

**GREATER ALBUQUERQUE
HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES**

CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS THEREON
FOR THE YEAR ENDED DECEMBER 31, 2020

RICHARD D. NEEL CPA PA
CERTIFIED PUBLIC ACCOUNTANT

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES
FOR THE YEAR ENDED DECEMBER 31, 2020**

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RICHARD D. NEEL CPA PA

CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors of
The Greater Albuquerque Housing Partnership

We have audited the accompanying consolidated financial statements of the Greater Albuquerque Housing Partnership and Controlled Affiliates (collectively referred to as "the Organization"), all of which are under common control and common management, and consist of a nonprofit organization and six limited partnerships which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Plaza Feliz Limited Partnership LLLP, Plaza Ciudadana Limited Partnership LLLP, Cuatro Apartments Limited Partnership LLLP, Casa Feliz Limited Partnership LLLP, or Sterling Apartments Limited Partnership LLLP, all controlled affiliates, which combined statements reflect total assets of \$59,689,908 as of December 31, 2020, and total revenues and gains of \$3,203,184 for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the controlled affiliates listed above, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation, and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

The financial statements of Plaza Feliz Limited Partnership LLLP, Plaza Ciudadana Limited Partnership LLLP, Cuatro Apartments Limited Partnership LLLP, Casa Feliz Limited Partnership LLLP, Sterling Apartments Limited Partnership LLLP, and Luminaria Apartments Limited Partnership LLLP were not audited in accordance with *Government Auditing Standards*.

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

Opinion

In our opinion, based on our audit and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2020, and the changes in its net assets, functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary schedules one through nine, on pages 24 through 31, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. This information has been subjected to the auditing procedures applied in the audit 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

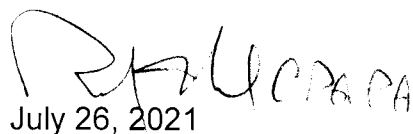
prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the 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 audit 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.


July 26, 2021

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES**
Consolidated Statements of Financial Position
As of December 31, 2020

ASSETS	<u>Reference</u>	
Current Assets		
Cash and cash equivalents	Schedule 5	\$ 5,444,607
Rent receivables		10,158
Other receivables		17,919
Prepaid expenses		35,787
Total Current Assets		<u>5,508,471</u>
Property and Equipment, net of accumulated depreciation	Schedule 3	56,238,659
Other Assets		
Tax credit fees, net of accumulated amortization	Schedule 6	211,013
Escrow deposits	Schedule 5	335,199
Cash restricted to tenant security deposits	Schedule 5	118,756
Cash restricted for replacement/operating reserves	Schedule 5	1,759,438
Work in progress, project investment	Schedule 7	1,189,121
Notes receivable from homebuyers	Note 3	330,566
Organizational costs		15,000
Endowment fund created by board	Note 4	44,727
Total Other Assets		<u>4,003,820</u>
		<hr/>
Total Assets		<u><u>65,750,950</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable, accrued expenses		226,666
Notes payable, current portion	Schedule 4	165,543
Deferred rent received	Note 5	38,107
Total Current Liabilities		<u>430,316</u>
Notes payable, net of deferred financing costs and current portion	Schedule 4	21,678,892
Tenant security deposits	Note 5	105,374
Deferred revenue	Note 6	117,600
Total Liabilities		<u>22,332,182</u>
Net Assets, Without Donor Restrictions		
Without donor restrictions		43,394,041
Without donor restrictions, designated for endowment fund	Note 4	44,727
		<u>43,438,768</u>
Less: Casa Feliz and Sterling Apartments Limited Partnership LLLP syndication costs		(20,000)
Total Net Assets		<u>43,418,768</u>
		<hr/>
Total Liabilities and Net Assets		<u><u>65,750,950</u></u>

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES**
Consolidated Statement of Activities
For The Year Ended December 31, 2020

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:

Revenues and gains

Rental income	\$	2,898,368
Tenant services income		50,468
Development fees		89,633
Property tax refunds		253,309
Government grant service contracts		59,749
Investment income		9,845
Other income		19,544
Total Revenues and Gains Without Donor Restrictions		<u>3,380,916</u>

Expenses

Program		5,289,895
General and Administrative		149,011
Total Expenses		<u>5,438,906</u>

DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS (2,057,990)

NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR
AS ORIGINALLY STATED:

Greater Albuquerque Housing Partnership	3,319,118	
Other limited partners in controlled partnerships	<u>40,280,377</u>	43,599,495

PRIOR PERIOD ADJUSTMENT Note 16 342,344

NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR
AS RESTATED: 43,941,839

CAPITAL CONTRIBUTIONS

Greater Albuquerque Housing Partnership	-	
Other limited partners in controlled partnerships	<u>1,559,220</u>	1,559,220

CAPITAL DISTRIBUTIONS

Greater Albuquerque Housing Partnership	-	
Other limited partners in controlled partnerships	<u>4,301</u>	4,301

NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR

Greater Albuquerque Housing Partnership	2,998,997	
Other limited partners in controlled partnerships	<u>40,439,771</u>	<u>43,438,768</u>

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES**
Consolidated Statement of Functional Expenses
For The Year Ended December 31, 2020

	Program Services						Supporting Services		Total Expense	
	Plaza Feliz	Plaza Ciudadana	Cuatro Apts	Casa Feliz	Sterling Apts	Affordable Housing Program	Total Program	Mgmt. General		Eliminations
Salaries	\$ 77,561	64,343	67,401	79,986	76,259	372,146	737,696	93,036	-	830,732
Payroll taxes	6,395	5,090	5,790	6,545	7,501	34,034	65,355	8,508	-	73,863
Employee benefits	8,070	13,030	12,574	7,938	14,023	107,768	163,403	26,942	-	190,345
Total personnel expenses	92,026	82,463	85,765	94,469	97,783	513,948	966,454	128,486	-	1,094,940
Administration expense, other	21,805	9,539	10,615	36,132	47,477	-	125,568	-	(100)	125,468
Advertising, marketing	926	133	792	-	7,294	-	9,145	-	-	9,145
Bad debts	-	-	-	1,361	6,648	-	8,009	-	-	8,009
Contractual services	43,460	48,343	87,151	103,029	57,948	25,824	365,755	6,456	(73,970)	298,241
Conferences, seminars	405	915	-	-	-	636	1,956	159	-	2,115
Donations	-	-	-	-	-	80,566	80,566	-	-	80,566
Entity fees	64,420	-	-	32,782	31,055	-	128,257	-	(37,248)	91,009
Interest, fees	69,803	47,933	5,401	127,007	245,130	-	495,274	-	(162,644)	332,630
Insurance	18,004	18,950	15,855	29,003	32,418	12,639	126,869	3,160	-	130,029
Meals, entertainment	-	-	-	-	-	519	519	130	-	649
Miscellaneous	-	-	-	-	-	8,019	8,019	2,005	(200)	9,824
Occupancy	-	-	-	-	-	15,529	15,529	3,882	-	19,411
Operating, maintenance expense	96,305	40,038	44,949	82,442	45,495	-	309,229	-	-	309,229
Project expenses-other	-	-	-	-	-	14,576	14,576	-	-	14,576
Social services expenses	20,000	20,000	10,325	23,582	-	-	73,907	-	(69,800)	4,107
Supplies	-	-	-	-	-	7,596	7,596	1,899	-	9,495
Taxes, real estate and other	13,610	19,137	20,955	42,634	-	-	96,336	-	-	96,336
Telecommunications	7,703	7,964	7,393	13,982	7,237	7,535	51,814	1,884	-	53,698
Travel	-	-	-	-	-	1,587	1,587	397	-	1,984
Utilities	52,025	95,948	47,097	102,571	52,125	-	349,766	-	-	349,766
Totals before depreciation	500,492	391,363	336,298	688,994	630,610	688,974	3,236,731	148,458	(343,962)	3,041,227
Depreciation, amortization	306,607	353,552	328,173	842,820	567,762	2,212	2,401,126	553	(4,000)	2,397,679
Total expenses	807,099	744,915	664,471	1,531,814	1,198,372	691,186	5,637,857	149,011	(347,962)	5,438,906

The accompanying notes are an integral part of these financial statements.
See accompanying independent auditor's report.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES**
Consolidated Statements of Cash Flows
For The Year Ended December 31, 2020

Cash Flows Provided (Used) By Operating Activities:	
Change in Net Assets (decrease)	\$ <u>(2,057,990)</u>
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:	
Depreciation, amortization	2,397,679
Decrease in rents receivable	20,327
Increase in other accounts receivable	(17,919)
Decrease in project development, construction in progress	275,291
Increase in prepaid expenses, escrow deposits	(310,275)
Decrease in accounts payable, accrued expenses	(274,122)
Increase in deferred rent	5,561
Decrease in tenant deposit liability	(8,888)
Total adjustments	<u>2,087,654</u>
Net cash provided (used) by operating activities	29,664
Cash Flows Provided (Used) By Investing Activities:	
Increase in endowment funds, net	(2,810)
Purchase of property and equipment	(1,056,950)
Other property and equipment changes	(18,760)
Net cash provided (used) by investing activities	<u>(1,078,520)</u>
Cash Flows Provided (Used) By Financing Activities:	
Partner capital contributions	1,559,220
Partner distributions	(4,301)
Proceeds from issuance of debt obligations	1,577,150
Repayment of debt obligations, financing costs	(2,548,750)
Prior period adjustment	342,344
Net cash provided (used) by financing activities	<u>925,663</u>
Net increase (decrease) in cash and cash equivalents	<u>(123,193)</u>
Cash and cash equivalents, beginning of year	<u>5,567,800</u>
Cash and cash equivalents, end of year	<u>5,444,607</u>

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

Cash was used for:	Payment of interest expensed	332,630
	Payment of income taxes	<u>-</u>

The accompanying notes are an integral part of these financial statements.
See accompanying independent auditor's report.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

NOTE 1: NATURE OF OPERATIONS

A: Parent Organization

The Greater Albuquerque Housing Partnership (GAHP) is a nonprofit organization incorporated in New Mexico in 1993. The stated mission of GAHP is to raise the economic and social levels of residents of Albuquerque, New Mexico by providing affordable housing opportunities. It 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.

B: Principles of Consolidation (Controlled Affiliates)

The consolidated financial statements include the accounts of GAHP, Plaza Feliz Limited Partnership, Plaza Ciudadana Limited Partnership, Cuatro Apartments Limited Partnership, Casa Feliz Limited Partnership, and Sterling Apartments Limited Partnership. Intercompany accounts and transactions for these entities and been eliminated in the preparation of the consolidated financial statements. Collectively, the consolidated entity is referred to as the "Organization".

C: Board of Directors

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

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

D: Consolidation of Limited Partnerships

FASB 810-20-25 (FASB 810) includes a presumption that a general partner controls the partnership no matter what the ownership interest is and requires the sole general partner in a limited partnership to consolidate the partnership unless the presumption of control is overcome.

GAHP evaluated its relationship with the limited partnerships in which it is currently the general partner and determined the presumption of control, as defined by FASB 810 could not be overcome. Therefore, GAHP has consolidated the assets, liabilities, and results of operations and recorded its general partner percentage of ownership in these limited partnerships.

E: Limited Partnerships

GAHP is the General Partner in six (6) for-profit housing development affiliates. 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. Under the terms of the agreements, the Limited Partners are entitled to tax credits over 15 years. At the expiration of the tax credit period, GAHP has the option to purchase the housing projects at a substantially discounted rate. All six projects are funded primarily with tax credits and to a lesser extent from government grants and loans. GAHP was involved in the development of these projects and received development fees, and other management and project fees.

F: Controlled Affiliates

The controlled affiliates consist of the six limited partnerships. The determinations of why and when affiliates should be consolidated are discussed below. The following affiliates are controlled affiliates of GAHP and have been consolidated in these financial statements.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

Plaza Feliz Limited Partnership

Plaza Feliz Limited Partnership (Plaza Feliz), is a for-profit partnership, and owns and operates a multi-family apartment complex including 55 low-income units, 10 market rate units, one non-revenue manager's unit, a daycare facility and a rental office. Although the partnership was created as a separate organization apart from GAHP, it meets the requirements of being a controlled affiliate of GAHP under FASB 810 and therefore, its accounts have been consolidated and presented as a whole with GAHP.

GAHP is the general partner of Plaza Feliz and owns .01% of the partnership. The limited partner investor is a large financial institution that owns the remaining 99.99%.

GAHP has loaned \$2,824,900 to Plaza Feliz for project construction. These funds were provided to GAHP by the City of Albuquerque, including pass through of \$1,850,000 in HUD funds. GAHP owns and leases the land to Plaza Feliz, which secured by a \$620,000 mortgage note payable to the City of Albuquerque. The land lease is for 99 years at \$100 per annum.

Plaza Ciudadana Limited Partnership

Plaza Ciudadana Limited Partnership (Plaza Ciudadana), a for-profit partnership, owns and operates a multi-family apartment complex including 56 low-income units, 11 market rate units, and one non-revenue manager's unit. Although the partnership was created as a separate organization apart from GAHP, it meets the requirements of being a controlled affiliate of GAHP under FASB 810 and therefore, its accounts have been consolidated and presented as a whole with GAHP.

GAHP is the general partner of Plaza Ciudadana and owns .01% of the partnership. The limited partner investor is a large financial institution that owns the remaining 99.99%.

GAHP has loaned \$974,697 to Plaza Ciudadana for project construction. These funds were provided to GAHP by the City of Albuquerque. GAHP owns and leases the land to Plaza Ciudadana, which secured by a \$940,000 mortgage note payable to the City of Albuquerque. The land lease is for 99 years at \$100 per annum.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

Cuatro Apartments Limited Partnership

Cuatro Apartments Limited Partnership (Cuatro Apts.), a for-profit partnership, owns and operates a multi-family apartment complex for seniors including 55 low-income units and one non-revenue manager unit. Although the partnership was created as a separate organization apart from GAHP, it meets the requirements of being a controlled affiliate of GAHP under FASB 810 and its accounts have been consolidated and presented as a whole with GAHP.

GAHP is the general partner of Cuatro Apts. and owns .01% of the partnership. The investor limited partner is a large financial institution which owns the remaining 99.99%

GAHP has loaned \$2,416,000 to Cuatro Apts. for project construction. These funds were provided to GAHP by the City of Albuquerque, which was a pass through of \$2,416,000 in HUD funds.

Casa Feliz Limited Partnership

Casa Feliz Limited Partnership (Casa Feliz), a for-profit partnership, owns and operates multi-family housing on scattered sites, including 88 low-income units and one non-revenue manager unit. Although the partnership was created as a separate organization apart from GAHP, it meets the requirements of being a controlled affiliate of GAHP under FASB 810 and therefore, its accounts have been consolidated and presented as a whole with GAHP.

GAHP is the general partner of Casa Feliz and owns .01% of the partnership. The limited partner investor is a large financial institution that owns the remaining 99.99%

GAHP has loaned \$2,800,000 to Casa Feliz for project construction. These funds were provided to GAHP by the City of Albuquerque. GAHP owns and leases the land to Casa Feliz, which secured by a \$380,800 mortgage note payable to the City of Albuquerque. The land lease is for 99 years. There was a prepayment of \$80,000 for the first 20 years that is being amortized at \$4,000 per year. The lease amount will be set at a fair rental value after that time.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

Sterling Apartments Limited Partnership

Sterling Apartments Limited Partnership (Sterling Apts.), a for-profit partnership, owns and operates a multi-family apartment complex including 106 low-income units and one non-revenue manager unit. Although the partnership was created as a separate organization apart from GAHP, it meets the requirements of being a controlled affiliate of GAHP under FASB 810 and therefore, its accounts have been consolidated and presented as a whole with GAHP.

GAHP is the general partner of Sterling Apts. and owns .01% of the partnership. The limited partner investor is a large financial institution that owns the remaining 99.99%

GAHP has loaned \$4,000,000 to Sterling Apts. for project construction. These funds were provided to GAHP by the City of Albuquerque.

The land is leased from Bernalillo County.

Luminaria Apartments Limited Partnership

Luminaria Apartments Limited Partnership (Luminaria Apts.), a for-profit partnership, was organized in 2020 to develop, own and operate a multi-family apartment complex for seniors, including 77 low-income units, one non-revenue manager unit, and 14 market rate units to create a mixed-income development. Although the partnership was created as a separate organization apart from GAHP, it meets the requirements of being a controlled affiliate of GAHP under FASB 810 and therefore, its accounts have been consolidated and presented as a whole with GAHP.

GAHP is the general partner of Luminaria Apts. and owns .01% of the partnership. The limited partner investor is a large financial institution that owns the remaining 99.99%.

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

The limited partner investor had made a capital contribution to the partnership in the amount of \$1,559,220 prior to year-end.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

Note 1: F: Controlled Affiliates, continued:

GAHP, the general partner, had made a capital contribution in the amount of \$100, and had loans outstanding at year-end in the amount of \$123,288.

GAHP is expected to loan \$4,000,000 to Luminaria Apts. for project construction. These funds will be provided to GAHP by the City of Albuquerque.

Construction and development costs in the amount of approximately \$1,688,600 were incurred in 2020. Total project budget is approximately \$17,787,600. See subsequent events in Note 17. Construction is expected to be completed, and the project occupied in early 2022.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A: Income Tax Status

GAHP is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and is not considered a private foundation within the meaning of Section 509(A) of the Code.

The limited partnerships, Plaza Feliz, Plaza Ciudadana, Cuatro Apts, Casa Feliz, Sterling Apts, and Luminaria Apts 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 each partnership is a single-member LLC owned by GAHP, and is therefore a disregarded entity as defined by the Internal Revenue Code.

Open audit periods for all entities include the tax years 2016 through 2020.

B: Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenues are recognized when earned rather than when received, and expenses are recognized when the related liability is incurred rather than when paid.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

C: Basis of Presentation

The Organization prepares financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 and 958-605, and subsections, as amended by ASU 2016-14 *Not-For-Profit Entities (Topic 958) Presentation of Financial Statements of Not-For-Profit Entities*. Under the guidance expressed in these statements, an organization's net assets and its revenues, expenses, gains, and losses are classified based on whether they are restricted by donors. Amounts for each of these two classes of net assets, with donor restrictions and without donor restrictions, are required to be displayed in a statement of financial position and amounts of change in each of these classes of net assets are required to be displayed in a statement of activities. Recognition of the expiration of donor-imposed restrictions in the period in which the restrictions expire is required. Expirations of restrictions that simultaneously increase one class of net assets and decrease another (reclassifications) are reported separately from other transactions in the statement of activities.

The Organization had no grantor/donor-imposed restrictions at the beginning or end of the year. Grantor/donor-imposed restrictions on support received during the year were met during 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.

D: Use of 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

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

E: Statement of Cash Flows

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

F: Impairment of Long-Lived Assets

The Organization accounts for long-lived assets in accordance with the provisions of FASB ASC 360-10 and subsections. ASC 360-10 requires that long-lived assets be reviewed for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount of the fair value less costs to sell. Management does not believe impairment indicators are present as of December 31, 2020.

G: Uncertain Tax Positions

There were no uncertain tax positions at December 31, 2020 in the opinion of management.

H: Fair Value Measurements

FASB ASC 820-10 and subsections establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quotes prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The inputs and methodology used for valuing the Organization's financial assets and liabilities are not indicators of the risks associated with those instruments. The three levels of the fair value hierarchy under FASB ASU 820-10 are as follows:

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
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Notes To Consolidated Financial Statements
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Level 1: Valuations for assets and liabilities traded in active exchange markets, such as public stock exchanges. Level 1 also includes government securities traded by dealers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities. There were no assets or liabilities to be disclosed for this category.

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. This category was used for project real estate.

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 assigned. This category was used for the endowment fund assets.

I: Property and Equipment

Property and equipment is carried at cost or, if donated, at the approximate fair value at date of donation. Depreciation is computed primarily using the straight-line method. The Organization capitalizes all expenditures for property and equipment with a cost of \$1,000 or more, with smaller expenditures expensed in the year of acquisition. Groups of assets purchased together will be capitalized as a group even if individual items are under the \$1,000 threshold. Depreciation lives range from five to 40 years, based on the estimated useful lives of the assets. Repairs and maintenance expenses are charged to operations as incurred.

J: Contributions of Goods and Services

Donations of property, equipment, and goods are recorded as assets and contribution support at their estimated fair value at date of donation. Donations of services are recorded at fair value, unless fair value cannot be objectively determined, such as the donation of board member service. There were no significant donated goods, property, equipment, or services, except board member services, received during the year.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
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Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

K: 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 during the year, or present at year-end.

L: Accounts Receivable, Allowance for Doubtful Accounts

Management considers all receivables to be collectible at year-end, and therefore no allowance for doubtful accounts is maintained. Bad debts in the total amount of approximately \$8,000 were recognized during the year. These were all small amounts of uncollected rents in the rental projects.

M: Expense Allocations

The costs of providing various programs have been summarized on a functional basis in the consolidated statement of activities and the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

N: Accrued Wages and Benefits

Employees of the Organization earn wages and annual leave based on stated policies. Earned but unpaid wages and compensated absence leave are payable to the employee upon termination and accrued and shown as a liability on the statement of financial position, and the related change in liability is reflected as an expense in the year of change.

O: Controlled Affiliates Inter-Organization Receivables and Payables

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 are eliminated in the Consolidated Financial Statements.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

P: Tax Credits

Each limited partnership's low-income housing tax credits are contingent on their 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, 2020, the Organization appeared to be in compliance with IRC Section 42.

Q: Operating and Replacement Reserves

The limited partnerships have, or are in the process of establishing reserves in accordance with agreements and loan documents. Funds in the reserve accounts are intended to be used to fund operation and debt service deficits, or to fund major repairs, capital expenditures and replacement of capital items in the apartment buildings. Interest earned on the replacement reserve, if any, shall be added to the replacement reserve.

R: Risks, Contingencies

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

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

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AND CONTROLLED AFFILIATES
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For The Year Ended December 31, 2020**

NOTE 3: NOTES RECEIVABLE FROM HOMEBUYERS

Mortgage notes receivable from homebuyers include \$330,566 due from 23 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.

NOTE 4: ENDOWMENT FUND

An endowment fund was created in a prior year 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). This 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 beginning fair value of the endowment fund was \$41,917. There was net investment income of \$4,010 after expenses. There were no fund contributions and distributions in the amount of \$1,200 were made during the year, resulting in an ending fair value of \$44,727.

The endowment fund was valued using level 3 fair value inputs.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
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Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

NOTE 5: DEFERRED RENT, TENANT SECURITY DEPOSITS RECEIVED

Rents received in the limited partnership apartment projects in advance are recorded as deferred rent liabilities.

Tenant security deposits received in the limited partnership apartment projects are recorded as tenant security deposit liabilities.

NOTE 6: 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 7: PENSION PLAN

GAHP provides an IRC 403(b) Tax Sheltered Annuity Plan for eligible employees. Eligible employees may make voluntary contributions to their plan account. GAHP contributes 5% of employee compensation to the plan, regardless of employee contributions. This will increase to 10% in 2021. Approximately \$23,650 in employer contributions were made during the year.

NOTE 8: OPERATING LEASES

GAHP has executed operating leases for the rental of an office facility and equipment. Current year rental expense was approximately \$19,410. Future minimum rental obligations under these leases are \$18,090 for 2021, \$18,218 for 2022, \$3,045 for 2023, and none thereafter.

NOTE 9: ECONOMIC DEPENDENCY

Approximately 86% of the consolidated Organization's revenues are apartment tenant rental fees.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

NOTE 10: CREDIT RISK CONCENTRATION

GAHP, Plaza Feliz, and Sterling Apartments had deposits in high quality financial institutions in excess of the limits insured by the Federal Deposit Insurance Corporation (FDIC). The combined amount in excess of the insured limit was approximately \$6,494,000 at year-end. The balances in these accounts fluctuated during the year. The consolidated Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash bank deposits.

NOTE 11: BELOW MARKET INTEREST LOANS:

Certain notes payable and notes receivable include zero interest provisions that are below interest rates that were normally prevailing for similar notes at the inception date. Because the Organization, as a community development organization, is unable to ascertain what the fair interest rate would be under the circumstances of each individual loan, no provision for the amount of the foregone interest expense, or interest income, and the related lender contribution revenue, or recipient donation expense, has been recorded or presented in these financial statements.

NOTE 12: RELATED PARTY TRANSACTIONS:

All transactions between GAHP, and each of the limited partnerships have been eliminated in these consolidated financial statements.

Plaza Cuidana Limited Partnership is liable to its limited partner investor pursuant to a note payable with a year-end balance of \$643,348. Monthly payments, including principal and interest, in the amount of \$52,800, was paid to this partner.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

NOTE 12: RELATED PARTY TRANSACTIONS, continued:

Luminaria Apartments Limited Partnership received a capital contribution from its limited partner investor in the amount of \$1,559,220 during the year.

NOTE 13: INCA STREET PROJECT:

In 2018, GAHP entered into contracts with a municipality to rehabilitate an apartment building intended to be used by another non-profit organization that is dedicated to providing services for families affected by domestic abuse. The project was completed in 2020. GAHP received a final developer fee in the amount of \$89,633 for completion of the project. GAHP made charitable contributions to the non-profit organization that will use the facility in the total amount of \$74,700.

NOTE 14: HILAND PLAZA PROJECT:

GAHP has entered into a developer agreement with the City of Albuquerque to develop this Low-Income Housing Tax Credit property. The project is planned for construction of 92 affordable housing units including 75 low-income housing units, 16 market rate units, and a non-revenue manager's unit. The City has committed to provide \$3,586,843 in US Department of Housing and Urban Development HOME Investment Partnerships funds. Total project cost is budgeted at approximately \$18,347,000 with the remaining funding to be provided by a limited partner investor.

NOTE 15: CIBOLA LOOP PROJECT:

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

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
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Notes To Consolidated Financial Statements
For The Year Ended December 31, 2020**

NOTE 16: PRIOR PERIOD ADJUSTMENT:

Accrued, but unpaid interest on loans from GAHP to two limited partnerships was not properly eliminated in prior years. The total amount of this unpaid interest was \$342,344. Prior year consolidated liabilities and related expenses were overstated by this amount.

NOTE 17: SUBSEQUENT EVENTS:

Significant subsequent events occurring through the report date are as follows:

GAHP:

GAHP continued development and construction of the Hiland Plaza project. Total additional costs in 2021 through the date of this report were approximately \$113,700.

GAHP received proceeds in the net amount of \$357,746 for the sale of New Mexico New Sustainable Building Tax Credits. This credit is applicable to the Casa Feliz Limited Partnership project, and is awarded to GAHP.

Luminaria Apartments Limited Partnership:

Additional development and construction costs were incurred in 2021 through the date of this report of approximately \$4,529,000. These costs were partly financed by a bank construction loan in the amount of approximately \$1,295,300 and HUD HOME loans passed through GAHP, the general partner in the amount of approximately \$2,923,300.

The Luminaria project tentatively qualified for low-income housing tax credits in the amount of \$1,142,400.

NOTE 18: MANAGEMENT REVIEW:

The Organization has evaluated subsequent events through July 26, 2021, the date that the financial statements were available to be issued.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES**
Combining Schedule of Financial Position of Consolidated Entities
As of December 31, 2020

Schedule 1

	Greater Albuquerque Housing Partnership	Plaza Feliz Limited Partnership	Plaza Ciudana Limited Partnership	Cuatro Apartments Limited Partnership	Casa Feliz Limited Partnership	Sterling Apartments Limited Partnership	Luminaria Apartments Limited Partnership	Combined Totals	Eliminations	Consolidated TB
Cash in Bank	\$ 4,426,885	264,243	84,878	43,723	238,227	386,651	-	5,444,607	-	5,444,607
Rent receivables	-	425	326	-	4,524	4,883	-	10,158	-	10,158
Other receivables	6,000	-	-	-	-	-	11,919	17,919	-	17,919
Prepaid expenses	1,610	10,000	-	-	7,416	16,761	-	35,787	-	35,787
Total Current Assets	4,434,495	274,668	85,204	43,723	250,167	408,295	11,919	5,508,471	-	5,508,471
Property and Equipment, net	3,054,461	7,989,878	10,055,028	10,981,818	12,460,712	11,696,762	-	56,238,659	-	56,238,659
Tax credit fees, net	-	20,880	48,312	56,281	67,376	18,164	-	211,013	-	211,013
Escrow deposits	-	11,930	227,854	76,139	-	19,276	-	335,199	-	335,199
Cash restricted to tenant deposits	-	23,287	22,530	13,650	28,138	31,151	-	118,756	-	118,756
Cash restricted to reserves	-	413,041	346,481	251,730	346,850	401,336	-	1,759,438	-	1,759,438
Work in progress, project	100,501	-	-	-	-	-	1,088,620	1,189,121	-	1,189,121
Notes receivable, homebuyers	330,566	-	-	-	-	-	-	330,566	-	330,566
Organizational costs	-	10,000	5,000	-	-	-	-	15,000	-	15,000
Endowment fund	44,727	-	-	-	-	-	-	44,727	-	44,727
Total Other assets	475,794	479,138	650,177	397,800	442,364	469,927	1,088,620	4,003,820	-	4,003,820
Controlled affiliate assets	15,640	-	-	379,247	1,035,000	1,590,000	600,000	3,619,887	(3,619,887)	-
Controlled affiliate receivables	672,734	-	-	-	-	-	-	672,734	(672,734)	-
Controlled affiliate notes receivable	13,990,547	-	-	-	-	-	-	13,990,547	(13,990,547)	-
Total Assets	22,643,671	8,743,684	10,790,409	11,802,588	14,188,243	14,164,984	1,700,539	84,034,118	(18,283,168)	65,750,950
Accounts payable, accrued exp.	52,381	42,649	31,243	22,783	23,977	35,703	17,930	226,666	-	226,666
Notes payable, current portion	-	10,700	18,800	26,801	61,012	48,230	-	165,543	-	165,543
Deferred revenue	-	7,329	8,735	2,001	9,730	10,312	-	38,107	-	38,107
Total Current Liabilities	52,381	60,678	58,778	51,585	94,719	94,245	17,930	430,316	-	430,316
Notes payable, net	15,547,494	984,418	761,855	141,615	865,501	3,378,009	-	21,678,892	-	21,678,892
Tenant security deposits	-	18,925	19,227	12,529	25,393	29,300	-	105,374	-	105,374
Deferred revenue	117,600	-	-	-	-	-	-	117,600	-	117,600
Controlled affiliates payables, accruals	-	20,902	-	86,664	422,272	591,303	123,289	1,244,430	(1,244,430)	-
Controlled affiliates notes payable	-	2,778,228	788,083	2,416,000	2,800,000	4,636,540	-	13,418,851	(13,418,851)	-
Controlled affiliates deferred lease	60,000	-	-	-	-	-	-	60,000	(60,000)	-
Total Liabilities	15,777,475	3,863,151	1,627,943	2,708,393	4,207,885	8,729,397	141,219	37,055,463	(14,723,281)	22,332,182
Net assets without donor restrictions	6,821,469	4,880,533	9,162,466	9,094,195	9,990,358	5,445,587	1,559,320	46,953,928	(3,559,887)	43,394,041
Endowment Fund	44,727	-	-	-	-	-	-	44,727	-	44,727
	6,866,196	4,880,533	9,162,466	9,094,195	9,990,358	5,445,587	1,559,320	46,998,655	(3,559,887)	43,438,768
Less: Syndication costs	-	-	-	-	(10,000)	(10,000)	-	(20,000)	-	(20,000)
Total Net Assets	6,866,196	4,880,533	9,162,466	9,094,195	9,980,358	5,435,587	1,559,320	46,978,655	(3,559,887)	43,418,768
Total Liabilities and Net Assets	22,643,671	8,743,684	10,790,409	11,802,588	14,188,243	14,164,984	1,700,539	84,034,118	(18,283,168)	65,750,950

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES**
Combining Schedule of Activities of Consolidated Entities
For The Year Ended December 31, 2020

Schedule 2

	Notes	Greater Albuquerque Housing Partnership	Plaza Feliz Limited Partnership	Plaza Ciudana Limited Partnership	Cuatro Apartments Limited Partnership	Casa Feliz Limited Partnership	Sterling Apartments Limited Partnership	Luminaria Apartments Limited Partnership	Combined Totals	Eliminations	Consolidated TB
Revenues and gains:											
Rental income	\$	-	566,134	552,362	356,484	667,626	755,762	-	2,898,368	-	2,898,368
Tenant services income		-	5,047	7,748	6,660	5,344	25,669	-	50,468	-	50,468
Grant Revenue		59,749	-	-	-	-	-	-	59,749	-	59,749
Development fees		89,633	-	-	-	-	-	-	89,633	-	89,633
Gain on sale of tax credits		-	-	-	-	-	0	-	0	-	0
Investment income		8,806	405	112	37	225	260	-	9,845	-	9,845
Casualty gain		-	-	-	-	-	0	-	0	-	0
Property tax refunds		-	-	-	116,318	136,991	-	-	253,309	-	253,309
Other income		19,544	-	-	-	-	-	-	19,544	-	19,544
		177,732	571,586	560,222	479,499	810,186	781,691	-	3,380,916	-	3,380,916
Controlled Affiliate Revenues		941,773	-	-	-	-	-	-	941,773	(941,773)	-
Total Revenues and Gains		1,119,505	571,586	560,222	479,499	810,186	781,691	-	4,322,689	(941,773)	3,380,916
Expenses:											
Program		691,186	807,099	744,915	664,471	1,531,814	1,198,372	-	5,637,857	(347,962)	5,289,895
General and Administrative		149,011	-	-	-	-	-	-	149,011	-	149,011
Total Expenses		840,197	807,099	744,915	664,471	1,531,814	1,198,372	-	5,786,868	(347,962)	5,438,906
Increase, (Decrease) in Net Assets Without Donor Restrictions		279,308	(235,513)	(184,693)	(184,972)	(721,628)	(416,681)	-	(1,464,179)	(593,811)	(2,057,990)
Net Assets, Beginning of Year, as originally stated		6,263,365	5,136,821	9,347,159	9,279,167	10,711,986	5,862,268	-	46,600,766	(3,001,271)	43,599,495
Prior Period Adjustment		323,523	-	-	-	-	-	-	323,523	18,821	342,344
Net Assets Beginning of Year, as restated		6,586,888	5,136,821	9,347,159	9,279,167	10,711,986	5,862,268	-	46,924,289	(2,982,450)	43,941,839
Capital Contributions		-	-	-	-	-	-	1,559,320	1,559,320	(100)	1,559,220
Capital Distributions		-	(20,775)	-	-	-	-	-	(20,775)	16,474	(4,301)
		6,866,196	4,880,533	9,162,466	9,094,195	9,990,358	5,445,587	1,559,320	46,998,655	(3,559,887)	43,438,768
Less: Syndication Costs		-	-	-	-	(10,000)	(10,000)	-	(20,000)	-	(20,000)
Net Assets, End of Year		6,866,196	4,880,533	9,162,466	9,094,195	9,980,358	5,435,587	1,559,320	46,978,655	(3,559,887)	43,418,768

GREATER ALBUQUERQUE HOUSING PARTNERSHIP
CONSOLIDATED SCHEDULE OF PROPERTY AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

	Beginning Of Year	Additions	Deletions	End Of Year
GAHP				
Furniture and Equipment	26,129	6,950	-	33,079
Land	1,996,017	1,050,000	-	3,046,017
Total property and equipment	2,022,146	1,056,950	-	3,079,096
Less: Accumulated Depreciation	(21,871)	(2,765)	-	(24,636)
Total property and equipment, net	2,000,275	1,054,185	-	3,054,460
Plaza Feliz Ltd. Partnership				
Furniture and Equipment	274,409	7,983	-	282,392
Land Improvements	752,428	-	-	752,428
Buildings	9,939,969	-	-	9,939,969
Total property and equipment	10,966,806	-	-	10,974,789
Less: Accumulated Depreciation	(2,684,732)	(300,179)	-	(2,984,911)
Total property and equipment, net	8,282,074	(300,179)	-	7,989,878
Plaza Ciudadana Ltd. Partnership				
Furniture and Equipment	260,026	-	-	260,026
Land	91,187	-	-	91,187
Land Improvements	141,664	-	-	141,664
Buildings	12,129,273	-	-	12,129,273
Total property and equipment	12,622,150	-	-	12,622,150
Less: Accumulated Depreciation	(2,222,244)	(344,878)	-	(2,567,122)
Total property and equipment, net	10,399,906	(344,878)	-	10,055,028
Cuatro Apts. Ltd. Partnership				
Furniture and Equipment	156,457	-	-	156,457
Land	638,875	-	-	638,875
Buildings	11,639,132	-	-	11,639,132
Total property and equipment	12,434,464	-	-	12,434,464
Less: Accumulated Depreciation	(1,129,835)	(322,810)	-	(1,452,645)
Total property and equipment, net	11,304,629	(322,810)	-	10,981,819
Casa Feliz Ltd. Partnership				
Furniture and Equipment	1,056,570	-	-	1,056,570
Land, land improvements	2,299,861	-	-	2,299,861
Buildings	11,868,103	5,879	-	11,873,982
Total property and equipment	15,224,534	-	-	15,230,413
Less: Accumulated Depreciation	(1,937,933)	(831,768)	-	(2,769,701)
Total property and equipment, net	13,286,601	(831,768)	-	12,460,712
Sterling Apts. Ltd. Partnership				
Furniture and Equipment	280,945	-	-	280,945
Land, land improvements	1,822,956	-	-	1,822,956
Buildings	11,008,453	-	-	11,008,453
Total property and equipment	13,112,354	-	-	13,112,354
Less: Accumulated Depreciation	(849,283)	(566,309)	-	(1,415,592)
Total property and equipment, net	12,263,071	(566,309)	-	11,696,762
Total Consolidated Organization				
Total property and equipment	66,382,454	1,056,950	-	67,453,266
Less: Accumulated Depreciation	(8,845,898)	(2,368,709)	-	(11,214,607)
Total property and equipment, net	57,536,556	(1,311,759)	-	56,238,659

Schedule 4 **GREATER ALBUQUERQUE HOUSING PARTNERSHIP**
CONSOLIDATED SCHEDULE OF LONG-TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2020

Greater Albuquerque Housing Partnership

No interest constructon credit line payable to a municipality to be discharged at the end of the "affordability period" which is 90 years after the completion of the project, secured by the Sterling Apts. project real estate.	\$ 4,000,000
No interest constructon credit line payable to a municipality to be discharged at the end of the "affordability period" which is 90 years after the completion of the project, secured by the Casa Feliz project real estate.	3,180,800
No interest construction credit line payable to a municipality to be discharged at the end of of the "affordability period" which is 20 years after the completion of the project, secured by the Cuatro Apartments project real estate	2,416,000
No interest mortgage note payable to a municipality, balance due if project does not remain in compliance, secured by the Plaza Feliz project real estate.	1,000,000
No interest mortgage note payable to a municipality, balance due if project does not remain in compliance, secured by the Plaza Feliz project real estate.	620,000
No interest mortgage note payable to a municipality, balance due if project does not remain in compliance, secured by the Plaza Feliz project real estate.	1,850,000
No interest \$1,300,000 credit line note payable to a municipality to be discharged at the end of the "affordability period" which is October 10, 2102 (90 year term), secured by the Plaza Ciudadana project real estate.	1,300,000
No interest mortgage note payable to a municipality, to be discharged at the end of the "affordability period" which is October 10, 2102 (90 year term), secured by the Plaza Ciudadana project real estate.	240,694
No interest mortgage note payable to a municipality, to be discharged at the end of the "affordability period" which is October 10, 2102 (90 year term), secured by the Plaza Ciudadana project real estate.	940,000
	<u>15,547,494</u>

Plaza Feliz Limited Partnership

6.21% note payable to a state finance authority, due in monthly installments of \$9,833, including interest and escrow deposits, until paid, secured by project real estate, equipment, and rental profits	1,035,718
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Plaza Cuidana Limited Partnership

3.00% note payable to a state finance authority, due in 360 monthly installments, including interest , until paid, secured by project real estate	216,707
6.27% note payable to a bank, due in monthly installments of \$4,400, including interest, until paid, secured by project real estate	<u>643,348</u>
	<u>860,055</u>

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
CONSOLIDATED SCHEDULE OF LONG-TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2020**

Cuatro Apartments Limited Partnership

3.00% note payable to a state finance authority, due in monthly installments of \$2,559, including interest, until paid, secured by project real estate \$ 168,416

Casa Feliz Limited Partnership

3.00% note payable to a state finance authority, due in equal monthly installments, including interest, until fully paid at February 1, 2033, secured by project real estate 419,529

5.00% note payable to a bank, due in equal monthly installments, including interest, until fully paid at January 15, 2033, secured by project real estate 521,034
940,563

Sterling Apartments Limited Partnership

3.00% note payable to a state finance authority, due in equal monthly installments, including interest, until fully paid at April 1, 2049, secured by project real estate 484,223

4.85% note payable to a bank, due in equal monthly installments of \$15,350, including interest, until October 1, 2049, secured by project real estate 3,047,442
3,531,665

22,083,911

Less: Deferred financing costs

Plaza Feliz Limited Partnership	(40,600)
Plaza Ciudadana Limited Partnership	(79,400)
Casa Feliz Limited Partnership	(14,050)
Sterling Apartments Limited Partnership	<u>(105,426)</u>

21,844,435

Less: Current portion

165,543

Long-Term portion

21,678,892

Deferred financing debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable for which the costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using the straight line method. This does not result in a significant difference from the effective interest rate method.

Notes payable mature as follows:

Year ended December 31, 2021	165,543
Year ended December 31, 2022	172,611
Year ended December 31, 2023	179,922
Year ended December 31, 2024	187,484
Year ended December 31, 2025	195,317
Thereafter	<u>21,183,034</u>
	<u>22,083,911</u>

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
AND CONTROLLED AFFILIATES**
Financial Statement Supporting Schedules
For The Year Ended December 31, 2020

Schedule 5, Cash and Cash Equivalents

	<u>GAHP</u>	<u>Plaza Feliz</u>	<u>Plaza Ciudana</u>	<u>Cuatro Apts</u>	<u>Casa Feliz</u>	<u>Sterling Apts</u>	<u>Total</u>	<u>Restricted Total</u>
Operating accounts	\$ 4,426,885	264,243	84,878	43,723	238,227	386,651	5,444,607	-
Restricted to tenant deposits	-	23,287	22,530	13,650	28,138	31,151	118,756	118,756
Restricted to Escrow deposits	-	11,930	227,854	76,139	-	19,276	335,199	335,199
Restricted to operating reserves	-	220,903	211,477	189,829	268,968	339,792	1,230,969	1,230,969
Restricted to reserves for replacements	-	192,138	135,004	61,901	77,872	61,544	528,459	528,459
	<u>4,426,885</u>	<u>712,501</u>	<u>681,743</u>	<u>385,242</u>	<u>613,205</u>	<u>838,414</u>	<u>7,657,990</u>	<u>2,213,383</u>

Items designated as "restricted" are restricted per various loan, development, or other agreements. These amounts are not donor-restricted amounts.

Schedule 6, Tax Credit Fees

	<u>GAHP</u>	<u>Plaza Feliz</u>	<u>Plaza Ciudana</u>	<u>Cuatro Apts</u>	<u>Casa Feliz</u>	<u>Sterling Apts</u>	<u>Total</u>
Tax credit fees capitalized	\$ -	77,254	89,250	80,411	87,250	21,797	355,962
Less: accumulated amortization	-	(56,374)	(40,938)	(24,130)	(19,874)	(3,633)	(144,949)
	<u>-</u>	<u>20,880</u>	<u>48,312</u>	<u>56,281</u>	<u>67,376</u>	<u>18,164</u>	<u>211,013</u>

Schedule 7, Work in Progress, Project Investment

	<u>GAHP</u>	<u>Plaza Feliz</u>	<u>Plaza Ciudana</u>	<u>Cuatro Apts</u>	<u>Casa Feliz</u>	<u>Sterling Apts</u>	<u>Luminaria Apts</u>	<u>Total</u>
Development costs, Thaxton Project	\$ 42,654	-	-	-	-	-	-	42,654
Development costs, Luminaria Apts	-	-	-	-	-	-	1,088,620	1,088,620
Pre-Development costs, Hiland Plaza	57,847	-	-	-	-	-	-	57,847
	<u>100,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,189,121</u>

Schedule 8, Liquidity and Availability of Financial Assets:

The following reflects the consolidated Organization's financial assets at year-end, 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.

Financial assets at year-end	\$ 7,766,591
Less: those unavailable for general expenditures within one year due to:	
Funds restricted for escrow deposits	(335,199)
Funds restricted for tenant security deposits	(118,756)
Funds restricted for replacement/operating reserves	(1,759,438)
Funds designated by board for program services (board designated endowment fund)	(44,727)
Financial assets available to meet cash needs for general expenditures within one year	<u>5,508,471</u>

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short term savings and money market investments.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CATALOG OF DOMESTIC ASSISTANCE NUMBER	PASS THROUGH ENTITY ID NUMBER	EXPENDITURES
U.S. Department of Housing and Urban Development programs:			
Major Programs:			
Home Investment Partnership Program:	14.239		
Pass-through programs from the City of Albuquerque:			
Cuatro Apartments Project Advance		705536	\$ 2,416,000
Plaza Feliz Project Advance		702293	1,850,000
CHDO Home Funds		202000281	29,132
CHDO Home Funds		202100020	30,617
Subtotal City of Albuquerque pass-through programs			<u>4,325,749</u>
Total Home Investment Partnership Program			<u>4,325,749</u>
Non-Major Programs:			
None			
Total expenditure of federal awards			<u><u>4,325,749</u></u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

The accompanying notes are an integral part of these financial statements.
See accompanying independent auditors' reports.

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note A: Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200 Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*. (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Organization.

Note B: Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

Loans Outstanding: Amounts included in the Schedule that are indicated as “project advances” represent funds provided as advances loaned to the Organization for various projects. Therefore, amounts presented in this Schedule may differ from amounts presented in the general-purpose financial statements. The total amount of these advances at the beginning of the year was \$5,088,850. There was an increase in the Inca Street Project Advance in the amount of \$1,577,150, and there was a full repayment of this advance in the amount of \$2,400,000 in 2020, resulting in a total outstanding balance of federal award loans at the end of the year of \$4,266,000. These loan advances are subject to continuing compliance requirements. All loans do not require payment of interest, as long as the continuing compliance requirements are met.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Greater Albuquerque Housing Partnership

We have audited the financial statements of the Greater Albuquerque Housing Partnership, (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 26, 2021. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The financial statements of the affiliated controlled limited partnerships including Plaza Feliz Limited Partnership LLLP, Plaza Ciudadana Limited Partnership LLLP, Cuatro Apartments Limited Partnership LLLP, Casa Feliz Limited Partnership LLLP, Sterling Apartments Limited Partnership LLLP, and Luminaria Limited Partnership LLLP, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Plaza Feliz Limited Partnership LLLP, Plaza Ciudadana Limited Partnership LLLP, Cuatro Apartments Limited Partnership LLLP, Casa Feliz Limited Partnership LLLP, Sterling Apartments Limited Partnership LLLP, and Luminaria Limited Partnership LLLP.

Internal Control over Financial Reporting

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

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

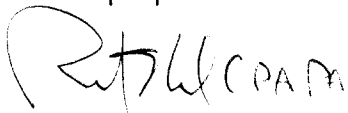
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



July 26, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Greater Albuquerque Housing Partnership

Report on Compliance for Each Major Federal Program

We have audited the Greater Albuquerque Housing Partnership's compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal programs for the year ended December 31, 2020. The Greater Albuquerque Housing Partnership's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Greater Albuquerque Housing Partnership's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Greater Albuquerque Housing Partnership's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Major Federal Program

In our opinion, the Greater Albuquerque Housing Partnership complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

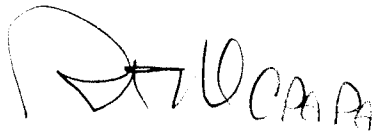
Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "D. W. C. P. A.", is written over the date.

July 26, 2021

**GREATER ALBUQUERQUE HOUSING PARTNERSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

SUMMARY OF AUDIT RESULTS:

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the Greater Albuquerque Housing Partnership were prepared in accordance with GAAP.
2. No significant deficiencies were disclosed during the audit of the financial statements. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of the Greater Albuquerque Housing Partnership were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for the Greater Albuquerque Housing Partnership expresses an unmodified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) to be reported in this schedule.
7. The programs tested as major programs included: HUD Home Investment Partnership Program, CFDA # 14.239.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Greater Albuquerque Housing Partnership was determined to be a low-risk auditee.

FINDINGS-FINANCIAL STATEMENT AUDIT:

CONTROL DEFICIENCIES-None

**FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARDS
PROGRAM AUDIT:**

FINDINGS-None

QUESTIONED COSTS-None