a corporation. They file IRS form 1120, US Corporation Income Tax Return, annually.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management of the Organization has evaluated events and transactions occurring after December 31, 2021 through September 26, 2022, the date the financial statements were available for issuance, for recognition or disclosure in the financial statements. There were no events and transactions that required recognition and disclosure in the financial statements, except those have been disclosed in Note 6.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RESTRICTED CASH

Plaza Feliz, Sterling Apts, Casa Feliz, Cuatro Apts and Plaza Ciudadana are required to fund certain reserve accounts in accordance with underlying regulatory and loan agreements. As of December 31, 2021, the restricted cash accounts consisted of:

| | Operating reserves | Replacement reserves | Mortgage Escrows | Tenant trust Security deposits |
|---------------------|-----------------------|-------------------------|---------------------|-----------------------------------|
| Plaza Feliz | \$ 221,013 | \$ 211,999 | \$ 11,786 | \$ 23,298 |
| Sterling Apartments | 339,962 | 93,662 | 18,105 | 31,167 |
| Casa Feliz | 269,113 | 106,952 | - | 28,152 |
| Cuatro Apartments | 211,476 | 76,492 | 9,679 | 13,650 |
| Plaza Ciudadana | <u>211,477</u> | <u>157,444</u> | <u>195,978</u> | <u>22,530</u> |
| Total | <u>\$ 1,253,041</u> | <u>\$ 646,549</u> | <u>\$ 235,548</u> | <u>\$ 118,797</u> |

In addition, an endowment fund was created in prior years to honor certain board members and employees of the Organization for exemplary service, and to provide funds restricted to charitable, scientific, or educational grants to support the activities of the Organization. The fund was board designated, and has received no funds that were donor restricted, and is therefore considered part of net assets without donor restrictions. The fund is held and administered under an agreement with the Albuquerque Community Foundation (ACF). The agreement stipulates that the fund shall be the property of ACF in its corporate capacity, and not deemed a trust fund held by ACF in a trustee capacity. All gifts to the fund are irrevocable. ACF has ultimate authority and control over all endowment property held and the income derived. ACF may commingle the property of the endowment fund with other funds of the foundation for investment purposes. Distributions from the fund shall be as stated in ACF's distribution policy. The Organization is notified annually of the endowment funds available for distribution, and the Organization then directs whether a distribution is made. The endowment fund was valued using level 3 fair value inputs. As of December 31, 2021, the fair value of endowment fund was \$52,473.

NOTE 4 - NOTES RECEIVABLE

Mortgage notes receivable from homebuyers include \$315,982 due from 21 purchasers of homes in prior years. These notes have no interest provision and are due only upon the sale of the homes by the original purchasers. They are secured by mortgages on the related properties. They are intended as incentives for the original purchasers to continue to occupy the homes, especially where the market value at the purchase date exceeded the purchase price. Because the notes are secured by the homes, management considers the possibility of any future material losses to be unlikely, and therefore no allowance for bad debts has been recorded.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment are summarized as follows as of December 31, 2021:

| | GAHP | Controlled Affiliates | Total |
|--------------------------------|--------------|--------------------------|---------------|
| Land | \$ 3,046,017 | \$ 1,909,916 | \$ 4,955,933 |
| Land Improvements | - | 3,075,358 | 3,075,358 |
| Buildings | - | 57,490,161 | 57,490,161 |
| Furniture and Equipment | 33,080 | 2,052,354 | 2,085,434 |
| | 3,079,097 | 64,527,789 | 67,606,886 |
| Less: Accumulated Depreciation | 27,401 | 13,557,334 | 13,584,735 |
| Construction in Progress | 892,582 | 11,301,398 | 12,193,980 |
| Total PP&E, net | \$ 3,944,278 | \$ 62,271,853 | \$ 66,216,131 |

NOTE 6 - WORK IN PROGRESS - PROJECT INVESTMENT AND SUBSEQUENT EVENT

Luminaria Senior Community project and subsequent event

GAHP entered into a development agreement on April 20, 2020 with the City of Albuquerque to develop a Low-Income Housing Tax Credit property. The project is planned for construction of 77 low-income housing units, 14 market rate units, and a non-revenue manager's unit. The project is funded by the U.S Department of Housing and Urban Development (via City of Albuquerque), the Bank of Albuquerque and the limited partner investor. Subsequent to the year-end, the project was completed in April 2022.

Hiland Plaza project

GAHP entered into a development agreement on December 30, 2020 with the City of Albuquerque to develop a Low-Income Housing Tax Credit property. The project is planned for construction of 92 affordable housing units including 75 low-income housing units, 16 market rate units, and a non-revenue manager's unit. The City has committed to provide \$4,059,843 in U.S Department of Housing and Urban Development HOME Investment Partnerships funds, and the remaining funding will be provided by the PNC Bank and the limited partner investor. The project is expected to be completed in 2023. On April 1, 2022, GAHP withdrew as Limited Partner from the Partnership and a new Limited Partner was admitted.

On April 25, 2022, development cost in the amount of \$912,939 was reimbursed to GAHP. In addition, developer fee in the amount of \$217,230 and up front land lease payment of \$100,000 were paid to GAHP.

Cibola Loop project and subsequent event

GAHP was planning to enter into agreements to develop this Low-Income Housing Tax Credit property. The proposal is to build an 80 unit multigenerational facility comprised of 56 low-income housing units and 24 townhome units to be used as family reunification properties.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
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NOTES TO FINANCIAL STATEMENTS

NOTE 7 - FAIR VALUE MEASUREMENT

The Organization's financial instruments consist of cash, accounts receivable and accounts payable. The recorded values of these instruments approximate their fair values based on their short-term nature.

In addition, the Organization, as defined in ASC 820-10, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value to such assets or liabilities.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
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NOTES TO FINANCIAL STATEMENTS

NOTE 8 - LONG-TERM DEBT

City of Albuquerque

In September 2010, GAHP entered into a Development Agreement with the City of Albuquerque (the "City"). The City provided a loan, secured by a mortgage, in an amount not to exceed \$1,000,000 to GAHP to assist in financing Plaza Feliz project. All services and obligations defined in Development Agreement shall commence upon the execution of the Development Agreement and be continued for 20-year from the completion of the construction of the Project ("Affordability Period"). The loan shall bear no interest and is secured by the Plaza Feliz project real estate. The loan shall be discharged at the end of the Affordability Period. As of December 31, 2021, the principal balance totaled \$1,000,000. The City further agreed to transfer a land valued at \$620,000 to GAHP to assist in project development, no balance shall become due as long as the project is a City Affordable Housing project for the Affordability Period. As of December 31, 2021, the payable related to land acquisition totaled \$620,000.

In October 2010, GAHP entered into a Development Agreement with the City. The City provided a loan, secured by a mortgage, in an amount not to exceed \$1,281,500 to GAHP to assist in the construction of a mixed use affordable housing development project - Phase I of the Indian School and Broadway Master Development Plan. All services and obligations defined in the Development Agreement shall commence upon the execution of the Development Agreement, and the project would have a mandatory minimum Affordability Period of 90-year, along with an Extended Affordability Period of an additional 90-year after the first Affordability Period. The loan shall be discharged at the end of the Affordability Period. The loan shall bear no interest and is secured by the Indian School and Broadway project real estate. As of December 31, 2021, the principal balance totaled \$1,180,694.

In December 2010, GAHP entered into a Development Agreement with the City. The City provided a loan, secured by a mortgage, in an amount not to exceed \$1,850,000 to GAHP to assist in financing Plaza Feliz project. All services and obligations defined in the Development Agreement shall commence upon the execution of the Development Agreement and be continued for 20-year from the completion of the construction of the project ("Affordability Period"). The loan shall be discharged at the end of the Affordability Period. The loan shall bear no interest and is secured by the Plaza Feliz project real estate. As of December 31, 2021, the principal balance totaled \$1,850,000.

In October 2012, GAHP entered into a development agreement with the City. The City provided a loan in an amount not to exceed to \$1,300,000 GAHP to assist in constructing Plaza Ciudadana project. All services or obligations defined in the Development Agreement shall commence upon the execution of the Development Agreement and be continued for 90-year from the completion of the construction of the project ("Affordability Period"), with a renewable Affordability Period of an additional 90-year after the first Affordability Period. The loan shall be discharged at the end of the Affordability Period. The loan shall bear no interest and is secured by the Plaza Ciudadana project real estate. As of December 31, 2021, the principal balance totaled \$1,300,000.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
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NOTES TO FINANCIAL STATEMENTS

NOTE 8 - LONG-TERM DEBT - (CONTINUED)

In January 2014, GAHP entered into a Development Agreement with the City. The City provided a loan, secured by a mortgage, in an amount not to exceed \$2,416,000 to GAHP to assist in financing the Cuatro Apartments. All services and obligations defined in the Development Agreement shall be commence upon the award of Low Income Housing Tax Credits by the Mortgage Finance Authority and be continued for 20-year from the completion of the construction of the Project ("Affordability Period"). The loan shall be discharged at the end of the Affordability Period. The loan shall bear no interest and is secured by the Cuatro Apartments project real estate. As of December 31, 2021, the principal balance totaled \$2,416,000.

In January 2015, GAHP entered into a Development Agreement with the City. The City provided a loan, secured by a mortgage, in an amount not to exceed \$2,800,000 to GAHP to assist in financing the Casa Feliz Project. The City then made the Second Supplemental Agreement, further agreed to provide an additional funding of \$380,000 to GAHP. All services and obligations defined in Development Agreement shall commence upon the award of Low Income Housing Tax Credits by the Mortgage Finance Authority and continue for 20-year from the completion of the construction of the Project. The loan shall be discharged at the end of the Affordability Period. The loan shall bear no interest and is secured by the Casa Feliz project real estate. As of December 31, 2021, the principal balance totaled \$3,180,800.

In April 2017, GAHP entered into a Development Agreement with the City. The City provided a loan in an amount not to exceed \$4,000,000 to GAHP to assist in developing Sterling Apartments. All services and obligations defined in the Development Agreement shall be commence upon the award of Low Income Housing Tax Credits by the Mortgage Finance Authority and continue through the mandatory minimum Affordability Period of 90-year after the completion of the project, with a renewable Affordability Period of an additional 90-year after the first Affordability Period. The loan shall bear no interest and is secured by the Sterling Apartments project real estate. As of December 31, 2021, the principal balance totaled \$4,000,000.

In April 2020, GAHP entered into a Development Agreement with the City. The City provided a loan in an amount not to exceed \$3,248,123 to GAHP to assist in financing Luminaria Senior Community project. All services and obligations defined in the Development Agreement shall be commence upon the award of Low Income Housing Tax Credits by the Mortgage Finance Authority and continue for 20-year from the completion of the construction of the Project. The loan shall bear no interest and is secured by the Luminaria Senior Community project real estate. The loan shall be discharged at the end of the Affordability Period. As of December 31, 2021, the principal balance totaled \$2,923,311.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
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NOTES TO FINANCIAL STATEMENTS

NOTE 9 - MORTGAGE NOTES PAYABLE

Plaza Feliz LP

New Mexico Mortgage Finance Authority Note

Interest rate on the note is six and twenty-one hundredths percent (6.21%) per annum. Monthly payments of principal and interest in the amount of \$6,221 began on December 1, 2012, until Note is paid in full. The currently scheduled final payment of principal and interest on the Note will be due November 1, 2052. The debt is secured by the mortgage on the property and the Assignment of Leases, Rents and Profits, and the security interest in the personal property. As of December 31, 2021, the note payable totaled \$1,025,078 excluding the net debt issuance cost of \$39,325, and the accrued interest on the loan totaled \$5,305. During 2021, interest charged and paid on the note totaled \$63,964.

Plaza Ciudadana LP

U.S. Bank National Association

The loan was payable in monthly installments of accrued interest only, commencing March 1, 2013, and on the same day of each month thereafter through and including August 1, 2014. The loan is payable in monthly installments of principal and interest (at 6.27 percent) of approximately \$4,400 each, subject to the terms of the Loan Agreement, commencing September 1, 2014, and on the same day of each month thereafter until the maturity date (August 2029), when the remaining unpaid principal balance plus accrued interest shall be due and payable in full. This note is secured by Plaza Ciudadana Limited Partnership, LLLP, located in Bernalillo County, New Mexico, plus certain other security documents. As of December 31, 2021, the note payable totaled \$631,092 excluding the net debt issuance cost of \$77,009, and the accrued interest on the loan totaled \$3,407. During 2021, interest charged and paid on the note totaled \$40,477.

New Mexico Mortgage Finance Authority Housing Trust Fund Loan

New Mexico Mortgage Finance Authority Housing Trust Fund. Sum of the Note not to exceed \$1,000,000. At the inception interest rate is three percent (3.00%) per annum from the date of each draw request. The loan is made pursuant to a Loan Agreement and is secured by a Mortgage and Security Agreement on certain real property, the use of which is restricted by a Land Use Restriction Agreement. The loan will be disbursed from time to time based on construction progress. Interest to be paid first day of each month during the construction period not to exceed twenty-four (24) months from the date of closing, February 1, 2013. Thereafter the loan is an amortizing loan with a 360-month term. The Partnership will make 360 principal and interest payments at an interest rate of three percent (3.00%) beginning February 1, 2016, and on the first day of each month thereafter until maturity. The entire principal amount of the loan, plus all accrued and unpaid interest, will be due and payable in full on January 1, 2045. As of December 31, 2021, the note payable totaled \$210,475, and the accrued interest on the loan totaled \$526. During 2021, interest charged and paid on the note totaled \$6,400.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - MORTGAGE NOTES PAYABLE - (CONTINUED)

Sterling Apartments LP

CitiBank, N.A. Loan

On April 7, 2017, the Partnership entered into a Construction Funding Agreement with the CitiBank, N.A. Pursuant to the Construction Funding Agreement, the County of Bernalillo County, New Mexico, a county and political subdivision of the State of New Mexico ("Agency") has issued its Multifamily Housing Revenue Note, Series 2017 in an aggregate principal amount not to exceed \$8,600,000 (the "Note"). On April 7, 2017, the Agency entered into a Funding Loan Agreement with CitiBank, N.A., under which the proceeds of the Note will be made available to the Partnership to finance the acquisition, construction, development, equipping and/or operation of the Project. Effective May 13, 2019, \$3,100,000 of the Note was converted to permanent financing. The permanent note bears interest at 4.85 percent per annum. The note requires interest payments only during the construction term. Thereafter, equal monthly installments of principal and interest in the amount of \$15,350 are required until the maturity date on October 1, 2049. As of December 31, 2021, the permanent note payable totaled \$3,010,223 excluding the net debt issuance cost of \$102,237. The accrued interest on the loan totaled \$12,166. During 2021, interest charged and paid on the note totaled \$146,830.

New Mexico Mortgage Finance Authority Housing Trust Fund Loan

The note is payable to New Mexico Mortgage Finance Authority Housing Trust Fund in the original amount of \$1,000,000. The note bears interest at 3 percent per annum and matures on April 1, 2049. The use of the Project is restricted by a Land Use Restriction Agreement, which restricts the residential units to income-eligible tenants for at least 30 years. As of December 31, 2021 the note payable totaled \$473,304, and the accrued interest on the loan totaled \$1,183. During 2021, interest charged and paid on the note totaled \$14,377.

Cuatro Apartments LP

New Mexico Mortgage Finance Authority Note

The Partnership has entered into a mortgage note with New Mexico Mortgage Finance. The interest rate charged on the note is three percent (3.00%) per annum. Monthly principal payments in the amount of \$2,559 began on December 1, 2016, until Note is paid in full. The currently scheduled final payment of principal and interest on the Note will be due December 1, 2026. The debt is secured by the mortgage on the property and the Assignment of Leases, Rents and Profits, and the security interest in the personal property. As of December 31, 2021, the note payable totaled \$142,407, and the accrued interest on the loan totaled \$356. During 2021, interest charged and paid on the note totaled \$4,632.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
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NOTES TO FINANCIAL STATEMENTS

NOTE 9 - MORTGAGE NOTES PAYABLE - (CONTINUED)

Casa Feliz LP

Bank of Albuquerque Loan

On January 15, 2016, the Partnership entered into a Loan Agreement with BOKF, dba Bank of Albuquerque. The Loan Agreement provides for a loan up to \$6,010,979, consisting of Tranche A in the amount of \$600,000 and Tranche B in the amount of \$5,410,979. In accordance with the Loan Agreement, Tranche A was fully funded within 12 months from the date of the note. Tranche B is to be funded after the full advance of Tranche A. Tranche A bears interest at 5 percent per annum. Tranche B bears interest at the Adjusted LIBOR Rate, as defined as LIBOR plus 2 percent annum in the Loan Agreement. The note requires interest payments only during the construction term. Thereafter, beginning on January 15, 2018, equal monthly installments of principal and interest are required until the maturity date on January 15, 2033. As of December 31, 2017, Tranche B in the amount of \$5,404,286 was paid in full with proceeds from the third installment of the capital contribution. As of December 31, 2021, the note payable totaled \$489,523 excluding the net debt issuance cost of \$12,816. The accrued interest on the loan totaled \$1,428. GAHP is the guarantor of the loan. During 2021, interest charged and paid on the note totaled \$25,525.

New Mexico Mortgage Finance Authority Housing Trust Fund Loan

The note is payable to New Mexico Mortgage Finance Authority Housing Trust Fund for the maximum amount of \$1,100,000. The note bears interest at 3 percent per annum, with interest payments only during the construction period not to exceed 24 months, by which date, the note must be paid down to \$500,000. Thereafter the note will be amortized with interest rate of 3 percent per annum until the maturity date of February 1, 2033. The use of the Project is restricted by a Land Use Restriction Agreement, which restricts the residential units to income-eligible tenants for at least 30 years. During the year ended December 31, 2017, \$600,000 was paid with proceeds from the third installment of the capital contribution. As of December 31, 2021, the note payable totaled \$390,280. The accrued interest on the loan totaled \$976. During 2021, interest charged and paid on the note totaled \$12,113.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
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NOTES TO FINANCIAL STATEMENTS

NOTE 9 - MORTGAGE NOTES PAYABLE - (CONTINUED)

Luminaria LP

Bank of Albuquerque Loan

On December 17, 2020, the Partnership entered into a Loan Agreement with BOKF, dba Bank of Albuquerque. The Loan Agreement provides for a loan up to \$10,177,656 consisting of Tranche A in the amount of \$3,800,000 and Tranche B in the amount of \$6,377,656. Tranche A bears interest at 4.4 percent per annum. Tranche B bears interest at the 3.25 percent annum. The note requires interest payments only during the construction term. In accordance with the Loan Agreement, Tranche A was fully funded within 12 months from the date of the note. Tranche B is to be funded after the full advance of Tranche A. The loan matures in 17 years after the Closing Date. On the Maturity Date, the outstanding balance and all unpaid and accrued interest of the Note, and all other amounts then due by Borrower to Bank, shall be fully and finally due and payable on the Maturity Date. As of December 31, 2021, the loan payable totaled \$4,921,045. GAHP is the guarantor of the loan. The accrued interest payable on the loan totaled \$14,850. During 2021, interest capitalized totaled \$28,865.

The outstanding mortgage notes consisted of the following as of December 31, 2021:

| | |
|---|----------------------|
| New Mexico Mortgage Finance Authority | \$ 2,241,544 |
| U.S. Bank National Association | 631,092 |
| CitiBank, N.A | 3,010,223 |
| BOKF, N.A dba Bank of Albuquerque | <u>5,410,568</u> |
| | 11,293,427 |
| Less: net of debt Issuance | <u>(231,387)</u> |
| Total Mortgage notes payable | 11,062,040 |
| City of Albuquerque long-term debt (Note 8) | <u>18,470,805</u> |
| Total long term debt | <u>\$ 29,532,845</u> |

The following schedule outlines principal amounts due on the mortgage notes:

| <u>Year</u> | <u>Amount</u> |
|------------------------|----------------------|
| 2022 | \$ 172,053 |
| 2023 | 179,572 |
| 2024 | 187,448 |
| 2025 | 195,698 |
| 2026 | 204,340 |
| 2027 - and later years | <u>28,825,121</u> |
| | <u>\$ 29,764,232</u> |

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
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NOTES TO FINANCIAL STATEMENTS

NOTE 10 - LOW-INCOME HOUSING TAX CREDITS

Each Limited Partnership's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Section 42 of the Internal Revenue Code. Failure to maintain compliance with occupant eligibility, unit gross rents, or to correct noncompliance within a specified time period with respect to the "low-income" units, could result in the recapture of previous taken tax credits, plus interest. As of December 31, 2021, the Organization appeared to be in compliance with IRC Section 42.

NOTE 11 - DEFERRED REVENUE

In prior years, GAHP encumbered four homebuyers with a third mortgage requiring each homebuyer to pay GAHP \$29,400 upon the subsequent sale of their homes. This action was taken to prevent buyers of certain homes sold at below market prices from reselling the homes at a quick profit, which was contrary to the goal of providing affordable housing to qualified individuals. The total amount of this deferred revenue was \$117,600.

NOTE 12 - RELATED PARTY TRANSACTIONS

During the course of operations, numerous transactions occur between GAHP and the controlled affiliates. The result is that certain amounts are owed to and from GAHP and the controlled affiliates. Inter-Organization receivables and payable, and revenues and expenses are eliminated in the Consolidated Financial Statements.

Plaza Feliz LLLP is liable to PNC Real Estate Tax Credit Capital Institutional Fund 45 Limited Partnership (PNC), a Limited Partner, the Investor Service Fee in an amount of \$6,458 as of December 31, 2021.

Cuatro Apartments LLLP and Plaza Ciudadana Apartments LLLP are liable to U.S. Bancorp Community Development Corporation, a Limited Partner, the Asset Management Fee in the amount of \$6,458 and \$7,480 respectively, as of December 31, 2021.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

The Organization is required to comply with Internal Revenue Code Section 42 regulations related to its low-income housing developments. The Organization is also required to comply with loan and grant provisions with federal, state, and local governments. Failure to meet certain tests related to these regulations could result in the return of low-income tax credits, the return of loan or grant proceeds, and could result in the revocation of GAHP's 501(c)(3) tax exempt status.

Certain grants received in prior years require fulfillment of certain conditions as set forth in grant agreements and may be subject to audit. Failure to fulfill the conditions could result in the return of funds to grantors. Management does not expect to return any significant grant funds from prior years due to not fulfilling grant conditions.

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
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NOTES TO FINANCIAL STATEMENTS

NOTE 14 - OPERATING LEASES

GAHP has executed operating leases for the rental of an office facility and equipment. Current year rental expense was approximately \$19,644. Future minimum rental obligations under these leases are \$18,218 for 2022, \$3,045 for 2023, and none thereafter.

NOTE 15 - PENSION PLAN

GAHP provides an IRC 403(b) Tax Sheltered Annuity Plan for eligible employees. Eligible employees may make voluntary contributions to their plan account. GAHP contributes 5% of employee compensation to the plan, regardless of employee contributions. This increased to 10% in 2021. \$74,185 in employer contributions were made during the year.

NOTE 16 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted sources. The Organization's financial assets available within one year of the statement of financial position for general expenditure are as follows:

| | December 31, 2021 |
|---------------------------|----------------------|
| Cash and cash equivalents | \$ 4,582,665 |
| Accounts receivable | <u>468,520</u> |
| | <u>\$ 5,051,185</u> |

ADDITIONAL INFORMATION

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

COMBINING SCHEDULE OF FINANCIAL POSITION

Year Ended December 31, 2021

| | Greater Albuquerque Housing Partnership | Plaza Feliz Limited Partnership | Plaza Ciudadana Limited Partnership | Cuatro Apartments Limited Partnership | Casa Feliz Limited Partnership | Sterling Apartments Limied Partnership | Luminaria Apartments Limited Partnership | Hiland Apartments Limited Partnership | Combined Totals | Eliminations | Consolidated |
|---------------------------------------|--|---------------------------------------|---|--|--------------------------------------|---|---|--|--------------------|-----------------|---------------|
| ASSETS | | | | | | | | | | | |
| Current assets: | | | | | | | | | | | |
| Cash and cash equivalents | \$ 3,471,912 | \$ 281,931 | \$ 97,283 | \$ 47,184 | \$ 204,533 | \$ 479,822 | \$ - | \$ - | \$ 4,582,665 | \$ - | \$ 4,582,665 |
| Accounts receivable - tenants | - | 4,420 | 11,734 | 23 | 8,292 | 2,466 | - | - | 26,935 | - | 26,935 |
| Accounts receivable - related parties | 1,103,741 | - | - | - | - | - | - | - | 1,103,741 | (1,103,741) | - |
| Other receivables | 439,682 | - | - | 367 | 1,536 | - | - | - | 441,585 | - | 441,585 |
| Prepaid expenses | <u>1,622</u> | <u>11,764</u> | <u>-</u> | <u>-</u> | <u>64,099</u> | <u>17,908</u> | <u>-</u> | <u>-</u> | <u>95,393</u> | <u>(56,000)</u> | <u>39,393</u> |
| Total Current Assets | 5,016,957 | 298,115 | 109,017 | 47,574 | 278,460 | 500,196 | - | - | 6,250,319 | (1,159,741) | 5,090,578 |
| Restricted cash: | | | | | | | | | | | |
| Tenant security deposits | - | 23,298 | 22,530 | 13,650 | 28,152 | 31,167 | - | - | 118,797 | - | 118,797 |
| Mortgage escrow | - | 11,786 | 195,978 | 9,679 | - | 18,105 | - | - | 235,548 | - | 235,548 |
| Operating reserves | - | 221,013 | 211,477 | 211,476 | 269,113 | 339,962 | - | - | 1,253,041 | - | 1,253,041 |
| Replacement reserves | - | 211,999 | 157,444 | 76,492 | 106,952 | 93,662 | - | - | 646,549 | - | 646,549 |
| Endowment fund designated by Board | <u>52,473</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>52,473</u> | <u>-</u> | <u>52,473</u> |
| Total restricted cash | \$ 52,473 | \$ 468,096 | \$ 587,429 | \$ 311,297 | \$ 404,217 | \$ 482,896 | \$ - | \$ - | \$ 2,306,408 | \$ - | \$ 2,306,408 |

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

COMBINING SCHEDULE OF FINANCIAL POSITION - CONTINUED

Year Ended December 31, 2021

| | Greater Albuquerque Housing Partnership | Plaza Feliz Limited Partnership | Plaza Ciudadana Limited Partnership | Cuatro Apartments Limited Partnership | Casa Feliz Limited Partnership | Sterling Apartments Limied Partnership | Luminaria Apartments Limited Partnership | Hiland Apartments Limited Partnership | Combined Totals | Eliminations | Consolidated |
|---|--|---------------------------------------|---|--|--------------------------------------|---|---|--|----------------------|------------------------|----------------------|
| Property, building, equipment, land and Construction in progress: | | | | | | | | | | | |
| Property, building and equipment, at cost | \$ 33,080 | \$ 10,987,994 | \$ 12,533,275 | \$ 12,180,087 | \$ 16,207,610 | \$ 13,669,184 | \$ - | \$ - | \$ 65,611,230 | \$ (2,960,277) | \$ 62,650,953 |
| Accumulated depreciation | <u>(27,401)</u> | <u>(3,285,873)</u> | <u>(2,912,001)</u> | <u>(1,775,983)</u> | <u>(3,601,575)</u> | <u>(1,981,902)</u> | - | - | <u>(13,584,735)</u> | - | <u>(13,584,735)</u> |
| Net property, building and equipment | 5,679 | 7,702,121 | 9,621,274 | 10,404,104 | 12,606,035 | 11,687,282 | - | - | 52,026,495 | (2,960,277) | 49,066,218 |
| Land | 3,046,017 | - | 91,187 | 638,875 | - | 1,043,028 | 136,826 | - | 4,955,933 | - | 4,955,933 |
| Construction in progress | <u>892,582</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>11,901,398</u> | <u>-</u> | <u>12,793,980</u> | <u>(600,000)</u> | <u>12,193,980</u> |
| Total property, building, equipment, land and Construction in progress | 3,944,278 | 7,702,121 | 9,712,461 | 11,042,979 | 12,606,035 | 12,730,310 | 12,038,224 | - | 69,776,408 | (3,560,277) | 66,216,131 |
| Other assets: | | | | | | | | | | | |
| Notes receivable - Homebuyers | 315,982 | - | - | - | - | - | - | - | 315,982 | - | 315,982 |
| Notes receivable - related parties | 16,194,757 | - | - | - | - | - | - | - | 16,194,757 | (16,194,757) | - |
| Investment in limited partnership | (1,120) | - | - | - | - | - | - | - | (1,120) | 1,120 | - |
| Tax credit fees, net | - | 25,727 | 47,029 | 50,927 | 61,560 | 16,711 | - | - | 201,954 | - | 201,954 |
| Organization costs, net | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other assets | <u>16,509,619</u> | <u>25,727</u> | <u>47,029</u> | <u>50,927</u> | <u>61,560</u> | <u>16,711</u> | <u>-</u> | <u>-</u> | <u>16,711,573</u> | <u>(16,193,637)</u> | <u>517,936</u> |
| Total assets | <u>\$ 25,523,327</u> | <u>\$ 8,494,059</u> | <u>\$ 10,455,936</u> | <u>\$ 11,452,777</u> | <u>\$ 13,350,272</u> | <u>\$ 13,730,113</u> | <u>\$ 12,038,224</u> | <u>\$ -</u> | <u>\$ 95,044,708</u> | <u>\$ (20,913,655)</u> | <u>\$ 74,131,053</u> |

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

COMBINING SCHEDULE OF FINANCIAL POSITION - CONTINUED

Year Ended December 31, 2021

| | Greater Albuquerque Housing Partnership | Plaza Feliz Limited Partnership | Plaza Ciudadana Limited Partnership | Cuatro Apartments Limited Partnership | Casa Feliz Limited Partnership | Sterling Apartments Limied Partnership | Luminaria Apartments Limited Partnership | Hiland Apartments Limited Partnership | Combined Totals | Eliminations | Consolidated |
|--|--|---------------------------------------|---|--|--------------------------------------|---|---|--|--------------------|-----------------|---------------|
| <u>LIABILITIES AND NET ASSETS</u> | | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | | |
| Accounts payable | \$ 33,312 | \$ 5,212 | \$ 9,944 | \$ 2,158 | \$ 4,287 | \$ 6,277 | \$ 1,060,478 | \$ - | \$ 1,121,668 | \$ - | \$ 1,121,668 |
| Accrued expenses | - | 13,136 | 9,337 | 9,689 | 2,247 | - | - | - | 34,409 | - | 34,409 |
| Accrued partnership fees | - | 27,987 | - | - | 48,895 | 77,272 | - | - | 154,154 | (147,696) | 6,458 |
| Prepaid rents | - | 16,016 | 10,487 | 5,724 | 20,090 | 31,248 | - | - | 83,565 | - | 83,565 |
| Deferred revenue | 117,600 | - | - | - | - | - | - | - | 117,600 | - | 117,600 |
| Tenant security deposits | - | 18,925 | 17,864 | 12,825 | 22,193 | 29,975 | - | - | 101,782 | - | 101,782 |
| Accrued payroll taxes | 19,902 | 1,469 | 1,648 | 1,471 | 1,996 | 2,514 | - | - | 29,000 | - | 29,000 |
| Accrued interest payable | - | 5,305 | 3,933 | 356 | 436,477 | 312,433 | 14,850 | - | 773,354 | (734,340) | 39,014 |
| Construction loan payable | - | - | - | - | - | - | 4,921,045 | - | 4,921,045 | - | 4,921,045 |
| Deferred lease expense | - | - | - | - | - | - | - | - | - | - | - |
| Long-term debt - short term portion | - | 11,261 | 20,076 | 26,801 | 63,502 | 50,413 | - | - | 172,053 | - | 172,053 |
| Total current liabilities | 170,814 | 99,311 | 73,289 | 59,024 | 599,687 | 510,132 | 5,996,373 | - | 7,508,630 | (882,036) | 6,626,594 |
| Other liabilities: | | | | | | | | | | | |
| Long-term debt, net of debt issuance costs | 18,470,805 | 3,733,289 | 1,404,591 | 2,531,606 | 3,603,485 | 7,967,417 | 2,923,311 | - | 40,634,504 | (16,194,757) | 24,439,747 |
| Deferred lease expense | 56,000 | - | - | - | - | - | - | - | 56,000 | (56,000) | - |
| Developer fee payable | - | - | - | 4,372 | - | 217,333 | - | - | 221,705 | (221,705) | - |
| Total Other liabilities | 18,526,805 | 3,733,289 | 1,404,591 | 2,535,978 | 3,603,485 | 8,184,750 | 2,923,311 | - | 40,912,209 | (16,472,462) | 24,439,747 |
| Total liabilities | \$ 18,697,619 | \$ 3,832,600 | \$ 1,477,880 | \$ 2,595,002 | \$ 4,203,172 | \$ 8,694,882 | \$ 8,919,684 | \$ - | \$ 48,420,839 | \$ (17,354,498) | \$ 31,066,341 |

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

COMBINING SCHEDULE OF FINANCIAL POSITION - CONTINUED

Year Ended December 31, 2021

| | Greater Albuquerque Housing Partnership | Plaza Feliz Limited Partnership | Plaza Ciudadana Limited Partnership | Cuatro Apartments Limited Partnership | Casa Feliz Limited Partnership | Sterling Apartments Limied Partnership | Luminaria Apartments Limited Partnership | Hiland Apartments Limited Partnership | Combined Totals | Eliminations | Consolidated |
|---------------------------------------|--|---------------------------------------|---|--|--------------------------------------|---|---|--|----------------------|------------------------|----------------------|
| Net assets: | | | | | | | | | | | |
| Net assets without donor restrictions | \$ 6,825,708 | \$ 4,661,459 | \$ 8,978,056 | \$ 8,857,775 | \$ 9,147,100 | \$ 5,035,231 | \$ 3,118,540 | \$ - | \$ 46,623,869 | \$ (3,559,157) | \$ 43,064,712 |
| Net assets with donor restrictions | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total net assets | <u>6,825,708</u> | <u>4,661,459</u> | <u>8,978,056</u> | <u>8,857,775</u> | <u>9,147,100</u> | <u>5,035,231</u> | <u>3,118,540</u> | <u>-</u> | <u>46,623,869</u> | <u>(3,559,157)</u> | <u>43,064,712</u> |
| Total liabilities and net assets | <u>\$ 25,523,327</u> | <u>\$ 8,494,059</u> | <u>\$ 10,455,936</u> | <u>\$ 11,452,777</u> | <u>\$ 13,350,272</u> | <u>\$ 13,730,113</u> | <u>\$ 12,038,224</u> | <u>\$ -</u> | <u>\$ 95,044,708</u> | <u>\$ (20,913,655)</u> | <u>\$ 74,131,053</u> |

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

COMBINING SCHEDULE OF ACTIVITIES

Year Ended December 31, 2021

| | Greater Albuquerque Housing Partnership | Plaza Feliz Limited Partnership | Plaza Ciudadana Limited Partnership | Cuatro Apartments Limited Partnership | Casa Feliz Limited Partnership | Sterling Apartments Limited Partnership | Luminaria Apartments Limited Partnership | Hiland Apartments Limited Partnership | Combined Totals | Eliminations | Consolidated |
|--|--|---------------------------------------|---|--|--------------------------------------|--|---|--|--------------------|------------------|----------------|
| CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS: | | | | | | | | | | | |
| Operating Revenues | | | | | | | | | | | |
| Rental income | \$ 4,200 | \$ 582,871 | \$ 580,968 | \$ 377,704 | \$ 669,491 | \$ 816,139 | \$ - | \$ - | \$ 3,031,373 | \$ (4,200) | \$ 3,027,173 |
| Tenant services income | - | 5,339 | 6,433 | 16,561 | 4,049 | 45,615 | - | - | 77,997 | - | 77,997 |
| Grants | 28,787 | - | - | - | - | - | - | - | 28,787 | - | 28,787 |
| Development fees | - | - | - | - | - | - | - | - | - | - | - |
| Interest income | 163,350 | 182 | 99 | 34 | 195 | 209 | - | - | 164,069 | (163,350) | 719 |
| Sustainable tax credits | 417,795 | - | - | - | - | - | - | - | 417,795 | - | 417,795 |
| Endowment fund | 8,223 | - | - | - | - | - | - | - | 8,223 | - | 8,223 |
| Other income | <u>199,231</u> | <u>12,682</u> | <u>16,774</u> | <u>-</u> | <u>13,756</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>242,443</u> | <u>(199,231)</u> | <u>43,212</u> |
| Total program revenue | 821,586 | 601,074 | 604,274 | 394,299 | 687,491 | 861,963 | - | - | 3,970,687 | (366,781) | 3,603,906 |
| Operating Expenses: | | | | | | | | | | | |
| Program | 689,659 | 799,160 | 788,684 | 630,719 | 1,520,749 | 1,262,319 | - | - | 5,691,290 | (350,751) | 5,340,539 |
| Supporting Service | <u>172,415</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>172,415</u> | <u>-</u> | <u>172,415</u> |
| Total operating Expenses | 862,074 | 799,160 | 788,684 | 630,719 | 1,520,749 | 1,262,319 | - | - | 5,863,705 | (350,751) | 5,512,954 |
| Change in net assets without donor restrictions | \$ (40,488) | \$ (198,086) | \$ (184,410) | \$ (236,420) | \$ (833,258) | \$ (400,356) | \$ - | \$ - | \$ (1,893,018) | \$ (16,030) | \$ (1,909,048) |

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

COMBINING SCHEDULE OF ACTIVITIES - CONTINUED

Year Ended December 31, 2021

| | Greater Albuquerque Housing Partnership | Plaza Feliz Limited Partnership | Plaza Ciudadana Limited Partnership | Cuatro Apartments Limited Partnership | Casa Feliz Limited Partnership | Sterling Apartments Limited Partnership | Luminaria Apartments Limited Partnership | Hiland Apartments Limited Partnership | Combined Totals | Eliminations | Consolidated |
|--|--|---------------------------------------|---|--|--------------------------------------|--|---|--|----------------------|-----------------------|----------------------|
| CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS: | | | | | | | | | | | |
| Beginning of year | \$ 6,866,196 | \$ 4,880,533 | \$ 9,162,466 | \$ 9,094,195 | \$ 9,980,358 | \$ 5,435,587 | \$ 1,559,320 | \$ - | \$ 46,978,655 | \$ (3,559,887) | \$ 43,418,768 |
| Capital contributions: | | | | | | | | | | | |
| Greater Albuquerque Housing Partnership | - | - | - | - | - | - | - | - | - | - | - |
| Other limited partners in controlled partnerships | - | - | - | - | - | - | 1,559,220 | - | 1,559,220 | - | 1,559,220 |
| Total capital contributions | - | - | - | - | - | - | 1,559,220 | - | 1,559,220 | - | 1,559,220 |
| Capital distributions: | | | | | | | | | | | |
| Greater Albuquerque Housing Partnership | - | 16,760 | - | - | - | - | - | - | 16,760 | (16,760) | - |
| Other limited partners in controlled partnerships | - | 4,228 | - | - | - | - | - | - | 4,228 | - | 4,228 |
| Total capital distributions | - | 20,988 | - | - | - | - | - | - | 20,988 | (16,760) | 4,228 |
| End of year | <u>\$ 6,825,708</u> | <u>\$ 4,661,459</u> | <u>\$ 8,978,056</u> | <u>\$ 8,857,775</u> | <u>\$ 9,147,100</u> | <u>\$ 5,035,231</u> | <u>\$ 3,118,540</u> | <u>\$ -</u> | <u>\$ 46,623,869</u> | <u>\$ (3,559,157)</u> | <u>\$ 43,064,712</u> |

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

FINANCIAL STATEMENT SUPPORTING SCHEDULES

Year Ended December 31, 2021

| | Greater Albuquerque Housing Partnership | Plaza Feliz Limited Partnership | Plaza Ciudadana Limited Partnership | Cuatro Apartments Limited Partnership | Casa Feliz Limited Partnership | Sterling Apartments Limited Partnership | Luminaria Apartments Limited Partnership | Combined Totals |
|---|--|------------------------------------|---|---|-----------------------------------|---|---|----------------------|
| Cash and Cash Equivalents | | | | | | | | |
| Operating accounts | \$ 3,471,912 | \$ 281,931 | \$ 97,283 | \$ 47,184 | \$ 204,533 | \$ 479,822 | \$ - | \$ 4,582,665 |
| Restricted cash | | | | | | | | |
| Tenant security deposits | - | 23,298 | 22,530 | 13,650 | 28,152 | 31,167 | - | 118,797 |
| Mortgage escrow | - | 11,786 | 195,978 | 9,679 | - | 18,105 | - | 235,548 |
| Operating reserves | - | 221,013 | 211,477 | 211,476 | 269,113 | 339,962 | - | 1,253,041 |
| Replacement reserves | - | 211,999 | 157,444 | 76,492 | 106,952 | 93,662 | - | 646,549 |
| | <u>\$ 3,471,912</u> | <u>\$ 750,027</u> | <u>\$ 684,712</u> | <u>\$ 358,481</u> | <u>\$ 608,750</u> | <u>\$ 962,718</u> | <u>\$ -</u> | <u>\$ 6,836,600</u> |
| Tax Credit Fees | | | | | | | | |
| Tax credit fee capitalized | \$ - | \$ 87,254 | \$ 94,250 | \$ 80,411 | \$ 87,250 | \$ 21,797 | \$ - | \$ 370,962 |
| Accumulated amortization | - | (61,527) | (47,221) | (29,484) | (25,690) | (5,086) | - | (169,008) |
| | <u>\$ -</u> | <u>\$ 25,727</u> | <u>\$ 47,029</u> | <u>\$ 50,927</u> | <u>\$ 61,560</u> | <u>\$ 16,711</u> | <u>\$ -</u> | <u>\$ 201,954</u> |
| Work in Progress, Project Investment | | | | | | | | |
| Development Cost, Thaxton | \$ 42,654 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 42,654 |
| Development Cost, Luminaria | - | - | - | - | - | - | 11,901,398 | 11,901,398 |
| Development Cost, Hiland | 821,158 | - | - | - | - | - | - | 821,158 |
| Development Cost, Cibola | 28,770 | - | - | - | - | - | - | 28,770 |
| | <u>\$ 892,582</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 11,901,398</u> | <u>\$ 12,793,980</u> |

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

CONSOLIDATED SCHEDULE OF PROPERTY AND EQUIPMENT

Year Ended December 31, 2021

| | Beginning of Year | Additions | Deletions | End of Year |
|---|----------------------|------------------|-----------|--------------------|
| GAHP | | | | |
| Furniture and Equipment | \$ 33,080 | \$ - | \$ - | \$ 33,080 |
| Land | <u>3,046,017</u> | <u>-</u> | <u>-</u> | <u>3,046,017</u> |
| Total land, property and equipment | 3,079,097 | - | - | 3,079,097 |
| Less: Accumulated Depreciation | <u>(24,636)</u> | <u>(2,765)</u> | <u>-</u> | <u>(27,401)</u> |
| Total land, property and equipment, net | 3,054,461 | (2,765) | - | 3,051,696 |
| Plaza Feliz Limited Partnership | | | | |
| Furniture and Equipment | 282,392 | 9,052 | - | 291,444 |
| Land Improvements | 752,428 | 4,153 | - | 756,581 |
| Buildings | <u>9,939,969</u> | <u>-</u> | <u>-</u> | <u>9,939,969</u> |
| Total land, property and equipment | 10,974,789 | 13,205 | - | 10,987,994 |
| Less: Accumulated Depreciation | <u>(2,984,911)</u> | <u>(300,962)</u> | <u>-</u> | <u>(3,285,873)</u> |
| Total land, property and equipment, net | 7,989,878 | (287,757) | - | 7,702,121 |
| Plaza Ciudadana Limited Partnership | | | | |
| Furniture and Equipment | 260,026 | 2,312 | - | 262,338 |
| Land | 91,187 | - | - | 91,187 |
| Land Improvements | 141,664 | - | - | 141,664 |
| Buildings | <u>12,129,273</u> | <u>-</u> | <u>-</u> | <u>12,129,273</u> |
| Total land, property and equipment | 12,622,150 | 2,312 | - | 12,624,462 |
| Less: Accumulated Depreciation | <u>(2,567,122)</u> | <u>(344,879)</u> | <u>-</u> | <u>(2,912,001)</u> |
| Total land, property and equipment, net | 10,055,028 | (342,567) | - | 9,712,461 |
| Cuatro Apartments Limited Partnership | | | | |
| Furniture and Equipment | 156,457 | - | - | 156,457 |
| Land and Land Improvements | 638,875 | 5,252 | - | 644,127 |
| Buildings | <u>12,018,378</u> | <u>-</u> | <u>-</u> | <u>12,018,378</u> |
| Total land, property and equipment | 12,813,710 | 5,252 | - | 12,818,962 |
| Less: Accumulated Depreciation | <u>(1,452,645)</u> | <u>(323,338)</u> | <u>-</u> | <u>(1,775,983)</u> |
| Total land, property and equipment, net | 11,361,065 | (318,086) | - | 11,042,979 |
| Casa Feliz Limited Partnership | | | | |
| Furniture and Equipment | 1,057,681 | 1,086 | - | 1,058,767 |
| Land Improvements | 2,299,861 | - | - | 2,299,861 |
| Buildings | <u>12,848,982</u> | <u>-</u> | <u>-</u> | <u>12,848,982</u> |
| Total land, property and equipment | 16,206,524 | 1,086 | - | 16,207,610 |
| Less: Accumulated Depreciation | <u>(2,770,812)</u> | <u>(830,763)</u> | <u>-</u> | <u>(3,601,575)</u> |
| Total land, property and equipment, net | \$ 13,435,712 | \$ (829,677) | \$ - | \$ 12,606,035 |

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
(A Not-for-profit Corporation)

CONSOLIDATED SCHEDULE OF PROPERTY AND EQUIPMENT - (CONTINUED)

Year Ended December 31, 2021

| | Beginning of Year | Additions | Deletions | End of Year |
|---|----------------------|-----------------------|-------------|----------------------|
| Sterling Apartments Limited Partnership | | | | |
| Furniture and Equipment | \$ 280,945 | \$ 2,403 | \$ - | \$ 283,348 |
| Land and Land Improvements | 1,822,956 | 7,455 | - | 1,830,411 |
| Buildings | <u>12,598,453</u> | <u>-</u> | <u>-</u> | <u>12,598,453</u> |
| Total land, property and equipment | 14,702,354 | 9,858 | - | 14,712,212 |
| Less: Accumulated Depreciation | <u>(1,415,592)</u> | <u>(566,310)</u> | <u>-</u> | <u>(1,981,902)</u> |
| Total land, property and equipment, net | 13,286,762 | (556,452) | - | 12,730,310 |
| Luminaria Apartments Limited Partnership | | | | |
| Furniture and Equipment | - | - | - | - |
| Land | - | 136,826 | - | 136,826 |
| Buildings | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total land, property and equipment | - | 136,826 | - | 136,826 |
| Less: Accumulated Depreciation | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total land, property and equipment, net | - | 136,826 | - | 136,826 |
| Hiland Apartments Limited Partnership | | | | |
| Furniture and Equipment | - | - | - | - |
| Buildings | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total land, property and equipment | - | - | - | - |
| Less: Accumulated Depreciation | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total land, property and equipment, net | - | - | - | - |
| Total Consolidated Organization | | | | |
| Total land, property and equipment | 70,398,624 | 168,539 | - | 70,567,163 |
| Elimination | (2,944,247) | (16,030) | - | (2,960,277) |
| Less: Accumulated Depreciation | <u>(11,215,718)</u> | <u>(2,369,017)</u> | <u>-</u> | <u>(13,584,735)</u> |
| Total land, property and equipment, net | <u>\$ 56,238,659</u> | <u>\$ (2,216,508)</u> | <u>\$ -</u> | <u>\$ 54,022,151</u> |