

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

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023



**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  
Sol Housing (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 Sol Housing (Greater Albuquerque Housing Partnership) (the Organization), which comprise the consolidated statement of financial position as of December 31, 2023, 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 Sol Housing (Greater Albuquerque Housing Partnership) as of December 31, 2023, 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 Sol Housing (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 Sol Housing (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 Sol Housing (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 Sol Housing (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 32 to 41 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  
July 22, 2024

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2023

ASSETS

Current assets:	
Cash and cash equivalents	\$ 4,442,470
Accounts receivable - tenants	130,755
Other receivables	478,860
Prepaid expenses	<u>115,880</u>
Total current assets	5,167,965
Restricted cash:	
Tenant security deposits	159,491
Mortgage escrow	215,873
Operating reserves	1,592,365
Replacement reserves	932,391
Endowment fund designated by Board	<u>53,027</u>
Total restricted cash	2,953,147
Property, building, equipment, land, right of use asset and construction in progress:	
Property, building and equipment, at cost	104,551,784
Accumulated depreciation	<u>(19,156,883)</u>
Net property, building and equipment	85,394,901
Land	4,930,687
Right of use asset - land lease	353,647
Construction in progress	<u>1,155,328</u>
Property, building, equipment, land and construction in progress:	91,834,563
Other assets:	
Notes receivable - Homebuyers	286,982
Tax credit fees, net	<u>356,884</u>
Total other assets	<u>643,866</u>
Total assets	<u>\$ 100,599,541</u>

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - (CONTINUED)

December 31, 2023

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$	342,971
Accrued expenses		157,046
Accrued partnership fees		6,852
Prepaid rents		185,705
Deferred revenue		163,533
Tenant security deposits		135,405
Accrued payroll taxes		30,777
Accrued interest payable		125,270
Lease liability		5,000
Long-term debt - short term portion		<u>3,870,077</u>
Total current liabilities		5,022,636

Non-current liabilities:

Lease liability		361,664
Construction loan payable		7,530,484
Long-term debt, net of debt issuance costs		<u>28,111,778</u>
Total non-current liabilities		<u>36,003,926</u>

Total liabilities 41,026,562

Net assets:

Net assets without donor restrictions		<u>59,572,979</u>
Total net assets		<u>59,572,979</u>

Total liabilities and net assets \$ 100,599,541

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

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

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

Operating Revenues:

Rental income	\$ 4,241,233
Tenant services income	83,942
Grants	49,871
Interest income	26,138
Other income	<u>77,017</u>
Total program revenue	<u>4,478,201</u>

Operating Expenses:

Program	7,813,299
Supporting Service	<u>239,520</u>
Total program expenses	<u>8,052,819</u>

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS: (3,574,618)

Beginning of year	55,285,644
Capital contributions:	
Other limited partners in controlled partnerships	<u>7,861,953</u>
End of year	<u>\$ 59,572,979</u>

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

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

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023

	Program Services							Supporting Services		Eliminations	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
Salaries	\$ 65,067	\$ 85,949	\$ 79,403	\$ 94,629	\$ 123,754	\$ 108,981	\$ 46,971	\$ 549,925	\$ 1,154,679	\$ 137,481	\$ -	\$ 1,292,160
Payroll taxes	7,041	9,470	8,860	11,770	12,862	12,258	4,817	41,050	108,128	10,262	-	118,390
Employee benefits	12,667	18,082	9,836	1,818	-	7,001	8,324	173,960	231,688	43,490	-	275,178
	84,775	113,501	98,099	108,217	136,616	128,240	60,112	764,935	1,494,495	191,233	-	1,685,728
Administration expense, other	8,569	6,957	7,003	13,574	24,233	9,966	115,107	61,701	247,110	15,425	-	262,535
Advertising, marketing	514	1,752	2,948	2,209	1,679	2,400	15,000	-	26,502	-	-	26,502
Accounting and legal	13,658	13,622	11,285	30,406	12,536	19,220	28,900	26,692	156,319	6,673	-	162,992
Bad Debt (recovery)	2,402	6,470	261	10,643	8,285	4,916	-	-	32,977	-	-	32,977
Contractual Services	56,195	47,102	43,163	72,993	77,451	80,646	35,458	5,548	418,556	1,387	-	419,943
Donations	-	-	-	-	-	-	-	160	160	40	-	200
Interest, fees	63,828	47,214	3,091	118,131	238,411	370,828	308,874	-	1,150,377	-	(561,269)	589,108
Insurance	37,804	27,945	33,467	42,929	45,488	34,457	81,410	7,162	310,662	1,791	-	312,453
Miscellaneous	310	320	1,929	418	2,534	3,415	-	50,826	59,752	12,707	-	72,459
Operating, maintenance expense	97,041	84,600	65,818	172,364	91,582	128,900	42,851	-	683,156	-	-	683,156
Project expenses-other	232	267	179	961	317	362	74	6,890	9,282	1,722	-	11,004
Social services expenses	20,000	20,000	8,300	21,500	-	23,004	-	9,260	102,064	2,315	(92,804)	11,575
Supplies	1,509	1,031	2,073	2,901	1,216	1,908	-	8,790	19,428	2,198	-	21,626
Partnership fees	35,797	7,480	5,500	35,821	33,934	32,222	2,500	-	153,254	-	(112,683)	40,571
Taxes, real estate and other	30,260	33,082	24,326	43,688	12,233	3,157	5,048	768	152,562	192	-	152,754
Telecommunications	7,552	9,949	7,189	16,513	9,183	7,914	4,540	9,027	71,867	2,257	-	74,124
Travel	-	-	78	-	-	-	-	4,945	5,023	1,236	-	6,259
Utilities	63,549	124,705	50,188	111,161	56,150	64,000	21,744	-	491,497	-	-	491,497
Total before amortization and depreciation	523,995	545,997	364,897	804,429	751,848	915,555	721,618	956,704	5,585,043	239,176	(766,756)	5,057,463
Amortization and depreciation	306,115	356,971	326,326	630,817	541,392	527,242	314,071	1,378	3,004,312	344	(9,300)	2,995,356
	\$ 830,110	\$ 902,968	\$ 691,223	\$ 1,435,246	\$ 1,293,240	\$ 1,442,797	\$ 1,035,689	\$ 958,082	\$ 8,589,355	\$ 239,520	\$ (776,056)	\$ 8,052,819

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

Cash flows from operating activities:	
Change in net assets	\$ (3,574,618)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation and amortization	2,991,356
Amortization, deferred financing fees	20,545
Amortization of prepaid land lease	4,000
Changes in certain assets and liabilities:	
Accounts receivable - tenants	(88,075)
Other receivables	(44,727)
Prepaid expenses	(71,851)
Notes receivable - Homebuyers	29,000
Accounts payable	293,855
Accrued expenses	122,497
Accrued partnership fees	200
Prepaid rents	(106,642)
Tenant security deposits liability	10,319
Accrued payroll taxes	(2,474)
Accrued interest payable	<u>66,138</u>
Net cash used by operating activities	(350,477)
Cash flows from investing activities:	
Payments for property, building, equipment, land and right of use assets	(8,022,761)
Payments for construction in progress	<u>(1,033,675)</u>
Net cash used by investing activities	(9,056,436)
Cash flows from financing activities:	
Payments on construction loan	(5,423,632)
Proceeds from construction loan	7,551,482
Payments on construction payable	(1,413,727)
Proceeds from long-term debt	982,158
Payments of long-term debt	(273,919)
Capital contributions	7,862,053
Construction cost payable	(1,413,727)
Payments on developer fee payable	<u>(217,230)</u>
Net cash provided by financing activities	<u>7,653,458</u>
Net decrease in cash, cash equivalents and restricted cash	(1,753,455)
Cash, cash equivalents and restricted cash - beginning of year	<u>9,149,072</u>
Cash, cash equivalents and restricted cash - end of year	<u>\$ 7,395,617</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS - (CONTINUED)

Year Ended December 31, 2023

Supplemental disclosure of cash flow information:

Cash paid for interest	\$	502,425
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Supplemental disclosure of non-cash investing and financing activities:

Increase in fixed assets by:

Reclassification from construction in progress	\$	12,378,857
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Increase in fixed assets financed by:

Developer fee payable	\$	1,065,540
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Accrued interest payable	\$	124,085
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Construction accounts payable	\$	29,000
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Increase in tax credit fees financed by:

Developer fee payable	\$	128,086
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Increase in debt issuance cost financed by:

Developer fee payable	\$	50,000
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The accompanying notes are an integral part of these financial statements.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Sol Housing (Greater Albuquerque Housing Partnership) (Sol Housing) is a nonprofit organization (the "Organization") incorporated in New Mexico in 1993. During 2023, the Organization changed its name from Greater Albuquerque Housing Partnership to Sol Housing. The mission of Sol Housing is to raise the economic and social levels of residents of Albuquerque, New Mexico by providing affordable housing opportunities. Sol Housing 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, Sol Housing's multifamily rental properties have legal structures separate and distinct from Sol Housing through the use of limited partnerships.

Sol Housing is the General Partner in nine (9) for-profit housing development affiliates (the "Controlled Affiliates"). The Controlled Affiliates consist of the nine 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"), Hiland Plaza Apartments Limited Partnership ("Hiland Plaza Apartments LLLP"), Farolito Apartments Limited Partnership ("Farolito Apartments LLLP"), and Somos Apartments Limited Partnership ("Somos 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 0.01% 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, Sol Housing has the option to purchase the housing projects at a substantially discounted rate. All nine projects are funded primarily with tax credits and to a lesser extent from government grants and loans. Sol Housing was involved in the development of these projects and received development fees, and other management and project fees.

Sol Housing 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. Sol Housing's board is currently composed of seven members. Board members are selected based upon the geographic, cultural, economic, and business interests of Sol Housing. The term served by a Board Member is two years, and no board member may serve more than four consecutive terms.

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

NOTES TO FINANCIAL STATEMENTS

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

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. Sol Housing is the general partner, with a 0.01% interest in the Plaza Feliz Limited Partnership.

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. Sol Housing is the general partner, with a 0.01% 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. Sol Housing is the general partner, with a 0.01% 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. Sol Housing is the general partner, with a 0.01% 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. Sol Housing is the general partner, with a 0.01% interest in the Sterling Apartments Limited Partnership.

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

NOTES TO FINANCIAL STATEMENTS

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

Consolidated Entities (Controlled Affiliates)

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. Sol Housing is the general partner, with a 0.01% interest in the Luminaria Apartments Limited Partnership.

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. Sol Housing is the general partner, with a 0.01% interest in Hiland Plaza Apartments Limited Partnership. The Project was completed in August 2023 and was placed in service as of December 31, 2023.

Farolito Apartments Limited Partnership

Farolito Apartments Limited Partnership is a for-profit partnership, which was organized in 2022 to acquire, develop, construct, own, maintain and operate the Farolito Senior Community, a multi-family apartment complex for seniors, including 82 low-income units. Sol Housing is the general partner, with a 0.01% interest in Farolito Apartments Limited Partnership.

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

Somos Apartments Limited Partnership

Somos Apartments Limited Partnership is a for-profit partnership, which was organized in 2023 to acquire, develop, construct, own, maintain and operate the Somos Apartments, a multi-family apartment complex for seniors, including 70 mixed-income units. Sol Housing is the general partner, with a 0.01% interest in Somos Apartments Limited Partnership.

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

SOL HOUSING (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 Sol Housing and nine 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

The Organization calculates operating lease liabilities with a risk-free discount rate, using a comparable period with the lease term. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. See Notes 14, 15 and 16 for the accounting of the leases.

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, 2023. 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.

SOL HOUSING (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, 2023, 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 sums to the total of the same such amounts shown in the statement of cash flows:

	December 31, <u>2023</u>
Cash and cash equivalents (operations)	\$ 4,442,470
Tenant security deposits	159,491
Mortgage escrow deposits	215,873
Operating reserves	1,592,365
Replacement reserve	932,391
Endowment fund designated by Board	<u>53,027</u>
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 7,395,617</u>

SOL HOUSING (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. Sol Housing has not experienced any losses in such accounts. Management believes that Sol Housing 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 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, 2023.

SOL HOUSING (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, 2023.

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 no restricted net assets received for the fiscal year ended December 31, 2023.

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 95% 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 which may be eliminated due to consolidation.

SOL HOUSING (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 Sol Housing owns minority interests, which may be eliminated due to consolidation. Accounts receivable are reported at the amount management expects to collect on balances outstanding at December 31, 2023. 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 Sol Housing 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, 2023 through July 22, 2024, 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.

SOL HOUSING (GREATER ALBUQUERQUE HOUSING PARTNERSHIP)  
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NOTES TO FINANCIAL STATEMENTS

NOTE 3 - RESTRICTED CASH

Plaza Feliz, Sterling Apartments, Casa Feliz, Cuatro Apartments, Plaza Ciudadana, Luminaria Apartments and Hiland Plaza are required to fund certain reserve accounts in accordance with underlying regulatory and loan agreements. As of December 31, 2023, the restricted cash accounts consisted of:

	Operating reserves	Replacement reserves	Mortgage Escrows	Tenant trust Security deposits
Plaza Feliz	\$ 223,615	\$ 258,371	\$ 20,893	\$ 23,451
Sterling Apartments	344,017	160,064	16,856	32,488
Casa Feliz	270,058	168,190	-	28,433
Cuatro Apartments	211,476	107,505	38,432	14,150
Plaza Ciudadana	211,477	202,324	139,692	22,530
Luminaria Apartments	331,722	35,937	-	24,118
Hiland Plaza	-	-	-	<u>14,321</u>
Total	<u>\$ 1,592,365</u>	<u>\$ 932,391</u>	<u>\$ 215,873</u>	<u>\$ 159,491</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, 2023, the fair value of the endowment fund was \$53,027.

NOTE 4 - NOTES RECEIVABLE

Mortgage notes receivable from homebuyers include \$286,982 due from 20 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.

SOL HOUSING (GREATER ALBUQUERQUE HOUSING PARTNERSHIP)  
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NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment are summarized as follows as of December 31, 2023:

	GAHP	Controlled Affiliates	Total
Land	\$ 3,046,017	\$ 1,884,670	\$ 4,930,687
Land Improvements	-	6,142,656	6,142,656
Buildings	268,853	95,074,799	95,343,652
Furniture and Equipment	33,080	3,032,396	3,065,476
	3,347,950	106,134,521	109,482,471
Less: Accumulated Depreciation	31,888	19,124,995	19,156,883
Right of use asset - land lease	-	353,647	353,647
Construction in Progress	971,883	183,445	1,155,328
Total PP&E, net	\$ 4,287,945	\$ 87,546,618	\$ 91,834,563

NOTE 6 - WORK IN PROGRESS - PROJECT INVESTMENT

Farolito project

Sol Housing is planning to develop a Low-Income Housing Tax Credit property, Farolito Senior Community. 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. The property is expected to be completed in November 2025. As of December 31, 2023, Sol Housing has paid pre-development costs of \$889,390.

Somos project

Sol Housing is planning to develop a Mixed-Income Housing Tax Credit property, Somos Apartments. The proposed development is a mixed-use, mixed-income senior community consisting of a 64,380 square feet (SF), 4-story wood framed singular building, with 70 one-bedroom apartments, leasing office, amenity spaces to support residents, and a 1,791 SF of commercial space for local business incubation. The property is expected to be completed in June 2026. As of December 31, 2023, Sol Housing has paid pre-development costs of \$39,839.

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NOTES TO FINANCIAL STATEMENTS

NOTE 7 - FAIR VALUE MEASUREMENT

The Organization's financial instruments consist of cash in money market account. 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 Measurement, 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.

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NOTES TO FINANCIAL STATEMENTS

NOTE 8 - LONG-TERM DEBT

City of Albuquerque

In September 2010, Sol Housing 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 Sol Housing 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, 2023, the principal balance totaled \$1,000,000. The City further agreed to transfer a land valued at \$620,000 to Sol Housing 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, 2023, the payable related to land acquisition totaled \$620,000.

In October 2010, Sol Housing 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 Sol Housing 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, 2023, the principal balance totaled \$1,180,694.

In December 2010, Sol Housing 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 Sol Housing 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, 2023, the principal balance totaled \$1,850,000.

In October 2012, Sol Housing entered into a development agreement with the City. The City provided a loan in an amount not to exceed \$1,300,000 to Sol Housing 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, 2023, the principal balance totaled \$1,300,000.

SOL HOUSING (GREATER ALBUQUERQUE HOUSING PARTNERSHIP)  
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NOTES TO FINANCIAL STATEMENTS

NOTE 8 - LONG-TERM DEBT - (CONTINUED)

In January 2014, Sol Housing 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 Sol Housing 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, 2023, the principal balance totaled \$2,416,000.

In January 2015, Sol Housing 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 Sol Housing 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 Sol Housing. 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, 2023, the principal balance totaled \$3,180,800.

In April 2017, Sol Housing entered into a Development Agreement with the City. The City provided a loan in an amount not to exceed \$4,000,000 to Sol Housing 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, 2023, the principal balance totaled \$4,000,000.

In April 2020, Sol Housing entered into a Development Agreement with the City. The City provided a loan in an amount not to exceed \$3,248,123 to Sol Housing 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, 2023, the principal balance totaled \$3,248,110.

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NOTES TO FINANCIAL STATEMENTS

NOTE 8 - LONG-TERM DEBT - (CONTINUED)

In December 2020, Sol Housing entered into a Development Agreement with the City. The City provided a loan in an amount not to exceed \$3,586,843 to Sol Housing 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. During 2023, the loan agreement was amended to increase the loan amount by \$396,000 to a total loan commitment of \$3,982,842. As of December 31, 2023, the principal balance totaled \$3,586,843.

NOTE 9 - MORTGAGE NOTES PAYABLE

Plaza Feliz LP

New Mexico Mortgage Finance Authority Note

Interest rate on the note is 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, 2023, the note payable totaled \$1,001,717 excluding the net debt issuance cost of \$36,775, and the accrued interest on the loan totaled \$5,184. During 2023, interest charged and paid on the note totaled \$62,553.

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% interest rate per annum) 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, located in Bernalillo County, New Mexico, plus certain other security documents. As of December 31, 2023, the note payable totaled \$604,119 excluding the net debt issuance cost of \$68,078, and the accrued interest on the loan totaled \$3,262. During 2023, interest charged and paid on the note totaled \$38,811.

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NOTES TO FINANCIAL STATEMENTS

NOTE 9 - MORTGAGE NOTES PAYABLE - (CONTINUED)

New Mexico Mortgage Finance Authority Housing Trust Fund Loan

Sum of the Note not to exceed \$1,000,000. At the inception, the interest rate is 3% 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 3% 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, 2023, the note payable totaled \$197,437, and the accrued interest on the loan totaled \$494. During 2023, interest charged and paid on the note totaled \$6,015.

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% 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, 2023, the permanent note payable totaled \$2,930,155 excluding the net debt issuance cost of \$95,859. There were no accrued interest incurred on the loan as of December 31, 2023. During 2023, interest charged and paid on the note totaled \$142,874.

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% 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, 2023, the note payable totaled \$450,460, and the accrued interest on the loan totaled \$11,843. During 2023, interest charged and paid on the note totaled \$13,703.

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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 3% 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, 2023, the note payable totaled \$87,990, and the accrued interest on the loan totaled \$289. During 2023, interest charged and paid on the note totaled \$3,091.

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% per annum. Tranche B bears interest at the Adjusted LIBOR Rate, as defined as LIBOR plus 2% 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, 2023, the note payable totaled \$421,510 excluding the net debt issuance cost of \$9,522. The accrued interest on the loan totaled \$1,815. During 2023, interest charged and paid on the note totaled \$22,183.

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% 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% 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, 2023, the note payable totaled \$329,086. The accrued interest on the loan totaled \$823. During 2023, interest charged and paid on the note totaled \$10,301.

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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% per annum. Tranche B bears interest at the 3.25% 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. In 2022, loan under Tranche B was paid off. As of December 31, 2023, the loan payable totaled \$3,760,100 excluding the net debt issuance cost of \$89,891. The accrued interest payable on the loan totaled \$13,847. During 2023, interest charged and paid on the loan totaled \$169,199.

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. Sol Housing is the guarantor of the loan. As of December 31, 2023, the loan payable totaled \$7,530,484 excluding the net debt issuance cost of \$48,056. The accrued interest payable on the loan totaled \$87,713. During 2023, interest charged and paid on the loan \$251,565.

Albuquerque Bernalillo County Water Utility Authority (ABCWUA) Loan

In July 2023, the Partnership entered into a Promissory Note agreement with Albuquerque Bernalillo County Water Utility Authority (ABCWUA). The note was payable to the ABCWUA, the principal sum of \$151,184, together with any accrued interest on the principal balance thereof outstanding on the Maturity Date no later than December 31, 2073. Under this nonrecourse promissory note agreement, the Project shall be deemed to qualify as a "low income housing development "if it makes available for rental at least 75 of the 92 units in the Project for persons whose income is 60% or less of area median income for the City of Albuquerque, New Mexico. As of December 31, 2023, the loan payable totaled \$151,184.

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NOTES TO FINANCIAL STATEMENTS

NOTE 9 - MORTGAGE NOTES PAYABLE - (CONTINUED)

The outstanding mortgage notes consisted of the following as of December 31, 2023:

New Mexico Mortgage Finance Authority	\$ 2,066,690
U.S. Bank National Association	604,119
CitiBank, N.A	2,930,155
PNC Bank (construction loan)	7,530,484
BOKF, N.A dba Bank of Albuquerque	4,195,441
Albuquerque Bernalillo County Water Utility	<u>151,184</u>
	17,478,073
Less: net of debt Issuance	<u>(348,181)</u>
Total Mortgage notes payable	17,129,892
City of Albuquerque long-term debt (Note 8)	<u>22,382,447</u>
Total long term debt	<u>\$ 39,512,339</u>

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

<u>Year</u>	<u>Amount</u>
2024	\$ 3,905,940
2025	307,323
2026	321,313
2027	304,843
2028	319,257
2029 - and later years	<u>34,701,844</u>
	<u>\$ 39,860,520</u>

SOL HOUSING (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, 2023, the Organization appeared to be in compliance with IRC Section 42.

NOTE 11 - DEFERRED REVENUE

In prior years, Sol Housing encumbered four homebuyers with a third mortgage requiring each homebuyer to pay Sol Housing \$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 \$163,533.

NOTE 12 - RELATED PARTY TRANSACTIONS

During the course of operations, numerous transactions occur between Sol Housing and the controlled affiliates. The result is that certain amounts are owed to and from Sol Housing 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 \$6,852 as of December 31, 2023.

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 \$5,500 and \$7,480 respectively, as of December 31, 2023.

Hiland Plaza Apartments LLLP is 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, 2023.

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 Sol Housing's 501(c)(3) tax exempt status.

SOL HOUSING (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

Sol Housing has executed operating leases for the rental of an office facility and equipment. Current year rental expense was approximately \$21,490. The lease was originally ended in 2023. On January 20, 2023, Sol Housing extended the lease period to 2026. Future minimum rental obligation under these leases is \$20,160 and \$20,790 for 2025 and 2026, 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. 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%.

\* 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.

SOL HOUSING (GREATER ALBUQUERQUE HOUSING PARTNERSHIP)  
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NOTES TO FINANCIAL STATEMENTS

NOTE 15 - LAND LEASE - (CONTINUED)

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.

The following summarizes the line items in the balance sheet which include amounts for financing leases as of December 31, 2023:

	2023
Financing lease right of use assets	\$ 465,227
Financing lease liabilities	\$ 366,664
Total finance lease cost	\$ 21,598

The maturities of financing lease as of December 31, 2023 were as follows:

Year	Amount
2024	\$ 14,900
2025	15,525
2026	15,525
2027	15,525
2028	16,166
2029 and thereafter	1,537,010
Total lease payments	\$ 1,614,651
Less: Interest	1,247,987
Present value of lease liability	\$ 366,664

On April 2022, Hiland Plaza Apartments LLLP entered into a land lease agreement (the "Lease Agreement") with the Organization to lease the land on which the Project was developed. The Lease Agreement is for 99 years with prepaid rent in the amount of \$100,000 on or before December 31, 2022. The prepaid rent shall be amortized in equal monthly installment over 20 years. Thereafter and for the remainder of the lease, a monthly rent equal to the fair rental value of the property is required. The fair rental value is to be determined by appraisal beginning on the twentieth anniversary of the effective date of the Lease Agreement. The fair rental value shall be readjusted in 5-year increments for the remainder of the lease beginning on the twenty-fifth anniversary of the effective date of the Lease Agreement.

Based on the terms of the lease agreement and the determination that the right of use asset of does not exceed the fair value of the land, the lease is classified as an operating lease. The right of use asset is amortized over straight-line method. As of December 31, 2023, the right of use asset totaled \$90,000.

SOL HOUSING (GREATER ALBUQUERQUE HOUSING PARTNERSHIP)  
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NOTES TO FINANCIAL STATEMENTS

NOTE 16 - COMMERCIAL LEASE

During 2023, the Organization (landlord) entered into a commercial lease agreement to lease a 2,000 square feet, located in Hiland Plaza. The initial lease term is 3 years and 16 days, starting October 16, 2023 and ending October 31, 2026. The commercial tenant has two extension option each for 3 years. The commercial tenant paid \$268,853 to fund a portion of the construction cost of the Hiland Plaza which was recognized as income when received in 2022. The schedule of rental income is as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 5,200
2025	5,200
2026	5,200
2027	5,200
2028	5,200
2029 and thereafter	<u>19,933</u>
Total deferred rental income	<u>\$ 45,933</u>

NOTE 17 - PENSION PLAN

Sol Housing provides an IRC 403(b) Tax Sheltered Annuity Plan for eligible employees. Eligible employees may make voluntary contributions to their plan account. Sol Housing contributes 15% of employee compensation to the plan, regardless of employee contributions. During 2023, \$128,023 in employer contributions were made.

NOTE 18 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2023, 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:

	<u>December 31,</u> <u>2023</u>
Cash and cash equivalents	\$ 4,442,470
Accounts and other receivables	<u>609,615</u>
	<u>\$ 5,052,085</u>

ADDITIONAL INFORMATION

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

COMBINING SCHEDULE OF FINANCIAL POSITION

Year Ended December 31, 2023

	<u>Sol Housing</u>	<u>Plaza Feliz Limited Partnership</u>	<u>Plaza Ciudadana Limited Partnership</u>	<u>Cuatro Apartments Limited Partnership</u>	<u>Casa Feliz Limited Partnership</u>	<u>Sterling Apartments Limied Partnership</u>	<u>Luminaria Apartments Limited Partnership</u>	<u>Hiland Apartments Limited Partnership</u>	<u>Combined Totals</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>ASSETS</b>											
Current assets:											
Cash and cash equivalents	\$ 3,251,600	\$ 248,207	\$ 67,589	\$ 19,505	\$ 125,447	\$ 420,282	\$ 276,007	\$ 33,833	\$ 4,442,470	\$ -	\$ 4,442,470
Accounts receivable - tenants	-	15,159	12,983	5,176	17,654	29,807	14,249	35,727	130,755	-	130,755
Accounts receivable - related parties	3,850,515	-	-	-	-	-	-	-	3,850,515	(3,850,515)	-
Other receivables	478,847	-	-	-	13	-	-	-	478,860	-	478,860
Prepaid expenses	<u>1,862</u>	<u>15,558</u>	<u>-</u>	<u>-</u>	<u>11,188</u>	<u>23,459</u>	<u>7,415</u>	<u>56,398</u>	<u>115,880</u>	<u>-</u>	<u>115,880</u>
Total Current Assets	7,582,824	278,924	80,572	24,681	154,302	473,548	297,671	125,958	9,018,480	(3,850,515)	5,167,965
Restricted cash:											
Tenant security deposits	-	23,451	22,530	14,150	28,433	32,488	24,118	14,321	159,491	-	159,491
Mortgage escrow	-	20,893	139,692	38,432	-	16,856	-	-	215,873	-	215,873
Operating reserves	-	223,615	211,477	211,476	270,058	344,017	331,722	-	1,592,365	-	1,592,365
Replacement reserves	-	258,371	202,324	107,505	168,190	160,064	35,937	-	932,391	-	932,391
Endowment fund designated by Board	<u>53,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,027</u>	<u>-</u>	<u>53,027</u>
Total restricted cash	\$ 53,027	\$ 526,330	\$ 576,023	\$ 371,563	\$ 466,681	\$ 553,425	\$ 391,777	\$ 14,321	\$ 2,953,147	\$ -	\$ 2,953,147

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

COMBINING SCHEDULE OF FINANCIAL POSITION - CONTINUED

Year Ended December 31, 2023

	<u>Sol Housing</u>	<u>Plaza Feliz Limited Partnership</u>	<u>Plaza Ciudadana Limited Partnership</u>	<u>Cuatro Apartments Limited Partnership</u>	<u>Casa Feliz Limited Partnership</u>	<u>Sterling Apartments Limied Partnership</u>	<u>Luminaria Apartments Limited Partnership</u>	<u>Hiland Apartments Limited Partnership</u>	<u>Combined Totals</u>	<u>Eliminations</u>	<u>Consolidated</u>
Property, building, equipment, land and Construction in progress:											
Property, building and equipment, at cost	\$ 301,933	\$ 11,022,576	\$ 12,652,384	\$ 12,192,244	\$ 16,213,600	\$ 13,693,791	\$ 17,207,688	\$ 22,682,529	\$ 105,966,745	\$ (1,414,961)	\$ 104,551,784
Accumulated depreciation	<u>(31,888)</u>	<u>(3,887,797)</u>	<u>(3,611,197)</u>	<u>(2,421,026)</u>	<u>(4,984,448)</u>	<u>(3,088,888)</u>	<u>(822,549)</u>	<u>(309,090)</u>	<u>(19,156,883)</u>	<u>-</u>	<u>(19,156,883)</u>
Net property, building and equipment	270,045	7,134,779	9,041,187	9,771,218	11,229,152	10,604,903	16,385,139	22,373,439	86,809,862	(1,414,961)	85,394,901
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	-	-	-	-	48,000	-	353,647	90,000	491,647	(138,000)	353,647
Construction in progress	<u>971,883</u>	<u>156,000</u>	<u>-</u>	<u>-</u>	<u>27,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,155,328</u>	<u>-</u>	<u>1,155,328</u>
Total property, building, equipment, land and Construction in progress	4,287,945	7,290,779	9,132,374	10,410,093	11,304,597	11,647,931	16,850,366	22,463,439	93,387,524	(1,552,961)	91,834,563
Other assets:											
Notes receivable - Homebuyers	286,982	-	-	-	-	-	-	-	286,982	-	286,982
Notes receivable - related parties	20,357,606	-	-	-	-	-	-	-	20,357,606	(20,357,606)	-
Investment in limited partnership	(20,405)	-	-	-	-	-	-	-	(20,405)	20,405	-
Tax credit fees, net	-	15,421	35,723	40,205	49,927	13,804	78,699	123,105	356,884	-	356,884
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>20,624,183</u>	<u>15,421</u>	<u>35,723</u>	<u>40,205</u>	<u>49,927</u>	<u>13,804</u>	<u>78,699</u>	<u>123,105</u>	<u>20,981,067</u>	<u>(20,337,201)</u>	<u>643,866</u>
Total assets	<u>\$ 32,547,979</u>	<u>\$ 8,111,454</u>	<u>\$ 9,824,692</u>	<u>\$ 10,846,542</u>	<u>\$ 11,975,507</u>	<u>\$ 12,688,708</u>	<u>\$ 17,618,513</u>	<u>\$ 22,726,823</u>	<u>\$ 126,340,218</u>	<u>\$ (25,740,677)</u>	<u>\$ 100,599,541</u>

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

COMBINING SCHEDULE OF FINANCIAL POSITION - CONTINUED

Year Ended December 31, 2023

	<u>Sol Housing</u>	<u>Plaza Feliz Limited Partnership</u>	<u>Plaza Ciudadana Limited Partnership</u>	<u>Cuatro Apartments Limited Partnership</u>	<u>Casa Feliz Limited Partnership</u>	<u>Sterling Apartments Limied Partnership</u>	<u>Luminaria Apartments Limited Partnership</u>	<u>Hiland Apartments Limited Partnership</u>	<u>Combined Totals</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>											
<b>Current liabilities:</b>											
Accounts payable	\$ 121,645	\$ 164,950	\$ 3,851	\$ 3,173	\$ 7,944	\$ (12,145)	\$ 7,264	\$ 46,289	\$ 342,971	\$ -	\$ 342,971
Accrued expenses	-	14,176	13,128	7,524	557	31,978	657	89,026	157,046	-	157,046
Accrued partnership fees	-	29,692	-	-	86,870	28,138	38,250	15,638	198,588	(191,736)	6,852
Prepaid rents	-	46,431	7,557	14,193	16,209	20,750	42,843	37,722	185,705	-	185,705
Deferred revenue	163,533	-	-	-	-	-	-	-	163,533	-	163,533
Tenant security deposits	-	18,475	20,078	12,800	24,106	24,700	22,096	13,150	135,405	-	135,405
Accrued payroll taxes	19,898	1,248	2,656	-	1,955	2,666	2,354	-	30,777	-	30,777
Accrued interest payable	-	5,184	3,756	289	604,711	469,398	529,525	390,058	2,002,921	(1,877,651)	125,270
Lease liability	14,000	-	-	-	-	-	5,000	-	19,000	(14,000)	5,000
Long-term debt - short term portion	-	12,746	22,211	28,456	68,826	55,091	13,831	3,668,916	3,870,077	-	3,870,077
Total current liabilities	319,076	292,902	73,237	66,435	811,178	620,576	661,820	4,260,799	7,106,023	(2,083,387)	5,022,636
<b>Other liabilities:</b>											
Construction loan payable	-	-	-	-	-	-	-	7,530,484	7,530,484	-	7,530,484
Long-term debt, net of debt issuance costs	22,382,447	3,683,604	1,273,704	2,418,917	3,472,248	7,826,788	6,918,332	493,344	48,469,384	(20,357,606)	28,111,778
Lease liability	124,000	-	-	-	-	-	361,664	-	485,664	(124,000)	361,664
Developer fee payable	-	-	-	-	-	-	497,306	1,282,770	1,780,076	(1,780,076)	-
Total Other liabilities	22,506,447	3,683,604	1,273,704	2,418,917	3,472,248	7,826,788	7,777,302	9,306,598	58,265,608	(22,261,682)	36,003,926
Total liabilities	\$ 22,825,523	\$ 3,976,506	\$ 1,346,941	\$ 2,485,352	\$ 4,283,426	\$ 8,447,364	\$ 8,439,122	\$ 13,567,397	\$ 65,371,631	\$ (24,345,069)	\$ 41,026,562

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

COMBINING SCHEDULE OF FINANCIAL POSITION - CONTINUED

Year Ended December 31, 2023

	<u>Sol Housing</u>	<u>Plaza Feliz Limited Partnership</u>	<u>Plaza Ciudadana Limited Partnership</u>	<u>Cuatro Apartments Limited Partnership</u>	<u>Casa Feliz Limited Partnership</u>	<u>Sterling Apartments Limied Partnership</u>	<u>Luminaria Apartments Limited Partnership</u>	<u>Hiland Apartments Limited Partnership</u>	<u>Combined Totals</u>	<u>Eliminations</u>	<u>Consolidated</u>
Net assets:											
Net assets without donor restrictions	\$ 9,722,456	\$ 4,134,948	\$ 8,477,751	\$ 8,361,190	\$ 7,692,081	\$ 4,241,344	\$ 9,179,391	\$ 9,159,426	\$ 60,968,587	\$ (1,395,608)	\$ 59,572,979
Net assets with donor restrictions	-	-	-	-	-	-	-	-	-	-	-
Total net assets	<u>9,722,456</u>	<u>4,134,948</u>	<u>8,477,751</u>	<u>8,361,190</u>	<u>7,692,081</u>	<u>4,241,344</u>	<u>9,179,391</u>	<u>9,159,426</u>	<u>60,968,587</u>	<u>(1,395,608)</u>	<u>59,572,979</u>
 Total liabilities and net assets	 <u>\$ 32,547,979</u>	 <u>\$ 8,111,454</u>	 <u>\$ 9,824,692</u>	 <u>\$ 10,846,542</u>	 <u>\$ 11,975,507</u>	 <u>\$ 12,688,708</u>	 <u>\$ 17,618,513</u>	 <u>\$ 22,726,823</u>	 <u>\$ 126,340,218</u>	 <u>\$ (25,740,677)</u>	 <u>\$ 100,599,541</u>

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

COMBINING SCHEDULE OF ACTIVITIES

Year Ended December 31, 2023

	<u>Sol Housing</u>	<u>Plaza Feliz Limited Partnership</u>	<u>Plaza Ciudadana Limited Partnership</u>	<u>Cuatro Apartments Limited Partnership</u>	<u>Casa Feliz Limited Partnership</u>	<u>Sterling Apartments Limited Partnership</u>	<u>Luminaria Apartments Limited Partnership</u>	<u>Hiland Plaza Apartments Limited Partnership</u>	<u>Combined Totals</u>	<u>Eliminations</u>	<u>Consolidated</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:											
Operating Revenues											
Rental income	\$ 9,300	\$ 609,423	\$ 614,891	\$ 430,782	\$ 762,275	\$ 860,935	\$ 779,002	\$ 183,925	\$ 4,250,533	\$ (9,300)	\$ 4,241,233
Tenant services income	-	11,431	14,121	3,475	18,410	30,145	6,360	-	83,942	-	83,942
Grants	49,871	-	-	-	-	-	-	-	49,871	-	49,871
Development fees	900,000	-	-	-	-	-	-	-	900,000	(900,000)	-
Interest income	561,269	8,926	1,792	574	1,452	4,240	9,133	21	587,407	(561,269)	26,138
Sustainable tax credits	-	-	-	-	-	-	-	-	-	-	-
Other income	<u>746,327</u>	<u>-</u>	<u>2,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>466</u>	<u>9,820</u>	<u>758,627</u>	<u>(681,610)</u>	<u>77,017</u>
Total program revenue	2,266,767	629,780	632,818	434,831	782,137	895,320	794,961	193,766	6,630,380	(2,152,179)	4,478,201
Operating Expenses:											
Program	958,082	830,110	902,968	691,223	1,435,246	1,293,240	1,442,797	1,035,689	8,589,355	(776,056)	7,813,299
Supporting Service	<u>239,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,520</u>	<u>-</u>	<u>239,520</u>
Total operating Expenses	1,197,602	830,110	902,968	691,223	1,435,246	1,293,240	1,442,797	1,035,689	8,828,875	(776,056)	8,052,819
Change in net assets without donor restrictions	\$ 1,069,165	\$ (200,330)	\$ (270,150)	\$ (256,392)	\$ (653,109)	\$ (397,920)	\$ (647,836)	\$ (841,923)	\$ (2,198,495)	\$ (1,376,123)	\$ (3,574,618)

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

COMBINING SCHEDULE OF ACTIVITIES - CONTINUED

Year Ended December 31, 2023

	<u>Sol Housing</u>	<u>Plaza Feliz Limited Partnership</u>	<u>Plaza Ciudadana Limited Partnership</u>	<u>Cuatro Apartments Limited Partnership</u>	<u>Casa Feliz Limited Partnership</u>	<u>Sterling Apartments Limited Partnership</u>	<u>Luminaria Apartments Limited Partnership</u>	<u>Hiland Plaza Apartments Limited Partnership</u>	<u>Combined Totals</u>	<u>Eliminations</u>	<u>Consolidated</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:											
Beginning of year	\$ 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	\$ (19,385)	\$ 55,285,644
Capital contributions:											
Greater Albuquerque Housing Partnership	-	-	-	-	-	-	-	100	100	(100)	-
Other limited partners in controlled partnerships	-	-	-	-	-	-	-	7,861,953	7,861,953	-	7,861,953
Total capital contributions	-	-	-	-	-	-	-	7,862,053	7,862,053	(100)	7,861,953
Capital distributions:											
Greater Albuquerque Housing Partnership	-	-	-	-	-	-	-	-	-	-	-
Other limited partners in controlled partnerships	-	-	-	-	-	-	-	-	-	-	-
Total capital distributions	-	-	-	-	-	-	-	-	-	-	-
End of year	<u>\$ 9,722,456</u>	<u>\$ 4,134,948</u>	<u>\$ 8,477,751</u>	<u>\$ 8,361,190</u>	<u>\$ 7,692,081</u>	<u>\$ 4,241,344</u>	<u>\$ 9,179,391</u>	<u>\$ 9,159,426</u>	<u>\$ 60,968,587</u>	<u>\$ (1,395,608)</u>	<u>\$ 59,572,979</u>

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

FINANCIAL STATEMENT SUPPORTING SCHEDULES

Year Ended December 31, 2023

	Sol Housing	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
<b>Cash and Cash Equivalents</b>									
Operating accounts	\$ 3,251,600	\$ 248,207	\$ 67,589	\$ 19,505	\$ 125,447	\$ 420,282	\$ 276,007	\$ 33,833	\$ 4,442,470
Restricted cash									
Tenant security deposits	-	23,451	22,530	14,150	28,433	32,488	24,118	14,321	159,491
Mortgage escrow	-	20,893	139,692	38,432	-	16,856	-	-	215,873
Operating reserves	-	223,615	211,477	211,476	270,058	344,017	331,722	-	1,592,365
Replacement reserves	-	258,371	202,324	107,505	168,190	160,064	35,937	-	932,391
	<u>\$ 3,251,600</u>	<u>\$ 774,537</u>	<u>\$ 643,612</u>	<u>\$ 391,068</u>	<u>\$ 592,128</u>	<u>\$ 973,707</u>	<u>\$ 667,784</u>	<u>\$ 48,154</u>	<u>\$ 7,342,590</u>
<b>Tax Credit Fees</b>									
Tax credit fee capitalized	\$ -	\$ 77,254	\$ 94,250	\$ 80,411	\$ 87,250	\$ 21,797	\$ 88,536	\$ 128,086	\$ 577,584
Accumulated amortization	-	(61,833)	(58,527)	(40,206)	(37,323)	(7,993)	(9,837)	(4,981)	(220,700)
	<u>\$ -</u>	<u>\$ 15,421</u>	<u>\$ 35,723</u>	<u>\$ 40,205</u>	<u>\$ 49,927</u>	<u>\$ 13,804</u>	<u>\$ 78,699</u>	<u>\$ 123,105</u>	<u>\$ 356,884</u>
<b>Work in Progress, Project Investment</b>									
Development Cost, Thaxton	\$ 42,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,654
Development Cost, Somos	39,839	-	-	-	-	-	-	-	39,839
Development Cost, Farolito	889,390	-	-	-	-	-	-	-	889,390
	<u>\$ 971,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 971,883</u>

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

CONSOLIDATED SCHEDULE OF PROPERTY AND EQUIPMENT

Year Ended December 31, 2023

	Beginning of Year	Additions	Deletions	End of Year
<b>Sol Housing</b>				
Furniture and Equipment	\$ 33,080	\$ 268,853	\$ -	\$ 301,933
Land	<u>3,046,017</u>	<u>-</u>	<u>-</u>	<u>3,046,017</u>
Total land, property and equipment	3,079,097	268,853	-	3,347,950
Less: Accumulated Depreciation	<u>(30,166)</u>	<u>(1,722)</u>	<u>-</u>	<u>(31,888)</u>
Total land, property and equipment, net	3,048,931	267,131	-	3,316,062
<b>Plaza Feliz Limited Partnership</b>				
Furniture and Equipment	291,444	34,582	-	326,026
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	34,582	-	11,022,576
Less: Accumulated Depreciation	<u>(3,586,835)</u>	<u>(300,962)</u>	<u>-</u>	<u>(3,887,797)</u>
Total land, property and equipment, net	7,401,159	(266,380)	-	7,134,779
<b>Plaza Ciudadana Limited Partnership</b>				
Furniture and Equipment	266,328	53,464	-	319,792
Land	91,187	-	-	91,187
Land Improvements	141,664	-	-	141,664
Buildings	<u>12,190,928</u>	<u>-</u>	<u>-</u>	<u>12,190,928</u>
Total land, property and equipment	12,690,107	53,464	-	12,743,571
Less: Accumulated Depreciation	<u>(3,260,510)</u>	<u>(350,687)</u>	<u>-</u>	<u>(3,611,197)</u>
Total land, property and equipment, net	12,690,107	(297,223)	-	9,132,374
<b>Cuatro Apartments Limited Partnership</b>				
Furniture and Equipment	163,220	-	-	163,220
Land and Land Improvements	649,521	-	-	649,521
Buildings	<u>12,018,378</u>	<u>-</u>	<u>-</u>	<u>12,018,378</u>
Total land, property and equipment	12,831,119	-	-	12,831,119
Less: Accumulated Depreciation	<u>(2,100,061)</u>	<u>(320,965)</u>	<u>-</u>	<u>(2,421,026)</u>
Total land, property and equipment, net	10,731,058	(320,965)	-	10,410,093
<b>Casa Feliz Limited Partnership</b>				
Furniture and Equipment	1,058,767	-	-	1,058,767
Land Improvements	2,299,861	-	-	2,299,861
Right of use asset - land lease	52,000	(4,000)	-	48,000
Buildings	<u>12,848,982</u>	<u>5,990</u>	<u>-</u>	<u>12,854,972</u>
Total land, property and equipment	16,259,610	1,990	-	16,261,600
Less: Accumulated Depreciation	<u>(4,363,448)</u>	<u>(621,000)</u>	<u>-</u>	<u>(4,984,448)</u>
Total land, property and equipment, net	\$ 11,844,162	\$ (619,010)	\$ -	\$ 11,277,152

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

CONSOLIDATED SCHEDULE OF PROPERTY AND EQUIPMENT - (CONTINUED)

Year Ended December 31, 2023

	Beginning of Year	Additions	Deletions	End of Year
<b>Sterling Apartments Limited Partnership</b>				
Furniture and Equipment	\$ 293,199	\$ 14,756	\$ -	\$ 307,955
Land and Land Improvements	1,830,411	-	-	1,830,411
Right of use asset - land lease	-	-	-	-
Buildings	<u>12,598,453</u>	<u>-</u>	<u>-</u>	<u>12,598,453</u>
Total land, property and equipment	14,774,063	14,756	-	14,736,819
Less: Accumulated Depreciation	<u>(2,548,949)</u>	<u>(539,939)</u>	<u>-</u>	<u>(3,088,888)</u>
Total land, property and equipment, net	12,225,114	(525,183)	-	11,647,931
<b>Luminaria Apartments Limited Partnership</b>				
Furniture and Equipment	729,768	34,777	-	764,545
Land	111,580	-	-	111,580
Right of use asset - land lease	353,647	-	-	353,647
Buildings	<u>16,441,309</u>	<u>1,834</u>	<u>-</u>	<u>16,443,143</u>
Total land, property and equipment	17,636,304	36,611	-	17,672,915
Less: Accumulated Depreciation	<u>(301,209)</u>	<u>(521,340)</u>	<u>-</u>	<u>(822,549)</u>
Total land, property and equipment, net	17,335,095	(484,729)	-	16,850,366
<b>Hiland Plaza Apartments Limited Partnership</b>				
Right of use asset - land lease	95,000	(5,000)	-	90,000
Furniture and Equipment	-	92,091	-	92,091
Buildings	<u>-</u>	<u>22,590,438</u>	<u>-</u>	<u>22,590,438</u>
Total land, property and equipment	95,000	22,677,529	-	22,772,529
Less: Accumulated Depreciation	<u>-</u>	<u>(309,090)</u>	<u>-</u>	<u>(309,090)</u>
Total land, property and equipment, net	95,000	22,368,439	-	22,463,439
<b>Total Consolidated Organization</b>				
Total land, property and equipment	88,301,294	23,087,785	-	111,389,079
Elimination	(3,107,528)	1,554,567	-	(1,552,961)
Less: Accumulated Depreciation	<u>(16,191,178)</u>	<u>(2,965,705)</u>	<u>-</u>	<u>(19,156,883)</u>
Total land, property and equipment, net	<u>\$ 69,002,588</u>	<u>\$ 21,676,647</u>	<u>\$ -</u>	<u>\$ 90,679,235</u>