

ALBUQUERQUE HOUSING AUTHORITY

**A COMPONENT UNIT OF THE CITY OF
ALBUQUERQUE, NEW MEXICO**

**REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA**

YEAR ENDED JUNE 30, 2020

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO
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A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO
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OFFICIAL ROSTER

Board of Housing Commissioners

Rebecca Robinson, **Chairperson**

Janet M. McHard, CPA, CFE, MAFF, CFF, **Vice-Chairperson**

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

Maureen Skowran, **Commissioner at Large**

Lovie McGee, **Commissioner at Large**

AHA Management

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

Thea Guerin, **Deputy Director**

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

Board of Housing Commissioners

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

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Albuquerque Housing Authority
Brian S. Colón, ESQ.
New Mexico State Auditor
Albuquerque, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the Albuquerque Housing Authority as of and for the year ended June 30, 2020, and the related notes to the financial statements as listed in the table of contents.

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 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 8 through 15 and Schedules of the Authority's proportionate share of Net Pension Liability and Authority Pension contributions on pages 44 and 45 and the Schedules of the Authority's Changes in Net OPEB Liability and Authority OPEB contributions on pages 46 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

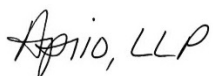
Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Further, other supplementary data as listed in the table of contents is presented for the Department of Housing and Urban Development's information and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements.

The Financial Data Schedule and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting data and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting data and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 January 28, 2021 on our consideration of the Authority's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Birmingham, Alabama
January 28, 2021

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

Board of Commissioners
Albuquerque Housing Authority
Brian S. Colón, ESQ.
New Mexico State Auditor
Albuquerque, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Authority, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 28, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Finding 2020-001 to be significant deficiencies.

The Authority's Response to the Finding

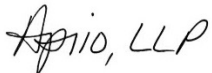
The Authority's response to the internal control finding in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the engagement to audit the financial statements and accordingly, we express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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Finding 2020-002 .

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, flowing style.

Birmingham, Alabama
January 28, 2021

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

Board of Commissioners
Albuquerque Housing Authority
Brian S. Colón, ESQ.
New Mexico State Auditor
Albuquerque, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended June 30, 2020. The Authority'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 the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards (Uniform Guidance)*. Those standards and 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 Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with *Uniform Guidance*.

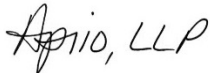
Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs 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 Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 preceding paragraph 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 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 our testing based on the requirements of *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.



Birmingham, Alabama
January 28, 2021

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

This section of the Albuquerque Housing Authority's (AHA) financial statements presents Management's Discussion and Analysis (MD&A) for the fiscal year ended June 30, 2020. The activities of AHA include Public Housing, Housing Choice Voucher, and Capital Fund programs. The Management's Discussion and Analysis (MD&A) is designed to assist the reader in focusing on significant financial issues, provide an overview of AHA's financial activity and changes in AHA's financial position.

Overview of the Housing Authority

AHA provides housing assistance programs to very low-income families, elderly and disabled households. Our mission is "empowering people in our community through affordable housing and self- sufficiency opportunities." These services are delivered through our public housing program with 945 units and our housing choice voucher program with roughly 3900 vouchers. Other services are provided through community networking and as a recipient of various special programs.

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

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

Measurement Focus and Basis of Accounting

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Financial Data Schedule (FDS), which is included in the supplementary information section, is prepared by AHA on a GAAP basis, using the Department of Housing and Urban Development's (HUD) specific format. AHA expends more than \$750,000 in federal financial awards in a given year and is therefore required to have a Single Audit conducted in accordance with the Uniform Guidance. The Single Audit covers the following:

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

AHA's fiscal year-end is June 30th and AHA submits its financial statements to the following three agencies:

- City of Albuquerque—AHA is included as a component unit of the City
- New Mexico Office of the State Auditor—Due December 1st
- HUD—FDS is due March 31st online and at the Regional HUD office

Highlights of Fiscal Year 2020

The AHA strategic plan sets a vision for AHA through operational excellence and staff empowerment for AHA to become a high performing agency that is dedicated to providing quality housing and services that equip residents to succeed. The strategic directions to move the agency forward are to increase the quantity of affordable housing opportunities, improve the quality of affordable housing opportunities, improve access to neighborhoods, support neighborhood revitalization efforts, and improve housing readiness and housing success. AHA achieved the following under these goals:

- In response to the COVID-19 pandemic AHA staff procured equipment, supplies, and tools necessary to enable staff to work safely remotely, in the office and in the field. AHA established COVID operating procedures and workplace guidelines to continue to provide essential services in a COVID safe manner. Staff conducted outreach to determine the needs of our tenants and residents and formed partnerships to provide needed resources.
- AHA continues investing in housing through our Housing Development Plan which addresses improving properties through capital investments, utilizing energy performance contracts and seeking new sources of funding.
- AHA was awarded City CDBG funds for the roof replacement at 150 Public Housing Units at 13 different properties and these much-needed capital dollars improved the quality of living at these housing units.
- A phased Rental Assistance Demonstration (RAD) program application for AMP 101 and AMP 103 was submitted to HUD in August 2018 and approved by HUD in November 2018. AHA submitted financing plans on three of the properties in FY2020, received a RAD Conversion Commitment in May 2020, and completed the RAD conversion on those three properties in December 2020. AHA continues to work on the submission of financing plans for two additional properties in the second half of FY2021.
- AHA received HUD approval for the disposition of the 8 scattered site houses in FY2019, of which 2 sites were sold during FY2020 and two sites in FY2021.
- The Energy Performance Contract (EPC) project is on track in its third year and our utilities Monitoring and Verification phase has demonstrated a 12.5% savings in our utility cost.

- AHA held the Section 8 Housing Admissions Lottery and received 5,760 applications. Additionally, opened applications for Project Based Voucher (PBV) assisted properties. Coordinated partnerships with not for profit partners to help support residents who did not have access to internet and/or computer services to complete and submit the Section 8 Housing Choice Voucher/Project Based Voucher applications.
- Issued over 300 new housing choice vouchers.
- Continued to implement a city-wide system of regional offices. Reorganized property maintenance and property management staff to operate on regional basis, to fully implement a system of site-based property management techniques as part of Asset Management Program (AMP) implementation and preparing to convert many Public Housing program units to Rental Assistance Demonstration (RAD) program.
- More than 80 new households moved into AHA Public Housing units.

Overview of the Financial Statements

The MD&A present the financial position and the results of operations of AHA for the years ended June 30, 2020 and 2019. This discussion and analysis are intended to serve as an introduction to AHA's basic financial statements, which are comprised of the following: (1) the statement of net position, (2) the statement of revenues, expenses and changes in net position, (3) the statement of cash flows, and (4) the notes to the financial statements.

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

AHA's Programs

AHA operates the following programs:

- **Housing Choice Voucher (HCV) Program** – a HUD-funded program that provides rent subsidies to families residing in privately-owned rental properties.
- **Capital Improvement Programs** – HUD-funded program that includes the Capital Fund Program that provides funds for new construction and the rehabilitation of existing housing units.
- **Public Housing Program** – a HUD-funded program under which AHA manages and maintains 945 public housing rental units for eligible low-income families, seniors and individuals with disabilities.
- **VASH** – HUD awarded Veterans Affairs Supportive Housing combines Housing Choice Vouchers with rental assistance for homeless veterans. Working with the local Veterans office for assigning VASH vouchers AHA utilizes over 300 VASH vouchers.
- **TBRA** – a pass through grant from the City of Albuquerque, AHA has housed 16 homeless in FY18 and additional 39 homeless members of our community in FY19.
- **CDBG** – a pass through grant from the City of Albuquerque for \$997,356 in funds for Community Development Block Grant. AHA has signed a fourth-year contract for CDBG in FY21 that increase the funding by \$642,300
- **PBV** – An additional 43 Project-Based Vouchers were awarded to community apartment complexes in our Albuquerque neighborhoods.
- **ROSS Grant** – HUD awarded the FY 17 Resident Opportunity and Self-Sufficiency Service Coordinators (ROSS-SC) grant award for AHA to use for a three-year period for \$220,598 which is to fund a position during this time.
- **CARES Act Funding** – Supplemental Public Housing Operating funding and HCV Supplemental Administrative Fee (including Mainstream) provided by HUD pursuant to the Coronavirus Aid, Relief, and Economic Security Act to enable public housing agencies to prevent, prepare for, and respond to coronavirus. The period of availability for all CARES Act supplemental funding is extended to December 31, 2021.

FINANCIAL ANALYSIS

General

Over time, net position may serve as a useful indicator of AHA's financial health. At June 30, 2020, AHA's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$25.3 million. A portion of net position, \$17.3 million, is AHA's investment in capital assets (e.g., land, buildings, furniture and equipment, and construction in progress) less any related debt used to acquire those assets still outstanding. AHA uses these capital assets to provide services and housing to its clients. Consequently, these assets are not available for future spending. Although AHA's investment in capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position Information

Presented below are the comparisons of AHA's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position information for FY 2020 and FY 2019. This information reflects the economic resources of AHA, as well as its economic obligations at the end of FY 2020 and FY 2019.

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
Assets:			
Current & Restricted Assets	\$ 17,796,824	\$ 17,620,257	\$ 176,567
Capital Assets	21,014,499	19,298,659	1,715,840
Deferred Outflows of Resources	958,332	1,662,983	(704,651)
Total Assets	\$ 39,769,655	\$ 38,581,899	\$ 1,187,756
Liabilities:			
Current Liabilities	\$ 2,142,788	\$ 1,012,804	\$ 1,129,984
Non Current Liabilities	10,543,330	11,653,612	(1,110,282)
Deferred Inflows	1,804,807	1,286,583	518,224
Total Liabilities	\$ 14,490,925	\$ 13,952,999	\$ 537,926
Net Position:			
Net Investment in Capital Assets	\$ 17,352,352	\$ 15,246,582	\$ 2,105,770
Restricted Net Position	573,948	727,527	(153,579)
Unrestricted Net Position	7,352,430	8,654,791	(1,302,361)
Total Net Position	\$ 25,278,730	\$ 24,628,900	\$ 649,830

Assets

During FY2020, total assets increased approximately \$1.2 million. Current & restricted assets increased by approximately \$0.2 million. Capital assets increased by approximately \$1.7 million. This increase in capital assets for the period was a result of \$3.3 million in building and improvements with offsets \$1.6 million in depreciation expense.

Deferred Outflows of Resources

Pension contributions have been reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in subsequent years.

Liabilities

Total liabilities were \$14.5 million at June 30, 2020 and \$13.9 million at June 30, 2019. Current liabilities increased by \$1.1 million. This was due to an increase in accounts payable and unearned revenues.

Noncurrent liabilities decreased by \$1.1 million. This was mainly due to the current year debt payments and a decrease in the OPEB liability .

Deferred Inflows of Resources

The deferred inflows of resources are attributed to the change in proportion and differences between AHA contributions and proportionate share of contributions. The deferred inflows of resources will be recognized in pension expense in future years.

Net Position

AHA's net position totaled \$25.3 million at June 30, 2020 and is comprised of net investment in capital assets of \$17.3 million. Total net position increased by \$650 thousand, or approximately 3% as a result of investing reserve funds into capital improvements during the fiscal year. The balance in restricted net position represents resources available to meet AHA's ongoing obligations to provide housing assistance programs to low income families, elderly and disabled households. The unrestricted net position of \$7.3 million is the last part of the total net position.

Revenues, Expenses, and Changes in Net Position Information

Presented below is a comparison of the revenues, expenses and changes in net position information for FY 2020 and FY 2019. The information reflects the result of operations for AHA and displays the sources of revenue, the nature of expenses for the year and the resulting change in net position. All revenues and expenses are accounted for on an accrual basis.

	<u>2020</u>	<u>2019</u>
Total Operating Revenues	\$ 34,744,599	\$ 37,737,218
Total Operating Expenses	<u>36,276,727</u>	<u>35,678,587</u>
Operating Income	(1,532,128)	2,058,631
Total Non-operating revenue/expenses, net	<u>2,181,958</u>	<u>(309,990)</u>
Change in Net Position	649,830	1,748,641
Net Position, Beginning of year	24,628,900	22,738,742
Prior period adjustment	<u>-</u>	<u>141,517</u>
Net Position, End of year	<u>\$ 25,278,730</u>	<u>\$ 24,628,900</u>

Operating Revenues and Expenses

AHA's total operating revenues decreased by 8% due to a \$2.2 million decrease in funding from the City for the CDBG grant. Total operating expense increased by \$600 thousand or 2% due to administrative, maintenance and depreciation offset by decreases in HAP expense.

Nonoperating Revenues, Expenses and Changes in Net Position

Nonoperating revenue of \$2.2 million consisted of capital grants, investment income and the gain on the disposition of capital assets.

Capital Assets and Debt Administration

Net Capital Assets

At the end of FY 2020, AHA had \$21,014,499, net of depreciation, invested in a broad range of capital assets including land, buildings, machinery, equipment, vehicles, and construction in progress. Additional information on AHA's capital assets can be found in the notes to the financial statements.

Long-Term Obligations

At June 30, 2020, AHA had a non-interest repayment agreement with HUD in the amount of \$89,800. This amount is payable in quarterly payments of \$5,282. Additional information on AHA's loan liability can be found in notes to the financial statements.

AHA had a capital lease agreement related to an Energy Performance Contract (EPC) for \$3,662,147.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

New Mexico is officially nicknamed The Land of Enchantment for its scenic beauty, rich multicultural history and various art forms. Historically a ranching and mining state, New Mexico's natural resources still contribute significantly to its economy. Although the mining sector employs a small percentage of the total workforce, the oil and gas industry contribute over \$2 billion annually to the state in taxes and other revenue. New Mexico is also the leading producer of potash in the country and has significant uranium resources.

The state's economic pillars are its natural resources, tourism, retail trade and federal government spending. Much of the state's income is derived from oil and gas. The Permian Basin in New Mexico has more than 25,000 oil wells, including two of the 100 largest oil fields in the nation.

The federal government is the state's biggest employer. More than one-third of the land in New Mexico is protected by the federal government, employing people in agencies such as the National Park Service to protect national parks and historic sites. The U.S. government also maintains military and research institutions in the state. Three Air Force bases, White Sands Missile Range and the federal research facilities at Los Alamos National Laboratory and Sandia National Laboratories are located in New Mexico.

CURRENT ECONOMIC SITUATION

Per the US Department of Labor, during FY2020, NM unemployment rate increased from 4.8% in July 2019 to 11.9% in Apr 2020 when the state closed due to COVID-19; and the rate then dropped to 8.4% in June 2020. During the 2019-year end, the median household income reached US \$53,113, about 20% lower than national average.

As for Albuquerque metropolitan area, the unemployment rate is slightly higher than state level, which increased from 5.2% in July 2019, peaked in April 2020 at 12.3%, and then slid back down to 9.0% in June 2020. Total employment (job positions) decreased from 415,764 to 383,734, or down by 32,030 (7.7%) over the year.

To date COVID-19 is still the biggest threat as in July 2020 (right after FY2020 YE) the unemployment rate increased to nearly 13% in Albuquerque metropolitan area. Economic recession also happened as US GDP dropped by 9% in 2020 Q2.

ALBUQUERQUE HOUSING AND THE COMMUNITY

To be eligible for AHA's housing programs, a family's income cannot exceed 50 percent of Albuquerque's median income, which the US Department of Housing and Urban Development (HUD) has determined to be \$34,550 for a family of four. The average household income of our housing tenant for the following programs are:

- For public housing, average income is \$14,258 and average rent is \$218.
- For Section 8, HCV, average income is \$9,755, 51% disabled and 26 % elderly

Currently, the demand for housing assistance in Albuquerque exceeds our program resources. This means that qualified applicants are placed onto our waiting list for public housing or apply through the lottery for Housing Choice Vouchers.

AHA will continue to work with the community and our partners to seek innovative solutions for affordable housing. AHA is grateful to partnerships with HUD, the City of Albuquerque and the many service providers that are making a difference every day in the lives of people in our city.

BUDGET

The operating budgets for AHA's 2019-2020 fiscal year were approved by the Board of Housing Commissioners on June 19, 2019 and became effective July 1, 2019. The budget for all funds including Central Office Cost Center, Public Housing and Housing Choice Voucher programs show a deficit that is covered by reserves available for each of those programs. Combined, the estimated expenses are \$38 million, with these funds being used primarily for HCV payments to landlords, public housing operations, salaries and benefits, upgrades, repairs and maintenance of AHA's housing communities, as well as other operating costs.

AHA's goal remains to continue to provide housing to the approximately 4,800 households served through its two core housing programs: Housing Choice Voucher (HCV) and Public Housing.

REQUESTS FOR INFORMATION

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

Albuquerque Housing Authority

Attn: Barbara D'Onofrio
Finance Director
1840 University
Blvd. S.E.
Albuquerque, NM
87106

THE HOUSING AUTHORITY OF THE CITY OF ALBUQUERQUE, NEW MEXICO
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 15,080,603
Accounts Receivable - Other	1,094,603
Tenants Accounts Receivable, Net	99,071
Prepaid Costs	68,734
Inventory, Net	104,764
Total Current Assets	<u>16,447,775</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	<u>1,349,049</u>
Total Restricted Assets	<u>1,349,049</u>
<u>Capital Assets</u>	
Land	3,767,389
Buildings and Improvements	72,848,104
Furniture and Equipment	1,892,491
Construction in Progress	51,686
	<u>78,559,670</u>
(Less): Accumulated Depreciation	<u>(57,545,171)</u>
Net Capital Assets	<u>21,014,499</u>
<u>Deferred Outflows of Resources</u>	<u>958,332</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 39,769,655</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF ALBUQUERQUE, NEW MEXICO
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF NET POSITION
JUNE 30, 2020

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 757,218
Accrued Wages and Payroll Taxes	132,488
Accrued Compensated Absences	90,372
Tenant Security Deposits	234,004
Unearned Revenues	518,760
Current Portion -- LT Capital Debt	254,191
Other Current Liabilities	134,626
HUD Repayment Agreement - Current	21,129
Total Current Liabilities	<u>2,142,788</u>
<u>Long-Term Liabilities</u>	
Long-Term Capital Debt	3,407,956
Accrued Compensated Absences	113,900
Accrued Pension and OPEB Liabilities	6,952,803
HUD Repayment Agreement	68,671
Total Long-Term Liabilities	<u>10,543,330</u>
Total Liabilities	<u>12,686,118</u>
<u>Deferred Inflows of Resources</u>	<u>1,804,807</u>
<u>Net Position</u>	
Net Investment in Capital Assets	17,352,352
Restricted Net Position	573,948
Unrestricted Net Position	7,352,430
Total Net Position	<u>25,278,730</u>
 Total Liabilities, Deferred Inflows of Resources and Net Position	 <u>\$ 39,769,655</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF ALBUQUERQUE, NEW MEXICO
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Enterprise Fund
<u>Operating Revenues</u>	
Dwelling Rent	\$ 2,329,109
Operating Grants	32,047,918
Other Income	367,572
Total Operating Revenues	<u>34,744,599</u>
<u>Operating Expenses</u>	
Administrative	5,973,179
Tenant Services	62,326
Utilities	992,579
Maintenance and Operations	2,867,760
Protective Services	57,489
General	523,128
Housing Assistance Payments	24,220,605
Depreciation	1,579,661
Total Operating Expenses	<u>36,276,727</u>
Operating Income (Loss)	<u>(1,532,128)</u>
<u>Non-Operating Revenues (Expenses)</u>	
Investment Income	119,755
Gain on Disposal of Fixed Assets	311,761
Interest Expense	<u>(150,007)</u>
Total Non-Operating Revenues/(Expenses)	<u>281,509</u>
Increase (Decrease) in Net Position Before Capital Contributions and Transfers	<u>(1,250,619)</u>
Capital Contributions	<u>1,900,449</u>
Increase (Decrease) in Net Position	649,830
Net Position, Beginning	24,628,900
Net Position, Ending	<u>\$ 25,278,730</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF THE CITY OF ALBUQUERQUE, NEW MEXICO
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 2,225,535
Cash Received from Operating Grants	32,566,678
Cash Received from Other Sources	455,689
Cash Payments for Salaries & Benefits	(4,370,031)
Cash Payments to Vendors & Landlords	(29,154,253)
Net Cash flows provided (used) by operating activities	<u>1,723,618</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Outlay	(3,296,743)
Capital Grants Received	1,715,400
Proceeds from Disposal of Capital Assets	313,003
Principal and Interest Payments	(561,067)
Net cash flows provided (used) by capital and related financing activities	<u>(1,829,407)</u>
<u>Cash flows from investing activities:</u>	
Interest Earned from Cash and Cash Equivalents	<u>119,755</u>
Net cash flows provided (used) by investing activities	<u>119,755</u>
Net Increase (decrease) in cash and cash equivalents	<u>13,966</u>
Cash and cash equivalents, beginning of year:	<u>16,415,686</u>
Total cash and cash equivalents, end of year	<u>\$ 16,429,652</u>
<u>Reconciliation of operating income to net cash provided by (used in) operating activities:</u>	
Operating Income (Loss)	\$ (1,532,128)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	1,579,661
Bad Debt Expense	61,662
Change in Accounts Receivable	(15,457)
Change in Prepaid Expenses	(4,759)
Change in Inventory	(18,998)
Change in Accounts Payable	556,039
Change in Accrued Expenses	702,180
Change in Tenant Security Deposits	1,581
Change in Unearned Revenues	518,760
Change in Other Liabilities	(124,923)
Net cash provided by (used in) operating activities	<u>\$ 1,723,618</u>

See the accompanying notes to financial statements.

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "enterprise fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements.

Cash and Cash Equivalents

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

Investments

The investment in the State of New Mexico local government investment pool (LGIP) is valued at fair value based on quoted market prices as of the valuation date in accordance with GASB Statement No. 31.

The LGIP is not SEC registered. The State Treasurer is authorized to invest the LGIP, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10.I through 6-10-10.P and Sections 6-10-10.1A and E NMSA 1978. The pool does not have unit shares. According to Section 6-10-10.1F NMSA 1978, at the end of each month all interest is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary. This pool is subject to the standards set forth in the State Treasurer's Local Government Investment Policy document incorporated in and made a part of the State Treasurer's Investment Policy document.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Investments – Continued

The Independent Auditor's Report, together with the Financial Statements, the accompanying Notes to the Financial Statements and the Independent Auditor's Report on Compliance and Internal Controls are available from the State Investment Council, 2055 South Pacheco Street, Suite 100, Santa Fe, New Mexico 87505, upon written request.

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

- a) Direct obligations of the federal government backed by the full faith and credit of the United States
- b) Obligations of federal government agencies
- c) Securities of government sponsored agencies
- d) Mutual funds
- e) Repurchase agreements
- f) Demand, time, and money market deposit accounts

Accounts Receivables

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

Restricted Assets

Restricted assets arise principally from advanced grant funding, tenant security deposits, and tenant escrow deposits.

Prepaid Items

Prepaid Items consists of payments made to vendors for services that will benefit future periods.

Inventory

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

Unearned Revenue

The Authority recognizes revenues as earned. The amount received in advance of the period in which it is earned is recorded as a liability as Unearned Revenue.

Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is shown as non-operating revenue. These financial statements do not contain material inter-fund revenues and expenses for internal activity. The policy is to eliminate any material inter-fund revenues and expenses for these financial statements.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Capital Assets

Capital Assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the time received. State of New Mexico Administrative Code requires state and local governmental agencies to capitalize capital assets costing in excess of \$5,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the statement of revenues and expenses. Estimated useful lives are as follows:

Buildings and Improvements	15 – 50 years
Furniture and Equipment	3 - 13 years

Authority management has assessed the carrying values of capital asset balances as of June 30, 2020, and as of January 28, 2021. No significant capital asset value impairments exist as of the noted dates.

Defined Benefit Pension Plan

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

Defined Benefit OPEB Plans

AHA is an affiliated public employer with the New Mexico Retiree Health Care Authority's (RHCA) New Mexico Retiree Health Care Fund for purposes of providing AHA retired employees with health care insurance and prescription drug benefits. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of RHCA and additions to/deductions from RHCA's fiduciary net position have been determined on the same basis as they are reported by RHCA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

Defined Benefit OPEB Plans - Continued

AHA also provides employees with retiree life insurance through Hartford. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the life insurance plan and additions to/deductions from the plan's fiduciary net position have been determined on the economic resources measurement focus and accrual basis of accounting. Investments are reported at fair value.

Long-term Liabilities

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

Net Position

Net position is reported in three categories:

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

Budgets

An annual budget, which is not legally adopted, is prepared in accordance with the U.S. Department of Housing and Urban Development regulations on an accrual basis and includes both operating and debt service activities as a single budget. An annual submission of AHA board resolution approving the operating budget is submitted to the local HUD office with form HUD-52574.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION

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

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

Component Units

Component units are legally separate entities for which AHA is considered to be financially accountable and other organizations for which the nature and significance of their relationship with AHA are such that exclusion would cause the AHA financial statements to be misleading or incomplete. The determination to include a component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 61 – *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. Based on the preceding criteria, the accompanying financial statements include the financial activities of the following component units:

Blended component units – the Authority reports the following blended component units that are included in this report:

AHA Rio Vista, LLC – Created on October 31, 2016, AHA Rio Vista, LLC was organized as a New Mexico single member limited liability company for the purpose of ownership and management of real estate for affordable housing and to engage in activities of providing affordable housing to community members.

AHA Rio Developer, LLC – Created on October 31, 2016, AHA Rio Developer, LLC was organized as a single member limited liability company for the purpose of development and improvement of real estate for affordable housing. The financial data for AHA Rio Developer LLC is insignificant and therefore the financial statements for AHA Rio Developer LLC are not presented in the accompanying financial statements.

Los Lobos Realty LLC - Created on October 3, 2016, Los Lobos Realty LLC was organized as a New Mexico limited liability company to serve as the general partner of Rio Housing Associates LLLP in connection with the acquisition, development and ownership and operation of an affordable housing development known as Rio Vista Apartments. AHA Rio Vista LLC, a blended component unit of AHA, is a 51% member of Los Lobos Realty LLC. The financial data for Los Lobos Realty LLC is insignificant and therefore the financial statements for Los Lobos Realty LLC are not presented in the accompanying financial statements.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION - CONTINUED

AHA Housing Development Corporation – Created on March 5, 2018, AHA Housing Development Corporation was organized as a Nonprofit Corporation to act exclusively in furtherance and support of the public mission of the Albuquerque Housing Authority and its existing or future instrumentalities and affiliates.

Related Organizations

Rio Housing Associates LLLP – Created on November 10, 2016, Rio Housing Associates LLLP was organized as a New Mexico limited liability limited partnership to acquire and rehabilitate Rio Vista Apartments. Rio Vista Apartments is a 75-unit apartment complex located in Albuquerque, New Mexico that qualify as low-income housing units. This entity was previously included as a component unit in prior periods, but AHA management (in conjunction with HUD and the State of New Mexico) has determined that this entity is more appropriately classified as a related organization. The acquisition and rehabilitation will be completed as part of a low-income tax credit partnership. Los Lobos Realty LLC is the general partner and owns a 0.01% interest in the partnership. Separately issued financial statements can be obtained at Wishrock Group, Three Canal Plaza, Suite 501, Portland, ME 04101.

Rio Developers, LLC is considered a related organization of AHA Rio Developer, LLC, a blended component unit of AHA. Rio Developers LLC was organized to develop and rehabilitate a multi-family apartment complex known as Rio Vista Apartments that is owed by Rio Housing Associates LLLP, a related organization. AHA Rio Developer, LLC is a limited partner with a 15%-member interest in Rio Developers, LLC. Since AHA Rio Developer, LLC does not have voting majority of Rio Developers, LLC and cannot impose its will on Rio Developers, LLC nor is there a financial benefit received by or burden placed on AHA Rio Developer, LLC, management has also determined that this entity is more appropriate to be presented as a related organization.

Related Parties

The Housing Authority of the City of Albuquerque is a component unit of the City of Albuquerque. As defined by U.S. generally accepted accounting principles, it has been determined that the Albuquerque Bernalillo County Water Utility Authority (ABCWUA) qualifies as a related party. ABCWUA was previously a component unit of the City but is now a separate entity that provides certain administrative and utility services. During the audit period, \$847,812 of payments were made to ABCWUA and \$52,942 related to fiscal year 2020 was outstanding as of June 30, 2020.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE C – CASH, CASH EQUIVALENTS AND TENANT DEPOSITS

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

The total cash, cash equivalents, and tenant security deposits at June 30, 2020, consist of the following:

<u>Deposits</u>	
Bank accounts at book balances	\$ 7,782,080
Tenant deposits and escrows	<u>1,349,049</u>
Total deposits	9,131,129
Local government investment pool	<u>7,287,654</u>
Total cash, cash equivalents, and tenant security deposits	<u>\$ 16,418,783</u>
<u>As reported in the statement of net position</u>	
Cash and cash equivalents - unrestricted	\$ 15,069,734
Cash and cash equivalents - restricted	<u>1,349,049</u>
	<u>\$ 16,418,783</u>

Custodial credit risk – Deposits – Custodial credit risk for deposits is the risk that in the event of a bank failure, AHA's funds may not be returned to it. AHA is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account (Section 6-10-17 NMSA 1978). No security is required for the deposit of public money that is insured by the Federal Deposit Insurance Corporation (FDIC). Amounts in excess of FDIC limitations are collateralized. As of June 30, 2020, the carrying amount of bank deposits was \$9,131,129 and the bank balance was \$9,192,299. Of the bank balances, \$1,859,325 was covered by federal depository insurance and \$7,332,974 was collateralized by securities held by a third-party bank at June 30, 2020. The bank balance was either insured or collateralized at June 30, 2020. The remaining \$10,869 is held in petty cash and a change fund.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE C – CASH, CASH EQUIVALENTS AND TENANT DEPOSITS - CONTINUED

Credit risk – Credit risk is the risk that in the event an issuer or other counterparty to an investment does not fulfill its obligation, AHA will not be able to recover the value of its principle. As a rule, AHA's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. AHA annually reviews its asset allocation strategies and guidelines for the percentage of its total portfolio that may be invested in securities other than repurchase agreements, U.S. Treasury bills and notes or insured/collateralized certificates of deposit. As part of the allocation evaluation, these guidelines are reviewed periodically, considering the probability of market and default risk in various investment sectors. The investment policy describes permitted investments as those allowed according to Section 6-10-10 NMSA. Among permitted investments, the investment policy requires that 1) repurchase agreements have a collateralized value of 102% of the par value of the agreement, and 2) certificates of deposit with local banks be fully insured by the FDIC. Investments in direct obligations of the U.S. treasury are permitted as are securities of the U.S. government agencies denoted in Section 6-10-10 F (2) NMSA 1978. The LGIP is rated AAAM by Standard and Poors.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of AHA's investments. AHA's investment policy limits its exposure to interest rate risk by requiring that no less than 80% of the funds invested in the core segment of the internal investment pool or in other discretionary funds be in maturities of no more than three years from date of purchase. No more than 20% of the funds may be invested in maturities between three and five years. Investment of nondiscretionary assets, including funds to be held in trust, may be committed to maturities up to ten years from the date of purchase. The LGIP maintains 99% of its holdings as investment grade (A-1 or AAA) or better, a weighted average maturity specific to the WAM (R) of 25 days, and WAM(F) of 77 days.

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had Outstanding Contractual Commitments as of the Statement of Net Position Date as follows:

<u>Type Commitment</u>	<u>Amount</u>
Professional Service Contracts	\$1,136,869
Management Contracts	203,280
Construction Contracts	<u>2,759,873</u>
Total Contracts	<u>\$4,100,022</u>

NOTE E – SIGNIFICANT 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 the reported amounts of assets, liabilities and deferred outflows and inflows, revenues and expenses in the financial statements. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE F – DEFINED BENEFIT PENSION PLAN

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

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

AHA employees contributed to PERA as a part of the Municipal General Member Coverage Plan 3. The contribution rates for Municipal Plan 3 as of July 1, 2019, are for the employee 13.15% (if annual salary of \$20,000 or less) or 14.65% (if annual salary greater than \$20,000), and the employer contribution percentage is 9.55%.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial for the fiscal year ended June 30, 2019, available at https://www.saonm.org/media/audits/366_Public_Employees_Retirement_Association_FY2019.

Contributions. The contribution requirement of defined benefit plan members and AHA are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY 2019 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on page 23 of the PERA FY 2019 annual audit report at https://www.saonm.org/media/audits/366_Public_Employees_Retirement_Association_FY2019.

The PERA coverage options that apply specifically to AHA are the Municipal General Division. Statutorily required contributions to the pension plan from AHA for the year ended June 30, 2020, was \$259,710.

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

The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2018. The PERA pension liability amounts for each division were rolled forward for the valuation date to the Plan year ending June 30, 2019, using generally accepted actuarial principles. Therefore, the employer's portion was established as the measurement date of June 30, 2019.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE F – DEFINED BENEFIT PENSION PLAN - CONTINUED

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups; municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. AHA's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal years ended June 30, 2019. Only employer contributions for the pay period end dates that fell within the period of July 1 to June 30 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2019 are included in the total contribution amounts for those fiscal years. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Municipal General Division, at June 30, 2020, AHA reported a liability of \$4,976,911, for its proportionate share of the net pension liability. At June 30, 2019, AHA's proportion was 0.2875 percent.

For the year ended June 30, 2020, AHA recognized PERA Municipal General Division pension expense of \$1,191,521.

At June 30, 2020, AHA reported PERA Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 149,217	\$ 53,839
Changes of assumptions	221,918	12,258
Net difference between projected and actual earnings on plan investments	167,708	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	76,735	255,600
Employer contributions subsequent to the measurement date	259,710	-
Total	<u>\$ 875,288</u>	<u>\$ 321,697</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE F – DEFINED BENEFIT PENSION PLAN - CONTINUED

No amounts were reported as deferred outflows of resources related to pensions resulting from AHA contributions subsequent to the measurement date of June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30:	
2021	\$ 225,464
2022	979
2023	39,846
2024	27,592
Total	<u>\$ 293,881</u>

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2018, for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation dated to the Plan years ending June 30, 2019, using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2019. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2019, actuarial valuation.

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Open
Amortization period	30 Years
Investment rate of return	7.25% for 1st 9 years; 7.75% thereafter
Payroll growth	3.00%
Projected salary increases	3.25% - 13.50% annual rate
Inflation assumption	2.25% for the 1st; 2.75% thereafter

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

	Target Allocation	Long-Term Expected Rate of Return*
Global Equity	42.33%	5.30%
Risk Reduction & Mitigation	21.37%	4.30%
Credit Oriented Fixed Income	15.00%	8.90%
Real Assets	20.00%	6.00%
Multi-Risk Allocation	1.30%	4.00%
Total	<u>100.00%</u>	

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE F – DEFINED BENEFIT PENSION PLAN – CONTINUED

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The equivalent blended rate is 7.48 percent and will be used to measure the total pension liability. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of AHA’s proportionate share of the net pension liability to changes in the discount rate. The following presents AHA’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what AHA’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent lower (6.25 percent) or 1-percent higher (8.25 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Plan’s Net Pension Liability (Asset)	\$ 7,527,278	\$ 4,976,911	\$ 2,866,825

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued FY 2019 PERA Financial Reports. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan. There were no payables due to PERA of June 30, 2020.

NOTE G – OTHER POST-EMPLOYMENT BENEFIT PLANS

1. HEALTHCARE PLAN

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

Benefits provided. RHCA is a multiple employer cost sharing defined benefit healthcare plan that provides eligible retirees, their spouses, dependents and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to RHCA and by co-payments or out-of-pocket payments of eligible retirees.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE G – OTHER POST-EMPLOYMENT BENEFIT PLANS -CONTINUED

1.HEALTHCARE PLAN - CONTINUED

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Retiree Health Care Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

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

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

Contributions. The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary, and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act. Employer contributions to RHCA were \$79,035 for the year ended June 30, 2020.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE G – OTHER POST-EMPLOYMENT BENEFIT PLANS -CONTINUED

1.HEALTHCARE PLAN - CONTINUED

OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources. As of June 30, 2020, AHA reported a net OPEB Liability for Retiree Health Care of \$1,941,867 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation as of June 30, 2018. As of June 30, 2020, AHA’s proportionate share of the OPEB liability was 0.05989%.

For year ended June 30, 2020, AHA recognized OPEB contribution expense of \$79,035. As of June 30, 2020, AHA reported deferred outflows of resources and deferred inflow of resources related to OPEB Health Insurance from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 488,672
Changes of assumptions	-	626,741
Net difference between projected and actual earnings on plan investments	-	18,055
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	343,361
Employer contributions subsequent to the measurement date	79,035	-
Total	<u>\$ 79,035</u>	<u>\$ 1,476,829</u>

The amount of contributions related to fiscal year 2020 have been recorded as a reduction of the OPEB liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30:	
2021	\$ (391,084)
2022	(391,084)
2023	(352,147)
2024	(233,754)
2025	(108,760)
Total	<u>\$ (1,476,829)</u>

Actuarial assumptions. The total OPEB liability in the June 30, 2020 valuation was determined using the following actuarial assumptions applied to all periods including the measurement:

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE G – OTHER POST-EMPLOYMENT BENEFIT PLANS -CONTINUED

1.HEALTHCARE PLAN - CONTINUED

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Investment rate of return	7.25% annual rate, net of investment
Projected salary increases	3.25% to 13.5%, based on years of service, including inflation
Discount rate	4.16%
Mortality rate trend rate	RP-2000 Combined Healthy Mortality Healthcare cost 8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs; 7.5% graded down to 4.5% over 12 years of Medicare medical plan costs

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses as a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investments expenses, used in the derivation of the long-term expected investment rate of return assumptions.

	Target Allocation	Long-Term Expected Rate of Return*
U.S. Core Fixed Income	20.00%	2.10%
U.S. Equity - Large Cap	20.00%	7.10%
Non U.S. - Emerging Markets	15.00%	10.20%
Non U.S. - Developed Equities	12.00%	7.80%
Private Equity	10.00%	11.80%
Credit and Structured Finance	10.00%	5.30%
Real Estate	5.00%	4.90%
Absolute Return	5.00%	4.10%
U.S. Equity - Small/Mid Cap	3.00%	7.10%
Total	<u>100.00%</u>	

Discount rate. The discount rate used to measure the total OPEB liability is 4.16% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Funds fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2039. Thus, the 7.25% discount rate, which includes the assumed inflation rate of 2.50%, was used to calculate the net OPEB liability through 2039. Beyond 2039, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus 4.16% is the blended discount rate.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE G – OTHER POST-EMPLOYMENT BENEFIT PLANS -CONTINUED

1.HEALTHCARE PLAN - CONTINUED

Sensitivity of AHA’s proportionate share of the net OPEB liability to changes in the discount rate. The following represents AHA’s proportionate share of the net OPEB liability calculated using the discount rate of 4.16 percent, as well as what AHA’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percent lower (3.16 percent) or 1-percent higher (5.16 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Plan's Net OPEB Liability (Asset)	\$ 2,375,371	\$ 1,941,867	\$ 1,601,091

Sensitivity of AHA’s proportionate share of the net OPEB liability to changes in the healthcare cost trend rates. The following represents AHA’s proportionate share of the net OPEB liability, as well as what AHA’s proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percent lower or 1-percent higher than the current healthcare cost trend rates:

	1% Decrease	Current Discount Rate	1% Increase
Plan's Net OPEB Liability (Asset)	\$ 1,616,729	\$ 1,941,867	\$ 2,202,185

OPEB plan fiduciary net position. Detailed information about RHCA’s fiduciary net position is available in their separately issued OPEB Financial Report.

Payables to the OPEB Plan. There were no payable due to RHCA as of June 30, 2020.

2.LIFE INSURANCE PLAN

Plan description. AHA provides continuation of life insurance coverage to its retiring employees through an insured group life arrangement (plan).

Benefits provided. AHA provides \$5,000 in life insurance coverage for employees who retire from AHA under the Public Employees Retirement Association (PERA) of New Mexico. AHA contributes the full cost of retiree life insurance coverage. The current premium rate is \$0.28 per \$1,000 of life insurance for active and retired employees, regardless of age.

Funding policy. AHA currently financing its OPEB liability on a pay-as-you-go basis. The discount rate used in this valuation is based on the S&P Municipal Bond 20 Year High Grade Index. As of the beginning and end of the Measurement Period, this index requires use of discount rates of 2.98% as of June 30, 2018 and 2.79% as of June 30, 2019.

Contributions. AHA contributions to the Plan occur as benefits are paid to retirees and/or to the OPEB trust. Benefit payments may occur in the form of direct payments for premiums and taxes (“explicit subsidies”) and/or indirect payments to retirees in the form of higher premiums for active employees (“implicit subsidies”). Employer contributions to the plan were \$241 for the year ended June 30, 2020.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE G – OTHER POST-EMPLOYMENT BENEFIT PLANS -CONTINUED

2.LIFE INSURANCE PLAN – CONTINUED

OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources. As of June 30, 2020, AHA reported a net OPEB Liability for Life Insurance of \$34,025. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation as of June 30, 2019.

For year ended June 30, 2020, AHA recognized OPEB contribution expense of \$241. As of June 30, 2020, AHA reported deferred outflows of resources and deferred inflow of resources related to Life Insurance from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,225
Changes of assumptions	3,768	2,056
Net difference between projected and actual earnings on plan investments	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	241	-
Total	<u>\$ 4,009</u>	<u>\$ 6,281</u>

The amount of contributions related to fiscal year 2020 have been recorded as a reduction of the OPEB liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30:	
2021	\$ (430)
2022	(430)
2023	(430)
2024	(430)
2025	(430)
Thereafter	(363)
Total	<u>\$ (2,513)</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE G – OTHER POST-EMPLOYMENT BENEFIT PLANS -CONTINUED

2.LIFE INSURANCE PLAN – CONTINUED

Actuarial assumptions. The total OPEB liability in the June 30, 2019 valuation was determined using the following actuarial assumptions applied to all periods including the measurement:

Actuarial Methods and Assumptions

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal Cost, level percent of pay
Projected salary increases	3.25% per year
Discount rate	2.79%
Mortality rate	RP 2000 Employee Mortality for males and females for pre-retirement mortality; RP 2000 Combined Health Table for males and females for post-retirement mortality for healthy retirees

Discount rate. The discount rate used to measure the total OPEB liability is 2.79% as of June 30, 2019.

Sensitivity of AHA's net OPEB liability to changes in the discount rate. The discount rate used for the fiscal year end 2020 is 2.79%. The impact of a 1% increase or decrease in the discount rate is shown in the chart below. Healthcare cost trend rate is not applicable in the evaluation of life insurance benefits.

	1% Decrease	Current Discount Rate	1% Increase
Plan's Net OPEB Liability (Asset)	\$ 43,469	\$ 34,025	\$ 26,995

OPEB plan fiduciary net position. AHA does not maintain a trust for the plan and therefore the plan's fiduciary net position is zero.

Payables to the OPEB Plan. There were no payable due to the plan as of June 30, 2020.

NOTE H – RISK MANAGEMENT

The Housing Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

NOTE I – COMPENSATED ABSENCES

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE J – CONCENTRATION OF RISK

The Housing Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

NOTE K – INTERPROGRAM ACTIVITY

The Housing Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Housing Authority's various funds and are subsequently reimbursed. Balances due for such charges are reflected in the Interprogram Due to/Due from account balances. The balances are eliminated on the top-level financial statements.

NOTE L – NOTES PAYABLE

Energy Performance Contract

Effective June 22, 2017, AHA entered into a Lease Purchase Agreement with Banc of America Public Capital Corporation through the Public Housing Energy Performance Contract (EPC) program. U.S. Department of Housing and Urban Development's Energy Performance Contracting program is an innovative financing technique that uses cost savings from the reduction in energy consumption to repay the cost of installing Energy Conservation Measures (ECM). Under this lease purchase agreement, AHA is committed to borrow up to \$4,090,059. The terms of the lease purchase are 15 years with interest payable at 3.88% annually. The lease purchase agreement is secured by the equipment purchased. During the first year of the lease, AHA was not obligated to pay their required rental amount which increased their principal balance to \$4,237,871 prior to AHA making monthly payments. The balance outstanding at June 30, 2020, was \$3,662,147.

According to the agreement, the annual debt service requirements are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance Due</u>
2021	254,191	137,343	3,407,956
2022	182,077	129,612	3,225,879
2023	209,486	122,022	3,016,393
2024	224,991	113,632	2,791,402
2025	244,216	104,565	2,547,186
2026-2033	2,547,186	410,730	-
Total Payments	<u>\$ 3,662,147</u>	<u>\$ 1,017,904</u>	

HUD Repayment Agreement

On June 25, 2014, AHA entered into a non-interest agreement with the U.S. Department of Housing and Urban Development to repay \$711,294 in contract payments that did not comply with the funding source, the American Recovery and Reinvestment Act of 2009 and federal procurement requirements. The balance outstanding at June 30, 2020, was \$89,800.

<u>Year ending June 30</u>	
2021	21,129
2022	21,129
2023	21,129
2024	26,413
Total Payments	<u>\$ 89,800</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE M – RESTRICTED CASH AND RESTRICTED NET POSITION

The Authority's restricted cash and restricted net position consists of the following as of the end of the fiscal year:

HCV Cares Act	\$ 511,498
Mainstream Cares Act	7,242
HAP Reserve	468,652
FSS Escrows	62,139
Modernization Funds	65,514
Tenant Security Deposits	234,004
Total Restricted Cash	<u>\$ 1,349,049</u>
Restricted for HAP Payments	\$ 573,948
Total Restricted Net Position	<u>\$ 573,948</u>

NOTE N – ACCOUNTS RECEIVABLE – OTHER

Accounts Receivable – Other consists of the following:

Accounts Receivable - HUD	\$ 468,939
Accounts Receivable - Other Govt	620,039
Accounts Receivable - Miscellaneous	5,625
	<u>\$ 1,094,603</u>

NOTE O – CAPITAL ASSETS

A summary of the Housing Authority's Capital Assets at June 30, 2020 is as follows:

	Beginning Balance	Additions	Transfers & Deletions	Ending Balance
Land	\$ 3,767,389	\$ -	\$ -	\$ 3,767,389
Construction in Process	283,890	1,900,449	(2,132,653)	51,686
Total Assets not being depreciated	4,051,279	1,900,449	(2,132,653)	3,819,075
Buildings & Improvements	69,892,341	1,052,166	1,903,597	72,848,104
Furniture & Equipment	1,548,363	344,128	-	1,892,491
Total Property and Equipment	75,491,983	3,296,743	(229,056)	78,559,670
Less Accumulated Depreciation	(56,193,324)	(1,579,661)	227,814	(57,545,171)
Net Book Value	<u>\$ 19,298,659</u>	<u>\$ 1,717,082</u>	<u>\$ (1,242)</u>	<u>\$ 21,014,499</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE P – LONG-TERM LIABILITIES

	<u>Balance</u> <u>06/30/19</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>06/30/20</u>	<u>Due Within</u> <u>One Year</u>
Capital Lease Payable	\$ 4,052,077		\$ 389,930	\$ 3,662,147	254,191
Accrued Compensated Absences	173,966	173,979	143,673	204,272	90,372
HUD Payable	110,930	-	21,130	89,800	21,129
Accrued OPEB & Pension Liability	7,562,332		609,529	6,952,803	-
Total Debt	<u>\$ 11,899,305</u>	<u>\$ 173,979</u>	<u>\$ 1,164,262</u>	<u>\$ 10,909,022</u>	<u>\$ 365,692</u>

NOTE Q – COMMITMENTS AND CONTINGENCIES

Federal and State Grant Commitments

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

Contingent Liabilities

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

NOTE R – COMMUNITY DEVELOPMENT BLOCK GRANT

During the fiscal year ended June 30, 2020, the Authority was the recipient of \$997,356 of pass through CDBG grant funding from the City of Albuquerque for improvements made to its Public Housing units. As a requirement of this grant, the Authority shall demonstrate to the City of Albuquerque that the National Objective of Low-Moderate Income Housing is met for a Period of Affordability (POA) for a minimum of five years following the completion of the rehabilitation. If the City of Albuquerque in its reasonable discretion, determines that the Authority has not demonstrated that the POA has been met, then the City of Albuquerque shall require repayment of all funds received by the Authority under this grant. Given that the Public Housing units are part of its Annual Contribution Contract with HUD that extends well beyond the POA, no liability related to this obligation is reflected in the Authority's financial statements.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE S – SUBSEQUENT EVENTS

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through January 28, 2021, the date the financial statements were available to be issued and noted no additional significant items to be disclosed.

NOTE T – CONDENSED FINANCIAL STATEMENTS – BLENDED COMPONENT UNITS

Condensed Blended Component Units - Statement of Net Position

	AHA Rio Vista Developer, LLC 6/30/2020	AHA Housing Development Corporation 6/30/2020	Total Blended Component Units 6/30/2020
Assets			
Current assets	\$ 330,376	\$ 40,281	\$ 370,657
Restricted assets		-	-
Capital assets	-	-	-
Non-current assets	-	-	-
Deferred Outflows	-	-	-
Total assets	<u>\$ 330,376</u>	<u>\$ 40,281</u>	<u>\$ 370,657</u>
Liabilities			
Current liabilities	\$ -	\$ -	\$ -
Non-current liabilities	-	-	-
Deferred Inflows	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net position			
Net Investment in capital assets	-	-	-
Restricted net position	-	-	-
Unrestricted net position	330,376	40,281	370,657
Total net position	<u>\$ 330,376</u>	<u>\$ 40,281</u>	<u>\$ 370,657</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE T – CONDENSED FINANCIAL STATEMENTS – BLENDED COMPONENT UNITS

Condensed Blended Component Units - Statement of
Revenues, Expenses and Changes in Net Position

	AHA Rio Vista Developer, LLC 6/30/2020	AHA Housing Development Corporation 6/30/2020	Total Blended Component Units 6/30/2020
Revenues			
Tenant rental revenue, grants and other revenue	\$ 78,760	\$ -	\$ 78,760
Investment income	50	20	70
Total revenues	<u>78,810</u>	<u>20</u>	<u>78,830</u>
Expenses			
Administrative and general expenses	-	1,912	1,912
Total expenses	<u>-</u>	<u>1,912</u>	<u>1,912</u>
Increase (decrease) in net position	78,810	(1,892)	76,918
Beginning net position	251,566	42,173	293,739
Prior Period Adjustment	-	-	-
Ending net position	<u>\$ 330,376</u>	<u>\$ 40,281</u>	<u>\$ 370,657</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE T – CONDENSED FINANCIAL STATEMENTS – BLENDED COMPONENT UNITS

Condensed Blended Component Units - Statement of Cash Flows

	AHA Rio Vista Developer, LLC 6/30/2020	AHA Housing Development Corporation 6/30/2020	Total Blended Component Units 6/30/2020
Cash flows from (used by)			
operating activities	\$ 1,912	\$ (1,912)	\$ -
Cash flows from (used by)			
investing activities	50	20	70
Net increase in cash and equivalents	1,962	(1,892)	70
Beginning current and restricted cash	251,566	42,173	293,739
Ending current and restricted cash	<u>\$ 253,528</u>	<u>\$ 40,281</u>	<u>\$ 293,809</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 78,760	\$ (1,912)	\$ 76,848
Change in other operating activities	(76,848)	-	(76,848)
Net cash provided (used) by operating activities	<u>\$ 1,912</u>	<u>\$ (1,912)</u>	<u>\$ -</u>

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO

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

	Fiscal Year ending					
	2020	2019	2018	2017	2016	2015
AHA's proportion of the net pension liability (asset)	0.29%	0.30%	0.32%	0.30%	0.23%	0.29%
AHA's proportionate share of the net pension liability (asset)	4,976,911	4,778,328	4,417,682	4,764,231	2,300,187	2,235,616
AHA's covered-employee payroll	2,719,476	2,656,494	2,735,214	2,823,780	2,553,351	1,867,571
AHA's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	183.01%	179.87%	161.51%	168.72%	90.09%	119.71%
Plan fiduciary net position as a percentage of the total pension liability**	70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

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

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO

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

JUNE 30, 2020

	Fiscal Year ending					
	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 259,710	\$ 240,702	\$ 261,213	\$ 269,671	\$ 243,845	\$ 178,353
Contributions in relation to the contractually required contribution	259,710	240,702	261,213	269,671	243,845	178,353
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll used in calculation	2,719,476	2,656,494	2,735,214	2,823,780	2,553,351	1,867,571
Contributions as a percentage of covered-payroll	9.55%	9.06%	9.55%	9.55%	9.55%	9.55%

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

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET
OPEB LIABILITY OF NEW MEXICO RETIREE HEALTHCARE AUTHORITY
LAST 10 FISCAL YEARS*

	2020	2019	2018
AHA'S proportion of the net OPEB liability (asset)	0.06%	0.06%	0.07%
AHA's proportionate share of the net OPEB liability (asset)	1,941,867	2,752,074	3,106,462
AHA's covered-employee payroll	2,782,480	2,715,531	2,801,285
AHA's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	69.79%	101.35%	110.89%
Plan fiduciary net position as a percentage of the total OPEB liability	18.92%	13.14%	11.34%

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

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO

SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
LAST 10 FISCAL YEARS*

JUNE 30, 2020

	2020	2019	2018
Contractually required contribution	\$ 79,035	\$ 98,901	\$ 56,024
Contributions in relation to the contractually required contribution	79,035	97,694	56,024
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 1,207</u>	<u>\$ -</u>
Authority's covered-employee payroll used in calculation	2,782,480	2,715,531	2,801,285
Contributions as a percentage of covered-payroll	2.84%	3.60%	2.00%

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

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LIFE INSURANCE PLAN
LAST 10 FISCAL YEARS*

	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 2,811	\$ 2,610	\$ 2,871
Interest on the total OPEB liability	1,031	938	803
Difference between expected and actual experience	(4,798)		
Changes of assumptions	3,307	1,126	(3,217)
Benefit Payments	(256)	(211)	(199)
Net Change in Total OPEB Liability	2,095	4,463	258
Total OPEB Liability - Beginning	31,930	27,467	27,209
Total OPEB Liability - Ending (a)	<u>\$ 34,025</u>	<u>\$ 31,930</u>	<u>\$ 27,467</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ -	\$ 211	\$ 199
Benefit Payments	-	(211)	(199)
Net Change in Plan Fiduciary Net Position	-	-	-
Plan Net Position - Beginning	-	-	-
Plan Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability (Asset) - ending (a) - (b)	34,025	31,930	27,467
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 2,841,897	\$ 2,850,412	\$ 3,070,921
Net OPEB liability (asset) as a percentage of covered-employee payroll	1.20%	1.12%	0.89%

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

**THE HOUSING AUTHORITY OF THE CITY OF ALBUQUERQUE [NM001]
ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
JUNE 30, 2020**

	ASSETS	LOW RENT 14.850	CAPITAL FUND PROGRAM 14.872	6.2 COMPONENT UNIT BLENDED	CDBG- ENTITLEMENT GRANTS 14.218	MAINSTREAM VOUCHERS 14.879	HOME INVESTMENT PARTNERSHIPS 14.239	HOUSING CHOICE VOUCHERS 14.871
	CURRENT ASSETS							
	CASH							
111	CASH UNRESTRICTED	5,887,498		293,809		79,802		4,559,823
115	CASH RESTRICTED FOR PAYMENT OF S/T DEBT							50,627
112	CASH RESTRICTED MODERNIZATION AND DEV	65,514						
113	CASH OTHER RESTRICTED	11,512						468,652
114	CASH TENANT SECURITY DEPOSIT	234,004						
100	TOTAL CASH	6,198,528		293,809		79,802		5,079,102
	ACCOUNTS AND NOTES RECEIVABLE							
121	A/R - PHA PROJECTS							
122	A/R - HUD PROJECTS							
124	A/R - OTHER GOVT						62,446	
125	A/R - MISC							
126	A/R - TENANTS DWELLING RENT	113,219						
126.1	ALLOWANCE FOR D.A. - TENANTS	(14,148)						
126.2	ALLOWANCE FOR D.A. - OTHER							
127	NOTES AND MORTGAGES RECEIVABLE							
128	FRAUD RECOVERY							128,076
128.1	ALLOWANCE FOR FRAUD RECOVERY							(128,076)
129	ACCRUED INTEREST RECEIVABLE							
120	TOTAL RECEIVABLES NET OF ALLOW	99,071					62,446	
	CURRENT INVESTMENTS							
131	INVESTMENTS - UNRESTRICTED							
135	INVESTMENTS RESTRICTED PYMT S/T DEBT							
132	INVESTMENTS - RESTRICTED							
142	PREPAID COSTS	3,299						
143	INVENTORIES - MATERIALS							
143.1	ALLOWANCE FOR OBSOLETE INV							
144	INTERPROGRAM DUE FROM	107,740		76,848				16,451
145	ASSETS HELD FOR SALE							
150	TOTAL CURRENT ASSETS	6,408,638		370,657		79,802	62,446	5,095,553
	NONCURRENT ASSETS							
	FIXED ASSETS							
161	LAND	3,767,389						
168	INFRASTRUCTURE							
162	BUILDINGS	69,867,460						
163	FURNITURE & EQUIPMENT - DWELLINGS							
164	FURNITURE & EQUIPMENT - ADMINSTR	590,119						371,161
165	LEASEHOLD IMPROVEMENTS							
167	CONSTRUCTION IN PROGRESS		51,686					
166	ACCUMULATED DEPRECIATION	(54,242,148)						(238,512)
160	TOTAL FIXED ASSETS, NET OF DEPR	19,982,820	51,686					132,649
171	NOTES & MORTGAGES RECEIVABLE - N/C							
172	NOTES & MORTGAGES RECEIVABLE - PD							
173	GRANTS RECEIVABLE - NONCURRENT							
174	OTHER ASSETS							
176	INVESTMENT IN JOINT VENTURES							
180	TOTAL NONCURRENT ASSETS	19,982,820	51,686					132,649
200	DEFERRED OUTFLOWS OF RESOURCES	323,356						201,851
290	TOTAL ASSETS	267,744,814	51,686	370,657		79,802	62,446	5,430,053
	LIABILITIES AND EQUITY							
	CURRENT LIABILITIES							
311	BANK OVERDRAFT						42,372	
312	A/P < 90 DAYS							
313	A/P > 90 DAYS							
321	ACCRUED WAGE/PAYROLL TAXES PAYABLE	32,587						47,615

**THE HOUSING AUTHORITY OF THE CITY OF ALBUQUERQUE [NM001]
ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
JUNE 30, 2020**

	LOW RENT	CAPITAL FUND PROGRAM	6.2 COMPONENT UNIT BLENDED	CDRC- ENTITLEMENT GRANTS	MAINSTREAM VOUCHERS	HOME INVESTMENT PARTNERSHIPS	HOUSING CHOICE VOUCHERS
	14,850	14,872		14,218	14,879	14,239	14,871
322	23,239	-	-	-	-	-	27,411
324	-	-	-	-	-	-	-
325	-	-	-	-	-	-	-
331	-	-	-	-	-	-	-
332	-	-	-	-	-	-	-
333	-	-	-	-	-	-	-
341	234,004	-	-	-	-	-	-
342	-	-	-	-	-	-	-
343	254,191	-	-	-	-	-	-
344	-	-	-	-	-	-	-
348	-	-	-	-	-	-	-
345	11,551	-	-	-	-	-	50,627
346	17,675	-	-	-	-	2,159	20,119
347	1,319,426	-	-	-	-	20,826	292,758
310	1,892,673	-	-	-	-	65,357	438,530
NONCURRENT LIABILITIES							
351	3,407,956	-	-	-	-	-	-
352	-	-	-	-	-	-	-
354	27,422	-	-	-	-	-	22,412
355	-	-	-	-	-	-	-
357	2,157,331	-	-	-	-	-	1,723,143
350	5,592,709	-	-	-	-	-	1,745,255
300	7,485,382	-	-	-	-	65,357	2,183,785
400	533,337	-	-	-	-	-	465,892
DEFERRED INFLOWS OF RESOURCES							
508.4	16,320,673	51,686	-	-	-	-	132,649
511.4	-	-	-	-	19,749	-	468,652
512.1	2,375,422	-	370,657	-	60,053	(2,911)	2,179,075
513	18,696,095	51,686	370,657	-	79,802	(2,911)	2,780,376
600	26,714,814	51,686	370,657	-	79,802	62,446	5,430,053
REVENUE							
70300	2,329,109	-	-	-	-	-	-
70400	-	-	-	-	-	-	-
70500	2,329,109	-	-	-	-	-	-
70600	4,144,198	1,596,657	-	-	287,757	-	25,997,338
70710	-	-	-	-	-	-	-
70720	-	-	-	-	-	-	-
70730	-	-	-	-	-	-	-
70740	-	-	-	-	-	-	-
70750	-	-	-	-	-	-	-
70800	-	-	70	997,356	-	286,750	-
71100	-	-	-	-	-	-	-
71200	-	-	-	-	-	-	-
71300	-	-	-	-	-	-	-
71310	-	-	-	-	-	-	-
71400	-	-	-	-	-	-	126,922
71500	54,960	-	78,760	-	-	-	5,774
71600	311,761	-	-	-	-	-	-
72000	-	-	-	-	-	-	-
70000	6,840,028	1,596,657	78,830	997,356	287,757	286,750	26,130,034
EXPENSES							
91100	508,418	-	-	-	-	9,541	786,683
91200	14,231	-	-	-	-	-	16,288
91300	550,269	-	-	-	-	-	517,956
91310	80,596	-	-	-	-	-	323,625
91400	-	-	-	-	-	-	-

**THE HOUSING AUTHORITY OF THE CITY OF ALBUQUERQUE [NM001]
ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
JUNE 30, 2020**

	LOW RENT	CAPITAL FUND PROGRAM	6.2 COMPONENT UNIT BLENDED	CDRC- ENTITLEMENT GRANTS	MAINSTREAM VOUCHERS	HOME INVESTMENT PARTNERSHIPS	HOUSING CHOICE VOUCHERS
	14,850	14,872		14,218	14,879	14,239	14,871
91500	361,304					5,180	563,467
91600	303,975				34,665		232,688
91700	216,989		1,912				81,453
91800	4,292						14,954
91900	55,766						36,532
92000	113,590						
92100							
92200	210						
92300							
92400	26,645						34,171
93100							
93200	542,101						252
93300	216,103						15,933
93400	79,274						5,749
93500							
93600	105,452						
93700							
93800	111,806						
94100	367,431						
94200	352,804						1,377
94300	1,499,504						125,315
94500	254,311						
95100							
95200							
95300	57,489						
95500							
95900							
96100	259,724						34,019
96200							28,991
96210	3,470						9,119
96300							
96400	61,662						
96500							
96600							
96700	137,965						
96730							
96800							
96900	6,285,381		1,912		34,665	14,721	2,828,572
97000	554,647	1,596,657	76,918	997,356	253,092	272,029	23,301,462
97100							
97200							
97300							
97350					242,622	274,940	23,625,408
97400	1,426,170						47,587
97500							33,815
97600							
97700							
97800							
99000	7,711,551		1,912		277,287	289,661	26,535,382
10010							
10020							
10060							
10070							
10080							
10100							
10000	(871,523)	1,596,657	76,918	997,356	10,470	(2,911)	(405,348)

**THE HOUSING AUTHORITY OF THE CITY OF ALBUQUERQUE [NM001]
ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
JUNE 30, 2020**

	LOW RENT 14,850	CAPITAL FUND PROGRAM 14,872	6.2 COMPONENT UNIT BLENDED	CDRC- ENTITLEMENT GRANTS 14,21B	MAINSTREAM VOUCHERS 14,879	HOME INVESTMENT PARTNERSHIPS 14,239	HOUSING CHOICE VOUCHERS 14,871
11030 BEGINNING EQUITY	17,025,291	-	293,739	-	69,332	-	3,185,724
11040 EQUITY TRANSFERS	997,356	-	-	(997,356)	-	-	-
11040 EQUITY TRANSFERS	1,544,971	(1,544,971)	-	-	-	-	-
11040 EQUITY TRANSFERS	-	-	-	-	-	-	-
ENDING EQUITY	18,696,095	51,686	370,657	-	79,802	(2,911)	2,780,376
11200 GROSS # UNITS	11,288	-	-	-	-	-	-
11210 # UNIT MONTHS LEASED	10,743	-	-	-	600	768	43,468
11170 ADMINISTRATIVE FEE EQUITY	-	-	-	-	551	393	43,208
11180 HOUSING ASSISTANCE PAYMENTS EQUITY	-	-	-	-	-	-	2,311,724
11610 LAND PURCHASES	-	-	-	-	-	-	468,652
11620 BUILDING PURCHASES	-	1,596,657	-	-	-	-	-
11630 FURNITURE & EQUIPMENT - DWELLING PURCHASES	-	-	-	-	-	-	-
11640 FURNITURE & EQUIPMENT - ADMINISTRATIVE PURCHASES	-	-	-	-	-	-	-
11650 LEASEHOLD IMPROVEMENT PURCHASES	-	-	-	-	-	-	-
13901 REPLACEMENT HOUSING FACTOR FUNDS	-	-	-	-	-	-	-

**THE HOUSING AUTHORITY OF THE CITY OF ALBUQUERQUE [NM001]
ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
JUNE 30, 2020**

	SECTION 8 MOD REHAB SRO 14.249	RESIDENT OPPORTUNITY SUPPORT SVCS 14.870	PUBLIC HOUSING CARES ACT 14.PHC	MAINSTREAM CARES ACT 14.MSC	HCV CARES ACT 14.HCV	LOWER INCOME HAP - SEC 8 MOD REHAB 14.856	COCC	ELIMINATIONS	TOTAL
ASSETS									
CURRENT ASSETS									
CASH									
111 CASH UNRESTRICTED	52,223	-	-	-	-	27,974	4,245,190	(65,716)	15,080,603
115 CASH RESTRICTED FOR PAYMENT OF S/T DEBT	-	-	-	-	-	-	-	-	50,627
112 CASH RESTRICTED MODERNIZATION AND DEV	-	-	-	-	-	-	-	-	65,514
113 CASH OTHER RESTRICTED	-	-	-	7,242	511,498	-	-	-	998,904
114 CASH TENANT SECURITY DEPOSIT	-	-	-	-	-	-	-	-	234,004
100 TOTAL CASH	52,223	-	-	7,242	511,498	27,974	4,245,190	(65,716)	16,429,652
ACCOUNTS AND NOTES RECEIVABLE									
121 A/R - PHA PROJECTS	-	-	-	-	-	-	-	-	-
122 A/R - HUD PROJECTS	25,991	5,601	-	-	-	2,534	434,813	-	468,939
124 A/R - OTHER GOVT	-	-	-	-	-	-	557,593	-	620,039
125 A/R - MISC	-	-	-	-	-	-	5,625	-	5,625
126 A/R - TENANTS DWELLING RENT	-	-	-	-	-	-	-	-	113,219
126.1 ALLOWANCE FOR D.A - TENANTS	-	-	-	-	-	-	-	-	(14,148)
126.2 ALLOWANCE FOR D.A - OTHER	-	-	-	-	-	-	-	-	-
127 NOTES AND MORTGAGES RECEIVABLE	-	-	-	-	-	-	-	-	-
128 FRAUD RECOVERY	-	-	-	-	-	-	-	-	128,076
128.1 ALLOWANCE FOR FRAUD RECOVERY	-	-	-	-	-	-	-	-	(128,076)
129 ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	-	-	-
120 TOTAL RECEIVABLES NET OF ALLOW	25,991	5,601	-	-	-	2,534	998,031	-	1,193,674
INVESTMENTS									
131 INVESTMENTS - UNRESTRICTED	-	-	-	-	-	-	-	-	-
135 INVESTMENTS RESTRICTED PMT S/T DEBT	-	-	-	-	-	-	-	-	-
132 INVESTMENTS - RESTRICTED	-	-	-	-	-	-	-	-	-
142 PREPAID COSTS	-	-	-	-	-	-	65,435	-	68,734
143 INVENTORIES - MATERIALS	-	-	-	-	-	-	108,792	-	108,792
143.1 ALLOWANCE FOR OBSOLETE INV	-	-	-	-	-	-	(4,028)	-	(4,028)
144 INTERPROGRAM DUE FROM	-	17,743	-	-	-	-	1,430,679	(1,649,461)	-
145 ASSETS HELD FOR SALE	-	-	-	-	-	-	-	-	-
150 TOTAL CURRENT ASSETS	78,214	23,344	-	7,242	511,498	30,508	6,844,099	(1,715,177)	17,796,824
NONCURRENT ASSETS									
FIXED ASSETS									
161 LAND	-	-	-	-	-	-	-	-	3,767,389
168 INFRASTRUCTURE	-	-	-	-	-	-	-	-	-
162 BUILDINGS	-	-	-	-	-	-	2,980,644	-	72,848,104
163 FURNITURE & EQUIPMENT - DWELLINGS	-	-	-	-	-	-	-	-	-
164 FURNITURE & EQUIPMENT - ADMINSTR	-	-	-	-	-	-	931,211	-	1,892,491
165 LEASEHOLD IMPROVEMENTS	-	-	-	-	-	-	-	-	-
167 CONSTRUCTION IN PROGRESS	-	-	-	-	-	-	-	-	51,686
166 ACCUMULATED DEPRECIATION	-	-	-	-	-	-	(3,064,511)	-	(57,545,171)
160 TOTAL FIXED ASSETS, NET OF DEPR	-	-	-	-	-	-	847,344	-	21,014,499
NOTES & MORTGAGES RECEIVABLE - N/C									
171 NOTES & MORTGAGES RECEIVABLE - N/C	-	-	-	-	-	-	-	-	-
172 NOTES & MORTGAGES RECEIVABLE - PD	-	-	-	-	-	-	-	-	-
173 GRANTS RECEIVABLE - NONCURRENT	-	-	-	-	-	-	-	-	-
174 OTHER ASSETS	-	-	-	-	-	-	-	-	-
176 INVESTMENT IN JOINT VENTURES	-	-	-	-	-	-	-	-	-
180 TOTAL NONCURRENT ASSETS	-	-	-	-	-	-	847,344	-	21,014,499
DEFERRED OUTFLOWS OF RESOURCES									
200 DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	433,125	-	958,332
290 TOTAL ASSETS	78,214	23,344	-	7,242	511,498	30,508	8,124,568	(1,715,177)	39,769,655
LIABILITIES AND EQUITY									
CURRENT LIABILITIES									
311 BANK OVERDRAFT	-	23,344	-	-	-	-	-	(65,716)	-
312 A/P < 90 DAYS	-	-	-	-	-	-	757,218	-	757,218
313 A/P > 90 DAYS	-	-	-	-	-	-	52,286	-	132,488

**THE HOUSING AUTHORITY OF THE CITY OF ALBUQUERQUE [NM001]
ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
JUNE 30, 2020**

	SECTION 8 MOD REHAB SRO 14.249	RESIDENT OPPORTUNITY SUPPORT SVCS 14.870	PUBLIC HOUSING CARES ACT 14.PHC	MAINSTREAM CARES ACT 14.MSC	HCV CARES ACT 14.HCV	LOWER INCOME HAP - SEC 8 MOD REHAB 14.856	COCC	ELIMINATIONS	TOTAL
322	ACCRUED COMPENSATED ABSENCES	-	-	-	-	-	39,722	-	90,372
324	ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-	-	-	-
325	ACCRUED INTEREST PAYABLE	-	-	-	-	-	-	-	-
331	ACCOUNTS PAYABLE - HUD PHA PROGRAMS	-	-	-	-	-	-	-	-
332	ACCOUNTS PAYABLE - PHA PROJECTS	-	-	-	-	-	-	-	-
333	ACCOUNTS PAYABLE - OTHER GOVT	-	-	-	-	-	-	-	-
341	TENANT SECURITY DEPOSIT	-	-	7,242	511,498	-	20	-	234,004
342	UNEARNED REVENUES	-	-	-	-	-	-	-	518,760
343	CURRENT PORTION OF LT DEBT CAPITAL	-	-	-	-	-	-	-	254,191
344	CURRENT PORTION OF LT DEBT OPERATING	-	-	-	-	-	-	-	-
348	LOAN LIABILITIES - CURRENT	-	-	-	-	-	21,129	-	21,129
345	OTHER CURRENT LIABILITIES	-	-	-	-	3,296	-	-	65,474
346	ACCRUED LIABILITIES - OTHER	-	-	-	-	-	29,199	-	69,152
347	INTERPROGRAM DUE TO	16,451	-	-	-	-	-	(1,649,461)	-
310	TOTAL CURRENT LIABILITIES	16,451	23,344	7,242	511,498	3,296	899,574	(1,715,177)	2,142,788
	NONCURRENT LIABILITIES								
351	LONG TERM DEBT NET OF CURRENT CAPITAL	-	-	-	-	-	-	-	3,407,956
352	LONG TERM DEBT NET OF CURRENT OPERATING	-	-	-	-	-	-	-	-
354	LONG TERM PORTION OF COMPENSATED ABSENC	-	-	-	-	-	64,366	-	113,900
355	LOAN LIABILITIES - OTHER	-	-	-	-	-	-	-	68,671
357	ACCRUED PENSION AND OPEB LIABILITIES	-	-	-	-	-	3,072,329	-	6,952,803
350	TOTAL NONCURRENT LIABILITIES	-	-	-	-	-	3,205,366	-	10,543,330
300	TOTAL LIABILITIES	16,451	23,344	7,242	511,498	3,296	4,104,940	(1,715,177)	12,686,118
400	DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	805,578	-	1,804,807
508.4	NET INVESTMENT IN CAPITAL ASSETS	-	-	-	-	-	847,344	-	17,352,352
511.4	RESTRICTED NET POSITION	58,874	-	-	-	26,673	-	-	573,948
512.1	UNRESTRICTED NET POSITION	2,889	-	-	-	539	2,366,706	-	7,352,430
513	TOTAL EQUITY	61,763	-	-	-	27,212	3,214,050	-	25,278,730
600	TOTAL LIABILITIES DEF. INFLOWS OF RES & EQUITY	78,214	23,344	7,242	511,498	30,508	8,124,568	(1,715,177)	39,769,655
	REVENUE								0
70300	NET TENANT RENTAL REVENUE	-	-	-	-	-	-	-	2,329,109
70400	TENANT REVENUE - OTHER	-	-	-	-	-	-	-	-
70500	TOTAL TENANT REVENUE	-	-	-	-	-	-	-	2,329,109
70600	HUD PHA GRANTS	52,193	23,344	-	29,880	42,554	186,548	-	30,763,812
70610	CAPITAL GRANTS RECEIVED	-	-	-	-	-	303,792	-	1,900,449
70710	MANAGEMENT FEE	-	-	-	-	-	1,068,225	(1,068,225)	-
70720	ASSET MANAGEMENT FEE	-	-	-	-	-	113,590	(113,590)	-
70730	BOOK-KEEPING FEE	-	-	-	-	-	404,221	(404,221)	-
70740	FRONT LINE SERVICE FEES	-	-	-	-	-	460,209	(460,209)	-
70750	OTHER FEES	-	-	-	-	-	171,113	(171,113)	-
70800	OTHER GOVT GRANTS	-	-	-	-	-	-	-	1,284,106
71100	INVESTMENT INCOME - UNRESTRICTED	-	-	-	-	-	119,685	-	119,755
71200	MORTGAGE INTEREST INCOME	-	-	-	-	-	-	-	-
71300	PROCEEDS FROM DISPOSITION OF ASSETS HELD FOR SALE	-	-	-	-	-	-	-	-
71310	COST OF SALE OF ASSETS	-	-	-	-	-	-	-	-
71400	FRAUD RECOVERY	-	-	-	-	-	-	-	126,922
71500	OTHER REVENUE	-	-	-	-	-	199,397	(98,241)	240,650
71600	GAIN OR LOSS ON THE DISPOSAL OF CAPITAL ASSETS	-	-	-	-	-	-	-	311,761
72000	INVESTMENT INCOME - RESTRICTED	-	-	-	-	-	-	-	-
70000	TOTAL REVENUE	52,193	23,344	-	29,880	42,554	3,026,780	(2,315,599)	37,076,564
	EXPENSES								
	ADMINISTRATIVE								
91100	ADMINISTRATIVE SALARIES	-	17,690	-	27,075	579	1,031,141	-	2,381,127
91200	AUDITING FEES	500	-	-	-	500	8,483	-	40,002
91300	MANAGEMENT FEES	-	-	-	-	-	-	(1,068,225)	-
91310	BOOKKEEPING FEE	-	-	-	-	-	-	(404,221)	-
91400	ADVERTISING AND MARKETING	-	-	-	-	-	-	-	-

**THE HOUSING AUTHORITY OF THE CITY OF ALBUQUERQUE [NM001]
ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
JUNE 30, 2020**

	SECTION 8 MOD REHAB SRO 14.249	RESIDENT OPPORTUNITY SUPPORT SVCS 14.870	PUBLIC HOUSING CARES ACT 14.PHC	MAINSTREAM CARES ACT 14.MSC	HCV CARES ACT 14.HCV	LOWER INCOME HAP - SEC 8 MOD/REHAB 14.856	COCC	ELIMINATIONS	TOTAL
91500	EMPLOYEE BENEFIT CONTRIBUTION	-	5,654	-	-	274	728,646	-	1,664,525
91600	OFFICE EXPENSE	9,542	-	-	2,805	5,717	207,890	-	797,282
91700	LEGAL	-	-	-	-	-	92,036	(171,113)	221,277
91800	TRAVEL	-	-	-	-	-	9,835	-	29,061
91900	OTHER OPERATING ADMINISTRATIVE	-	-	-	-	-	747,587	-	859,885
92000	ASSET MANAGEMENT FEE	-	-	-	-	-	-	(113,590)	-
	TENANT SERVICES	-	-	-	-	-	-	-	-
92100	TENANT SERVICES SALARIES	-	-	-	-	-	-	-	-
92200	RELOCATION COSTS	-	-	-	-	-	-	-	210
92300	EMPLOYEE BENEFIT CONTRIBUTION	-	-	-	-	-	-	-	-
92400	TENANT SERVICES OTHER	-	-	-	-	-	1,300	-	62,116
	UTILITIES	-	-	-	-	-	-	-	-
93100	WATER	-	-	-	-	-	360	-	542,713
93200	ELECTRICITY	-	-	-	-	-	9,150	-	241,186
93300	GAS	-	-	-	-	-	4,640	-	89,663
93400	FUEL	-	-	-	-	-	-	-	-
93500	LABOR	-	-	-	-	-	-	-	-
93600	SEWER	-	-	-	-	-	-	-	105,452
93700	EMPLOYEE BENEFIT CONTRIBUTION UTILITY	-	-	-	-	-	-	-	-
93800	OTHER UTILITIES	-	-	-	-	-	-	(98,241)	13,565
	ORDINARY MAINTENANCE & OPERATION	-	-	-	-	-	-	-	-
94100	ORDINARY MAINT AND OP LABOR	-	-	-	-	-	243,623	-	611,054
94200	ORDINARY MAINTENANCE AND OP MATERIALS	-	-	-	-	-	28,971	-	383,152
94300	ORDINARY MAINTENANCE AND OP CONTRACT	-	-	-	-	-	323,643	(460,209)	1,488,253
94500	EMPLOYEE BENEFIT CONTRIBUTION	-	-	-	-	-	130,990	-	385,301
	PROTECTIVE SERVICES	-	-	-	-	-	-	-	-
95100	PROTECTIVE SERVICES - LABOR	-	-	-	-	-	-	-	-
95200	PROTECTIVE SERVICES - OTHER CONTRACT COSTS	-	-	-	-	-	-	-	-
95300	PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-	-	57,489
95500	EMPLOYEE BENEFIT CONTRIBUTION PS	-	-	-	-	-	-	-	-
	GENERAL EXPENSES	-	-	-	-	-	-	-	-
96100	INSURANCE PREMIUMS	-	-	-	-	-	74,713	-	368,456
96200	OTHER GENERAL EXPENSE	-	-	-	-	-	-	-	28,991
96210	COMPENSATED ABSENCES	-	-	-	-	-	17,615	-	30,204
96300	PAYMENTS IN LIEU OF TAXES	-	-	-	-	-	-	-	-
96400	BAD DEBT - TENANT	-	-	-	-	-	-	-	61,662
96500	BAD DEBT - MORTGAGES	-	-	-	-	-	-	-	-
96600	BAD DEBT - OTHER	-	-	-	-	-	-	-	-
96730	AMORTIZATION OF BOND ISSUE COSTS	-	-	-	-	-	12,042	-	150,007
96800	SEVERANCE EXPENSE	-	-	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	10,042	23,344	-	29,880	7,070	3,672,665	(2,315,599)	10,592,653
	EXCESS OPERATING REVENUE OVER OP EXP	42,151	-	-	-	35,484	(645,885)	-	26,483,911
97100	EXTRAORDINARY MAINTENANCE	-	-	-	-	-	-	-	-
97200	CASUALTY LOSSES - NON CAPITALIZED	-	-	-	-	-	-	-	-
97300	HAP	42,151	-	-	-	35,484	-	-	24,220,605
97350	HAP - PORTABILITY IN	-	-	-	-	-	-	-	-
97400	DEPRECIATION EXPENSE	-	-	-	-	-	105,904	-	1,579,661
97500	FRAUD LOSSES	-	-	-	-	-	-	-	33,815
97600	CAPITAL OUTLAYS GOVT FUNDS	-	-	-	-	-	-	-	-
97700	DEBT PRINCIPAL PAYMENT GOVT FUNDS	-	-	-	-	-	-	-	-
97800	DWELLING UNITS RENT EXPENSE	-	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	52,193	23,344	-	29,880	42,554	3,778,569	(2,315,599)	36,426,734
10010	OPERATING TRANSFERS IN	-	-	-	-	-	483,297	-	483,297
10020	OPERATING TRANSFERS OUT	-	-	-	-	-	(483,297)	-	(483,297)
10060	PROCEEDS FROM PROPERTY SALES	-	-	-	-	-	-	-	-
10070	EXTRAORDINARY ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-	-	-
10080	SPECIAL ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	(751,789)	-	649,830
10000	EXCESS REVENUE OVER EXPENSES	-	-	-	-	-	-	-	-

**THE HOUSING AUTHORITY OF THE CITY OF ALBUQUERQUE [NM001]
ALBUQUERQUE, NEW MEXICO
FINANCIAL DATA SCHEDULE
JUNE 30, 2020**

	SECTION 8 MOD REHAB SRO 14.249	RESIDENT OPPORTUNITY SUPPORT SVCS 14.870	PUBLIC HOUSING CARES ACT 14.PHC	MAINSTREAM CARES ACT 14.MSC	HCV CARES ACT 14.HCV	LOWER INCOME HAP - SEC 8 MOD/REHAB 14.856	COCC	ELIMINATIONS	TOTAL
11030	BEGINNING EQUITY	-	-	-	-	26,673	3,965,839	-	24,628,900
11040	EQUITY TRANSFERS	(539)	-	-	-	539	-	-	-
11040	EQUITY TRANSFERS	-	-	-	-	-	-	-	-
11040	EQUITY TRANSFERS	-	-	-	-	-	-	-	-
	ENDING EQUITY	61,763	-	-	-	27,212	3,214,050	-	25,278,730
11200	GROSS # UNITS	144	-	-	-	84	-	-	56,352
11210	# UNIT MONTHS LEASED	112	-	-	-	78	-	-	55,085
11170	ADMINISTRATIVE FEE EQUITY	-	-	-	-	-	-	-	2,311,724
11180	HOUSING ASSISTANCE PAYMENTS EQUITY	-	-	-	-	-	-	-	468,652
11610	LAND PURCHASES	-	-	-	-	-	-	-	-
11620	BUILDING PURCHASES	-	-	-	-	-	303,792	-	1,900,449
11630	FURNITURE & EQUIPMENT - DWELLING PURCHASES	-	-	-	-	-	-	-	-
11640	FURNITURE & EQUIPMENT - ADMINISTRATIVE PURCHASES	-	-	-	-	-	-	-	-
11650	LEASEHOLD IMPROVEMENT PURCHASES	-	-	-	-	-	-	-	-
13901	REPLACEMENT HOUSING FACTOR FUNDS	-	-	-	-	-	-	-	-

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO

SCHEDULE OF DEPOSITS AND INVESTMENTS

YEAR ENDED JUNE 30, 2020

Account Name	Type of Account	Bank Balance	Outstanding (Checks) Deposits	Book Balance
<u>Deposits</u>				
Wells Fargo				
Housing Authority - Section 8	Checking	5,722,446	(38,516)	5,683,930
Rio Vista Developer LLC	Checking	293,809		293,809
Housing Authority - Public Housing	Checking	3,037,522	(11,785)	3,025,737
Housing Authority - Public Housing FSS	Checking	11,512		11,512
Housing Authority - Section 8 FSS	Checking	50,627		50,627
Bank of America				
Housing Authority - EPC Cash	Checking	65,514	-	65,514
		<u>9,181,430</u>	<u>(50,301)</u>	<u>9,131,129</u>
<u>Investments</u>				
Local Government Investment Pool	Investment	7,287,654	-	7,287,654
LGIP Fund Pool - 4101				
Total Cash and Investments		<u>16,469,084</u>	<u>(50,301)</u>	<u>16,418,783</u>

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO

SCHEDULE OF PLEDGED COLLATERAL

YEAR ENDED JUNE 30, 2020

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

<u>ISSUER</u>	<u>COLLATERAL DESCRIPTION</u>	<u>CUSIP NUMBER</u>	<u>MATURITY</u>	<u>FAIR MARKET VALUE</u>
FMAC	FEPC	3131XECT8	10/1/2033	\$ 354,808
FMAC	FEPC	3131XL2F3	3/1/2043	972,631
FMAC	FEPC	31329KUP7	9/1/2035	1,666,085
FMAC	FEPC	31329KVK7	6/1/2036	3,049,056
FMAC	FEPC	31329LP30	7/1/2043	888,014
FMAC	FEPC	3132ADXF0	11/1/2041	266,902
FMAC	FEPC	3133KGXY9	9/1/2049	68,939
FMAC	FGRM	3137B0NH3	12/15/2042	1,025,655
			TOTAL	<u>\$ 8,292,090</u>

Location of Collateral: Bank of New York Mellon, New York, NY

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO
JOINT POWERS AGREEMENTS, MEMORANDUMS OF UNDERSTANDING, AND OTHER AGREEMENTS
June 30, 2020

Memorandum of Understanding and other Agreements	Participants	Responsible Party	Description	Begin Date	End Date	Project Amount	Current Year Contributions	Audit Responsibility
			AHA will utilize administrative support services provided by the city (COA) after July 1, 2014. MOU to establish the procedures to divide the assets, debts and support services provided to the Authority and to identify the transition process for employees.	7/1/2014	Ongoing unless terminated by either party	billable	\$	- all parties
The Memorandum of Understanding with the City of Albuquerque	City of Albuquerque (COA) and Albuquerque Housing Authority (AHA)	COA and AHA	Both parties hold joint training seminars for FSS training; joint program coordinating committee (PCC) meetings; administrative support provided by the county to the authority by written agreement.	10/2/2012	6/30/2022	n/a	n/a	all parties
The Memorandum of Understanding with the County of Bernalillo	County of Bernalillo Housing Department (BERNCO) and Albuquerque Housing Authority (AHA)	BERNCO and AHA	Establishment of shared jurisdictions to give each housing authority jurisdiction in both the City of Albuquerque and within the unincorporated areas of Bernalillo county to administer respective Section 8 housing programs.					
The Memorandum of Understanding with the County of Bernalillo	County of Bernalillo Housing Department (BERNCO) and Albuquerque Housing Authority (AHA)	BERNCO and AHA	AHA provides rental housing assistance programs to the eligible participants residing in the City of Rio Rancho through the Housing Choice Voucher program (HCV).	1/5/1993	Ongoing unless terminated by any party upon 60 day written notice.	n/a	n/a	all parties
The Memorandum of Understanding with the City of Rio Rancho	City of Rio Rancho and Albuquerque Housing Authority (AHA)	COR and AHA	Through its contract with New Mexico Interactive (NMI) Contract No. 90-333-00-06613 and Albuquerque Housing Authority, for the purpose of providing the user access to the New Mexico Interactive Online Services driver history records, motor vehicle records and/or driver monitoring) to provide information to complement the identification of individuals or vehicles pertaining to official business duties	3/1/2013	Ongoing unless terminated by either party	n/a	n/a	all parties
Memorandum of understanding between New Mexico Taxation & Revenue Department's Motor Vehicle Division (through New Mexico Interactive) & Albuquerque Housing Authority	Albuquerque Housing Authority (AHA) and NM T&R Dept Motor Vehicle	AHA and NM T&R Dept Motor Vehicle		7/23/2014	30 day notice in writing by either party	n/a	n/a	all parties

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO
JOINT POWERS AGREEMENTS, MEMORANDUMS OF UNDERSTANDING, AND OTHER AGREEMENTS-CONTINUED
June 30, 2020

Memorandum of Understanding and other Agreements	Participants	Responsible Party	Description	Begin Date	End Date	Project Amount	Current Year Contributions	Audit Responsibility
Intergovernmental Agreement between the City of Albuquerque and Albuquerque Housing Authority for the group benefit participation	City of Albuquerque and Albuquerque Housing Authority	COA and AHA	The City maintains a group benefits program for eligible employees and their dependents, including medical, dental, vision, life, short-term and long-term disability insurance and other group voluntary benefits. A cooperative agreement to offer the city group benefits program to AHA employees.	7/1/2019	6/30/2020	77 employees x \$30, plus \$500 billable	\$2,810.00	all parties
Interagency Agreement by and between the Albuquerque Housing Authority (AHA) and the Bernalillo County housing Department (BCHD)	AHA and BCHD	AHA and BCHD	BCHD desires to engage the services of AHA to perform technical assistance services for BCHD's Administrative Plan for Housing Quality Standards (HQS) and Rent Reasonableness Data Collection under HUD regulations	4/9/2019	Continue for 36 months unless sooner terminated in accordance with Section 6 of the agreement (30 day written notice).	\$ -	-	-all parties
Social Services Contract Renewal Process; City of Albuquerque Department of Family and Community Services (DFCS) HOME Tenant Based Rental Assistance (TBRA)	COA and AHA	AHA and COA DFCS	Renewal of intergovernmental Agreement wherein AHA performs HOME Tenant Based Rental Assistance (TBRA) voucher program; for up to 30 homeless households presently on the Section 8 waiting list and public housing waiting list who are referred to AHA through the Albuquerque Heading Home	7/31/2018	5/31/2021	\$ 1,095,004	\$ 1.00	all parties
Interagency Agreement by and between the Albuquerque Housing Authority (AHA) and the Bernalillo County Sheriffs Office (BCSO)	AHA and Bernalillo County Sheriffs Office	AHA and BCSO	Subject to availability, the BCSO will furnish properly trained and equipped off-duty County Deputy Sheriffs in uniform or perform security or other services for Owner in accordance with the assignment schedule.	12/13/2019	Continue until the end of the current Sheriff's term of office (30 day written notice).	n/a	\$ 100,000	all parties
Interagency Agreement by and between the Albuquerque Housing Authority (AHA) and the Housing Authority of the City and County of Denver (DHA)	AHA and Denver Housing Authority	AHA and DHA	DHA hereby agrees that it shall provide technical assistance services to AHA in accordance with the terms and conditions of this agreement. The AHA agrees to reimburse DHA for said services in accordance with the terms and conditions of this agreement.	5/19/2020	Continue until the AHA received HUD approval and financing proceeds for the AHA EPC II.	\$ 304,920	\$ 101,640	all parties

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH IDENTIFYING NUMBER	
Housing Choice Voucher Cluster:			
Housing Choice Vouchers			
Mainstream Vouchers	14.871	N/A	26,027,218
	14.879	N/A	287,757
Public and Indian Housing	14.850	N/A	4,144,198
Capital Fund Program	14.872	N/A	2,086,997
Section 8 Project-Based Cluster:			
Section 8 Moderate Rehabilitation	14.856	N/A	42,554
Section 8 Moderate Rehabilitation	14.249	N/A	52,193
Resident Opportunity and Supportive Services	14.870	N/A	<u>23,344</u>
Total Direct Expenditures			<u>32,664,261</u>
Pass through the City of Albuquerque Family and Community Development Department:			
HOME Investment Partnerships Program	14.239	707791	<u>286,750</u>
Pass through from the City of Albuquerque			
Community Development Block Grant/Entitlement Grant	14.218	N/A	<u>997,356</u>
TOTAL HUD EXPENDITURES			<u>33,948,367</u>
TOTAL FEDERAL EXPENDITURES			<u>33,948,367</u>

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

NOTE 2 – 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, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The Authority has elected not to use the 10% *De Minimus Indirect Cost Rate* allowed under the Uniform Guidance.

NOTE 4 – SUBRECIPIENTS

The Authority provided no federal awards to subrecipients during the year ended June 30, 2020.

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2020

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of Auditors' report issued: Unmodified

Internal Control over financial reporting:
Are material weaknesses identified? Yes No

Are significant deficiencies that are not considered
to be material weaknesses identified? Yes None
Reported

Is noncompliance that could have a material effect
on the financial statements identified? Yes No

FEDERAL AWARDS

Internal control over major programs:
Are material weaknesses identified? Yes No

Are significant deficiencies that are not considered
to be material weaknesses identified? Yes None
Reported

Type of report issued on compliance with requirements
applicable to each major program: Unmodified

Are there any audit findings that are required to be
reported in accordance with 2CFR Section 200.516(a) of
the Uniform Guidance? Yes No

Identification of Major Programs

Housing Voucher Cluster CFDA No. 14.871/14.879

Dollar threshold used to distinguish between type A and type B programs: \$1,024,739

Is the auditee identified as a low-risk auditee? Yes No

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

JUNE 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2020-001 (2019-001): Internal Control over Financial Reporting, Significant deficiency (Repeated and Modified)

Condition: During our audit of the Authority's financial statements, we detected certain deficiencies in internal control over financial reporting, as described below, which are identified as a significant deficiency in internal control over financial reporting in accordance with auditing standards generally accepted in the United States of America, AUC Section 265 ("AU-C 265"). The deficiencies are as follows:

Financial statement presentation: We have noted that the unaudited financial data schedule that is utilized as the PHA's underlying financial statements did not agree with the general ledger and contained various errors. Significant errors existed regarding the presentation of cash balances, equity balances, inter-program balances/eliminations and the duplicate additions in reporting of capital assets.

Accounts Receivable Cutoff testing: As part of our audit, we review receipts prior to and subsequent to the fiscal year end to ensure that all revenues applicable to the fiscal period are included in the financial statements. During our testing, we noted that \$283,890 in Capital Funds expended during fiscal year ended June 30, 2019 were included in the June 30, 2020 financial statements and were reported on the Schedule of Federal Awards included in the June 30, 2020 unaudited submission to REAC. Accordingly, adjustments of \$283,890 were required to accurately report program activities for the year ended June 30, 2020.

Accounts Payable Cutoff testing: As part of our audit, we review subsequent transactions to ensure that all activities applicable to the fiscal period are included in the financial statements. During our testing, we noted that \$200,207 of vendor accruals and related expenses were not included in the June 30, 2020 financial statements and included in the June 30, 2019 unaudited submission to REAC. Accordingly, adjustments totaling \$200,207 were required to accurately report program activities for the year ended June 30, 2019.

As a result of the above, the Authority's unaudited FDS filing was incorrect as it needed significant adjustments for balances including cash, capital assets, other revenue, net position, etc.

Context: This issue is a continuation of an issue identified in a prior period and is a repeat of Finding 2019-001 in the audit of the fiscal year ended June 30, 2020.

Criteria: The Authority should have the necessary controls over the financial reporting process to detect material misstatements without Auditor detection.

Questioned Costs: None.

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

Finding 2020-001 (2019-001): Internal Control over Financial Reporting, Significant deficiency (Repeated and Modified)

Management's Progress for prior year: The Authority established controls to ensure that year-end recorded balances appear reasonable and appropriate so that the unaudited FDS filing does not have significant errors. There is a lag time between capital fund vendors paid and HUD reimbursement of such funds and accruals will need to be established for that gap period. This would include a careful review of the general ledger and activity and comparison to the draft unaudited FDS before filing.

Effect: Accounts are misstated and an increased risk that errors and/or irregularities will occur and not be detected and corrected in a timely manner. Financial information reported to management and the Board is not accurate. Adjustments were needed to correct the misstatements stated in the condition. Additional time and effort was needed to research these errors and prepare correcting entries.

Cause: While some improvements were noted from the prior period, due to position vacancies, the Authority did not have the necessary controls over the financial reporting process to detect material misstatements.

Auditor's Recommendations: The Authority should establish controls to ensure that year-end recorded balances appear reasonable and appropriate so that the unaudited FDS filing does not have significant errors. This would include a careful review of the general ledger and activity and comparison to the draft unaudited FDS before filing.

Management's Response to Finding: We concur with the recommendation and the Director of Finance will establish controls to ensure that year-end recorded balances appear reasonable and appropriate so that the unaudited FDS filing does not have significant errors. This would include a careful review of the general ledger and activity and comparison to the draft unaudited FDS before filing.

Responsible Party: Barbara D'Onofrio, Director of Finance, (505) 764-3936.

Anticipated Completion Date: June 30, 2021.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

Section III: Federal Awards Findings & Questioned Costs - Continued:

Prior Year Findings:

None

Current Year Findings:

None

ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

SECTION IV– STATE OF NEW MEXICO AUDIT FINDINGS (NMAC 2.2.2):

Finding 2020-002 – Timely Completion and Submission of the Annual Audit

Criteria:

Pursuant to the requirements of New Mexico Administrative Code 2.2.2.9, the Authority is required to make available financial records to the auditors in a timely manner in order to meet the five month audit filing deadline requirements of the New Mexico Administrative Code and the Office of the State Auditor of New Mexico.

Condition and Cause:

The Authority failed to make available financial records to the auditors in a timely manner in order to meet the five-month audit filing deadline requirements of New Mexico Administrative Code and the Office of the State Auditor of New Mexico.

Effect:

The Authority is not in compliance with Subsection A of 2.2.2.9 NMAC.

Questioned Costs – None Identified

Recommendation:

We recommend that the Authority review procedures in order to insure the timely completion of financial records and the submission of the annual audit report.

Reply:

The Authority's year-end close process was delayed due to circumstances caused by the COVID-19 Pandemic. As a result, the Authority was unable to provide all of the documentation necessary to meet the five-month audit filing deadline requirement. The Authority has implemented new year-end close procedures for future audits to ensure timely completion of the financial records and submission of the audit report.

Responsible Party: Barbara D'Onofrio, Director of Finance, (505) 764-3936.

Anticipated Completion Date: June 30, 2021.



ALBUQUERQUE HOUSING AUTHORITY
Empowering people in our community through affordable housing and self-sufficiency opportunities

**A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Financial Statement Findings

2019-001, Internal Control over Financial Reporting – Significant Deficiency (Repeated/Modified)



Corrective Action Plan:

Finding 2020-001: Internal Control over Financial Reporting

Summary:

During our audit of the Authority's financial statements, we detected certain deficiencies in internal control over financial reporting, as described below, which are identified as a significant deficiency in internal control over financial reporting in accordance with auditing standards generally accepted in the United States of America, AUC Section 265 ("AU-C 265"). The deficiencies are as follows:

Financial statement presentation: We have noted that the unaudited financial data schedule that is utilized as the PHA's underlying financial statements did not agree with the general ledger and contained various errors. Significant errors existed regarding the presentation of cash balances, equity balances, inter-program balances/eliminations and the duplicate additions in reporting of capital assets.

Accounts Receivable Cutoff testing: As part of our audit, we review receipts prior to and subsequent to the fiscal year end to ensure that all revenues applicable to the fiscal period are included in the financial statements. During our testing, we noted that \$283,890 in Capital Funds expended during fiscal year ended June 30, 2019 were included in the June 30, 2020 financial statements and were reported on the Schedule of Federal Awards included in the June 30, 2020 unaudited submission to REAC. Accordingly, adjustments of \$283,890 were required to accurately report program activities for the year ended June 30, 2020.

Accounts Payable Cutoff testing: As part of our audit, we review subsequent transactions to ensure that all activities applicable to the fiscal period are included in the financial statements. During our testing, we noted that \$200,207 of vendor accruals and related expenses were not included in the June 30, 2020 financial statements and included in the June 30, 2019 unaudited submission to REAC. Accordingly, adjustments totaling \$200,207 were required to accurately report program activities for the year ended June 30, 2019.

As a result of the above, the Authority's unaudited FDS filing was incorrect as it needed significant adjustments for balances including cash, capital assets, other revenue, net position, etc.

Corrective Action Plan:

We concur with the recommendation and we will establish controls to ensure that year-end recorded balances appear reasonable and appropriate so that the unaudited FDS filing does not have significant errors. This would include a careful review of the general ledger and activity and comparison to the draft unaudited FDS before filing.



Corrective Action Plan - Continued:

Finding 2020-002: State of New Mexico Compliance Finding Summary:

Pursuant to the requirements of New Mexico Administrative Code 2.2.2.9, the Authority is required to make available financial records to the auditors in a timely manner in order to meet the five month audit filing deadline requirements of the New Mexico Administrative Code and the Office of the State Auditor of New Mexico. The deficiency follows:

The Authority failed to make available financial records to the auditors in a timely manner in order to meet the five-month audit filing deadline requirements of New Mexico Administrative Code and the Office of the State Auditor of New Mexico.

Corrective Action Plan:

We concur with the recommendation and will establish controls and procedures to ensure that the year-end close procedures for future audits will ensure timely completion of the financial records and submission of the audit report.

**ALBUQUERQUE HOUSING AUTHORITY
A COMPONENT UNIT OF THE CITY OF ALBUQUERQUE, NEW MEXICO
EXIT CONFERENCE
JUNE 30, 2020**

An exit conference was held on January 29, 2021, and attended by the following:

City of Albuquerque Personnel:

Donna Sandoval, CGFM, CISA, CISM
City Controller

Anna Marie Lujan
Division Manager Department of Family Affairs

Albuquerque Housing Authority Board of Commissioners:

Rebecca Robinson
Chair Board Member

Yvette Nunez, CPA
Board Member

Albuquerque Housing Authority Personnel:

Linda Bridge, MBA
Executive Director

Thea Guerin
Deputy Director

Barbara D'Onofrio
Finance Director

Frederick Shendo
Accounting Manager

Elaine Marquez
Accountant

Jesus Estrada
Senior Accountant

Aprio, LLP:

Tim Sumrall, CPA
Partner

Charlie Capps, CPA
Engagement Manager

Financial Statement Preparation:

The Authority's independent public accountant prepared the accompanying basic financial statements; however, the Authority is responsible for the basic financial statements.