

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

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022



Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 3
CONSOLIDATED FINANCIAL STATEMENTS:	
Consolidated Statement of Financial Position.....	4 - 5
Consolidated Statement of Activities	6
Consolidated Statement of Functional Expenses	7
Consolidated Statement of Cash Flows	8 - 9
Notes to Consolidated Financial Statements	10 - 30
ADDITIONAL INFORMATION.....	31 - 40



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, 2022, 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, 2022, 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 would 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 31 to 40 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 19, 2023

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 6,346,992
Accounts receivable - tenants	42,680
Other receivables	434,133
Prepaid expenses	<u>44,029</u>
Total current assets	6,867,834

Restricted cash:

Tenant security deposits	142,701
Mortgage escrow	257,526
Operating reserves	1,577,107
Replacement reserves	775,072
Endowment fund designated by Board	<u>49,674</u>
Total restricted cash	2,802,080

Property, building, equipment, land, right of use asset and construction in progress:

Property, building and equipment, at cost	79,909,432
Accumulated depreciation	<u>(16,191,178)</u>
Net property, building and equipment	63,718,254
Land	4,930,687
Right of use asset - land lease	353,647
Construction in progress	<u>12,028,596</u>

Property, building, equipment, land and construction in progress: 81,031,184

Other assets:

Notes receivable - Homebuyers	315,982
Tax credit fees, net	<u>260,388</u>
Total other assets	<u>576,370</u>

Total assets \$ 91,277,468

Continued on page 5.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - (CONTINUED)

December 31, 2022

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 1,462,841
Accrued expenses	34,549
Accrued partnership fees	6,652
Prepaid rents	292,347
Deferred revenue	117,600
Tenant security deposits	125,086
Accrued payroll taxes	33,251
Accrued interest payable	59,132
Long-term debt - short term portion	<u>179,514</u>
Total current liabilities	2,310,972

Non-current liabilities:

Lease liability	359,966
Construction loan payable	5,314,921
Long-term debt, net of debt issuance costs	<u>31,526,702</u>
Total non-current liabilities	<u>37,201,589</u>

Total liabilities 39,512,561

Net assets:

Net assets without donor restrictions	<u>51,764,907</u>
Total net assets	<u>51,764,907</u>

Total liabilities and net assets \$ 91,277,468

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, 2022

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

Operating Revenues:

Rental income	\$ 3,621,950
Tenant services income	95,840
Grants	149,969
Development fees	1,500,000
Interest income	1,423
Sustainable tax credits	238,273
Other income	<u>345,034</u>
Total program revenue	<u>5,952,489</u>

Operating Expenses:

Program	6,302,492
Supporting Service	<u>238,643</u>
Total program expenses	<u>6,541,135</u>

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

(588,646)

Beginning of year	43,039,466
Capital contributions:	
Other limited partners in controlled partnerships	<u>9,320,556</u>
Total capital contributions	9,320,556
Capital distributions:	
Other limited partners in controlled partnerships	<u>(6,469)</u>
Total capital distributions	<u>(6,469)</u>
End of year	<u>\$ 51,764,907</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, 2022

	Program Services										Supporting Services		Total Expenses
	Plaza Feliz Apartments	Plaza Ciudadana	Cuatro Apartments	Casa Feliz Apartments	Sterling Apartments	Luminaria Apartments	Hiland Apartments	Affordable Housing Program	Total Program	Management and General	Eliminations		
Salaries	\$ 82,805	\$ 79,917	\$ 73,032	\$ 105,801	\$ 131,585	\$ 70,010	\$ -	\$ 475,711	\$ 1,018,861	\$ 118,928	\$ -	\$ 1,137,789	
Payroll taxes	8,990	8,318	7,776	12,259	12,820	7,906	-	42,233	100,302	10,558	-	110,860	
Employee benefits	4,962	16,807	4,241	4,129	-	5,786	-	183,107	219,032	45,777	-	264,809	
	<u>96,757</u>	<u>105,042</u>	<u>85,049</u>	<u>122,189</u>	<u>144,405</u>	<u>83,702</u>	<u>-</u>	<u>701,051</u>	<u>1,338,195</u>	<u>175,263</u>	<u>-</u>	<u>1,513,458</u>	
Administration expense, other	7,237	6,143	7,803	12,996	15,807	28,260	-	49,974	128,220	12,494	-	140,714	
Advertising, marketing	1,151	1,897	2,166	1,863	1,882	7,181	-	16,140	16,140	-	-	16,140	
Accounting and legal	13,079	16,040	12,605	28,034	16,374	15,515	-	29,445	131,092	7,361	-	138,453	
Bad Debt (recovery)	3,655	376	156	1,039	1,983	(150)	-	-	7,059	-	-	7,059	
Contractual Services	36,449	36,386	28,240	53,444	67,423	54,624	-	1,838	278,404	459	-	278,863	
Interest, fees	64,555	49,064	3,839	121,460	241,012	346,524	-	-	826,454	-	(588,582)	237,872	
Insurance	32,518	22,725	30,602	36,192	38,415	712	-	13,005	174,169	3,251	-	177,420	
Miscellaneous	310	320	2,412	418	2,824	1,964	-	96,569	104,817	24,142	-	128,959	
Operating, maintenance expense	156,775	80,042	47,359	148,155	68,467	48,193	-	26,987	548,991	-	-	548,991	
Project expenses-other	166	243	226	589	359	563	-	26,987	29,133	6,747	-	35,880	
Social services expenses	20,000	20,000	8,300	21,500	-	11,502	-	7,178	88,480	1,795	(81,302)	8,973	
Supplies	2,140	1,010	1,263	2,184	1,209	1,792	-	11,659	21,257	2,915	-	24,172	
Partnership fees	78,836	7,480	5,500	34,778	32,946	15,000	-	-	174,540	-	(140,984)	33,556	
Taxes, real estate and other	30,648	31,589	23,150	43,668	3,910	2,248	-	608	135,821	152	-	135,973	
Telecommunications	6,626	10,451	6,434	15,663	8,512	5,158	-	9,167	62,011	2,292	-	64,303	
Travel	-	-	15	-	-	-	-	4,508	4,523	1,127	-	5,650	
Utilities	<u>56,810</u>	<u>100,034</u>	<u>47,293</u>	<u>106,448</u>	<u>57,327</u>	<u>40,252</u>	<u>-</u>	<u>-</u>	<u>408,164</u>	<u>92</u>	<u>-</u>	<u>408,256</u>	
Total before amortization and depreciation	607,712	488,842	312,412	750,620	702,855	663,040	-	951,989	4,477,470	238,090	(810,868)	3,904,692	
Amortization and depreciation	<u>306,115</u>	<u>356,890</u>	<u>329,439</u>	<u>771,691</u>	<u>568,499</u>	<u>305,144</u>	<u>5,000</u>	<u>2,212</u>	<u>2,644,990</u>	<u>553</u>	<u>(9,100)</u>	<u>2,636,443</u>	
	<u>\$ 913,827</u>	<u>\$ 845,732</u>	<u>\$ 641,851</u>	<u>\$ 1,522,311</u>	<u>\$ 1,271,354</u>	<u>\$ 968,184</u>	<u>\$ 5,000</u>	<u>\$ 954,201</u>	<u>\$ 7,122,460</u>	<u>\$ 238,643</u>	<u>\$ (819,968)</u>	<u>\$ 6,541,135</u>	

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, 2022

Cash flows from operating activities:	
Change in net assets	\$ (588,646)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	2,627,443
Amortization, deferred financing fees	13,788
Amortization of prepaid land lease	9,000
Changes in certain assets and liabilities:	
Accounts receivable - tenants	(15,745)
Other receivables	7,452
Prepaid expenses	(4,636)
Prepaid operating lease	95,000
Accounts payable	(1,081,306)
Accrued expenses	140
Accrued partnership fees	194
Prepaid rents	208,782
Tenant security deposits liability	23,304
Accrued payroll taxes	4,251
Accrued interest payable	<u>20,118</u>
Net cash provided by operating activities	1,319,139
Cash flows from investing activities:	
Payments for property, building, equipment, land and right of use assets	(4,826,599)
Payments for construction in progress	<u>(10,970,321)</u>
Net cash used by investing activities	(15,796,920)
Cash flows from financing activities:	
Payments on construction loan	(1,121,045)
Proceeds from construction loan	5,314,921
Proceeds from long-term debt	3,552,957
Payments of long-term debt	(323,140)
Capital contributions	9,320,556
Capital distributions	<u>(6,469)</u>
Net cash provided by financing activities	<u>16,737,780</u>
Net increase in cash, cash equivalents and restricted cash	2,259,999
Cash, cash equivalents and restricted cash - beginning of year	<u>6,889,073</u>
Cash, cash equivalents and restricted cash - end of year	<u>\$ 9,149,072</u>

Continued on page 9.

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

CONSOLIDATED STATEMENT OF CASH FLOWS - (CONTINUED)

Year Ended December 31, 2022

Supplemental disclosure of cash flow information:

Cash paid for interest	\$	143,514
------------------------	----	---------

Supplemental disclosure of non-cash investing and financing activities:

Increase in property, building, equipment and land reclassified from construction in progress	\$	11,930,168
---	----	------------

Increase in construction in progress financed by accounts payable	\$	1,413,727
accrued interest	\$	171,911

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 seven (7) for-profit housing development affiliates (the "Controlled Affiliates"). The Controlled Affiliates consist of the seven 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"), Luminaria Apartments Limited Partnership ("Luminaria Apartments LLLP") and Hiland Plaza Apartments Limited Partnership ("Hiland Plaza 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 seven 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 currently composed of seven 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 .01% 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 .01% 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 2019 to develop, own and operate a multi-family apartment complex for seniors, including 91 low-income units and 1 non-revenue manager unit. GAHP is the general partner, with a 0.01 percent interest in the Luminaria Apartments Limited Partnership. The Project was completed in April 2022 and placed into service as of December 31, 2022.

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

NOTES TO FINANCIAL STATEMENTS

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

Hiland Plaza Apartments Limited Partnership

Hiland Plaza Apartments Limited Partnership is a for-profit partnership, which was organized in 2020 to acquire, develop, construct, own, maintain and operate the Hiland Plaza Apartments, a multifamily apartment complex for the deaf community including 91 units and 1 manager non-revenue unit. GAHP is the general partner, with a 0.01 percent interest in Hiland Plaza Apartments Limited Partnership.

The project was under construction at year-end, and no rental activities, operating income or expenses had yet occurred. The project completed and was placed in service in August 2023.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of GAHP and seven 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.

Lease Agreement and Change in Accounting Principle

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, Leases, and ASU 2018-10, Codification Improvements to Topic 842, Leases, which are intended to improve reporting and comparability among organization by recognizing right of use assets and lease liabilities on the Financial Position. The Organization has adopted this new pronouncement effective January 1, 2022. The adoption of ASC 842 increased both Assets and Liabilities on the Financial Position by \$359,966 for the year ended December 31, 2022. The discount used to calculate the present value of future lease payments is the same as mortgage payable, 6 percent per annum, see Note 15.

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

NOTES TO FINANCIAL STATEMENTS

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

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, 2022. 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.

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, 2022, 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, 2022
Cash and cash equivalents (operations)	\$ 6,346,992
Tenant security deposits	142,701
Mortgage escrow deposits	257,526
Operating reserves	1,577,107
Replacement reserve	775,072
Endowment fund designated by Board	<u>49,674</u>
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	\$ <u><u>9,149,072</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, 2022.

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, 2022.

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, 2022.

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 61% 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, the Controlled Affiliates, in which GAHP owns minority interests. Accounts receivable are reported at the amount management expects to collect on balances outstanding at December 31, 2022. 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, Luminaria Apartments LLLP and Hiland Plaza 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 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 Plaza Feliz LLLP, Plaza Ciudadana LLLP, Cuatro Apartments LLLP, Luminaria Apartments LLLP and Hiland Plaza 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, 2022 through September 19, 2023, 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 and Note 14.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RESTRICTED CASH

Plaza Feliz, Sterling Apartments, Casa Feliz, Cuatro Apartments, Plaza Ciudadana and Luminaria Apartments are required to fund certain reserve accounts in accordance with underlying regulatory and loan agreements. As of December 31, 2022, the restricted cash accounts consisted of:

	<u>Operating reserves</u>	<u>Replacement reserves</u>	<u>Mortgage Escrows</u>	<u>Tenant trust Security deposits</u>
Plaza Feliz	\$ 221,152	\$ 232,324	\$ 13,974	\$ 23,310
Sterling Apartments	340,176	126,352	17,763	32,183
Casa Feliz	269,310	136,949	-	28,166
Cuatro Apartments	211,476	91,896	29,688	13,650
Plaza Ciudadana	211,477	179,884	196,101	22,530
Luminaria Apartments	<u>323,516</u>	<u>7,667</u>	<u>-</u>	<u>22,862</u>
Total	<u>\$ 1,577,107</u>	<u>\$ 775,072</u>	<u>\$ 257,526</u>	<u>\$ 142,701</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, 2022, the fair value of the endowment fund was \$49,674.

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, 2022:

	GAHP	Controlled Affiliates	Total
Land	\$ 3,046,017	\$ 1,884,670	\$ 4,930,687
Land Improvements	-	4,374,683	4,374,683
Buildings	-	72,698,943	72,698,943
Furniture and Equipment	33,080	2,802,726	2,835,806
	3,079,097	81,761,022	84,840,119
Less: Accumulated Depreciation	30,166	16,161,012	16,191,178
Right of use asset - land lease	-	353,647	353,647
Construction in Progress	121,653	11,906,943	12,028,596
Total PP&E, net	\$ 3,170,584	\$ 77,860,600	\$ 81,031,184

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

Hiland Plaza Apartments 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 91 low-income housing units and a non-revenue manager's unit. On April 1, 2022, GAHP withdrew as Limited Partner from the Partnership and a new Limited Partner was admitted. As of December 31, 2022, the construction cost incurred totaled \$12,506,943. The project completed and was placed-in-service in August 2023.

Farolito project

GAHP is planning to develop a Low-Income Housing Tax Credit property, Farolito. The proposed development is to build an 82-unit low-income rental development consisting of 1-bedroom and 2-bedroom units designed with features for seniors 55+ to age in place and targets deep affordability for a 35-year affordability period. As of December 31, 2022, GAHP has paid pre-development costs of \$78,999.

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

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 of such assets or liabilities.

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

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 years 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, 2022, 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, 2022, 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 years, along with an Extended Affordability Period of an additional 90 years 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, 2022, 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 years 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, 2022, 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 \$1,300,000 to 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 years from the completion of the construction of the project ("Affordability Period"), with a renewable Affordability Period of an additional 90 years 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, 2022, the principal balance totaled \$1,300,000.

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

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 commence upon the award of Low Income Housing Tax Credits by the Mortgage Finance Authority and be continued for 20 years 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, 2022, 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 and further agreed to provide additional funding of \$380,000 to GAHP. All services and obligations defined in the Development Agreement shall commence upon the award of Low Income Housing Tax Credits by the Mortgage Finance Authority and continue for 20 years 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, 2022, 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 years after the completion of the project, with a renewable Affordability Period of an additional 90 years 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, 2022, 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-years 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, 2022, the principal balance totaled \$3,248,110.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - LONG-TERM DEBT - (CONTINUED)

In December 2020, GAHP entered into a Development Agreement with the City. The City provided a loan in an amount not to exceed \$3,586,843 to GAHP to assist in financing Hiland Plaza Apartments project. All services and obligations defined in the Development Agreement shall commence upon the award of Low Income Housing Tax Credits by the Mortgage Finance Authority and continue for 20 years from the completion of the construction of the Project. The loan shall bear no interest and is secured by the Hiland Plaza project real estate. The loan shall be discharged at the end of the Affordability Period. As of December 31, 2022, the principal balance totaled \$3,228,158.

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, 2022, the note payable totaled \$1,013,759 excluding the net debt issuance cost of \$38,050, and the accrued interest on the loan totaled \$5,246. During 2022, interest charged and paid on the note totaled \$63,280.

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, 2022, the note payable totaled \$618,032 excluding the net debt issuance cost of \$73,826, and the accrued interest on the loan totaled \$3,337. During 2022, interest charged and paid on the note totaled \$39,670.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - MORTGAGE NOTES PAYABLE - (CONTINUED)

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, the 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 on the 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, 2022, the note payable totaled \$204,054, and the accrued interest on the loan totaled \$510. During 2022, interest charged and paid on the note totaled \$6,210.

Sterling Apartments LP

CitiBank, N.A. Loan

On April 7, 2017, the Partnership entered into a Construction Funding Agreement with CitiBank, N.A. Pursuant to the Construction Funding Agreement, 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, 2022, the permanent note payable totaled \$2,971,158 excluding the net debt issuance cost of \$99,049. The accrued interest on the loan totaled \$102,111. During 2022, interest charged and paid on the note totaled \$145,135.

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, 2022, the note payable totaled \$462,053, and the accrued interest on the loan totaled \$1,158. During 2022, interest charged and paid on the note totaled \$14,045.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - MORTGAGE NOTES PAYABLE - (CONTINUED)

Cuatro Apartments LP

New Mexico Mortgage Finance Authority Note

The Partnership has entered into a mortgage note with New Mexico Mortgage Finance Authority. 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, 2022, the note payable totaled \$115,606, and the accrued interest on the loan totaled \$289. During 2022, interest charged and paid on the note totaled \$3,839.

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, 2022, the note payable totaled \$456,376 excluding the net debt issuance cost of \$11,169. The accrued interest on the loan totaled \$1,966. During 2022, interest charged and paid on the note totaled \$24,591.

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 an 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, 2022, the note payable totaled \$360,142. The accrued interest on the loan totaled \$901. During 2022, interest charged and paid on the note totaled \$11,222.

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

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 BOKE, 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 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. During 2022, loan under Tranche B was paid off. As of December 31, 2022, the loan payable totaled \$3,800,000 excluding the net debt issuance cost of \$96,632. The accrued interest payable on the loan totaled \$13,933. During 2022, interest capitalized totaled \$147,941 and interest expense totaled \$201,604.

Hiland Plaza LP

PNC Bank Loan

In April 2022, the Partnership entered into a Loan Agreement with PNC Bank in order to defray certain costs of constructing and equipping the Improvements and certain costs of the financing. The Loan Agreement provides for a loan up to \$13,550,000. In accordance with the Loan Agreement, the Lender has agreed to lock the interest rate on the Term Loan pursuant to the Rate Lock Agreement. According to the Rate Lock Agreement, the term note rate is 4.943% per annum and rate lock expiration date is October 25, 2024. GAHP is the guarantor of the loan. As of December 31, 2022, the loan payable totaled \$5,314,921. During 2022, interest capitalized totaled \$102,111, and the accrued interest payable on the loan totaled \$20,784.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - MORTGAGE NOTES PAYABLE - (CONTINUED)

The outstanding mortgage notes consisted of the following as of December 31, 2022:

New Mexico Mortgage Finance Authority	\$ 2,155,614
U.S. Bank National Association	618,032
CitiBank, N.A	2,971,158
PNC Bank (construction loan)	5,314,921
BOKF, N.A dba Bank of Albuquerque	<u>4,256,376</u>
	15,316,101
Less: net of debt Issuance	<u>(318,726)</u>
Total Mortgage notes payable	14,997,375
City of Albuquerque long-term debt (Note 8)	<u>22,023,762</u>
Total long term debt	<u>\$ 37,021,137</u>

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

<u>Year</u>	<u>Amount</u>
2023	\$ 179,514
2024	5,502,308
2025	195,623
2026	204,270
2027	182,189
2028 - and later years	<u>31,075,959</u>
	<u>\$ 37,339,863</u>

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

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, 2022, 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 \$6,652 as of December 31, 2022.

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 \$6,652 and \$7,480 respectively, as of December 31, 2022.

Luminaria Apartments LLLP and Plaza Ciudadana Apartments LLLP are liable to Raymond James Tax Credit Funds, Inc., a Limited Partner, the Asset Management Fee in the amount of \$2,500. as of December 31, 2022.

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.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 13 - COMMITMENTS AND CONTINGENCIES - (CONTINUED)

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.

NOTE 14 - OPERATING LEASES AND SUBSEQUENT EVENT

GAHP has executed operating leases for the rental of an office facility and equipment. Current year rental expense was approximately \$21,841. The lease was originally ended in 2023. On January 20, 2023 GAHP extended the lease period to 2026. Future minimum rental obligation under these leases is \$19,530, \$20,160 and \$20,790 for 2023, 2024 and 2025, respectively.

NOTE 15 - LAND LEASE

On January 9, 2020, Luminaria Apartments LLLP (Lessee) entered into a land lease agreement (the "Business Lease") with State of New Mexico Commissioner of Public Land (Lessor) to lease the land on which the Project is developed. The Lease Agreement is for 40 years and the Partnership may renew the lease for up to four additional consecutive periods of five years each. Luminaria Apartments LLLP paid \$107,026 to New Mexico State Land Office in cost related to the development of the land, which will be credited over a 15 year period starting from year 3. In February 2020 and November 2020, Luminaria Apartments LLLP entered into the First Amendment and the Second Amendment to the Business Lease with the Lessor. Per the Second Amendment, the Lessee desires to exercise the option to extend the term of the Lease for four additional consecutive five year periods and the Lessor and Lessee have agreed on a fair market value rent for such extended term. The development cost shall be amortized in equal monthly installments over 40 years and shall be presented part of land lease expense. The rent shall be paid as follows:

Years 1 and 2	No less than \$5,000 (the Lessor billed \$14,900 for each of the years)
Years 3 through 5	No less than \$25,000 per year less 1/15 of the Development Credit*.
Years 6 through 8	No less than \$25,625 per year less 1/15 of the Development Credit*.
Years 9 through 11	No less than \$26,266 per year less 1/15 of the Development Credit*.
Years 12 through 14	No less than \$26,923 per year less 1/15 of the Development Credit*.
Years 15 through 17	No less than \$27,596 per year less 1/15 of the Development Credit*.
Years 18 through 38	Rent shall increase by 2.5% every 3 years.
Years 39 through 40	Rent shall increase by 2.5%.
Years 39 through 40	Rent shall increase by 2.5%.

* Development Credit is the value of removal of existing development to the land and reimbursement of demolition costs incurred by the Luminaria Apartments LLLP. The Development Credit shall be set by the Lessor's reasonable discretion consistent with State Land Office Rules and Regulations.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 15 - LAND LEASE - (CONTINUED)

The Second Amendment to the Business Lease further states that within 60 days of the end of Year 39, Lessor, at Lessee's expense, shall cause an appraisal of the Land to be performed by a New Mexico appraiser holding a General State Certification to be approved by the Lessor. The new Rent Level for Year 41 through 43 shall be the lesser of: (i) the rental value of the Land as determined by the Appraisal or (ii) \$34,463 ("Year 41 through 43 Rent") and the Rent for the remaining term of the Lease shall be as follows:

Years 41 through 43	Year 41 through 43 Rent
Years 44 through 46	1.025 x Year 41 through 43 Rent
Years 47 through 49	1.025 x Year 41 through 43 Rent
Years 50 through 52	1.025 x Year 41 through 43 Rent
Years 53 through 55	1.025 x Year 41 through 43 Rent
Years 56 through 58	1.025 x Year 41 through 43 Rent
Years 59 through 60	1.025 x Year 41 through 43 Rent

Based on the terms of the lease agreement and the determination that the right of use asset of \$465,227 exceeds the fair value of the land, the lease is classified as a financing lease. The right of use asset is land which is not depreciated as it has infinite useful life. As of December 31, 2022, financing lease liability totaled \$359,966. During 2022, the Partnership recognized interest expense associated with the financing lease in the amount of \$21,219.

NOTE 16 - 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 15% of employee compensation to the plan, regardless of employee contributions. During 2022, \$112,053 in employer contributions were made.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 17 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2022, 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, <u>2022</u>
Cash and cash equivalents	\$ 6,346,992
Accounts and other receivables	<u>476,813</u>
	<u>\$ 6,823,805</u>

ADDITIONAL INFORMATION

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

COMBINING SCHEDULE OF FINANCIAL POSITION

Year Ended December 31, 2022

	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
ASSETS											
Current assets:											
Cash and cash equivalents	\$ 4,719,997	\$ 207,213	\$ 54,607	\$ 77,038	\$ 214,727	\$ 535,621	\$ 268,862	\$ 268,927	\$ 6,346,992	\$ -	\$ 6,346,992
Accounts receivable - tenants	-	17,016	9,681	105	8,783	5,342	1,753	-	42,680	-	42,680
Accounts receivable - related parties	2,715,129	-	-	-	-	-	-	-	2,715,129	(2,715,129)	-
Other receivables	432,919	-	-	-	1,214	-	-	-	434,133	-	434,133
Prepaid expenses	-	14,158	-	-	9,364	20,507	-	-	44,029	-	44,029
Total Current Assets	7,868,045	238,387	64,288	77,143	234,088	561,470	270,615	268,927	9,582,963	(2,715,129)	6,867,834
Restricted cash:											
Tenant security deposits	-	23,310	22,530	13,650	28,166	32,183	22,862	-	142,701	-	142,701
Mortgage escrow	-	13,974	196,101	29,688	-	17,763	-	-	257,526	-	257,526
Operating reserves	-	221,152	211,477	211,476	269,310	340,176	323,516	-	1,577,107	-	1,577,107
Replacement reserves	-	232,324	179,884	91,896	136,949	126,352	7,667	-	775,072	-	775,072
Endowment fund designated by Board	49,674	-	-	-	-	-	-	-	49,674	-	49,674
Total restricted cash	49,674	490,760	609,992	346,710	434,425	516,474	354,045	-	2,802,080	-	2,802,080

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

COMBINING SCHEDULE OF FINANCIAL POSITION - CONTINUED

Year Ended December 31, 2022

	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		
Property, building, equipment, land and Construction in progress:	\$ 33,080	\$ 10,987,994	\$ 12,598,920	\$ 12,192,244	\$ 16,207,610	\$ 13,679,035	\$ 17,171,077	\$ -	\$ 82,869,960	\$ (2,960,528)	\$ 79,909,432		
Accumulated depreciation	(30,166)	(3,586,835)	(3,250,510)	(2,100,061)	(4,363,448)	(2,548,949)	(301,209)	-	(16,191,178)	-	(16,191,178)		
Net property, building and equipment	2,914	7,401,159	9,338,410	10,092,183	11,844,162	11,130,086	16,869,868	-	66,678,782	(2,960,528)	63,718,254		
Land	3,046,017	-	91,187	638,875	-	1,043,028	111,580	-	4,930,687	-	4,930,687		
Right of use asset - land lease	-	-	-	-	52,000	-	353,647	95,000	500,647	(147,000)	353,647		
Construction in progress	121,653	-	-	-	-	-	-	12,506,943	12,628,596	(600,000)	12,028,596		
Total property, building, equipment, land and Construction in progress	3,170,584	7,401,159	9,429,597	10,731,058	11,896,162	12,173,114	17,335,095	12,601,943	84,738,712	(3,707,528)	81,031,184		
Other assets:													
Notes receivable - Homebuyers	315,982	-	-	-	-	-	-	-	315,982	-	315,982		
Notes receivable - related parties	19,595,776	-	-	-	-	-	-	-	19,595,776	(19,595,776)	-		
Investment in limited partnership	(20,405)	-	-	-	-	-	-	-	(20,405)	20,405	-		
Tax credit fees, net	-	20,574	38,647	45,566	55,743	15,257	84,601	-	260,388	-	260,388		
Organization costs, net	-	-	-	-	-	-	-	-	-	-	-		
Total other assets	19,891,353	20,574	38,647	45,566	55,743	15,257	84,601	-	20,151,741	(19,575,371)	576,370		
Total assets	\$ 30,979,656	\$ 8,150,880	\$ 10,142,524	\$ 11,200,477	\$ 12,620,418	\$ 13,266,315	\$ 18,044,356	\$ 12,870,870	\$ 117,275,496	\$ (25,998,028)	\$ 91,277,468		

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

COMBINING SCHEDULE OF FINANCIAL POSITION - CONTINUED

Year Ended December 31, 2022

	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
LIABILITIES AND NET ASSETS											
Current liabilities:											
Accounts payable	\$ 18,105	\$ 13,396	\$ 2,389	\$ 1,859	\$ 5,811	\$ 3,768	\$ 3,786	\$ 1,413,727	\$ 1,462,841	\$ -	\$ 1,462,841
Accrued expenses	-	13,048	8,450	5,500	304	4,123	3,124	-	34,549	-	34,549
Accrued partnership fees	-	28,827	-	-	58,072	104,591	12,500	250	204,240	(197,588)	6,652
Prepaid rents	-	26,883	35,084	70,970	57,682	81,996	19,732	-	292,347	-	292,347
Deferred revenue	117,600	-	-	-	-	-	-	-	117,600	-	117,600
Tenant security deposits	-	17,050	19,790	12,600	23,495	29,400	22,751	-	125,086	-	125,086
Accrued payroll taxes	19,898	1,967	1,694	1,688	3,575	2,061	2,368	-	33,251	-	33,251
Accrued interest payable	-	5,246	3,847	289	520,940	391,077	334,724	122,895	1,379,018	(1,319,886)	59,132
Deferred lease expense	9,000	-	-	-	-	-	-	-	9,000	(9,000)	-
Long-term debt - short term portion	-	11,980	21,113	27,616	66,106	52,699	-	-	179,514	-	179,514
Total current liabilities	164,603	118,397	92,367	120,522	735,985	669,715	398,985	1,536,872	3,837,446	(1,526,474)	2,310,972
Other liabilities:											
Advance from GP	-	-	-	-	-	-	-	268,853	268,853	(268,853)	-
Construction loan payable	-	-	-	-	-	-	-	5,314,921	5,314,921	-	5,314,921
Long-term debt, net of debt issuance costs	22,023,762	3,697,205	1,302,256	2,462,373	3,539,243	7,918,003	6,951,478	3,228,158	51,122,478	(19,595,776)	31,526,702
Deferred lease expense	138,000	-	-	-	-	-	359,966	-	497,966	(138,000)	359,966
Developer fee payable	-	-	-	-	-	39,333	506,700	382,770	928,803	(928,803)	-
Total Other liabilities	22,161,762	3,697,205	1,302,256	2,462,373	3,539,243	7,957,336	7,818,144	9,194,702	58,133,021	(20,931,432)	37,201,589
Total liabilities	\$ 22,326,365	\$ 3,815,602	\$ 1,394,623	\$ 2,582,895	\$ 4,275,228	\$ 8,627,051	\$ 8,217,129	\$ 10,731,574	\$ 61,970,467	\$ (22,457,906)	\$ 39,512,561

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

COMBINING SCHEDULE OF FINANCIAL POSITION - CONTINUED

Year Ended December 31, 2022

	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
Net assets without donor restrictions	\$ 8,653,291	\$ 4,335,278	\$ 8,747,901	\$ 8,617,582	\$ 8,345,190	\$ 4,639,264	\$ 9,827,227	\$ 2,139,296	\$ 55,305,029	\$ (3,540,122)	\$ 51,764,907
Net assets with donor restrictions	<u>8,653,291</u>	<u>4,335,278</u>	<u>8,747,901</u>	<u>8,617,582</u>	<u>8,345,190</u>	<u>4,639,264</u>	<u>9,827,227</u>	<u>2,139,296</u>	<u>55,305,029</u>	<u>(3,540,122)</u>	<u>51,764,907</u>
Total net assets	<u>\$ 30,979,656</u>	<u>\$ 8,150,880</u>	<u>\$ 10,142,524</u>	<u>\$ 11,200,477</u>	<u>\$ 12,620,418</u>	<u>\$ 13,266,315</u>	<u>\$ 18,044,356</u>	<u>\$ 12,870,870</u>	<u>\$ 117,275,496</u>	<u>\$ (25,998,028)</u>	<u>\$ 91,277,468</u>

Net assets:

Net assets without donor restrictions

Net assets with donor restrictions

Total net assets

Total liabilities and net assets

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

COMBINING SCHEDULE OF ACTIVITIES

Year Ended December 31, 2022

	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 Plaza Apartments Limited Partnership	Combined Totals	Eliminations	Consolidated
CHANGE IN NET ASSETS WITHOUT DONOR											
RESTRICTIONS:											
Operating Revenues											
Rental income	\$ 9,100	\$ 586,631	\$ 595,858	\$ 388,944	\$ 696,207	\$ 838,380	\$ 515,930	\$ -	\$ 3,631,050	\$ (9,100)	\$ 3,621,950
Tenant services income	-	10,563	12,968	12,697	13,081	36,740	9,791	-	95,840	-	95,840
Grants	149,969	-	-	-	-	-	-	-	149,969	-	149,969
Development fees	1,500,000	-	-	-	-	-	-	-	1,500,000	-	1,500,000
Interest income	588,582	676	123	17	304	267	36	-	590,005	(588,582)	1,423
Sustainable tax credits	238,273	-	-	-	-	-	-	-	238,273	-	238,273
Other income	534,503	15,630	6,628	-	10,809	-	-	-	567,570	(222,536)	345,034
Total program revenue	3,020,427	613,500	615,577	401,658	720,401	875,387	525,757	-	6,772,707	(820,218)	5,952,489
Operating Expenses:											
Program	954,201	913,827	845,732	641,851	1,522,311	1,271,354	968,184	5,000	7,122,460	(819,968)	6,302,492
Supporting Service	238,643	-	-	-	-	-	-	-	238,643	-	238,643
Total operating Expenses	1,192,844	913,827	845,732	641,851	1,522,311	1,271,354	968,184	5,000	7,361,103	(819,968)	6,541,135
Change in net assets without donor restrictions	\$ 1,827,583	\$ (300,327)	\$ (230,155)	\$ (240,193)	\$ (801,910)	\$ (395,967)	\$ (442,427)	\$ (5,000)	\$ (588,396)	\$ (250)	\$ (588,646)

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

COMBINING SCHEDULE OF ACTIVITIES - CONTINUED

Year Ended December 31, 2022

		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 Plaza Apartments Limited Partnership	Combined Totals	Eliminations	Consolidated
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:												
Beginning of year	\$	6,825,708	\$ 4,661,459	\$ 8,978,056	\$ 8,857,775	\$ 9,147,100	\$ 5,035,231	\$ 3,093,294	\$ -	\$ 46,598,623	\$ (3,559,157)	\$ 43,039,466
Capital contributions:												
Greater Albuquerque Housing Partnership		-	-	-	-	-	-	-	100	100	(100)	-
Other limited partners in controlled partnerships		-	-	-	-	-	-	7,176,360	2,144,196	9,320,556	-	9,320,556
Total capital contributions		-	-	-	-	-	-	7,176,360	2,144,296	9,320,656	(100)	9,320,556
Capital distributions:												
Greater Albuquerque Housing Partnership		-	19,385	-	-	-	-	-	-	19,385	(19,385)	-
Other limited partners in controlled partnerships		-	6,469	-	-	-	-	-	-	6,469	-	6,469
Total capital distributions		-	25,854	-	-	-	-	-	-	25,854	(19,385)	6,469
End of year	\$	<u>8,653,291</u>	<u>\$ 4,335,278</u>	<u>\$ 8,747,901</u>	<u>\$ 8,617,582</u>	<u>\$ 8,345,190</u>	<u>\$ 4,639,264</u>	<u>\$ 9,827,227</u>	<u>\$ 2,139,296</u>	<u>\$ 55,305,029</u>	<u>\$ (3,540,122)</u>	<u>\$ 51,764,907</u>

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

FINANCIAL STATEMENT SUPPORTING SCHEDULES

Year Ended December 31, 2022

	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
Cash and Cash Equivalents	\$ 4,719,997	\$ 207,213	\$ 54,607	\$ 77,038	\$ 214,727	\$ 535,621	\$ 268,862	\$ 268,927	\$ 6,346,992
Operating accounts	-	23,310	22,530	13,650	28,166	32,183	22,862	-	142,701
Restricted cash	-	13,974	196,101	29,688	-	17,763	-	-	257,526
Tenant security deposits	-	221,152	211,477	211,476	269,310	340,176	323,516	-	1,577,107
Mortgage escrow	-	232,324	179,884	91,896	136,949	126,352	7,667	-	775,072
Operating reserves	\$ 4,719,997	\$ 697,973	\$ 664,599	\$ 423,748	\$ 649,152	\$ 1,052,095	\$ 622,907	\$ 268,927	\$ 9,099,398
Replacement reserves	-	-	-	-	-	-	-	-	-
Tax Credit Fees	-	87,254	94,250	80,411	87,250	21,797	88,536	-	459,498
Tax credit fee capitalized	-	(66,680)	(55,603)	(34,845)	(31,507)	(6,540)	(3,935)	-	(199,110)
Accumulated amortization	-	20,574	38,647	45,566	55,743	15,257	84,601	-	260,388
Work in Progress, Project Investment	\$ 42,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,654
Development Cost, Thaxton	-	-	-	-	-	-	-	12,506,943	12,506,943
Development Cost, Hiland	78,999	-	-	-	-	-	-	-	78,999
Development Cost, Farolito	121,653	-	-	-	-	-	-	12,506,943	12,628,596

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

CONSOLIDATED SCHEDULE OF PROPERTY AND EQUIPMENT

Year Ended December 31, 2022

	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>(27,401)</u>	<u>(2,765)</u>	<u>-</u>	<u>(30,166)</u>
Total land, property and equipment, net	3,051,696	(2,765)	-	3,048,931
Plaza Feliz Limited Partnership				
Furniture and Equipment	291,444	-	-	291,444
Land Improvements	756,581	-	-	756,581
Buildings	<u>9,939,969</u>	<u>-</u>	<u>-</u>	<u>9,939,969</u>
Total land, property and equipment	10,987,994	-	-	10,987,994
Less: Accumulated Depreciation	<u>(3,285,873)</u>	<u>(300,962)</u>	<u>-</u>	<u>(3,586,835)</u>
Total land, property and equipment, net	7,702,121	(300,962)	-	7,401,159
Plaza Ciudadana Limited Partnership				
Furniture and Equipment	262,338	3,990	-	266,328
Land	91,187	-	-	91,187
Land Improvements	141,664	-	-	141,664
Buildings	<u>12,129,273</u>	<u>61,655</u>	<u>-</u>	<u>12,190,928</u>
Total land, property and equipment	12,624,462	65,645	-	12,690,107
Less: Accumulated Depreciation	<u>(2,912,001)</u>	<u>(348,509)</u>	<u>-</u>	<u>(3,260,510)</u>
Total land, property and equipment, net	12,624,462	(282,864)	-	9,429,597
Cuatro Apartments Limited Partnership				
Furniture and Equipment	156,457	6,763	-	163,220
Land and Land Improvements	644,127	5,394	-	649,521
Buildings	<u>12,018,378</u>	<u>-</u>	<u>-</u>	<u>12,018,378</u>
Total land, property and equipment	12,818,962	12,157	-	12,831,119
Less: Accumulated Depreciation	<u>(1,775,983)</u>	<u>(324,078)</u>	<u>-</u>	<u>(2,100,061)</u>
Total land, property and equipment, net	11,042,979	(311,921)	-	10,731,058
Casa Feliz Limited Partnership				
Furniture and Equipment	1,058,767	-	-	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	16,207,610	-	-	16,207,610
Less: Accumulated Depreciation	<u>(3,601,575)</u>	<u>(761,873)</u>	<u>-</u>	<u>(4,363,448)</u>
Total land, property and equipment, net	\$ 12,606,035	\$ (761,873)	\$ -	\$ 11,844,162

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

CONSOLIDATED SCHEDULE OF PROPERTY AND EQUIPMENT - (CONTINUED)

Year Ended December 31, 2022

	Beginning of Year	Additions	Deletions	End of Year
Sterling Apartments Limited Partnership				
Furniture and Equipment	\$ 283,348	\$ 9,851	\$ -	\$ 293,199
Land and Land Improvements	1,830,411	-	-	1,830,411
Right of use asset - land lease	-	52,000	-	52,000
Buildings	<u>12,598,453</u>	<u>-</u>	<u>-</u>	<u>12,598,453</u>
Total land, property and equipment	14,712,212	9,851	-	14,774,063
Less: Accumulated Depreciation	<u>(1,981,902)</u>	<u>(567,047)</u>	<u>-</u>	<u>(2,548,949)</u>
Total land, property and equipment, net	12,730,310	(557,196)	-	12,225,114
Luminaria Apartments Limited Partnership				
Furniture and Equipment	-	729,768	-	729,768
Land	136,826	(25,246)	-	111,580
Right of use asset - land lease	-	353,647	-	353,647
Buildings	<u>-</u>	<u>16,441,309</u>	<u>-</u>	<u>16,441,309</u>
Total land, property and equipment	136,826	17,499,478	-	17,636,304
Less: Accumulated Depreciation	<u>-</u>	<u>(301,209)</u>	<u>-</u>	<u>(301,209)</u>
Total land, property and equipment, net	136,826	17,198,269	-	17,335,095
Hiland Plaza Apartments Limited Partnership				
Right of use asset - land lease	-	95,000	-	95,000
Furniture and Equipment	-	-	-	-
Buildings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total land, property and equipment	-	95,000	-	95,000
Less: Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total land, property and equipment, net	-	95,000	-	95,000
Total Consolidated Organization				
Total land, property and equipment	70,567,163	17,682,131	-	88,301,294
Elimination	(2,960,277)	(147,251)	-	(3,107,528)
Less: Accumulated Depreciation	<u>(13,584,735)</u>	<u>(2,606,443)</u>	<u>-</u>	<u>(16,191,178)</u>
Total land, property and equipment, net	<u>\$ 54,022,151</u>	<u>\$ 14,928,437</u>	<u>\$ -</u>	<u>\$ 69,002,588</u>