



REPORT OF INDEPENDENT AUDITORS
AND CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

YES HOUSING, INC. AND AFFILIATES

December 31, 2020 and 2019

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**YES HOUSING, INC. AND AFFILIATES
OFFICIAL ROSTER (UNAUDITED)
DECEMBER 31, 2020**

Board of Directors

Dr. Beverlee McClure, Chair
Lawrence Chavez, Vice Chairman
Kevin Caudill, Secretary/Treasurer
Ron Wallace, Member
Garrett Hennessy, Member
Jeff Apodaca, Member
Martin Andrew Garrison, Member
Grant Taylor, Member
Renee Paisano Trujillo, Member
Augustine C. Baca, Nonvoting Member

Executive Staff

Augustine C. Baca, YES President/CEO
Holly M. Barela, Senior Vice President/CFO/COO
Michelle DenBleyker, Senior Vice President of Development

Report of Independent Auditors

To the Board of Directors
YES Housing, Inc. and Affiliates

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of YES Housing, Inc. and Affiliates (the Organization), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of New Leaf Community LLLP, UR 205 Silver LLC (Imperial), Wildewood Apartments LP, Brentwood Gardens Apartments LP, Montana Meadows Apartments LP, Los Tres Apartments LP, Gallup Sunset Hills Apartments LLLP, Apple Ridge Apartments LP, Bella Vista Townhomes LP, Mesa Del Norte Apartments LP, YES Deming Mountain View Apartments LLLP, Roswell Summit Apartments LP and Solar Villa Apartments Limited Partnership LLLP (the Partnerships). These are limited partnerships in which YES Housing, Inc. is the General Partner with ownership interest of 10% or less for the year ended December 31, 2020 and 2019. We did not audit the financial statements of Copper Terrace Limited Partnership, LLLP and Nuevo Atrisco Apartments Limited Partnership, LLLP as of December 31, 2020. We did not audit the financial statements of Vista Grande Apartments LP as of December 31, 2019. Vista Grande Apartments LP was 100% owned by YES Housing, Inc. as of December 31, 2019. The Partnerships' statements reflect total assets of \$127,150,743 and \$110,991,889 as of December 31, 2020 and 2019 and revenues of \$11,346,624 and \$12,164,771 for the years ended December 31, 2020 and 2019, respectively. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Partnerships, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, based on our audits and the audits of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of YES Housing, Inc. and Affiliates as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the consolidated financial statements that collectively comprise the Organization's basic financial statements. The consolidating financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The consolidating financial statements listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 consolidating financial statements listed in the table of contents is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
July 23, 2021

YES Housing, Inc. and Affiliates
Consolidated Statements of Financial Position

ASSETS

	December 31,	
	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,461,624	\$ 5,161,107
Restricted cash and cash equivalents	1,581,773	1,177,327
Construction costs receivable	176,365	5,976
Rents and miscellaneous receivables	246,294	201,294
Prepaid expenses and deposit	638,240	492,009
	<u>8,104,296</u>	<u>7,037,713</u>
WORK IN PROGRESS	<u>23,241,699</u>	<u>9,561,370</u>
PROPERTY, FURNITURE, AND EQUIPMENT, NET	<u>112,397,040</u>	<u>97,135,067</u>
OTHER ASSETS		
Tax credit monitoring fees, net of accumulated amortization	352,941	316,392
Predevelopment costs	24,222	458,059
Receivables - affiliates	554,340	482,390
Notes receivable - affiliates	3,000,000	3,000,000
Notes receivable	892,043	957,088
Investments in limited partnerships	351,366	351,384
Investments in marketable securities	8,029,136	7,131,359
Restricted cash and cash equivalents	5,506,919	5,766,272
Restricted investments (457(b) Plan)	457,012	671,208
	<u>19,167,979</u>	<u>19,134,152</u>
TOTAL ASSETS	<u>\$ 162,911,014</u>	<u>\$ 132,868,302</u>

See accompanying notes to these consolidated financial statements.

YES Housing, Inc. and Affiliates
Consolidated Statements of Financial Position (continued)

LIABILITIES AND NET ASSETS

	December 31,	
	2020	2019
CURRENT LIABILITIES		
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ 19,392,728	\$ 998,249
Accrued interest payable	190,250	702,790
Accounts payable	2,616,027	746,886
Accrued salaries and payroll taxes	190,362	156,603
Tenant prepaid rent	177,422	107,849
Other accrued expenses	564,058	530,257
Security deposits	345,969	317,298
	23,476,816	3,559,932
LONG-TERM LIABILITIES		
Development fee payable	572,208	657,317
Asset management fee payable	120,077	51,003
Accrued interest payable - long-term	564,448	168,906
Pension plan liability	457,012	671,208
Long-term debt, less current maturities and net of unamortized debt issuance costs	73,085,539	66,892,699
	74,799,284	68,441,133
Total long-term liabilities	74,799,284	68,441,133
	98,276,100	72,001,065
NET ASSETS		
Without donor restrictions	14,122,144	13,707,366
Net assets attributable to YES Housing, Inc. and Affiliates	14,122,144	13,707,366
	50,512,770	47,159,871
Total net assets	64,634,914	60,867,237
TOTAL LIABILITIES AND NET ASSETS	\$ 162,911,014	\$ 132,868,302

See accompanying notes to these consolidated financial statements.

YES Housing, Inc. and Affiliates
Consolidated Statements of Activities

	Years Ended December 31,	
	2020	2019
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and revenue		
Rent, net	\$ 11,785,928	\$ 11,456,980
Contribution revenue	772,708	626,519
Interest	264,641	341,752
Net unrealized/realized gain on investments	644,334	1,234,387
Net realized gain on capital investments	288,922	-
Other revenue	233,818	1,088,391
Total revenue	13,990,351	14,748,029
Expenses		
Program	14,296,747	16,181,380
General and administrative	1,074,427	887,618
Total expenses	15,371,174	17,068,998
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(1,380,823)	(2,320,969)
CHANGE IN NET ASSETS ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(1,795,601)	(1,957,772)
CHANGE IN NET ASSETS ATTRIBUTABLE TO YES HOUSING, INC.	\$ 414,778	\$ (363,197)

See accompanying notes to these consolidated financial statements.

YES Housing, Inc. and Affiliates
Consolidated Statements of Changes in Net Assets

	<u>Without Donor Restrictions</u>	<u>Non-Controlling Interest</u>	<u>Total</u>
BALANCE, December 31, 2018	\$ 14,070,563	\$ 39,459,484	\$ 53,530,047
Capital contributions	-	10,226,116	10,226,116
Distributions	-	(567,957)	(567,957)
Change in net assets	<u>(363,197)</u>	<u>(1,957,772)</u>	<u>(2,320,969)</u>
BALANCE, December 31, 2019	13,707,366	47,159,871	60,867,237
Capital contributions	-	5,650,770	5,650,770
Distributions	-	(502,270)	(502,270)
Change in net assets	<u>414,778</u>	<u>(1,795,601)</u>	<u>(1,380,823)</u>
BALANCE, December 31, 2020	<u>\$ 14,122,144</u>	<u>\$ 50,512,770</u>	<u>\$ 64,634,914</u>

See accompanying notes to these consolidated financial statements.

YES Housing, Inc. and Affiliates
Consolidated Statements of Cash Flows

	Years Ended December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 414,778	\$ (363,197)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
(Gain) loss on disposal of assets	(799,334)	437,158
Depreciation and amortization	4,460,039	4,354,789
Net realized and unrealized gain on investments	(644,334)	(1,234,387)
Reinvested dividends and interest	631,912	631,912
Non-controlling interest	(1,795,601)	(1,957,772)
Changes in assets and liabilities		
Receivable - affiliates	(71,950)	(101,589)
Construction costs receivable	(170,389)	(5,976)
Rents and miscellaneous receivables	(45,000)	(50,886)
Prepaid expenses and deposit	(146,231)	(152,774)
Tax credit monitoring fees	(76,209)	52,829
Predevelopment costs	433,837	388,060
Due to affiliates	-	(8,392)
Accrued interest payable	(116,998)	52,661
Accounts payable	1,869,141	454,253
Accrued salaries and payroll taxes	33,759	(16,948)
Tenant prepaid rent	69,573	24,279
Other accrued expenses	33,801	(1,047,951)
Deferred revenue	-	(110,574)
Security deposits	28,671	653
	3,694,687	1,709,345
Total adjustments		
	\$ 4,109,465	\$ 1,346,148
Net cash provided by operating activities	\$ 4,109,465	\$ 1,346,148

See accompanying notes to these consolidated financial statements.

YES Housing, Inc. and Affiliates
Consolidated Statements of Cash Flows (continued)

	Years Ended December 31,	
	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances on notes receivable	\$ 69,074	\$ 30,271
Payments received on notes receivable	65,045	69,946
Proceeds from sales of property and equipment	4,100,000	1,330,474
Proceeds from sales of investments	(7,756,286)	(7,990,704)
Purchases of investments	6,870,949	10,947,701
Payment on development fee	(85,109)	(55,499)
Purchases of property and equipment	(14,539,289)	(2,532,654)
Purchases for work in progress	(22,124,058)	(9,509,763)
Net cash used in investing activities	<u>(33,399,674)</u>	<u>(7,710,228)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	29,770,127	11,798,435
Payment on loans	(5,182,808)	(12,386,356)
Capital contribution	5,650,770	10,226,116
Distribution	(502,270)	(567,957)
Net cash provided by financing activities	<u>29,735,819</u>	<u>9,070,238</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	445,610	2,706,158
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of year	<u>12,104,706</u>	<u>9,398,548</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of year	<u>\$ 12,550,316</u>	<u>\$ 12,104,706</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 2,604,312</u>	<u>\$ 2,029,503</u>
CASH AND CASH EQUIVALENTS	\$ 5,461,624	\$ 5,161,107
RESTRICTED CASH AND CASH EQUIVALENTS, current	1,581,773	1,177,327
RESTRICTED CASH AND CASH EQUIVALENTS, non-current	<u>5,506,919</u>	<u>5,766,272</u>
	<u>\$ 12,550,316</u>	<u>\$ 12,104,706</u>

See accompanying notes to these consolidated financial statements.

YES Housing, Inc. and Affiliates
Consolidated Statement of Functional Expenses

	Year Ended December 31, 2020		
	Program	Management and General	Total
Salaries and wages	\$ 2,722,291	\$ 412,924	\$ 3,135,215
Payroll taxes	443,269	28,491	471,760
Employee benefits	399,518	117,073	516,591
Total personnel expenses	3,565,078	558,488	4,123,566
Depreciation and amortization	4,362,789	97,250	4,460,039
Donations expense	-	6,200	6,200
Duplication and publishing	2,219	628	2,847
Equipment	10,636	863	11,499
Insurance	486,552	5,200	491,752
Interest	2,081,300	10,472	2,091,772
Loss (gain) on disposal of assets	(809,517)	10,183	(799,334)
Other expenses	(230,027)	337,826	107,799
Predevelopment/development costs	14,473	-	14,473
Professional fees	411,348	41,271	452,619
Property management	785,513	-	785,513
Property taxes	546,050	-	546,050
Rent	2,800	-	2,800
Repairs and maintenance	1,173,559	1,444	1,175,003
Social services	498,186	-	498,186
Telephone and utilities	1,377,898	3,519	1,381,417
Training	16,011	969	16,980
Travel	1,879	114	1,993
Total other expenses	10,731,669	515,939	11,247,608
Total expenses	\$ 14,296,747	\$ 1,074,427	\$ 15,371,174

See accompanying notes to these consolidated financial statements.

YES Housing, Inc. and Affiliates
Consolidated Statement of Functional Expenses (continued)

	Year Ended December 31, 2019		
	Program	Management and General	Total
Salaries and wages	\$ 2,621,513	\$ 379,160	\$ 3,000,673
Payroll taxes	440,489	27,153	467,642
Employee benefits	395,553	127,710	523,263
Total personnel expenses	3,457,555	534,023	3,991,578
Depreciation and amortization	4,261,286	93,503	4,354,789
Donations expense	-	11,950	11,950
Duplication and publishing	1,087	256	1,343
Equipment	9,238	749	9,987
Insurance	439,861	6,431	446,292
Interest	2,437,941	10,000	2,447,941
Loss (gain) on disposal of assets	438,271	(1,113)	437,158
Other expenses	462,216	178,093	640,309
Predevelopment/development costs	10,148	-	10,148
Professional fees	353,113	47,404	400,517
Property management	664,434	-	664,434
Property taxes	554,913	-	554,913
Rent	4,800	-	4,800
Repairs and maintenance	1,253,551	2,042	1,255,593
Social services	463,344	-	463,344
Telephone and utilities	1,311,787	3,108	1,314,895
Training	24,356	1,074	25,430
Travel	33,479	98	33,577
Total other expenses	12,723,825	353,595	13,077,420
Total expenses	\$ 16,181,380	\$ 887,618	\$ 17,068,998

See accompanying notes to these consolidated financial statements.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies

Definition of Reporting Entity

YES Housing, Inc. (YES) was incorporated in the State of New Mexico in 1990. The purpose of YES is to provide housing; housing counseling; economic development; and opportunities for youth, families, and the elderly nationwide; and to participate in such activities, ventures, sales, leases, loans, and investments as may be expected to provide capital or other benefits in furtherance of the above-mentioned activities. YES develops, owns, and manages multi-family communities to provide a better quality of life to those served.

On August 20, 2002, YES Housing of Arizona, Inc. (a wholly owned subsidiary) incorporated under the Arizona Nonprofit Corporation Act in order to relieve the burdens on the poor, distressed, elderly, and handicapped through the provision of affordable housing.

Principles of Consolidation

The consolidated financial statements include the accounts of YES and YES Housing of Arizona, Inc., and its 100% owned entities: YES La Hacienda, LLC, YES NSP, LLC, Otero Village Apartments, LP, Vista Grande Apartments, LP, YES Live Work, LLC, and Hope Village, LLC. Additionally, YES owns limited liability companies whose sole activity consists of General Partner ownership interests ranging from 10% to 0.01% or less of various limited partnerships, which are also consolidated as they meet the consolidation requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810-20-25. These general partnership (GP) investments are: New Leaf Community, LLLP, UR 205 Silver, LLC, Wildewood Apartments, LP, Brentwood Gardens Apartments, LP, Montana Meadows Apartments, LP, Los Tres Apartments, LP, Gallup Sunset Hills Apartments, LLLP, Apple Ridge Apartments, LP, Bella Vista Townhomes, LP, Mesa Del Norte Apartments, LLLP, YES Deming Mountain View Apartments, LLLP, Roswell Summit Apartments, LP, Solar Villa Apartments, LP, LLLP, Nuevo Atrisco Apartments, LP, LLLP, Skyview Terrace, LP, LLLP, and Copper Terrace Limited Partnership, LLLP. All material intercompany transactions have been eliminated.

YES Housing of Arizona, Inc. activity includes its 100% owned entity New Frontier MM, LLC. During 2020, New Frontier MM, LLC and a third-party entered into a partnership called New Frontier Family Living, LLC. New Frontier MM, LLC owns 0.01%. All material intercompany transactions have been eliminated.

Use of Estimates in Preparing Financial Statements

The preparation of consolidated 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 and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the methods and lives used to compute depreciation expense, amortization of debt issuance costs and the allowance for uncollectible accounts. Accordingly, actual results could differ from those estimates.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Financial Statement Presentation

Financial statement presentation follows the recommendations of ASC 958, *Not-for-Profit Entities*. Under ASC 958, YES is required to report information regarding its consolidated financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, YES is required to present a consolidated statement of cash flows. No donor restricted assets were held during the years ended December 31, 2020 and 2019 and, accordingly, these consolidated financial statements do not reflect any activity related to this class of net assets.

Basis of Accounting

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

Cash and Cash Equivalents

For purposes of preparing the consolidated statement of cash flows, YES considers all undesignated interest-bearing accounts and debt instruments with an original maturity date of three months or less to be cash equivalents. Cash and cash equivalents may be held in separate accounts for purposes related to notes, for the purchase of various apartment complexes or board designation.

Construction Cost, Rent, and Miscellaneous Receivables

Construction cost, rent, and miscellaneous receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At December 31, 2020 and 2019, there were no amounts recorded in the allowance for doubtful accounts. Historical uncollectible receivables have not been material to the consolidated financial statements.

YES participates in a Neighborhood Stabilization Program (NSP) with other non-profit organizations for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Under the NSP, organizations are provided grants with the intention to purchase, redevelop, and sell residential properties. Any organization in violation or noncompliance of the grant agreement is required to repay the grant amounts in full. YES participates in the NSP as YES NSP, LLC, which was created for the renovation and sale of homes under the NSP. As a participant of the NSP, YES loaned amounts to YES NSP, LLC from the NSP grant awards and recorded such loans as notes receivable from YES NSP, LLC. As YES has fully met all obligations and compliance matters under the NSP grant and expect the remaining members of the consortium to comply with the grant agreement. As of December 31, 2020 and 2019, YES recorded an allowance of \$152,867 and \$224,648, respectively, against the entirety of the notes receivable from YES NSP, LLC resulting in a net balance of zero.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Property, Furniture, and Equipment

Property, furniture, and equipment is stated at cost or, if donated, at the approximate fair value at the date of donation. Assets costing \$500 or more are capitalized. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the respective assets, as follows:

Furniture and equipment	3 – 12 years
Buildings and improvements	10 – 40 years

Assets purchased with funds from grant sources are expensed in the year of purchase as title to these assets remains with the grant sources.

Tax Credit Monitoring Fees

Costs related to the monitoring of tax credits are being amortized over the term of the related tax credit life using the effective interest method.

Predevelopment Costs and Work in Progress

YES capitalizes all costs associated with the predevelopment and work in progress of a project. Any cost reimbursed as part of closing will be included as part of the initial building cost. Amounts not reimbursed are expensed at that time.

Impairment of Long-Lived Assets

YES reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of, if any, are reported at the lower of the carrying amount or the fair value less costs to sell. There was no impairment of long-lived assets at December 31, 2020 and 2019.

Investments in Limited Partnerships

Investments in limited partnerships are carried at cost, adjusted for the company's proportionate share of the undistributed earnings and losses.

Investments in Marketable Securities

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Investment income or loss (including gain or losses on investment, interest and dividends) is included in the consolidated statement of activities as an increase or decrease in net assets without donor restrictions unless income or loss is restricted by donor or law.

Investments consist principally of marketable debt and equity securities. Fair value of investments in securities is based on the last reported sales price as of December 31, 2020 and 2019.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Debt Issuance Costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan and note payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using the effective interest method.

Donated Services and Materials

YES recognizes contributions of services if the services create or enhance financial assets, require specialized skills, and would have been purchased had they not been provided as a contribution. Recognized contributed services are recorded at the fair value of the services on the date of donation. Significant donations of materials are recorded at their fair value on the date of donation.

Support

YES reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets without donor restrictions.

Income Tax Status

With the exceptions of the Partnerships, all entities of YES and YES Housing of Arizona are non-profit corporations and qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC) and are classified as other than private foundations. As such, their normal activities do not result in any income tax liability. YES did not incur any unrelated business taxable income for the years ended December 31, 2020 and 2019. As a result, YES did not recognize federal and state income tax for the years ended December 31, 2020 and 2019.

New Leaf Community, LLLP, UR 205 Silver, LLC, Wildewood Apartments, LP, Brentwood Gardens Apartments, LP, Montana Meadows Apartments, LP, Los Tres Apartments, LP, Gallup Sunset Hills, LLLP, Vista Grande Apartments, LP, Apple Ridge Apartments, LP, Bella Vista Townhomes, LP, Mesa Del Norte Apartments, LLLP, YES Deming Mountain View Apartments, LLLP, Roswell Summit Apartments, LP, Solar Villa Apartments, LP, LLLP, YES La Hacienda, LLC, Otero Village Apartments, LP, Nuevo Atrisco Apartments, LP LLLP, Skyview Terrace, LP, LLLP, Copper Terrace Limited Partnership, LLLP, and New Frontier Family Living, LLC as Partnerships, are not subject to federal income tax. The partners separately account for their pro-rata share of the Partnerships' items of income, deductions, losses, and credits. Therefore, no provision is made in the accompanying consolidated financial statements for liabilities for federal, state or local income taxes since such liabilities are the responsibility of the individual partners.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

YES would recognize accrued interest related to unrecognized tax benefits in interest expense and penalties in operating expenses. There was no such interest or penalties recorded for the years ended December 31, 2020 and 2019.

YES files informational tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, YES is subject to examination by federal, state, local, and foreign jurisdictions, where applicable.

Functional Allocation of Expense

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and the consolidated statements of functional expenses. Program expenses are allocated costs related to the development, operation, maintenance, leasing, and management of the various consolidated properties owned by YES as listed above. Accordingly, all other costs related to the general oversight and administration of the properties and partnerships by YES are allocated to management and general expenses.

Recent Accounting Pronouncement

Accounting standard update (ASU) 2018-08 – The FASB issued ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08) during June 2018. ASU 2018-08 is to clarify and improve the scope and the accounting guidance for contributions received and contributions made. ASU 2018-08 is effective for fiscal years beginning after December 15, 2018. Management has adopted this new pronouncement as of January 1, 2019. Adopting this standard did not have a significant impact on the consolidated financial statements.

ASU 2016-02 and ASU 2020-05 – Leases (Topic 842) requires that an asset for the right of use and lease liability be recognized on the consolidated statement of financial position date for all leases extending more than 12 months, and allows the election of recognizing an asset and a liability for leases for the period fewer than 12 months. This amendment is effective for fiscal years beginning after December 15, 2021; however, early adoption is permitted. Management is currently considering the impact of this on the consolidated financial statements.

Reclassifications

Certain amounts in the prior year consolidated financial statements have been reclassified to conform to the presentation in the current year consolidated financial statements. The previously reported change in net position and ending net position are unaffected by these reclassifications.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Subsequent Events

Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before the consolidated financial statements are available to be issued. YES recognized in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including estimates inherent in the process of preparing the consolidated financial statements. YES's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position but arose after the balance sheet date and before consolidated financial statements are available to be issued. Note 16 provides disclosure of certain subsequent events that did not result in recognition in the consolidated financial statements. YES has evaluated subsequent events for recognition and disclosure through July 23, 2021, which is the date the consolidated financial statements were available to be issued (see Note 16).

Note 2 – Designated and Restricted Cash and Cash Equivalents

YES maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. YES has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on cash or cash equivalents.

Amounts included in restricted cash and cash equivalents that are designated and restricted consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Replacement Reserve	\$ 3,637,602	\$ 3,781,885
Operating Deficit Reserve	1,512,416	1,512,129
Debt Service Reserve	59,632	59,580
Escrow Deposits	188,026	304,971
Other	393,421	413,058
Security Deposits	341,325	326,040
Money Market Fund	634,265	295,543
OCS Grant	<u>322,005</u>	<u>250,393</u>
Total	<u>\$ 7,088,692</u>	<u>\$ 6,943,599</u>
Current Restricted Cash and Cash Equivalents	\$ 1,581,773	\$ 1,177,327
Long-Term Restricted Cash and Cash Equivalents	<u>5,506,919</u>	<u>5,766,272</u>
	<u>\$ 7,088,692</u>	<u>\$ 6,943,599</u>

The money market fund had an amount of \$634,265 and \$295,543 as of December 31, 2020 and 2019, respectively. The use of the funds is subject to the Board of Directors' approval. Restricted funds are held in bank accounts and money market accounts, some of which invest in federal treasury obligations which market value approximates cost.

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 3 – Property, Furniture and Equipment

Property, furniture and equipment consisted of the following at December 31:

	2020	2019
Buildings	\$ 130,004,948	\$ 115,347,033
Buildings/Land Improvements	18,233,410	17,409,630
Furniture and Equipment	6,944,227	6,657,342
	155,182,585	139,414,005
Less: Accumulated Depreciation	(54,219,001)	(51,127,270)
	100,963,584	88,286,735
Land	11,478,456	8,848,332
Property, Furniture, and Equipment, Net	\$ 112,442,040	\$ 97,135,067

Depreciation expense for the years ended December 31, 2020 and 2019 totaled \$4,460,039 and \$4,315,129, respectively.

Work in progress on the accompanying consolidated statement of financial position is stated at cost and is not depreciated. The balances of \$23,241,699 and \$9,561,370 consisted of costs capitalized related to construction projects and various property improvements in progress as of December 31, 2020 and 2019, respectively. Significant construction projects relate to the development of the New Frontier property and the Skyview Terrace property. See Note 13 for details on the partnerships formed related to these respective projects and properties. The construction and development of the property for the New Frontier project began in 2020 and is expected to be completed in August 2021. The construction and development of the property for the Skyview Terrace project began in 2019 and is expected to be completed in February 2021. The balances related to work in progress will be transferred to the respective property, furniture and equipment accounts upon completion of the respective projects.

Note 4 – Notes Receivable

Notes receivable consist of the following at December 31:

	2020	2019
<i>Notes Receivable - Affiliate:</i>		
Note receivable from Casitas de Colores, LLC (see Note 12). The note accrues interest at 2.4%. Payment of interest and principal will be made from net cash flow after obligations of higher priority have been paid. This note is due January 1, 2045. The accrued interest at December 31, 2020 and 2019 was \$554,340 and \$482,390, respectively.	\$ 3,000,000	\$ 3,000,000

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 4 – Notes Receivable (continued)

	2020	2019
<i>Notes Receivable:</i>		
Note receivable from ROKO, LLC to YES with an annual interest rate of 1.5% accruing from March 1, 2016 until maturity on October 1, 2026. Principal and interest payments are due monthly. The note is secured by property.	\$ 442,043	\$ 507,088
Note receivable from Youth Development, Inc. (YDI). The note was executed on December 29, 2017, for \$450,000 secured by deed of trust. The note bears interest at a fixed annual rate of 8%. Interest-only payments are due monthly beginning January 15, 2018. The unpaid principal amount, together with accrued but unpaid interest, are due in full on the extended maturity date of June 30, 2022.	450,000	450,000
	\$ 892,043	\$ 957,088

Note 5 – Tax Credit Monitoring Fees

Costs related to tax credit monitoring are being amortized over the term of the related tax credits. Tax credit monitoring fees and related accumulated amortization as of December 31 are as follows:

	2020	2019
Tax Credit Monitoring Fees	\$ 647,468	\$ 571,260
Less: Accumulated Amortization	(294,527)	(254,868)
Total	\$ 352,941	\$ 316,392

Amortization expense for the years ended December 31, 2020 and 2019 totaled \$39,659 and \$39,660, respectively.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 6 – Fair Value of Financial Instruments

In determining fair value, YES uses various valuation approaches within the ASC 820 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. ASC 820 defines levels within the hierarchy based on the reliability of inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets.

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Except for certificates of deposit, investments are measured at fair value using Level 1 inputs. The fair values are based on quoted market prices at the reporting date. Certificates of Deposit are carried at cost, which in management's opinion approximates fair market value.

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 6 – Fair Value of Financial Instruments (continued)

The following tables present assets and liabilities measured at fair value by classification within the fair value hierarchy as of December 31:

	2020			Total
	Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments in				
Marketable				
Securities:				
Mutual Funds:				
Growth Funds	\$ 3,269,996	\$ -	\$ -	\$ 3,269,996
Bond Funds	2,200,853	-	-	2,200,853
Value Funds	1,640,111	-	-	1,640,111
Emerging				
Markets	918,176	-	-	918,176
Subtotal	<u>8,029,136</u>	-	-	<u>8,029,136</u>
Restricted				
Investments				
(457(b) Plan):				
Mutual Funds:				
Growth Funds	112,393	-	-	112,393
Bond Funds	277,525	-	-	277,525
Value Funds	35,386	-	-	35,386
Fixed Income	2,484	-	-	2,484
Growth &				
Value Funds	29,224	-	-	29,224
Subtotal	<u>457,012</u>	-	-	<u>457,012</u>
Total	<u>\$ 8,486,148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,486,148</u>

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 6 – Fair Value of Financial Instruments (continued)

	2019			Total
	Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments in Marketable Securities:				
Mutual Funds:				
Growth Funds	\$ 2,201,173	\$ -	\$ -	\$ 2,201,173
Bond Funds	2,363,339	-	-	2,363,339
Value Funds	1,825,150	-	-	1,825,150
Emerging Markets	741,697	-	-	741,697
Subtotal	7,131,359	-	-	7,131,359
Restricted Investments (457(b) Plan):				
Mutual Funds:				
Growth Funds	147,514	-	-	147,514
Bond Funds	430,191	-	-	430,191
Value Funds	50,600	-	-	50,600
Fixed Income	3,043	-	-	3,043
Growth & Value Funds	39,860	-	-	39,860
Subtotal	671,208	-	-	671,208
Total	\$ 7,802,567	\$ -	\$ -	\$ 7,802,567

A summary of return on investments consists of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Net Realized Income	\$ 241,848	\$ 222,963
Net Unrealized Gain	402,486	1,011,424
Total	\$ 644,334	\$ 1,234,387

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt

	2020	2019
<p>Skyview - Construction loan to Wells Fargo Bank, bearing interest at 1.70% plus LIBOR. Yes can draw up to \$10,200,000. Loan matures on December 19, 2021. Effective interest rate was approximately 1.95% as of December 31, 2020. Secured by deed of trust.</p>	\$ 8,872,203	\$ -
<p>Nuevo Atrisco - Construction loan to Wells Fargo, bearing interest at 1.70% plus the One-Month-LIBO rate. Interest rate is adjusted every month. YES can draw up to \$9,100,000. Loan matures on May 2, 2021, with two 3-month extension options. Effective interest rate was approximately 3.42% as of December 31, 2020 and 2019. Secured by deed of trust.</p>	8,614,962	1,831,629
<p>New Frontier - Construction loan to Bank of America, bearing interest at a fluctuating rate equal to the lesser of the non-maximum non-ururious rate of interest allowed by applicable law or the LIBOR daily floating rate plus 200 basis points. Yes can draw up to \$15,150,000. Loan matures on March 25, 2022 with an option to extend to September 25, 2022. Secured by deed of trust.</p>	7,547,001	-
<p>Los Tres - Note payable to Walker & Dunlop, LLC, assigned to Federal Home Loan Mortgage Corporation, bearing interest at LIBOR plus 2.31% with a 30 year amortization. Monthly principal and interest payments, matures on May 1, 2022, upon which a balloon payment for the remaining mortgage balance will be due.</p>	6,933,268	7,118,820
<p>Brentwood Gardens - On February 8, 2017, loan issued by Hunt Mortgage Partners, LLC (Hunt, First Mortgage) in the original amount of \$7,400,000, bears interest at 4.63% and requires monthly payments of principal and interest of \$42,606 until maturity on March 1, 2027, upon which a balloon payment for the remaining mortgage balance will be due.</p>	6,731,677	6,921,207
<p>Apple Ridge - On February 8, 2017, loan issued by Hunt Mortgage Partners, LLC (Hunt, First Mortgage) in the original amount of \$4,600,000, bears interest at 4.63% and requires monthly payments of principal and interest of \$25,909 until maturity on March 1, 2027, upon which a balloon payment for the remaining mortgage balance will be due.</p>	4,212,838	4,322,617
<p>Montana Meadows - On February 8, 2017, loan issued by Hunt Mortgage Partners, LLC (Hunt, First Mortgage) in the original amount of \$3,760,000, bears interest at 4.90% and requires monthly payments of principal and interest of \$22,737 until maturity on March 1, 2029, upon which a balloon payment for the remaining mortgage balance will be due.</p>	3,407,334	3,507,705

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	2020	2019
YES Imperial - City of Albuquerque Workforce Housing Trust Funds note payable bearing interest at 3.50% per annum, secured by the property, matures on January 1, 2072.	\$ 3,375,000	\$ 3,375,000
YES Hope Village - Loan payable to New Mexico Mortgage Finance Authority in the original amount of \$4,250,000. The loan is a 384 month forgivable loan ending on August 5, 2052 with 0% interest, secured by apartment project.	3,273,813	-
Solar Villa - Loan payable to The Community Development Trust, in the amount of \$3,100,000, bearing an interest rate of 5.84% per annum. Principal and interest payments of \$17,344 are due monthly commencing October 1, 2019. Matures on September 1, 2035	3,068,580	3,093,700
YES Casitas De Colores - City of Albuquerque Workforce Housing Trust Funds note payable bearing interest at 0% per annum, secured by the property, matures on January 1, 2045.	3,000,000	3,000,000
YES Nuevo Atrisco - City of Albuquerque Workforce Housing Trust Funds note payable related to the development and construction of the Nuevo Atrisco Apartments, to be repaid from excess annual cash flows starting on January 1, 2021. The loan is secured by the property, bears no interest, and the unpaid principal balance matures in December 2049.	2,990,000	2,990,000
Wildewood - Loan payable to Hunt Mortgage Partners, LLC, monthly principal and interest payments of \$15,359 until maturity on May 1, 2026, at 4.12%, upon which a balloon payment for the remaining mortgage balance will be due.	2,703,310	2,772,800
YES Solar Villa - City of Albuquerque Workforce Housing Trust Funds note payable related to the rehabilitation and restoration of the Solar Villa Apartments, to be repaid from excess cash flows. The loan is secured by the property, bears no interest, and the unpaid principal balance matures in December 2058.	2,400,000	2,400,000
YES La Hacienda - New Mexico Mortgage Finance Authority, 0% interest, maturity date March 2031. Repayments are made from excess cash flows and remaining balance to be forgiven upon satisfactory completion of affordability period.	2,292,665	2,305,543
Vista Grande - Note payable to Secretary of Housing and Urban Development, bearing interest at 2.27%. The note was paid in full in November 2020.	-	1,902,887
Vista Grande - Note payable to Wells Fargo Multi-Family Capital, bearing interest at 2.81% per annum, monthly payments due of \$8,460. The note was paid in full in November 2020.	-	1,834,251

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	2020	2019
Sunset Hills - Loan Payable to USDA, Rural Development, bearing interest at 3.75%; however, a subsidy agreement entered into with RD which effectively lowers interest rate to 1.00%, secured by the apartment project, matures December 18, 2043.	\$ 1,548,093	\$ 1,562,306
Los Tres - Notes payable to City of Phoenix, Arizona, bearing interest at 4.00% simple interest; annual payments of interest and principal due from available cash flow, secured by a subordinate deed of trust, matures on June 30, 2046.	1,401,975	1,649,394
New Leaf - Permanent note payable to New Mexico Mortgage Finance Authority, bearing interest at 5.00% per annum and payable on the first day of each month, secured by the project, and maturing December 1, 2056.	1,393,643	1,407,205
YES New Leaf - City of Hobbs Development Funds promissory note, non-interest bearing, secured by the property, matures on January 1, 2030.	1,300,000	1,300,000
Imperial - Permanent loan to JPMorgan Chase Bank, N.A. in the amount of \$1,188,000, bearing interest at 5.9% per annum and matures on June 28, 2035. Effective interest rate for 2020 and 2019 was 6.54%. Interest and principal payments due at the beginning of each month. Loan secured by project.	1,134,397	1,149,889
Nuevo Atrisco - New Mexico Mortgage Finance Authority (NHTF), 0% interest, maturity date April 2051. YES can draw up to \$1,275,000. Repayments are made from excess cash flows with the remaining balance to be forgiven upon satisfactory completion of affordability period. Note is secured by a mortgage and a Land Use Restriction Agreement against the Project.	1,147,500	1,122,500
Nuevo Atrisco - New Mexico Mortgage Finance Authority (HTF), 3.00% interest, maturity date May 2051. Interest only payments until completion of construction of the Nuevo Atrisco project, but no later than May 1, 2021. At completion of construction, a principal payment of \$500,000 is due. Thereafter, the loan amortizes on a 360-month term with monthly principal and interest payments. Note is secured by a mortgage and a Land Use Restriction Agreement against the Project.	1,000,000	1,000,000
Copper Terrace - New Mexico Mortgage Finance Authority to provide financing for the project in the amount not to exceed \$1,000,000. The HTF loan is secured by the project and bears interest at 3% per annum. Pursuant to loan agreement, the loan matures in 384 months and consists of two periods, the construction loan term and the permanent loan term. The construction loan term consists of a 24-month period commencing on the first day of the month following the HTF loan closing date. Interest only payments are due on the first day of each month during the construction loan term. On the last day of the construction loan, the partnership will pay the principal balance down to \$500,000. The perm loan will commence over 360 months at \$500,000.	1,000,000	-

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	2020	2019
<p>Skyview Terrace - New Mexico Mortgage Finance Authority (HTF), 3.00% interest, maturity date December 2051. YES can draw up to \$1,000,000. Interest only payments until completion of construction of the Skyview project. At completion of construction, a principal payment of \$500,000 is due. Thereafter, the loan amortizes on a 360-month term with monthly principal and interest payments. Note is secured by a mortgage and a Land Use Restriction Agreement against the Project.</p>	\$ 1,000,000	\$ 665,973
<p>Copper Terrace - New Mexico Mortgage Finance Authority to provide financing for the project not to exceed \$1,000,000. The loan is secured by the project. The loan matures in 504 months and consists of construction/perm. The construction loan is 24 months, during which no interest will accrue and no principal payments due. The partnership will make 479 monthly principal payments subsequent to that date.</p>	875,000	-
<p>Roswell Summit - Mortgage payable to New Mexico Mortgage Finance Authority in monthly installments, bearing interest at 6.00%, matures on December 1, 2043.</p>	724,623	738,838
<p>YES Mountain View Deming - Loan Payable to USDA, Rural Development (RD), bearing interest at 3.5%; however, a subsidy agreement entered into with RD which effectively lowers interest rate to 1%, secured by the apartment project, matures December 1, 2041.</p>	619,947	626,661
<p>Copper Terrace - The Partnership entered into a loan with Wells Fargo to provide financing for the acquisition and rehabilitation not to exceed \$12,424,000. The loan is secured by the construction deed of trust. The construction loan matures on November 17, 2022 and bears interest at LIBOR plus a spread of 2.75%. The interest rate on December 31, 2020 was 3.25%. Debt issuance costs are being amortized to work in progress over the term of the loan.</p>	617,326	-
<p>Bella Vista - Mortgage loan payable to Pacific Life Insurance Company, bearing interest at 7.93%, monthly payments due until maturity on August 1, 2027.</p>	583,220	596,362
<p>Solar Villa - Loan payable to NM Mortgage Finance Authority (HOME) in the amount not to exceed \$600,000. Loan matures in 384 months. Consists of two portions. Construction loan is for a 24 month period at 0% interest. The permanent loan will commence at the same rate. Monthly payments of \$1,668 are due until maturity on November 1, 2049.</p>	578,333	598,333
<p>Otero Village - Note payable to New Mexico Mortgage Finance Authority in monthly installments of \$4,535, bearing interest at 7.89%, secured by deed of trust, matures on November 1, 2041.</p>	556,556	566,625

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	2020	2019
<p>Nuevo Atrisco - New Mexico Mortgage Finance Authority (HOME), 0% interest, maturity date June 2041. YES can draw up to \$600,000. Loan consists of a construction term for 24 months with no payments and a permanent loan term for 240 months consisting of 240 equal monthly principal payments on the outstanding unpaid principal balance through maturity.</p>	\$ 540,000	\$ 515,000
<p>Skyview Terrace - New Mexico Mortgage Finance Authority (HOME), 0% interest, maturity date December 2059. YES can draw up to \$600,000. Loan consists of a construction term for 24 months with no payments and a permanent loan term for 480 months consisting of 480 equal monthly principal payments on the outstanding unpaid principal balance through maturity.</p>	540,000	515,000
<p>Los Tres - Note payable to State of Arizona, Arizona Department of Housing, bearing interest at 0% until May 31, 2020 and 4.00% thereafter; annual payments of interest and principal due from available cash flow, secured by a subordinate deed of trust, matures on June 30, 2050.</p>	500,000	500,000
<p>Roswell Summit - Mortgage loan payable to the New Mexico Mortgage Finance Authority through a HOME agreement, bearing interest at 4.63%, non-amortizing loan with a 420 month term due at the earlier of sale or refinancing of the Project or until maturity at December 12, 2042.</p>	490,000	490,000
<p>Sunset Hills - Note payable to New Mexico Mortgage Finance Authority (HTF) in monthly installments of \$4,834, commencing June 1, 2015, bearing interest at 3.00%, secured by deed of trust, matures on May 1, 2030.</p>	475,359	518,404
<p>Imperial - Note payable to New Mexico Mortgage Finance Authority (HTF), bearing interest at 3.00% per annum and payable on the first day of each month, maturing February 1, 2045.</p>	463,003	473,304
<p>New Leaf - Permanent note payable to New Mexico Mortgage Finance Authority HTF, bearing interest at 3.00% per annum, monthly principal and interest payments are due beginning January 1, 2017, maturing December 1, 2046.</p>	456,300	467,721
<p>Mesa Del Norte - Mortgage loan payable to the New Mexico Mortgage Finance Authority through a HOME agreement, non-interest bearing for the first 18 months, monthly payments to begin on June 1, 2014, secured by the mortgage encumbering the Project, matures on May 1, 2054.</p>	458,854	465,104
<p>Mesa Del Norte - Housing Trust Fund Loan payable to the New Mexico Mortgage Finance Authority, bearing interest at 3.00%, interest only payments until May 1, 2014, principal and interest payments thereafter, secured by a third mortgage and a Land Use Restriction Agreement against the Project, matures on May 1, 2044.</p>	420,966	433,429

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	<u>2020</u>	<u>2019</u>
YES Mountain View Deming - Housing Trust Fund Loan payable to the New Mexico Mortgage Finance Authority, bearing interest at 3.00%, monthly payments of principal and interest are due, any outstanding principal and interest are due on February 1, 2043.	\$ 412,467	\$ 425,162
Mesa del Norte - Mortgage payable to Pacific Life Insurance Company, bearing interest of 5.83%, principal and interest payments of \$2,649 due monthly, secured by the project, matures on June 1, 2032.	406,243	414,097
New Leaf - Note payable to New Mexico Mortgage Finance Authority (HOME), non-interest bearing note. Principal payments made monthly, beginning January 1, 2017; matures December 1, 2056.	405,000	416,250
YES - Wells Fargo Community Development Corporation, quarterly interest only payments equal to 2.00% on outstanding principal through June 22, 2019, with option to extend loan for two years. Upon extension, quarterly interest payments equal to 2.00% on outstanding principal plus eight equal principal installments, maturing June 22, 2021.	400,000	400,000
Otero Village - Note payable to the New Mexico Mortgage Finance Authority, interest only payments due monthly at 1.00%, secured by deed of trust, matures on January 10, 2041.	397,917	400,000
YES Imperial - Promissory note payable assigned through the Federal Home Loan Bank bearing interest at 3.50% per annum. Residual Receipts payments due annually effective May 1, 2016. Principal and all accrued and unpaid interest due at maturity, January 1, 2072. Secured by a Mortgage and Security Agreement.	378,000	378,000
Bella Vista - Mortgage loan payable to the New Mexico Mortgage Finance Authority through a HOME agreement, bearing interest at 4.37%, non-amortizing loan with a 480 month term due at the earlier of sale or refinancing of the Project or until maturity at January 1, 2048.	366,000	366,000
YES Mountain View Deming - Mortgage loan payable to the New Mexico Mortgage Finance Authority through a HOME agreement, bearing interest at 3.00%, amortizing loan with a 378 month term due at the earlier of sale or refinancing of the Project or on maturity at May 1, 2043.	334,932	354,913
Sunset Hills - Note payable to New Mexico Mortgage Finance Authority (HOME) in monthly installments of \$2,693, bearing interest at 1%, secured by deed of trust, matures on May 1, 2030.	290,323	319,586
YES Mesa Del Norte - Promissory note payable to YES, assigned through the Federal Home Loan Bank, bearing interest at 1.00%, compounded annually. Matures on December 31, 2032.	252,000	252,000

YES Housing, Inc. and Affiliates
Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	2020	2019
Solar Villa - Loan payable to New Mexico Mortgage Finance Authority (HTF) commencing November 13, 2017 bearing 3.00%. Loan matures in 384 months. Consists of two portions. Construction loan is 24 months, on the last day of this portion, Partnership will pay down to \$250,000. Permanent loan commences after this for 360 months.	\$ 223,283	\$ 246,210
Roswell Summit - Promissory note payable to the investor limited partner, bearing interest at 3.50% per annum, maturity date December 2022. Annual payments are due from available cash flows.	85,962	129,706
Imperial - Loan payable to Albuquerque Bernalillo County Water Utility Authority, bearing interest only in the event of default at an annual rate of the lesser of 7.00% or the applicable rate imposed under Section 1-1-8(A)(2) of the Albuquerque Code of Ordinances. The unpaid principal balance and interest are due only in the event of default or December 31, 2066.	50,125	50,125
Total Long-Term Debt	93,249,998	68,890,256
Less: Unamortized Debt Issuance Costs	(771,731)	(999,308)
Total Long-Term Debt, Net of Unamortized Debt Issuance Costs	92,478,267	67,890,948
Less: Current Maturities	(19,392,728)	(998,249)
Total Long-Term Debt, Net of Current Maturities	\$ 73,085,539	\$ 66,892,699

Aggregate maturities of long-term debt as of December 31, 2020 are as follows:

Years Ending December 31,	Amount
2021	\$ 19,392,728
2022	12,789,941
2023	1,002,288
2024	1,039,040
2025	1,081,595
Thereafter	57,944,406
Total	\$ 93,249,998

Interest expense incurred related to these notes for the years ended December 31, 2020 and 2019 totaled \$2,103,254 and \$2,447,941, respectively. Accrued interest related to these notes for the years ended December 31, 2020 and 2019 totaled \$754,698 and \$871,696, respectively.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

Paycheck Protection Program Loan

In May of 2020, YES applied and received a Paycheck Protection Program (PPP) loan of \$454,092 granted by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Paycheck Protection Program Flexibility Act of 2020. The Company had the option to apply for loan forgiveness with the SBA or pay back the loan within two years. The loan has 1% interest and deferral of ten months of principal and interest. YES applied for and received forgiveness in April 2020.

YES currently believes that its use of the loan proceeds met the conditions for forgiveness of the loan under the SBA safe harbor provisions for borrowers of less than \$2 million. A safe harbor applies to SBA's review of PPP loans for borrowers who, along with their affiliates, received PPP loans with an original principal amount of less than \$2 million. The SBA presumes the borrower's required certification concerning the necessity of the loan was made in good faith under the CARES Act, Section 1102 Lender agreement. Under the agreement, the SBA has five years to audit any applicant. The Organization, at the time of submitting its application, evaluated the economic uncertainty resulting from the COVID-19 pandemic and the potential impact of that uncertainty on the ongoing operations of the business. Based on the risk of YES having to limit or close its operations and unavailability of other sources of liquidity, it was determined that the loan request was necessary.

Imperial Loan

YES applied for and was granted deferment on the Chase Imperial loan in April 2020. As part of the agreement, the payments for May, June, July, August, September, and October 2020 are deferred. The deferred payments are then due in equal installments for 24 months starting in November 2020.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 8 – Rental Revenue

In February 2018, YES entered into an agreement to lease one of its buildings which expires in January 2023, with an average monthly rent of \$1,586. Rental revenue related to this lease for the years ended December 31, 2020 and 2019 was \$18,985 and \$18,435, respectively.

Future expected rent revenue at December 31, 2020 is as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2021	\$ 19,032
2022	19,560
2023	<u>1,634</u>
Total	<u>\$ 40,226</u>

Note 9 – Retirement Plan

Full-time regular employees of YES can participate in a retirement plan designed to comply with the requirements of Section 403(b) of the Internal Revenue Code. This plan is classified as a defined contribution plan. The employee contributions to the plan are considered a reduction of salary for federal income tax purposes.

All employees who meet the eligibility requirements are eligible to participate in this plan on their first day of employment. After six months of service, YES will make a dollar for dollar matching contribution up to 10% of the employee's gross salary to the plan, if the employee contributes at least 3% of their bi-weekly gross salary. The contribution percentage is approved annually by the Board of Directors. YES contributed \$141,839 and \$121,665 to the retirement plan during the years ended December 31, 2020 and 2019, respectively.

During fiscal year 2007, YES adopted a 457(b) Retirement Plan wherein the employer contributes 10% of eligible participants' bi-weekly gross pay, which is accrued on YES's consolidated statement of financial position until the employee is eligible for retirement. Designated members of Senior Management (President/CEO, Senior Vice President/Chief Financial Officer/Chief Operating Officer, and Senior Vice President of Development) are eligible employees for participation in this plan. This plan is subject to credit risk. YES contributed \$55,782 and \$47,975 to the retirement plan during the years ended December 31, 2020 and 2019, respectively. The related 457(b) Retirement Plan assets included in restricted investments as of December 31, 2020 and 2019 totaled \$457,012 and \$671,208, respectively (see Note 6).

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 10 – Commitment and Contingencies

Rent Increases

Under U.S. Department of Housing and Urban Development (HUD) agreements, YES may not increase rents charged to tenants residing in Housing Assistance Payment Program properties without prior approval.

Operating Leases

YES leased equipment under operating leases that expired at various dates through December 2023.

Lease payments related to all leases for the years ended December 31, 2020 and 2019 totaled \$8,348 and \$10,633, respectively.

Future lease obligations are \$5,548 for years 2021 through 2022 and \$5,086 for year 2023.

Construction Commitments

During 2019, YES entered into construction contracts, plus approved change orders related to the Nuevo Atrisco and Skyview Terrace projects totaling \$25,545,178 and \$24,982,850, respectively, of which \$1,354,476 and \$17,776,373 was still outstanding as of December 31, 2020 and 2019, respectively.

During 2020, YES entered into construction contracts, plus approved change orders related to the New Frontier, Hope Village, and Copper Terrace projects totaling \$12,653,775, \$6,852,865, and \$9,489,170, respectively, of which \$5,855,854, \$5,267,026 and \$9,489,170, respectively, was still outstanding of December 31, 2020.

Note 11 – Consolidation

The consolidated presentation of YES Housing, Inc. and Affiliates arises due to YES's position as general partner in limited partnerships which hold real estate. As a result, certain income items earned by YES and paid to YES by the limited partnerships have been eliminated.

For the year ended December 31, 2020, development fees of \$2,135,483, net realized gain on investment of \$1,190,190, other revenue of \$824,581, interest revenue of \$175,256, other expenses of \$788,581, property management fees of \$301,958, and additional smaller amounts have been eliminated.

Additionally, for the year ended December 31, 2020, YES's receivables from affiliates of \$2,163,215, notes receivable from affiliates of \$20,554,192, due to affiliates of \$20,241,776, development fees receivable and payable of \$3,826,948, accrued interest payable of \$1,476,769 and predevelopment costs of \$180,451 have also been eliminated. Additionally, equity investments of \$13,606,443; property, furniture, and equipment of \$11,773,217; work in progress of \$1,800,810; and various amounts attributable to the partnerships have been eliminated.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 11 – Consolidation (continued)

For the year ended December 31, 2019, development fees of \$1,209,000, interest revenue of \$185,805, property management fees of \$249,861, and additional smaller amounts have been eliminated.

Additionally, for the year ended December 31, 2019, YES's receivables from affiliates of \$136,776, notes receivable from affiliates of \$23,304,026, due to affiliates of \$20,805,558, development fees receivable and payable of \$3,202,409, accrued interest payable of \$1,680,903, and predevelopment costs of \$201,994 have also been eliminated. Additionally, equity investments of \$1,446,917; property, furniture, and equipment of \$10,782,398; work in progress of \$1,261,427; and various expense amounts attributable to the partnerships have been eliminated.

Note 12 – Investment in Casitas de Colores

Casitas De Colores, LLC (CDC) is a New Mexico limited liability company, which was formed on November 2, 2010 to develop and operate a multi-family community located in downtown Albuquerque, New Mexico, known as Casitas (the Development). The Development consists of 71 mixed-income, low-income housing tax credit units. The Development was, effectively, placed in service on December 20, 2013. Yes Housing, Inc., the sole member of Yes Casitas, LLC is the 0.0051% member of the Company. Casitas De Colores Manager, LLC is the designated manager with 0.0049% ownership. The Investor Member, Bank of America, N.A. owns the remaining 99.9900% of CDC.

YES Housing, Inc., the sole member of Yes Casitas, LLC the 0.0051% member of CDC, made available its Workforce Housing Trust Funds Grant and HOME Investment Trust Funds Grant for construction of the project in exchange for a note payable from the Company to YES. As of December 31, 2020 and 2019, the outstanding balance on the loan due to YES from CDC was \$3,000,000 (see Note 4). The note accrues interest at 2.4% beginning December 20, 2012. Payment of interest and principal will be made out of net cash flow after obligations of higher priority have been paid. This note is due January 1, 2045. The accrued interest at December 31, 2020 and 2019 was \$554,340 and \$482,390, respectively.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 13 – Limited Partnership Purchases

Vista Grande Apartments, LP

Vista Grande Apartments Limited Partnership, (Vista Grande) is a New Mexico Limited Partnership, which was formed on December 2, 2003 to acquire, construct, own, finance, lease, and operate an apartment complex in Albuquerque, New Mexico. The Project consisted of 96 units that qualified as low-income housing units within the meaning of Section 42 of the Internal Revenue Code of 1986 (Code), as amended. Vista Grande also complies with the Department of Housing and Urban Development's (HUD) reporting standards due to the Housing and Urban Development acting as a guarantor under Section 221(d)(4) of the National Housing Act for the mortgage due to Wells Fargo Multi-Family Capital.

The 0.01% general partner of Vista Grande Apartments Limited Partnership was YES Vista Grande, LLC (General Partner), and the 99.99% limited partner was NDC Corporate Equity Fund V, LP (Limited Partner). YES Vista Grande, LLC is owned by YES Housing, Inc. and is the sole member.

On December 31, 2018, YES Housing, Inc. exercised its right to acquire the limited partnership interest under the Partnership Agreement. An "Assignment and Assumption Agreement" was executed and the Withdrawing Limited Partner's (NDC) interest was redeemed by Vista Grande and simultaneously reissued to YES Housing, Inc., sole member of the General Partner. As of November 17, 2020, the Partnership's real estate held for sale was sold to Copper Terrace Limited Partnership, LLLP, for a purchase price of \$4,100,000. In conjunction with the sale, the mortgage notes were repaid.

Copper Terrace Limited Partnership, LLLP

Copper Terrace Limited Partnership, LLLP (Copper Terrace), a New Mexico limited liability limited partnership, was formed on November 17, 2020 for the purpose of acquiring, rehabilitating and operating a 96-unit housing project known as Copper Terrace Apartments, in Albuquerque, New Mexico. The operating methods of the Project are subject to the provisions of housing assistance payment contract executed between Copper Terrace and HUD and in a manner that intends to qualify for tax credits under the federal low-income housing tax credit program as defined under the Code.

The general partner Copper Terrace is Yes Copper Terrace, LLC (General Partner) and the limited partner of Copper Terrace is Enterprise Housing Partners XXXIV, LP. Pursuant to the partnership agreement dated November 17, 2020, profits, losses and tax credits are allocated 0.01% to the General Partner and 99.99% to the Limited Partner, with certain transactions and occurrences warranting special allocations. The General Partner and Limited Partner are obligated to fund capital contributions to the Partnership totaling \$100 and \$11,583,930, respectively. As of December 31, 2020, the Limited Partner has contributed \$2,316,786.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 13 – Limited Partnership Purchases (continued)

Skyview Terrace LP, LLLP

The Skyview Terrace LP, LLLP (Skyview Terrace) was formed as a limited liability limited partnership under the laws of the State of New Mexico for the purpose of acquiring, owning, developing, constructing, leasing, managing, and operating a low-income housing project in New Mexico on July 11, 2019 by and among YES Skyview Terrace, LLC, a New Mexico limited liability company, as general partner, and YES Housing, Inc. as the limited partner. On December 19, 2019, the partnership agreement was amended by and among YES Housing, Inc., as the withdrawing limited partner and sole member of the general partner, YES Skyview Terrace, LLC, as general partner, and FRE Enterprise Affordable Housing Fund I, LLLP, a Maryland limited liability limited partnership, as the limited partner. The partnership's formation included the plans to construct an apartment complex eligible for low-income housing tax credits (LIHTC) located in Hobbs, New Mexico. As part of the amended agreement, YES Skyview Terrace, LLC, contributed \$100 for a 0.01% interest. Additionally, the limited partner will contribute \$10,878,855 for a 99.99% interest throughout the construction and loan conversion phase of the project. As per the agreement, the limited partner provided a capital contribution of \$1,087,886 and \$543,942 in 2020 and 2019, respectively to the partnership.

New Frontier Family Living, LLC

The New Frontier Family Living, LLC (New Frontier) was formed as a limited liability corporation under the laws of the State of Arizona for the purpose of acquiring, constructing, owning, operating, holding for investment, leasing, and selling an affordable housing project located in Phoenix, Arizona by and among YES Housing of Arizona, Inc., an Arizona nonprofit corporation, as a member and New Frontier MM, LLC, an Arizona limited liability corporation, as the managing member on March 14, 2019. On March 25, 2020, the operating agreement was amended by and among YES Housing of Arizona, Inc., LLC, as the withdrawing member and sole member of the managing member, New Frontier MM, LLC, as managing member, Bank of America, N.A., a national banking association, as the investor member, and Banc of America CDC Special Holding Company, Inc., a North Carolina corporation, as the special member. The partnership's formation included the plans to construct an apartment complex eligible for low-income housing tax credits (LIHTC). As part of the amended agreement, New Frontier MM, LLC, contributed \$100 for a 0.01% interest. Additionally, the investor member will contribute \$14,783,495 for a 99.99% interest throughout the construction and loan conversion phase of the project. As per the agreement, the limited partner contributed \$825,425 in 2020 for admission to the partnership.

Hope Village, LLC

The Hope Village, LLC (Hope Village) was formed as a limited liability corporation under the laws of the State of New Mexico for purposes of acquiring, developing and constructing permanent supportive housing. The project is currently 100% owned by YES. YES is considered a co-developer on the project with St. Martin Hope Works (HW). The \$880,000 development fee is to be split 25% to HW and 75% to YES. YES will transfer its interest to HW six months after 90% of the property is occupied. As of December 31, 2020, all of the activity of Hope Village is included in the Development Services activity within YES which includes assets and corresponding liabilities of \$3,381,202.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 14 – Net Assets Without Donor Restrictions

The Board of Directors has established a permanent fund with the objective of setting funds aside to be drawn down in the event of financial distress or an immediate liquidity need. They established a permanent fund investment policy that affects the presentation of board designation on net assets. Endowments without donor restrictions are designated for long-term investment (quasi-endowment). The quasi-endowment fund balance totaled \$3,345,702 and \$3,335,817 at December 31, 2020 and 2019, respectively. The Board of Directors also held other designated reserves of \$634,265 and \$295,543 at December 31, 2020 and 2019, respectively.

Note 15 – Liquidity and Funds Available

The following table reflects YES's financial assets as of December 31, 2020 and 2019, respectively, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, restricted trust assets, perpetual trusts held by others, endowments, and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for a specific contingency reserve. These board designations could be drawn upon if the Board of Directors approves that action.

	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 12,550,316	\$ 12,104,706
Accounts and contributions receivable	4,869,042	5,907,232
Investments	8,029,136	7,131,359
Total financial assets	25,448,494	25,143,297
Less those unavailable for general expenditure within one year, due to:		
Restricted cash and cash equivalents	(5,506,919)	(5,766,272)
Contributions and accounts receivable collectible beyond one year	(4,823,546)	(5,213,929)
Board designated reserves for future contingencies	(3,979,967)	(3,631,360)
Financial assets available to meet cash needs for general expenditures within one year	\$ 11,138,062	\$ 10,531,736

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 16 – Subsequent Events

In March 2020, the World Health Organization declared the novel coronavirus outbreak a public health emergency. The outbreak caused significant volatility in U.S. markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on YES's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on tenants, employees and vendors, all of which are uncertain and cannot be determined at this time. As of December 31, 2020, the impact due to COVID-19 has not been significant.

Los Tres

On June 7, 2021, the partners finalized the assignment, assumption, and withdrawal agreement wherein the General Partner (YES Housing of Arizona, Inc.) assigned its interest in the Partnership to 351 Los Tres GP, LLC, an affiliate of the Limited Partner, unrelated to YES. YES and Yes Housing of Arizona received a total of \$8,989,480 for the assignment.

Copper Terrace

On February 12, 2021, the Limited Partner assigned its interest in the Partnership to Enterprise Housing Partners XXXIV Limited Partnership.

On March 2021, Building A in Copper Terrace Limited Partnership, LLLP was damaged by a fire. YES is currently working with insurance adjusters to determine the dollar amount of the damages to the building.

Nuevo Atrisco

On May 19, 2021, the Partnership closed on a permanent loan with Rocky Mountain Community re-investment Corporation in the amount of \$2,000,000. The loan bears interest at a rate of 5.535%. Interest only payments until August 1, 2021 are required. Then, payments of principal and interest are due until maturity on July 1, 2037 at which time a final balloon payment is due. In order to convert the construction loan to permanent the operating reserve deposit was increased by \$239,000 to include an interest-bearing Sinking Fund Reserve where funds will be held in a segregated subaccount within the operating reserve.

Otero Village

On June 9, 2021, the Board of Directors approved to offer the Otero Village building for sale.

Supplementary Information

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2020

	General Fund	Payroll	Development Services	Asset Management	Social Services	Charter School	Solar Villas Brentwood Gardens Grant
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 1,210,606	\$ 6,741	\$ 1,527,167	\$ -	\$ -	\$ -	\$ -
Restricted Cash and Cash Equivalents	634,265	-	-	-	322,005	-	-
Construction Costs Receivable	-	-	211,197	-	-	-	-
Rents and Miscellaneous Receivables	2,532	-	130	2,976	71,005	-	12,544
Prepaid Expenses and Deposits	5,015	-	21,497	6,495	5,115	-	-
Interfund Receivables	9,784	93,328	473	-	-	-	-
Total Current Assets	<u>1,862,202</u>	<u>100,069</u>	<u>1,760,464</u>	<u>9,471</u>	<u>398,125</u>	<u>-</u>	<u>12,544</u>
WORK IN PROGRESS	-	-	2,366,963	-	-	-	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	876,332	-	1,807,941	155,868	-	-	-
OTHER ASSETS							
Tax Credit Monitoring Fees, Net	-	-	-	-	-	-	-
Predevelopment Costs	-	-	24,222	-	-	-	-
Receivables - Affiliates	1,384,540	-	4,750	612,012	553	-	-
Notes Receivable - Affiliates	20,467,020	-	-	-	-	-	-
Notes Receivable	450,000	-	-	-	442,043	-	-
Investments in Limited Partnerships	1,896,475	-	-	-	-	-	-
Investments in Marketable Securities	8,028,065	-	1,071	-	-	-	-
Development Fees Receivable	1,852,825	-	1,950,784	-	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	-	-	-	-
Restricted Investments (457(b) Plan)	457,012	-	-	-	-	-	-
Total Other Assets	<u>34,535,937</u>	<u>-</u>	<u>1,980,827</u>	<u>612,012</u>	<u>442,596</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 37,274,471</u>	<u>\$ 100,069</u>	<u>\$ 7,916,195</u>	<u>\$ 777,351</u>	<u>\$ 840,721</u>	<u>\$ -</u>	<u>\$ 12,544</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2020

	General Fund	Payroll	Development Services	Asset Management	Social Services	Charter School	Solar Villas Brentwood Gardens Grant
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-	-
Accounts Payable	2,040	558	173,949	1,007	1,402	-	386
Accrued Salaries and Payroll Taxes	20,491	99,511	25,250	22,150	22,960	-	-
Tenant Prepaid Rent	-	-	-	-	-	-	-
Other Accrued Expenses	31,782	-	1,955	2,923	481	-	-
Security Deposits	-	-	-	1,495	-	-	-
Interfund Payables	18,930	-	25,894	26,957	19,981	-	11,823
Total Current Liabilities	<u>473,243</u>	<u>100,069</u>	<u>227,048</u>	<u>54,532</u>	<u>44,824</u>	<u>-</u>	<u>12,209</u>
LONG-TERM LIABILITIES							
Due to Affiliates	-	-	-	-	-	-	-
Deferred AHP Revenue	-	-	-	-	-	-	-
Development Fee Payable	-	-	-	-	-	-	-
Asset Management Fee Payable	-	-	-	-	-	-	-
Accrued Interest Payable - Long-Term	-	-	-	-	-	-	-
Pension Plan Liability	457,012	-	-	-	-	-	-
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	14,842,500	-	3,273,813	-	-	-	-
Total Long-Term Liabilities	<u>15,299,512</u>	<u>-</u>	<u>3,273,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	15,772,755	100,069	3,500,861	54,532	44,824	-	12,209
NET ASSETS							
Net assets without donor restrictions	21,501,716	-	4,415,334	722,819	795,897	-	335
Capital Contribution	-	-	-	-	-	-	-
Partners' Capital (Deficit)	-	-	-	-	-	-	-
Net Assets Attributable to YES Housing, Inc. and Affiliates	<u>21,501,716</u>	<u>-</u>	<u>4,415,334</u>	<u>722,819</u>	<u>795,897</u>	<u>-</u>	<u>335</u>
Noncontrolling Interest	-	-	-	-	-	-	-
Total Net Assets	<u>21,501,716</u>	<u>-</u>	<u>4,415,334</u>	<u>722,819</u>	<u>795,897</u>	<u>-</u>	<u>335</u>
Total Liabilities and Net Assets	<u>\$ 37,274,471</u>	<u>\$ 100,069</u>	<u>\$ 7,916,195</u>	<u>\$ 777,351</u>	<u>\$ 840,721</u>	<u>\$ -</u>	<u>\$ 12,544</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2020

	La Hacienda, LLC	Otero Village Apartments, LP	Vista Grande Apartments, LP	Live Work	YES of Arizona, Inc.	YES Housing Inc. 100% Owned Preconsolidated Subtotal
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 77,545	\$ 10,574	\$ 168,224	\$ 29,886	\$ 1,027	\$ 3,031,770
Restricted Cash and Cash Equivalents	5,447	7,907	-	2,100	-	971,724
Construction Costs Receivable	-	-	-	-	-	211,197
Rents and Miscellaneous Receivables	63	185	27,635	-	-	117,070
Prepaid Expenses and Deposits	16,039	18,060	-	808	10,000	83,029
Interfund Receivables	-	-	-	-	-	103,585
Total Current Assets	<u>99,094</u>	<u>36,726</u>	<u>195,859</u>	<u>32,794</u>	<u>11,027</u>	<u>4,518,375</u>
WORK IN PROGRESS	-	-	-	347,831	-	2,714,794
PROPERTY, FURNITURE, AND EQUIPMENT, NET	1,151,807	1,264,622	-	3,586	-	5,260,156
OTHER ASSETS						
Tax Credit Monitoring Fees, Net	-	-	-	-	-	-
Predevelopment Costs	-	-	-	-	180,451	204,673
Receivables - Affiliates	-	-	-	-	715,700	2,717,555
Notes Receivable - Affiliates	-	-	-	-	3,087,172	23,554,192
Notes Receivable	-	-	-	-	-	892,043
Investments in Limited Partnerships	-	-	-	-	(1,512,693)	383,782
Investments in Marketable Securities	-	-	-	-	-	8,029,136
Development Fees Receivable	-	-	-	-	23,339	3,826,948
Restricted Cash and Cash Equivalents	290,407	46,360	-	-	-	336,767
Restricted Investments (457(b) Plan)	-	-	-	-	-	457,012
Total Other Assets	<u>290,407</u>	<u>46,360</u>	<u>-</u>	<u>-</u>	<u>2,493,969</u>	<u>40,402,108</u>
Total Assets	<u>\$ 1,541,308</u>	<u>\$ 1,347,708</u>	<u>\$ 195,859</u>	<u>\$ 384,211</u>	<u>\$ 2,504,996</u>	<u>\$ 52,895,433</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2020

	La Hacienda, LLC	Otero Village Apartments, LP	Vista Grande Apartments, LP	Live Work	YES of Arizona, Inc.	YES Housing Inc. 100% Owned Preconsolidated Subtotal
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ -	\$ 10,892	\$ -	\$ -	\$ -	\$ 410,892
Accrued Interest Payable	-	3,659	-	-	-	3,659
Accounts Payable	1,887	21,463	29,257	1,537	-	233,486
Accrued Salaries and Payroll Taxes	-	-	-	-	-	190,362
Tenant Prepaid Rent	1,429	5,851	-	12,707	-	19,987
Other Accrued Expenses	4,990	7,170	-	2,945	-	52,246
Security Deposits	6,443	10,886	-	2,100	-	20,924
Interfund Payables	-	-	-	-	-	103,585
Total Current Liabilities	<u>14,749</u>	<u>59,921</u>	<u>29,257</u>	<u>19,289</u>	<u>-</u>	<u>1,035,141</u>
LONG-TERM LIABILITIES						
Due to Affiliates	-	-	166,602	-	1,867,731	2,034,333
Deferred AHP Revenue	-	-	-	-	-	-
Development Fee Payable	-	-	-	-	-	-
Asset Management Fee Payable	-	-	-	-	-	-
Accrued Interest Payable - Long-Term	-	-	-	-	-	-
Pension Plan Liability	-	-	-	-	-	457,012
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	2,292,665	923,932	-	-	-	21,332,910
Total Long-Term Liabilities	<u>2,292,665</u>	<u>923,932</u>	<u>166,602</u>	<u>-</u>	<u>1,867,731</u>	<u>23,824,255</u>
Total Liabilities	2,307,414	983,853	195,859	19,289	1,867,731	24,859,396
NET ASSETS						
Net assets without donor restrictions	(766,106)	363,855	-	-	637,265	27,671,115
Capital Contribution	-	-	-	-	-	-
Partners' Capital (Deficit)	-	-	-	364,922	-	364,922
Net Assets Attributable to YES Housing, Inc. and Affiliates	<u>(766,106)</u>	<u>363,855</u>	<u>-</u>	<u>364,922</u>	<u>637,265</u>	<u>28,036,037</u>
Noncontrolling Interest	-	-	-	-	-	-
Total Net Assets	<u>(766,106)</u>	<u>363,855</u>	<u>-</u>	<u>364,922</u>	<u>637,265</u>	<u>28,036,037</u>
Total Liabilities and Net Assets	<u>\$ 1,541,308</u>	<u>\$ 1,347,708</u>	<u>\$ 195,859</u>	<u>\$ 384,211</u>	<u>\$ 2,504,996</u>	<u>\$ 52,895,433</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2020

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Copper Terrace, LP	UR 205 Silver, LLC (Imperial)	Los Tres Apartments, LP	Mesa Del Norte Apartments, LP	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments, LLLP
ASSETS									
CURRENT ASSETS									
Cash and Cash Equivalents	\$ 126,467	\$ 105,701	\$ 80,287	\$ 13,509	\$ 120,313	\$ 713,044	\$ 114,136	\$ 108,386	\$ 50,093
Restricted Cash and Cash Equivalents	31,008	24,142	50,879	24,775	53,943	139,753	17,029	40,645	15,819
Construction Costs Receivable	-	-	-	-	-	-	-	-	-
Rents and Miscellaneous Receivables	14,479	2,394	3,936	27,644	1,216	60,692	342	14,966	15,796
Prepaid Expenses and Deposits	27,140	47,129	34,805	-	18,422	107,134	13,618	23,651	22,728
Interfund Receivables	-	-	-	-	-	-	-	-	-
Total Current Assets	199,094	179,366	169,907	65,928	193,894	1,020,623	145,125	187,648	104,436
WORK IN PROGRESS	-	-	-	1,104,892	-	-	-	-	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	2,897,603	5,812,003	4,235,543	4,090,003	15,615,400	14,905,627	4,397,939	2,645,684	4,438,091
OTHER ASSETS									
Tax Credit Monitoring Fees, Net	-	12,374	-	-	50,799	3,523	19,954	-	17,101
Predevelopment Costs	-	-	-	-	-	-	-	-	-
Receivables - Affiliates	-	-	-	-	-	-	-	-	-
Notes Receivable - Affiliates	-	-	-	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-	-	-	-
Investments in Limited Partnerships	-	-	-	-	-	-	-	-	-
Investments in Marketable Securities	-	-	-	-	-	-	-	-	-
Development Fees Receivable	-	-	-	-	-	-	-	-	-
Restricted Cash and Cash Equivalents	368,870	51,578	405,074	-	290,409	318,451	213,866	394,637	780,812
Restricted Investments (457(b) Plan)	-	-	-	-	-	-	-	-	-
Total Other Assets	368,870	63,952	405,074	-	341,208	321,974	233,820	394,637	797,913
Total Assets	\$ 3,465,567	\$ 6,055,321	\$ 4,810,524	\$ 5,260,823	\$ 16,150,502	\$ 16,248,224	\$ 4,776,884	\$ 3,227,969	\$ 5,340,440

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2020

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Copper Terrace, LP	UR 205 Silver, LLC (Imperial)	Los Tres Apartments, LP	Mesa Del Norte Apartments, LP	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments, LLL
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ 115,618	\$ 14,222	\$ 199,538	\$ -	\$ 29,548	\$ 207,616	\$ 27,417	\$ 105,968	\$ 40,644
Accrued Interest Payable	-	4,326	26,839	-	6,972	56,488	3,023	14,377	1,695
Accounts Payable	380	2,794	34	4,546	2,397	40,193	4,167	2,440	2,677
Accrued Salaries and Payroll Taxes	-	-	-	-	-	-	-	-	-
Tenant Prepaid Rent	2,947	5,349	5,913	10,833	10,511	30,558	4,935	12,281	3,561
Other Accrued Expenses	24,167	19,081	46,528	22,057	51,267	133,005	20,877	33,834	12,667
Security Deposits	22,120	17,219	30,699	23,975	15,802	74,399	11,400	18,583	10,311
Interfund Payables	-	-	-	-	-	-	-	-	-
Total Current Liabilities	165,232	62,991	309,551	61,411	116,497	542,259	71,819	187,483	71,555
LONG-TERM LIABILITIES									
Due to Affiliates	12,115	-	-	465,326	3,583,019	6,149,746	-	11,915	13,732
Deferred AHP Revenue	-	-	-	-	378,000	-	252,000	-	-
Development Fee Payable	-	-	-	25,000	185,425	2,237,947	-	-	-
Asset Management Fee Payable	-	11,799	-	3,750	76,400	248,989	75,125	-	17,735
Accrued Interest Payable - Long-Term	16,796	200,850	-	4,590	788,538	649,619	20,496	-	1,031
Pension Plan Liability	-	-	-	-	-	-	-	-	-
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	4,021,781	926,031	6,430,623	2,440,919	1,527,047	8,581,687	1,231,446	3,231,571	1,291,996
Total Long-Term Liabilities	4,050,692	1,138,680	6,430,623	2,939,585	6,538,429	17,867,988	1,579,067	3,243,486	1,324,494
Total Liabilities	4,215,924	1,201,671	6,740,174	3,000,996	6,654,926	18,410,247	1,650,886	3,430,969	1,396,049
NET ASSETS									
Net assets without donor restrictions	-	-	-	-	-	-	-	-	-
Capital Contribution	-	-	-	2,271,786	-	-	-	-	-
Partners' Capital (Deficit)	(750,357)	4,853,650	(1,929,650)	(11,959)	9,495,576	(2,162,023)	3,125,998	(203,000)	3,944,391
Net Assets Attributable to YES Housing, Inc. and Affiliates	(750,357)	4,853,650	(1,929,650)	2,259,827	9,495,576	(2,162,023)	3,125,998	(203,000)	3,944,391
Noncontrolling Interest	-	-	-	-	-	-	-	-	-
Total Net Assets	(750,357)	4,853,650	(1,929,650)	2,259,827	9,495,576	(2,162,023)	3,125,998	(203,000)	3,944,391
Total Liabilities and Net Assets	\$ 3,465,567	\$ 6,055,321	\$ 4,810,524	\$ 5,260,823	\$ 16,150,502	\$ 16,248,224	\$ 4,776,884	\$ 3,227,969	\$ 5,340,440

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2020

	New Frontier	New Leaf Community, LLLP	Nuevo Atrisco Apartments, LP	Roswell Summit Apartments, LP	Skyview Terrace, LP, LLLP	Solar Villa Apartments, LP, LLLP	Gallup Sunset Hills Apartments, LP	Wildewood Apartments, LP	Eliminations	Total
ASSETS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 14,741	\$ 193,321	\$ 44,631	\$ 153,852	\$ 10,485	\$ 224,819	\$ 282,434	\$ 73,635	\$ -	\$ 5,461,624
Restricted Cash and Cash Equivalents	-	18,732	10,001	10,318	825	127,195	22,550	22,435	-	1,581,773
Construction Costs Receivable	-	-	-	-	-	-	-	-	(34,832)	176,365
Rents and Miscellaneous Receivables	-	9,769	8,054	12,746	589	1,927	12,613	13,113	(71,052)	246,294
Prepaid Expenses and Deposits	-	56,099	86,154	27,020	-	42,543	24,703	24,065	-	638,240
Interfund Receivables	-	-	-	-	-	-	-	-	(103,585)	-
Total Current Assets	14,741	277,921	148,840	203,936	11,899	396,484	342,300	133,248	(209,469)	8,104,296
WORK IN PROGRESS	8,749,206	-	-	-	12,473,617	-	-	-	(1,800,810)	23,241,699
PROPERTY, FURNITURE, AND EQUIPMENT, NET	1,225,000	10,939,940	17,130,602	3,037,089	931,093	15,917,511	8,795,476	1,895,497	(11,773,217)	112,397,040
OTHER ASSETS										
Tax Credit Monitoring Fees, Net	-	49,047	76,208	3,468	-	75,184	45,283	-	-	352,941
Predevelopment Costs	-	-	-	-	-	-	-	-	(180,451)	24,222
Receivables - Affiliates	-	-	-	-	-	-	-	-	(2,163,215)	554,340
Notes Receivable - Affiliates	-	-	-	-	-	-	-	-	(20,554,192)	3,000,000
Notes Receivable	-	-	-	-	-	-	-	-	-	892,043
Investments in Limited Partnerships	-	-	-	-	-	-	-	-	(32,416)	351,366
Investments in Marketable Securities	-	-	-	-	-	-	-	-	-	8,029,136
Development Fees Receivable	-	-	-	-	-	-	-	-	(3,826,948)	-
Restricted Cash and Cash Equivalents	-	382,668	-	82,267	-	548,438	1,108,297	224,785	-	5,506,919
Restricted Investments (457(b) Plan)	-	-	-	-	-	-	-	-	-	457,012
Total Other Assets	-	431,715	76,208	85,735	-	623,622	1,153,580	224,785	(26,757,222)	19,167,979
Total Assets	\$ 9,988,947	\$ 11,649,576	\$ 17,355,650	\$ 3,326,760	\$ 13,416,609	\$ 16,937,617	\$ 10,291,356	\$ 2,253,530	\$ (40,540,718)	\$ 162,911,014

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2020

	New Frontier	New Leaf Community, LLLP	Nuevo Atrisco Apartments, LP	Roswell Summit Apartments, LP	Skyview Terrace, LP, LLLP	Solar Villa Apartments, LP, LLLP	Gallup Gallup Sunset Hills Apartments, LP	Wildewood Apartments, LP	Eliminations	Total
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES										
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ -	\$ 37,273	\$ 8,584,507	\$ 15,093	\$ 9,372,203	\$ 70,796	\$ 88,617	\$ 72,776	\$ -	\$ 19,392,728
Accrued Interest Payable	-	6,948	14,415	4,287	15,930	15,432	6,268	9,591	-	190,250
Accounts Payable	1,616,421	29,064	67,243	7,367	637,051	5,200	132	16	(39,581)	2,616,027
Accrued Salaries and Payroll Taxes	-	-	-	-	-	-	-	-	-	190,362
Tenant Prepaid Rent	-	19,447	16,814	21,305	251	8,077	2,319	2,334	-	177,422
Other Accrued Expenses	-	21,853	23,625	22,015	-	41,186	15,815	23,835	-	564,058
Security Deposits	-	17,152	16,975	9,783	6,150	22,787	12,765	14,925	-	345,969
Interfund Payables	-	-	-	-	-	-	-	-	(103,585)	-
Total Current Liabilities	1,616,421	131,737	8,723,579	79,850	10,031,585	163,478	125,916	123,477	(143,166)	23,476,816
LONG-TERM LIABILITIES										
Due to Affiliates	-	1,303,833	4,137,500	174,546	-	2,332,452	11,563	11,696	(20,241,776)	-
Deferred AHP Revenue	-	-	-	-	-	-	-	-	(630,000)	-
Development Fee Payable	-	-	1,160,628	-	790,156	-	-	-	(3,826,948)	572,208
Asset Management Fee Payable	-	5,400	12,500	228,304	-	31,930	23,761	-	(615,616)	120,077
Accrued Interest Payable - Long-Term	-	-	-	358,739	-	558	-	-	(1,476,769)	564,448
Pension Plan Liability	-	-	-	-	-	-	-	-	-	457,012
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	7,547,001	2,168,220	1,540,000	1,261,057	1,040,000	3,765,058	2,224,849	2,523,343	-	73,085,539
Total Long-Term Liabilities	7,547,001	3,477,453	6,850,628	2,022,646	1,830,156	6,129,998	2,260,173	2,535,039	(26,791,109)	74,799,284
Total Liabilities	9,163,422	3,609,190	15,574,207	2,102,496	11,861,741	6,293,476	2,386,089	2,658,516	(26,934,275)	98,276,100
NET ASSETS										
Net assets without donor restrictions	-	-	-	-	-	-	-	-	(10,596,911)	17,074,204
Capital Contribution	825,525	-	870,107	-	1,087,986	640,566	-	-	(5,695,770)	200
Partners' Capital (Deficit)	-	8,040,386	911,336	1,224,264	466,882	10,003,575	7,905,267	(404,986)	(47,826,532)	(2,952,260)
Net Assets Attributable to YES Housing, Inc. and Affiliates	825,525	8,040,386	1,781,443	1,224,264	1,554,868	10,644,141	7,905,267	(404,986)	(64,119,213)	14,122,144
Noncontrolling Interest	-	-	-	-	-	-	-	-	50,512,770	50,512,770
Total Net Assets	825,525	8,040,386	1,781,443	1,224,264	1,554,868	10,644,141	7,905,267	(404,986)	(13,606,443)	64,634,914
Total Liabilities and Net Assets	\$ 9,988,947	\$ 11,649,576	\$ 17,355,650	\$ 3,326,760	\$ 13,416,609	\$ 16,937,617	\$ 10,291,356	\$ 2,253,530	\$ (40,540,718)	\$ 162,911,014

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2019

	General Fund	Payroll	Development Services	Asset Management	Social Services	Solar Villas Brentwood Gardens Grant
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 2,666,464	\$ 4,475	\$ 446,168	\$ -	\$ -	\$ -
Restricted Cash and Cash Equivalents	295,543	-	-	-	250,393	-
Construction Costs Receivable	-	-	14,567	-	-	-
Rents and Miscellaneous Receivables	14,029	-	12,206	274	41,322	6,806
Prepaid Expenses and Deposits	4,146	-	18,925	4,829	8,534	-
Interfund Receivables	5,074	75,437	-	-	-	-
Total Current Assets	<u>2,985,256</u>	<u>79,912</u>	<u>491,866</u>	<u>5,103</u>	<u>300,249</u>	<u>6,806</u>
WORK IN PROGRESS	-	-	-	-	-	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	958,694	-	762,017	160,326	-	-
OTHER ASSETS						
Tax Credit Monitoring Fees, Net	-	-	-	-	-	-
Predevelopment Costs	-	-	37,888	-	-	-
Receivables - Affiliates	-	-	-	553,085	-	-
Notes Receivable - Affiliates	22,567,236	-	-	-	-	-
Notes Receivable	450,000	-	-	-	507,088	-
Investments in Limited Partnerships	606,423	-	-	-	-	-
Investments in Marketable Securities	7,130,272	-	1,087	-	-	-
Development Fees Receivable	1,852,825	-	1,349,584	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	-	-	-
Restricted Investments (457(b) Plan)	671,208	-	-	-	-	-
Total Other Assets	<u>33,277,964</u>	<u>-</u>	<u>1,388,559</u>	<u>553,085</u>	<u>507,088</u>	<u>-</u>
Total Assets	<u>\$ 37,221,914</u>	<u>\$ 79,912</u>	<u>\$ 2,642,442</u>	<u>\$ 718,514</u>	<u>\$ 807,337</u>	<u>\$ 6,806</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2019

	General Fund	Payroll	Development Services	Asset Management	Social Services	Solar Villas Brentwood Gardens Grant
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-	-
Accounts Payable	33,573	794	27,320	5,951	2,173	-
Accrued Salaries and Payroll Taxes	13,317	79,118	30,371	15,466	18,331	-
Tenant Prepaid Rent	-	-	-	-	-	-
Other Accrued Expenses	881	-	1,542	2,615	379	-
Security Deposits	-	-	-	1,495	-	-
Interfund Payables	16,332	-	24,975	17,472	14,926	6,806
Total Current Liabilities	<u>64,103</u>	<u>79,912</u>	<u>84,208</u>	<u>42,999</u>	<u>35,809</u>	<u>6,806</u>
LONG-TERM LIABILITIES						
Due to Affiliates	-	-	-	-	-	-
Deferred AHP Revenue	-	-	-	-	-	-
Development Fee Payable	-	-	-	-	-	-
Asset Management Fee Payable	-	-	-	-	-	-
Accrued Interest Payable - Long-Term	-	-	-	-	-	-
Pension Plan Liability	671,208	-	-	-	-	-
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	14,095,000	-	-	-	-	-
Total Long-Term Liabilities	<u>14,766,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	14,830,311	79,912	84,208	42,999	35,809	6,806
NET ASSETS						
Net assets without donor restrictions	22,391,603	-	2,558,234	675,515	771,528	-
Capital Contribution	-	-	-	-	-	-
Partners' Capital (Deficit)	-	-	-	-	-	-
Net Assets Attributable to YES Housing, Inc. and Affiliates	<u>22,391,603</u>	<u>-</u>	<u>2,558,234</u>	<u>675,515</u>	<u>771,528</u>	<u>-</u>
Noncontrolling Interest	-	-	-	-	-	-
Total Net Assets	<u>22,391,603</u>	<u>-</u>	<u>2,558,234</u>	<u>675,515</u>	<u>771,528</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 37,221,914</u>	<u>\$ 79,912</u>	<u>\$ 2,642,442</u>	<u>\$ 718,514</u>	<u>\$ 807,337</u>	<u>\$ 6,806</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2019

	Charter School	YES of Arizona, Inc.	La Hacienda, LLC	Otera Village Apartments, LP	Vista Grande Apartments, LP	YES Housing Inc. 100% Owned Preconsolidated Subtotal
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ -	\$ 307	\$ 59,472	\$ 7,115	\$ 11,691	\$ 3,195,692
Restricted Cash and Cash Equivalents	-	-	10,273	11,718	67,839	635,766
Construction Costs Receivable	-	-	-	-	-	14,567
Rents and Miscellaneous Receivables	-	5,000	321	5,286	14,977	100,221
Prepaid Expenses and Deposits	-	60,000	11,913	13,443	23,378	145,168
Interfund Receivables	-	-	-	-	-	80,511
Total Current Assets	-	65,307	81,979	37,562	117,885	4,171,925
WORK IN PROGRESS	-	-	-	-	-	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	-	-	1,235,783	1,347,600	3,413,714	7,878,134
OTHER ASSETS						
Tax Credit Monitoring Fees, Net	-	-	-	-	-	-
Predevelopment Costs	-	622,165	-	-	-	660,053
Receivables - Affiliates	-	66,081	-	-	-	619,166
Notes Receivable - Affiliates	-	3,736,790	-	-	-	26,304,026
Notes Receivable	-	-	-	-	-	957,088
Investments in Limited Partnerships	-	(1,701,953)	-	-	-	(1,095,530)
Investments in Marketable Securities	-	-	-	-	-	7,131,359
Development Fees Receivable	-	-	-	-	-	3,202,409
Restricted Cash and Cash Equivalents	-	-	293,075	38,289	261,272	592,636
Restricted Investments (457(b) Plan)	-	-	-	-	-	671,208
Total Other Assets	-	2,723,083	293,075	38,289	261,272	39,042,415
Total Assets	\$ -	\$ 2,788,390	\$ 1,610,837	\$ 1,423,451	\$ 3,792,871	\$ 51,092,474

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2019

	Charter School	YES of Arizona, Inc.	La Hacienda, LLC	Otera Village Apartments, LP	Vista Grande Apartments, LP	YES Housing Inc. 100% Owned Preconsolidated Subtotal
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ -	\$ -	\$ -	\$ 10,068	\$ 50,625	\$ 60,693
Accrued Interest Payable	-	-	-	4,059	4,165	8,224
Accounts Payable	1,609	75,685	1,467	10,598	6,060	165,230
Accrued Salaries and Payroll Taxes	-	-	-	-	-	156,603
Tenant Prepaid Rent	-	-	1,251	2,641	8,822	12,714
Other Accrued Expenses	-	-	7,786	6,759	39,559	59,521
Security Deposits	-	-	7,218	8,810	28,935	46,458
Interfund Payables	-	-	-	-	-	80,511
Total Current Liabilities	<u>1,609</u>	<u>75,685</u>	<u>17,722</u>	<u>42,935</u>	<u>138,166</u>	<u>589,954</u>
LONG-TERM LIABILITIES						
Due to Affiliates	-	2,995,760	-	-	1,045,005	4,040,765
Deferred AHP Revenue	-	-	-	-	-	-
Development Fee Payable	-	-	-	-	-	-
Asset Management Fee Payable	-	-	-	-	-	-
Accrued Interest Payable - Long-Term	-	-	-	-	503,296	503,296
Pension Plan Liability	-	-	-	-	-	671,208
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	-	-	2,305,543	935,306	3,489,288	20,825,137
Total Long-Term Liabilities	<u>-</u>	<u>2,995,760</u>	<u>2,305,543</u>	<u>935,306</u>	<u>5,037,589</u>	<u>26,040,406</u>
Total Liabilities	1,609	3,071,445	2,323,265	978,241	5,175,755	26,630,360
NET ASSETS						
Net assets without donor restrictions	(1,609)	(283,055)	-	-	-	26,112,216
Capital Contribution	-	-	-	-	-	-
Partners' Capital (Deficit)	-	-	(712,428)	445,210	(1,382,884)	(1,650,102)
Net Assets Attributable to YES Housing, Inc. and Affiliates	<u>(1,609)</u>	<u>(283,055)</u>	<u>(712,428)</u>	<u>445,210</u>	<u>(1,382,884)</u>	<u>24,462,114</u>
Noncontrolling Interest	-	-	-	-	-	-
Total Net Assets	<u>(1,609)</u>	<u>(283,055)</u>	<u>(712,428)</u>	<u>445,210</u>	<u>(1,382,884)</u>	<u>24,462,114</u>
Total Liabilities and Net Assets	<u>\$ -</u>	<u>\$ 2,788,390</u>	<u>\$ 1,610,837</u>	<u>\$ 1,423,451</u>	<u>\$ 3,792,871</u>	<u>\$ 51,092,474</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2019

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	UR 205 Silver, LLC (Imperial)	Los Tres Apartments, LP	Mesa Del Norte Apartments, LP	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments, LLLP
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents	\$ 113,595	\$ 79,357	\$ 139,048	\$ 11,115	\$ 466,153	\$ 72,359	\$ 93,865	\$ 59,970
Restricted Cash and Cash Equivalents	31,444	27,593	47,789	59,609	121,965	20,581	32,178	19,548
Construction Costs Receivable	-	-	-	-	-	-	-	-
Rents and Miscellaneous Receivables	7,118	6,362	4,178	27,092	18,306	3,927	5,456	8,235
Prepaid Expenses and Deposits	18,635	27,116	23,973	13,430	103,934	9,216	20,920	16,385
Interfund Receivables	-	-	-	-	-	-	-	-
Total Current Assets	<u>170,792</u>	<u>140,428</u>	<u>214,988</u>	<u>111,246</u>	<u>710,358</u>	<u>106,083</u>	<u>152,419</u>	<u>104,138</u>
WORK IN PROGRESS	-	-	150,982	-	-	-	6,499	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	3,071,963	6,113,291	4,197,814	16,059,474	15,401,114	4,617,796	2,752,225	4,551,831
OTHER ASSETS								
Tax Credit Monitoring Fees, Net	-	16,872	-	58,214	8,463	22,557	-	19,951
Predevelopment Costs	-	-	-	-	-	-	-	-
Receivables - Affiliates	-	-	-	-	-	-	-	-
Notes Receivable - Affiliates	-	-	-	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-	-	-
Investments in Limited Partnerships	-	-	-	-	-	-	-	-
Investments in Marketable Securities	-	-	-	-	-	-	-	-
Development Fees Receivable	-	-	-	-	-	-	-	-
Restricted Cash and Cash Equivalents	353,066	104,107	443,392	274,143	320,299	201,152	410,711	781,343
Restricted Investments (457(b) Plan)	-	-	-	-	-	-	-	-
Total Other Assets	<u>353,066</u>	<u>120,979</u>	<u>443,392</u>	<u>332,357</u>	<u>328,762</u>	<u>223,709</u>	<u>410,711</u>	<u>801,294</u>
Total Assets	<u>\$ 3,595,821</u>	<u>\$ 6,374,698</u>	<u>\$ 5,007,176</u>	<u>\$ 16,503,077</u>	<u>\$ 16,440,234</u>	<u>\$ 4,947,588</u>	<u>\$ 3,321,854</u>	<u>\$ 5,457,263</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2019

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	UR 205 Silver, LLC (Imperial)	Los Tres Apartments, LP	Mesa Del Norte Apartments, LP	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments, LLLP
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ 109,779	\$ 13,141	\$ 189,529	\$ 25,792	\$ 158,467	\$ 26,567	\$ 100,372	\$ 39,410
Accrued Interest Payable	17,234	186,490	27,594	7,025	110,093	3,092	14,801	2,827
Accounts Payable	2,363	799	2,197	15,001	1,247	2,013	3,518	648
Accrued Salaries and Payroll Taxes	-	-	-	-	-	-	-	-
Tenant Prepaid Rent	277	14,381	4,146	9,331	11,002	12,811	8,671	2,034
Other Accrued Expenses	24,208	23,996	43,877	13,487	144,202	21,549	29,258	16,144
Security Deposits	21,054	17,869	30,399	17,262	65,030	12,400	18,384	9,908
Interfund Payables	-	-	-	-	-	-	-	-
Total Current Liabilities	174,915	256,676	297,742	87,898	490,041	78,432	175,004	70,971
LONG-TERM LIABILITIES								
Due to Affiliates	4,714	-	-	3,583,019	6,149,746	-	4,486	5,976
Deferred AHP Revenue	-	-	-	378,000	-	252,000	-	-
Development Fee Payable	-	-	-	185,425	2,324,717	-	-	-
Asset Management Fee Payable	-	11,799	-	57,266	229,038	37,348	-	17,218
Accrued Interest Payable - Long-Term	-	-	-	635,745	649,619	17,976	-	-
Pension Plan Liability	-	-	-	-	-	-	-	-
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	4,124,998	939,132	6,613,474	1,554,106	9,029,351	1,256,139	3,326,065	1,330,375
Total Long-Term Liabilities	4,129,712	950,931	6,613,474	6,393,561	18,382,471	1,563,463	3,330,551	1,353,569
Total Liabilities	4,304,627	1,207,607	6,911,216	6,481,459	18,872,512	1,641,895	3,505,555	1,424,540
NET ASSETS								
Net assets without donor restrictions	-	-	-	-	-	-	-	-
Capital Contribution	-	-	-	-	-	-	-	-
Partners' Capital (Deficit)	(708,806)	5,167,091	(1,904,040)	10,021,618	(2,432,278)	3,305,693	(183,701)	4,032,723
Net Assets Attributable to YES Housing, Inc. and Affiliates	(708,806)	5,167,091	(1,904,040)	10,021,618	(2,432,278)	3,305,693	(183,701)	4,032,723
Noncontrolling Interest	-	-	-	-	-	-	-	-
Total Net Assets	(708,806)	5,167,091	(1,904,040)	10,021,618	(2,432,278)	3,305,693	(183,701)	4,032,723
Total Liabilities and Net Assets	\$ 3,595,821	\$ 6,374,698	\$ 5,007,176	\$ 16,503,077	\$ 16,440,234	\$ 4,947,588	\$ 3,321,854	\$ 5,457,263

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2019

	New Leaf Community, LLLP	Nuevo Atrisco Apartments, LP, LLLP	Roswell Summit Apartments, LP	Skyview Terrace, LP, LLLP	Solar Villa Apartments, LP, LLLP	Gallup Sunset Hills Apartments, LP	Wildewood Apartments, LP	Eliminations	Total
ASSETS									
CURRENT ASSETS									
Cash and Cash Equivalents	\$ 138,361	\$ 213,802	\$ 66,760	\$ -	\$ 178,234	\$ 222,427	\$ 110,369	\$ -	\$ 5,161,107
Restricted Cash and Cash Equivalents	28,325	-	10,314	-	102,167	16,772	23,276	-	1,177,327
Construction Costs Receivable	-	-	-	-	-	-	-	(8,591)	5,976
Rents and Miscellaneous Receivables	26,040	-	5,114	-	4,445	5,301	6,342	(26,843)	201,294
Prepaid Expenses and Deposits	32,584	-	20,777	-	30,564	17,584	11,723	-	492,009
Interfund Receivables	-	-	-	-	-	-	-	(80,511)	-
Total Current Assets	<u>225,310</u>	<u>213,802</u>	<u>102,965</u>	<u>-</u>	<u>315,410</u>	<u>262,084</u>	<u>151,710</u>	<u>(115,945)</u>	<u>7,037,713</u>
WORK IN PROGRESS	-	9,530,230	17,445	1,117,641	-	-	-	(1,261,427)	9,561,370
PROPERTY, FURNITURE, AND EQUIPMENT, NET	11,365,446	600,025	3,145,860	673,173	16,446,809	9,073,797	1,968,713	(10,782,398)	97,135,067
OTHER ASSETS									
Tax Credit Monitoring Fees, Net	53,911	-	5,144	-	80,967	50,313	-	-	316,392
Predevelopment Costs	-	-	-	-	-	-	-	(201,994)	458,059
Receivables - Affiliates	-	-	-	-	-	-	-	(136,776)	482,390
Notes Receivable - Affiliates	-	-	-	-	-	-	-	(23,304,026)	3,000,000
Notes Receivable	-	-	-	-	-	-	-	-	957,088
Investments in Limited Partnerships	-	-	-	-	-	-	-	1,446,914	351,384
Investments in Marketable Securities	-	-	-	-	-	-	-	-	7,131,359
Development Fees Receivable	-	-	-	-	-	-	-	(3,202,409)	-
Restricted Cash and Cash Equivalents	360,174	-	101,913	-	518,035	1,089,579	215,722	-	5,766,272
Restricted Investments (457(b) Plan)	-	-	-	-	-	-	-	-	671,208
Total Other Assets	<u>414,085</u>	<u>-</u>	<u>107,057</u>	<u>-</u>	<u>599,002</u>	<u>1,139,892</u>	<u>215,722</u>	<u>(25,398,291)</u>	<u>19,134,152</u>
Total Assets	<u>\$ 12,004,841</u>	<u>\$ 10,344,057</u>	<u>\$ 3,373,327</u>	<u>\$ 1,790,814</u>	<u>\$ 17,361,221</u>	<u>\$ 10,475,773</u>	<u>\$ 2,336,145</u>	<u>\$ (37,558,061)</u>	<u>\$ 132,868,302</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position (continued)
December 31, 2019

	New Leaf Community, LLLP	Nuevo Atrisco Apartments, LP, LLLP	Roswell Summit Apartments, LP	Skyview Terrace, LP, LLLP	Solar Villa Apartments, LP, LLLP	Gallup Sunset Hills Apartments, LP	Wildewood Apartments, LP	Eliminations	Total
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ 36,232	\$ -	\$ 14,216	\$ -	\$ 68,046	\$ 86,515	\$ 69,490	\$ -	\$ 998,249
Accrued Interest Payable	7,032	3,893	282,646	-	15,558	6,444	9,837	-	702,790
Accounts Payable	3,324	544,450	2,391	-	9,269	153	2,967	(8,684)	746,886
Accrued Salaries and Payroll Taxes	-	-	-	-	-	-	-	-	156,603
Tenant Prepaid Rent	7,676	-	1,671	-	7,586	13,236	2,313	-	107,849
Other Accrued Expenses	28,268	-	20,620	-	65,367	16,574	23,186	-	530,257
Security Deposits	18,911	-	10,183	-	22,082	12,810	14,548	-	317,298
Interfund Payables	-	-	-	-	-	-	-	(80,511)	-
Total Current Liabilities	<u>101,443</u>	<u>548,343</u>	<u>331,727</u>	<u>-</u>	<u>187,908</u>	<u>135,732</u>	<u>122,341</u>	<u>(89,195)</u>	<u>3,559,932</u>
LONG-TERM LIABILITIES									
Due to Affiliates	1,426,168	2,990,001	167,531	24,543	2,400,000	4,246	4,363	(20,805,558)	-
Deferred AHP Revenue	-	-	-	-	-	-	-	(630,000)	-
Development Fee Payable	-	762,828	-	41,356	545,400	-	-	(3,202,409)	657,317
Asset Management Fee Payable	5,400	-	190,258	-	31,000	24,761	-	(553,085)	51,003
Accrued Interest Payable - Long-Term	-	-	42,557	-	616	-	-	(1,680,903)	168,906
Pension Plan Liability	-	-	-	-	-	-	-	-	671,208
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	2,204,111	4,469,129	1,317,887	1,180,973	3,832,678	2,313,442	2,575,702	-	66,892,699
Total Long-Term Liabilities	<u>3,635,679</u>	<u>8,221,958</u>	<u>1,718,233</u>	<u>1,246,872</u>	<u>6,809,694</u>	<u>2,342,449</u>	<u>2,580,065</u>	<u>(26,871,955)</u>	<u>68,441,133</u>
Total Liabilities	3,737,122	8,770,301	2,049,960	1,246,872	6,997,602	2,478,181	2,702,406	(26,961,150)	72,001,065
NET ASSETS									
Net assets without donor restrictions	-	-	-	-	-	-	-	(9,311,402)	16,800,814
Capital Contribution	-	873,756	-	543,942	9,172,164	-	-	(10,226,116)	363,746
Partners' Capital (Deficit)	8,267,719	700,000	1,323,367	-	1,191,455	7,997,592	(366,261)	(38,219,264)	(3,457,194)
Net Assets Attributable to YES Housing, Inc. and Affiliates	8,267,719	1,573,756	1,323,367	543,942	10,363,619	7,997,592	(366,261)	(57,756,782)	13,707,366
Noncontrolling Interest	-	-	-	-	-	-	-	47,159,871	47,159,871
Total Net Assets	<u>8,267,719</u>	<u>1,573,756</u>	<u>1,323,367</u>	<u>543,942</u>	<u>10,363,619</u>	<u>7,997,592</u>	<u>(366,261)</u>	<u>(10,596,911)</u>	<u>60,867,237</u>
Total Liabilities and Net Assets	<u>\$ 12,004,841</u>	<u>\$ 10,344,057</u>	<u>\$ 3,373,327</u>	<u>\$ 1,790,814</u>	<u>\$ 17,361,221</u>	<u>\$ 10,475,773</u>	<u>\$ 2,336,145</u>	<u>\$ (37,558,061)</u>	<u>\$ 132,868,302</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities
December 31, 2020

	General Fund	Payroll	Development Services	Asset Management	Social Services	Charter School	Solar Villas Brentwood Gardens Grant
REVENUES AND OTHER SUPPORT							
Rent	\$ -	\$ -	\$ -	\$ 18,985	\$ -	\$ -	\$ -
Contribution Revenue	315	-	80,403	560	20,053	-	72,392
Development Fees	-	-	1,553,600	-	-	-	-
Interest	399,403	-	14,705	-	7,119	-	-
Net Unrealized/Realized Gain (Loss) on Investments	644,367	-	(33)	-	-	-	-
Net realized gain (loss) on Capital Investments	1,289,952	-	-	-	-	-	-
Other Revenue	466	-	21,250	-	56,000	-	-
Property Management Fees	-	-	-	355,590	-	-	-
Construction Management Fees	-	-	51,250	-	-	-	-
Operating Transfers, Net	-	-	1,068,673	532,675	232,275	1,609	335
Total Revenue and Other Support	<u>2,334,503</u>	<u>-</u>	<u>2,789,848</u>	<u>907,810</u>	<u>315,447</u>	<u>1,609</u>	<u>72,727</u>
PERSONNEL EXPENSES							
Salaries and Wages	412,924	-	603,518	532,035	175,002	-	-
Payroll Taxes	28,491	-	47,073	41,507	13,661	-	-
Employee Benefits	117,073	-	172,274	179,764	47,480	-	-
Total Personnel Expenses	<u>558,488</u>	<u>-</u>	<u>822,865</u>	<u>753,306</u>	<u>236,143</u>	<u>-</u>	<u>-</u>
OTHER EXPENSES							
Depreciation and Amortization	97,250	-	-	4,891	-	-	-
Donations Expense	6,200	-	-	-	-	-	-
Duplication and Publishing	628	-	632	612	975	-	-
Equipment	863	-	3,278	6,063	1,295	-	-
Insurance	5,200	-	9,710	3,920	5,955	-	-
Interest	10,472	-	-	-	-	-	-
(Gain) loss on Disposal of Assets	10,183	-	-	-	-	-	-
Other Expenses	337,826	-	16,155	17,731	8,545	-	-
Predevelopment/Development Costs	-	-	14,473	-	-	-	-
Professional Fees	41,271	-	30,803	38,991	22,558	-	-
Property Management	-	-	-	-	-	-	-
Property Taxes	-	-	4,507	5,844	963	-	-
Rent	-	-	2,800	-	-	-	-
Repairs and Maintenance	1,444	-	16,556	9,710	1,852	-	-
Social Services	-	-	-	-	8,161	-	72,392
Telephone and Utilities	3,519	-	10,916	16,371	4,116	-	-
Training	969	-	715	1,275	497	-	-
Travel	114	-	(662)	1,792	18	-	-
Operating Transfers, Net	2,079,055	-	-	-	-	-	-
Total Other Expenses	<u>2,594,994</u>	<u>-</u>	<u>109,883</u>	<u>107,200</u>	<u>54,935</u>	<u>-</u>	<u>72,392</u>
Total Expenses	<u>3,153,482</u>	<u>-</u>	<u>932,748</u>	<u>860,506</u>	<u>291,078</u>	<u>-</u>	<u>72,392</u>
CHANGE IN NET ASSETS	(818,979)	-	1,857,100	47,304	24,369	1,609	335
Net Assets and Partners' Capital - Beginning of Year	22,391,603	-	2,558,234	675,515	771,528	(1,609)	-
Capital Contributions	(70,908)	-	-	-	-	-	-
Distributions	-	-	-	-	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ 21,501,716</u>	<u>\$ -</u>	<u>\$ 4,415,334</u>	<u>\$ 722,819</u>	<u>\$ 795,897</u>	<u>\$ -</u>	<u>\$ 335</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2020

	La Hacienda, LLC	Otero Village Apartments, LP	Vista Grande Apartments, LP	Live Work	YES of Arizona, Inc.	YES Housing Inc. 100% Owned Preconsolidated Subtotal
REVENUES AND OTHER SUPPORT						
Rent	\$ 163,165	\$ 222,737	\$ 576,719	\$ 5,492	\$ -	\$ 987,098
Contribution Revenue	-	-	198,950	-	-	372,673
Development Fees	-	-	-	-	581,883	2,135,483
Interest	501	75	52	-	15,793	437,648
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	644,334
Net realized gain (loss) on Capital Investments	-	-	-	-	189,160	1,479,112
Other Revenue	345	4,547	819,960	105	-	902,673
Property Management Fees	-	-	-	-	-	355,590
Construction Management Fees	-	-	-	-	-	51,250
Operating Transfers, Net	-	-	-	-	243,489	2,079,056
Total Revenue and Other Support	<u>164,011</u>	<u>227,359</u>	<u>1,595,681</u>	<u>5,597</u>	<u>1,030,325</u>	<u>9,444,917</u>
PERSONNEL EXPENSES						
Salaries and Wages	33,743	53,717	88,356	-	-	1,899,295
Payroll Taxes	5,414	5,884	17,656	-	-	159,686
Employee Benefits	-	-	-	-	-	516,591
Total Personnel Expenses	<u>39,157</u>	<u>59,601</u>	<u>106,012</u>	<u>-</u>	<u>-</u>	<u>2,575,572</u>
OTHER EXPENSES						
Depreciation and Amortization	100,552	146,782	342,369	-	-	691,844
Donations Expense	-	-	-	-	-	6,200
Duplication and Publishing	-	-	-	-	-	2,847
Equipment	-	-	-	-	-	11,499
Insurance	14,025	14,253	19,170	162	-	72,395
Interest	-	49,083	198,648	-	-	258,203
Loss on Disposal of Assets	-	6,439	(827,554)	-	-	(810,932)
Other Expenses	7,927	17,464	34,237	1,794	656	442,335
Predevelopment/Development Costs	-	-	-	-	-	14,473
Professional Fees	2,290	486	14,561	1,068	109,216	261,244
Property Management	19,498	15,517	29,618	1,112	-	65,745
Property Taxes	3,773	11,208	23,926	-	-	50,221
Rent	-	-	-	-	-	2,800
Repairs and Maintenance	10,825	39,663	141,762	-	-	221,812
Social Services	-	-	-	-	-	80,553
Telephone and Utilities	19,422	18,906	128,357	285	-	201,892
Training	220	220	1,691	-	133	5,720
Travel	-	-	-	-	-	1,262
Operating Transfers, Net	-	-	-	-	-	2,079,055
Total Other Expenses	<u>178,532</u>	<u>320,021</u>	<u>106,785</u>	<u>4,421</u>	<u>110,005</u>	<u>3,659,168</u>
Total Expenses	<u>217,689</u>	<u>379,622</u>	<u>212,797</u>	<u>4,421</u>	<u>110,005</u>	<u>6,234,740</u>
CHANGE IN NET ASSETS	(53,678)	(152,263)	1,382,884	1,176	920,320	3,210,177
Net Assets and Partners' Capital - Beginning of Year	(712,428)	445,210	(1,382,884)	363,746	(283,055)	24,825,860
Capital Contributions	-	70,908	-	-	-	-
Distributions	-	-	-	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ (766,106)</u>	<u>\$ 363,855</u>	<u>\$ -</u>	<u>\$ 364,922</u>	<u>\$ 637,265</u>	<u>\$ 28,036,037</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2020

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Copper Terrace, LP	UR 205 Silver, LLC (Imperial)	Los Tres Apartments, LP	Mesa Del Norte Apartments, LP
REVENUES AND OTHER SUPPORT							
Rent	\$ 834,052	\$ 407,205	\$ 1,182,723	\$ 76,208	\$ 524,122	\$ 3,164,356	\$ 341,813
Contribution Revenue	69,988	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-	-
Interest	134	114	146	-	214	-	119
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	-	-
Net realized gain (loss) on Capital Investments	-	-	-	-	-	-	-
Other Revenue	4,143	5,871	16,143	416	19,068	63,513	3,715
Property Management Fees	-	-	-	-	-	-	-
Construction Management Fees	-	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	-	-
Total Revenue and Other Support	<u>908,317</u>	<u>413,190</u>	<u>1,199,012</u>	<u>76,624</u>	<u>543,404</u>	<u>3,227,869</u>	<u>345,647</u>
PERSONNEL EXPENSES							
Salaries and Wages	67,922	66,452	93,269	13,536	71,766	365,859	49,465
Payroll Taxes	16,703	14,028	17,328	2,967	8,724	115,867	7,554
Employee Benefits	-	-	-	-	-	-	-
Total Personnel Expenses	<u>84,625</u>	<u>80,480</u>	<u>110,597</u>	<u>16,503</u>	<u>80,490</u>	<u>481,726</u>	<u>57,019</u>
OTHER EXPENSES							
Depreciation and Amortization	188,491	341,502	231,965	10,219	496,485	680,042	222,460
Donations Expense	-	-	-	-	-	-	-
Duplication and Publishing	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Insurance	24,063	31,594	30,934	-	41,655	89,316	11,939
Interest	213,091	72,181	337,676	4,590	191,762	268,743	41,942
Loss on Disposal of Assets	-	1,817	450	-	-	8,882	-
Other Expenses	20,484	20,382	34,522	6,294	25,013	119,663	15,049
Predevelopment/Development Costs	-	-	-	-	-	-	-
Professional Fees	11,057	10,738	16,261	8,750	20,742	19,092	10,858
Property Management	50,578	45,203	89,931	7,946	41,927	165,587	90,219
Property Taxes	20,186	14,980	55,898	-	11,341	162,670	19,010
Rent	-	-	-	-	-	-	-
Repairs and Maintenance	34,981	45,101	96,255	10,622	86,386	374,478	16,312
Social Services	75,988	6,000	6,008	-	10,833	-	-
Telephone and Utilities	46,693	53,813	53,176	23,424	61,594	584,523	37,470
Training	355	1,079	283	235	1,218	2,892	328
Travel	-	724	7	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	-	-
Total Other Expenses	<u>685,967</u>	<u>645,114</u>	<u>953,366</u>	<u>72,080</u>	<u>988,956</u>	<u>2,475,888</u>	<u>465,587</u>
Total Expenses	<u>770,592</u>	<u>725,594</u>	<u>1,063,963</u>	<u>88,583</u>	<u>1,069,446</u>	<u>2,957,614</u>	<u>522,606</u>
CHANGE IN NET ASSETS	137,725	(312,404)	135,049	(11,959)	(526,042)	270,255	(176,959)
Net Assets and Partners' Capital - Beginning of Year	(708,806)	5,167,091	(1,904,040)	-	10,021,618	(2,432,278)	3,305,693
Capital Contributions	-	-	-	2,271,786	-	-	-
Distributions	(179,276)	(1,037)	(160,659)	-	-	-	(2,736)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ (750,357)</u>	<u>\$ 4,853,650</u>	<u>\$ (1,929,650)</u>	<u>\$ 2,259,827</u>	<u>\$ 9,495,576</u>	<u>\$ (2,162,023)</u>	<u>\$ 3,125,998</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2020

	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments, LLLLP	New Frontier	New Leaf Community, LLLLP	Nuevo Atrisco Apartments, LP, LLLP	Roswell Summit Apartments, LP	Skyview Terrace, LP, LLLP
REVENUES AND OTHER SUPPORT							
Rent	\$ 761,723	\$ 358,108	\$ -	\$ 659,290	\$ 93,416	\$ 375,061	\$ 6,596
Contribution Revenue	66,951	83,106	-	15	-	47,478	-
Development Fees	-	-	-	-	-	-	-
Interest	120	401	-	254	1	124	-
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	-	-
Net realized gain (loss) on Capital Investments	-	-	-	-	-	-	-
Other Revenue	5,821	2,919	-	-	6,211	2,237	3,620
Property Management Fees	-	-	-	-	-	-	-
Construction Management Fees	-	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	-	-
Total Revenue and Other Support	<u>834,615</u>	<u>444,534</u>	<u>-</u>	<u>659,559</u>	<u>99,628</u>	<u>424,900</u>	<u>10,216</u>
PERSONNEL EXPENSES							
Salaries and Wages	71,915	65,553	-	84,827	35,767	50,629	10,000
Payroll Taxes	19,595	21,991	-	23,194	8,709	10,556	3,390
Employee Benefits	-	-	-	-	-	-	-
Total Personnel Expenses	<u>91,510</u>	<u>87,544</u>	<u>-</u>	<u>108,021</u>	<u>44,476</u>	<u>61,185</u>	<u>13,390</u>
OTHER EXPENSES							
Depreciation and Amortization	166,773	164,814	-	432,955	116,218	150,407	-
Donations Expense	-	-	-	-	-	-	-
Duplication and Publishing Equipment	-	-	-	-	-	-	-
Insurance	26,052	20,931	-	36,810	10,403	23,557	-
Interest	172,050	35,528	-	92,220	89,997	93,787	-
Loss on Disposal of Assets	-	-	-	-	-	399	-
Other Expenses	29,624	11,639	-	28,392	60,037	11,703	14,039
Predevelopment/Development Costs	-	-	-	-	-	-	-
Professional Fees	10,057	9,978	-	9,697	11,004	11,377	-
Property Management	44,694	48,311	-	43,274	30,000	66,901	12,500
Property Taxes	28,943	12,593	-	27,573	12,781	15,716	-
Rent	-	-	-	-	-	-	-
Repairs and Maintenance	68,446	25,407	-	64,393	9,988	16,478	632
Social Services	72,951	87,559	-	643	4	53,478	-
Telephone and Utilities	45,208	17,977	-	42,084	13,084	18,135	1,715
Training	310	1,505	-	830	310	880	-
Travel	-	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	-	-
Total Other Expenses	<u>665,108</u>	<u>436,242</u>	<u>-</u>	<u>778,871</u>	<u>353,826</u>	<u>462,818</u>	<u>28,886</u>
Total Expenses	<u>756,618</u>	<u>523,786</u>	<u>-</u>	<u>886,892</u>	<u>398,302</u>	<u>524,003</u>	<u>42,276</u>
CHANGE IN NET ASSETS	77,997	(79,252)	-	(227,333)	(298,674)	(99,103)	(32,060)
Net Assets and Partners' Capital - Beginning of Year	(183,701)	4,032,723	-	8,267,719	1,210,010	1,323,367	543,942
Capital Contributions	-	-	825,525	-	870,107	-	1,042,986
Distributions	(97,296)	(9,080)	-	-	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ (203,000)</u>	<u>\$ 3,944,391</u>	<u>\$ 825,525</u>	<u>\$ 8,040,386</u>	<u>\$ 1,781,443</u>	<u>\$ 1,224,264</u>	<u>\$ 1,554,868</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2020

	Solar Villa Apartments, LP, LLLP	Gallup Sunset Hills Apartments, LP	Wildewood Apartments, LP	Eliminations	Total
REVENUES AND OTHER SUPPORT					
Rent	\$ 946,064	\$ 506,452	\$ 561,641	\$ -	\$ 11,785,928
Contribution Revenue	-	66,093	66,404	-	772,708
Development Fees	-	-	-	(2,135,483)	-
Interest	43	489	90	(175,256)	264,641
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	644,334
Net realized gain (loss) on Capital Investments	-	-	-	(1,190,190)	288,922
Other Revenue	15,029	4,353	2,667	(824,581)	233,818
Property Management Fees	-	-	-	(355,590)	-
Construction Management Fees	-	-	-	(51,250)	-
Operating Transfers, Net	-	-	-	(2,079,056)	-
Total Revenue and Other Support	<u>961,136</u>	<u>577,387</u>	<u>630,802</u>	<u>(6,811,406)</u>	<u>13,990,351</u>
PERSONNEL EXPENSES					
Salaries and Wages	79,314	55,101	54,545	-	3,135,215
Payroll Taxes	8,416	16,409	16,643	-	471,760
Employee Benefits	-	-	-	-	516,591
Total Personnel Expenses	<u>87,730</u>	<u>71,510</u>	<u>71,188</u>	<u>-</u>	<u>4,123,566</u>
OTHER EXPENSES					
Depreciation and Amortization	535,634	306,085	113,615	(389,470)	4,460,039
Donations Expense	-	-	-	-	6,200
Duplication and Publishing	-	-	-	-	2,847
Equipment	-	-	-	-	11,499
Insurance	33,643	21,924	16,536	-	491,752
Interest	193,076	45,314	134,991	(153,379)	2,091,772
Loss on Disposal of Assets	-	-	50	-	(799,334)
Other Expenses	27,185	15,094	14,925	(788,581)	107,799
Predevelopment/Development Costs	-	-	-	-	14,473
Professional Fees	21,049	10,808	9,907	-	452,619
Property Management	154,343	59,554	70,758	(301,958)	785,513
Property Taxes	66,323	28,695	19,120	-	546,050
Rent	-	-	-	-	2,800
Repairs and Maintenance	57,413	22,944	23,355	-	1,175,003
Social Services	7,575	66,161	66,433	(36,000)	498,186
Telephone and Utilities	129,874	21,213	29,542	-	1,381,417
Training	580	410	45	-	16,980
Travel	-	-	-	-	1,993
Operating Transfers, Net	-	-	-	(2,079,055)	-
Total Other Expenses	<u>1,226,695</u>	<u>598,202</u>	<u>499,277</u>	<u>(3,748,443)</u>	<u>11,247,608</u>
Total Expenses	<u>1,314,425</u>	<u>669,712</u>	<u>570,465</u>	<u>(3,748,443)</u>	<u>15,371,174</u>
CHANGE IN NET ASSETS	(353,289)	(92,325)	60,337	(3,062,963)	(1,380,823)
Net Assets and Partners' Capital - Beginning of Year	10,363,619	7,997,592	(366,261)	(10,596,911)	60,867,237
Capital Contributions	640,566	-	-	(200)	5,650,770
Distributions	(6,755)	-	(99,062)	53,631	(502,270)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ 10,644,141</u>	<u>\$ 7,905,267</u>	<u>\$ (404,986)</u>	<u>\$ (13,606,443)</u>	<u>\$ 64,634,914</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities
December 31, 2019

	General Fund	Payroll	Development Services	Asset Management	Social Services	Solar Villas Brentwood Gardens Grant
REVENUES AND OTHER SUPPORT						
Rent	\$ -	\$ -	\$ -	\$ 18,435	\$ -	\$ -
Contribution Revenue	20	-	80,000	-	18,997	70,107
Development Fees	-	-	1,209,000	-	-	-
Interest	451,823	-	61,128	-	8,176	-
Net Unrealized/Realized Gain (Loss) on Investments	1,234,387	-	-	-	-	-
Net realized gain (loss) on Capital Investments	(146,259)	-	-	-	-	-
Other Revenue	14	-	32,087	163,567	66,002	-
Property Management Fees	-	-	-	311,508	-	-
Construction Management Fees	-	-	20,000	-	-	-
Operating Transfers, Net	-	-	-	591,533	215,363	-
Total Revenue and Other Support	<u>1,539,985</u>	<u>-</u>	<u>1,402,215</u>	<u>1,085,043</u>	<u>308,538</u>	<u>70,107</u>
PERSONNEL EXPENSES						
Salaries and Wages	379,160	-	626,406	465,567	165,105	-
Payroll Taxes	27,153	-	48,598	37,063	13,468	-
Employee Benefits	127,710	-	175,403	174,807	45,343	-
Total Personnel Expenses	<u>534,023</u>	<u>-</u>	<u>850,407</u>	<u>677,437</u>	<u>223,916</u>	<u>-</u>
OTHER EXPENSES						
Depreciation and Amortization	93,503	-	1,596	4,747	-	-
Donations Expense	11,950	-	-	-	-	-
Duplication and Publishing	256	-	315	334	438	-
Equipment	749	-	3,417	4,676	1,145	-
Insurance	6,431	-	13,045	7,825	6,273	-
Interest	10,000	-	23,563	-	-	-
(Gain) loss on Disposal of Assets	(1,113)	-	16,560	-	-	-
Other Expenses	178,093	-	31,280	21,979	8,141	-
Predevelopment/Development Costs	-	-	8,648	1,500	-	-
Professional Fees	47,404	-	21,547	44,431	23,600	-
Property Management	-	-	-	-	-	-
Property Taxes	-	-	9,368	5,854	965	-
Rent	-	-	4,800	-	-	-
Repairs and Maintenance	2,042	-	17,490	14,826	2,403	-
Social Services	-	-	-	-	19,332	70,107
Telephone and Utilities	3,108	-	10,756	15,780	6,870	-
Training	1,074	-	1,100	6,936	1,502	-
Travel	98	-	16,335	5,556	21	-
Operating Transfers, Net	271,034	-	344,658	-	-	-
Total Other Expenses	<u>624,629</u>	<u>-</u>	<u>524,478</u>	<u>134,444</u>	<u>70,690</u>	<u>70,107</u>
Total Expenses	<u>1,158,652</u>	<u>-</u>	<u>1,374,885</u>	<u>811,881</u>	<u>294,606</u>	<u>70,107</u>
CHANGE IN NET ASSETS						
	381,333	-	27,330	273,162	13,932	-
Net Assets and Partners' Capital - Beginning of Year	22,037,108	-	2,530,904	402,353	757,596	-
Capital Contributions	(26,838)	-	-	-	-	-
Distributions	-	-	-	-	-	-
NET ASSETS AND PARTNERS'						
CAPITAL - END OF YEAR	<u>\$ 22,391,603</u>	<u>\$ -</u>	<u>\$ 2,558,234</u>	<u>\$ 675,515</u>	<u>\$ 771,528</u>	<u>\$ -</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2019

	Charter School	YES of Arizona, Inc.	La Hacienda, LLC	Otero Village Apartments, LP	Vista Grande Apartments, LP	YES Housing Inc. 100% Owned Preconsolidated Subtotal
REVENUES AND OTHER SUPPORT						
Rent	\$ 110,574	\$ -	\$ 150,072	\$ 231,527	\$ 832,635	\$ 1,343,243
Contribution Revenue	-	-	-	-	-	169,124
Development Fees	-	-	-	-	-	1,209,000
Interest	-	-	573	78	90	521,868
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	1,234,387
Net realized gain (loss) on Capital Investments	-	162,120	-	-	-	15,861
Other Revenue	(2)	-	1,166	6,332	20,391	289,557
Property Management Fees	-	-	-	-	-	311,508
Construction Management Fees	-	-	-	-	-	20,000
Operating Transfers, Net	-	45,849	-	-	-	852,745
Total Revenue and Other Support	<u>110,572</u>	<u>207,969</u>	<u>151,811</u>	<u>237,937</u>	<u>853,116</u>	<u>5,967,293</u>
PERSONNEL EXPENSES						
Salaries and Wages	-	-	30,565	47,358	118,413	1,832,574
Payroll Taxes	-	-	5,163	5,326	20,752	157,523
Employee Benefits	-	-	-	-	-	523,263
Total Personnel Expenses	<u>-</u>	<u>-</u>	<u>35,728</u>	<u>52,684</u>	<u>139,165</u>	<u>2,513,360</u>
OTHER EXPENSES						
Depreciation and Amortization	48,043	-	99,813	119,327	175,531	542,560
Donations Expense	-	-	-	-	-	11,950
Duplication and Publishing	-	-	-	-	-	1,343
Equipment	-	-	-	-	-	9,987
Insurance	4,021	-	13,730	11,759	29,404	92,488
Interest	29,222	-	-	53,500	115,537	231,822
Loss on Disposal of Assets	361,842	-	634	10,650	2,714	391,287
Other Expenses	4,559	5,492	10,686	20,498	47,603	328,331
Predevelopment/Development Costs	-	-	-	-	-	10,148
Professional Fees	102	30,529	2,331	4,859	20,039	194,842
Property Management	-	-	19,500	15,478	32,547	67,525
Property Taxes	6,636	-	3,768	11,053	26,354	63,998
Rent	-	-	-	-	-	4,800
Repairs and Maintenance	-	-	10,073	52,413	153,623	252,870
Social Services	-	-	-	-	-	89,439
Telephone and Utilities	-	-	19,088	22,292	142,820	220,714
Training	-	1,442	335	180	1,255	13,824
Travel	-	3,387	-	-	22	25,419
Operating Transfers, Net	237,053	-	-	-	-	852,745
Total Other Expenses	<u>691,478</u>	<u>40,850</u>	<u>179,958</u>	<u>322,009</u>	<u>747,449</u>	<u>3,406,092</u>
Total Expenses	<u>691,478</u>	<u>40,850</u>	<u>215,686</u>	<u>374,693</u>	<u>886,614</u>	<u>5,919,452</u>
CHANGE IN NET ASSETS	(580,906)	167,119	(63,875)	(136,756)	(33,498)	47,841
Net Assets and Partners' Capital - Beginning of Year	579,297	(450,174)	(648,553)	555,128	(1,349,386)	24,414,273
Capital Contributions	-	-	-	26,838	-	-
Distributions	-	-	-	-	-	-
NET ASSETS AND PARTNERS'						
CAPITAL - END OF YEAR	<u>\$ (1,609)</u>	<u>\$ (283,055)</u>	<u>\$ (712,428)</u>	<u>\$ 445,210</u>	<u>\$ (1,382,884)</u>	<u>\$ 24,462,114</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2019

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	UR 205 Silver, LLC (Imperial)	Los Tres Apartments, LP	Mesa Del Norte Apartments, LP
REVENUES AND OTHER SUPPORT						
Rent	\$ 817,840	\$ 402,485	\$ 1,162,380	\$ 489,761	\$ 2,868,309	\$ 303,835
Contribution Revenue	62,078	-	-	-	-	-
Development Fees	-	-	-	-	-	-
Interest	398	216	614	778	-	178
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	-
Net realized gain (loss) on Capital Investments	-	-	-	-	-	-
Other Revenue	2,466	8,070	5,244	30,204	568,975	5,433
Property Management Fees	-	-	-	-	-	-
Construction Management Fees	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	-
Total Revenue and Other Support	<u>882,782</u>	<u>410,771</u>	<u>1,168,238</u>	<u>520,743</u>	<u>3,437,284</u>	<u>309,446</u>
PERSONNEL EXPENSES						
Salaries and Wages	64,665	65,112	86,832	79,631	379,274	59,895
Payroll Taxes	17,676	14,752	16,729	29,707	114,744	6,943
Employee Benefits	-	-	-	-	-	-
Total Personnel Expenses	<u>82,341</u>	<u>79,864</u>	<u>103,561</u>	<u>109,338</u>	<u>494,018</u>	<u>66,838</u>
OTHER EXPENSES						
Depreciation and Amortization	183,022	338,184	223,690	495,553	699,539	222,653
Donations Expense	-	-	-	-	-	-
Duplication and Publishing Equipment	-	-	-	-	-	-
Insurance	20,957	27,891	26,210	38,513	69,922	11,335
Interest	217,586	72,379	345,506	238,620	500,569	42,754
Loss on Disposal of Assets	659	747	961	-	43,183	-
Other Expenses	22,286	22,662	32,462	33,312	33,984	16,624
Predevelopment/Development Costs	-	-	-	-	-	-
Professional Fees	11,806	14,436	11,990	16,202	47,202	12,748
Property Management	45,399	54,846	69,400	47,479	156,842	71,056
Property Taxes	20,386	14,998	55,894	11,837	159,233	18,874
Rent	-	-	-	-	-	-
Repairs and Maintenance	52,904	48,252	74,453	55,603	432,741	19,146
Social Services	68,136	6,097	6,361	9,166	-	-
Telephone and Utilities	41,921	50,286	51,777	65,834	566,562	32,844
Training	925	45	1,220	1,413	1,865	787
Travel	921	-	951	-	50	358
Operating Transfers, Net	-	-	-	-	-	-
Total Other Expenses	<u>686,908</u>	<u>650,823</u>	<u>900,875</u>	<u>1,013,532</u>	<u>2,711,692</u>	<u>449,179</u>
Total Expenses	<u>769,249</u>	<u>730,687</u>	<u>1,004,436</u>	<u>1,122,870</u>	<u>3,205,710</u>	<u>516,017</u>
CHANGE IN NET ASSETS	113,533	(319,916)	163,802	(602,127)	231,574	(206,571)
Net Assets and Partners' Capital - Beginning of Year	(632,605)	5,489,032	(1,904,505)	10,623,745	(2,663,852)	3,514,165
Capital Contributions	-	-	-	-	-	-
Distributions	(189,734)	(2,025)	(163,337)	-	-	(1,901)
NET ASSETS AND PARTNERS'						
CAPITAL - END OF YEAR	<u>\$ (708,806)</u>	<u>\$ 5,167,091</u>	<u>\$ (1,904,040)</u>	<u>\$ 10,021,618</u>	<u>\$ (2,432,278)</u>	<u>\$ 3,305,693</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2019

	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments, LLLP	New Leaf Community, LLLP	Nuevo Atrisco Apartments, LP, LLLP	Roswell Summit Apartments, LP	Skyview Terrace, LP, LLLP
REVENUES AND OTHER SUPPORT						
Rent	\$ 756,539	\$ 348,925	\$ 619,999	\$ -	\$ 366,281	\$ -
Contribution Revenue	60,062	76,292	25	100,000	39,367	-
Development Fees	-	-	-	-	-	-
Interest	342	1,297	396	-	177	-
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	-
Net realized gain (loss) on Capital Investments	-	-	-	-	-	-
Other Revenue	170,032	1,570	18,891	-	2,468	-
Property Management Fees	-	-	-	-	-	-
Construction Management Fees	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	-
Total Revenue and Other Support	<u>986,975</u>	<u>428,084</u>	<u>639,311</u>	<u>100,000</u>	<u>408,293</u>	<u>-</u>
PERSONNEL EXPENSES						
Salaries and Wages	51,113	63,561	75,732	-	53,717	-
Payroll Taxes	18,064	19,922	22,240	-	11,134	-
Employee Benefits	-	-	-	-	-	-
Total Personnel Expenses	<u>69,177</u>	<u>83,483</u>	<u>97,972</u>	<u>-</u>	<u>64,851</u>	<u>-</u>
OTHER EXPENSES						
Depreciation and Amortization	159,924	179,508	432,690	-	149,871	-
Donations Expense	-	-	-	-	-	-
Duplication and Publishing Equipment	-	-	-	-	-	-
Insurance	22,706	20,706	32,323	-	22,549	-
Interest	176,454	36,727	93,287	-	92,342	-
Loss on Disposal of Assets	321	-	-	-	-	-
Other Expenses	22,362	14,310	26,170	-	12,564	-
Predevelopment/Development Costs	-	-	-	-	-	-
Professional Fees	12,424	12,905	14,571	-	14,087	-
Property Management	38,810	46,234	38,680	-	64,177	-
Property Taxes	28,183	12,764	27,555	-	15,274	-
Rent	-	-	-	-	-	-
Repairs and Maintenance	66,897	36,768	60,336	-	32,388	-
Social Services	66,062	76,562	199	-	45,367	-
Telephone and Utilities	44,045	9,963	42,956	-	19,655	-
Training	575	942	760	-	680	-
Travel	-	1,591	1,228	-	861	-
Operating Transfers, Net	-	-	-	-	-	-
Total Other Expenses	<u>638,763</u>	<u>448,980</u>	<u>770,755</u>	<u>-</u>	<u>469,815</u>	<u>-</u>
Total Expenses	<u>707,940</u>	<u>532,463</u>	<u>868,727</u>	<u>-</u>	<u>534,666</u>	<u>-</u>
CHANGE IN NET ASSETS	279,035	(104,379)	(229,416)	100,000	(126,373)	-
Net Assets and Partners' Capital - Beginning of Year	(288,980)	4,146,740	8,497,135	600,000	1,449,740	-
Capital Contributions	-	-	-	873,756	-	543,942
Distributions	(173,756)	(9,638)	-	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ (183,701)</u>	<u>\$ 4,032,723</u>	<u>\$ 8,267,719</u>	<u>\$ 1,573,756</u>	<u>\$ 1,323,367</u>	<u>\$ 543,942</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities (continued)
December 31, 2019

	Solar Villa Apartments, LP, LLLP	Gallup Sunset Hills Apartments, LP	Wildewood Apartments, LP	Eliminations	Total
REVENUES AND OTHER SUPPORT					
Rent	\$ 927,316	\$ 498,586	\$ 551,481	\$ -	\$ 11,456,980
Contribution Revenue	-	59,898	59,673	-	626,519
Development Fees	-	-	-	(1,209,000)	-
Interest	20	974	299	(185,805)	341,752
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	1,234,387
Net realized gain (loss) on Capital Investments	-	-	-	(15,861)	-
Other Revenue	15,269	4,221	1,991	(36,000)	1,088,391
Property Management Fees	-	-	-	(311,508)	-
Construction Management Fees	-	-	-	(20,000)	-
Operating Transfers, Net	-	-	-	(852,745)	-
Total Revenue and Other Support	<u>942,605</u>	<u>563,679</u>	<u>613,444</u>	<u>(2,630,919)</u>	<u>14,748,029</u>
PERSONNEL EXPENSES					
Salaries and Wages	80,948	59,671	47,948	-	3,000,673
Payroll Taxes	16,049	9,054	13,105	-	467,642
Employee Benefits	-	-	-	-	523,263
Total Personnel Expenses	<u>96,997</u>	<u>68,725</u>	<u>61,053</u>	<u>-</u>	<u>3,991,578</u>
OTHER EXPENSES					
Depreciation and Amortization	600,188	369,963	113,014	(355,570)	4,354,789
Donations Expense	-	-	-	-	11,950
Duplication and Publishing	-	-	-	-	1,343
Equipment	-	-	-	-	9,987
Insurance	26,613	19,489	14,590	-	446,292
Interest	368,292	47,456	137,526	(153,379)	2,447,941
Loss on Disposal of Assets	-	-	-	-	437,158
Other Expenses	41,395	15,861	17,986	-	640,309
Predevelopment/Development Costs	-	-	-	-	10,148
Professional Fees	14,574	12,393	10,337	-	400,517
Property Management	91,967	56,257	65,623	(249,861)	664,434
Property Taxes	79,284	28,094	18,539	-	554,913
Rent	-	-	-	-	4,800
Repairs and Maintenance	49,636	27,426	46,173	-	1,255,593
Social Services	11,993	60,289	59,673	(36,000)	463,344
Telephone and Utilities	114,403	19,623	34,312	-	1,314,895
Training	1,066	648	680	-	25,430
Travel	901	1,090	207	-	33,577
Operating Transfers, Net	-	-	-	(852,745)	-
Total Other Expenses	<u>1,400,312</u>	<u>658,589</u>	<u>518,660</u>	<u>(1,647,555)</u>	<u>13,077,420</u>
Total Expenses	<u>1,497,309</u>	<u>727,314</u>	<u>579,713</u>	<u>(1,647,555)</u>	<u>17,068,998</u>
CHANGE IN NET ASSETS	(554,704)	(163,635)	33,731	(983,364)	(2,320,969)
Net Assets and Partners' Capital - Beginning of Year	1,746,159	8,161,227	(310,825)	(9,311,402)	53,530,047
Capital Contributions	9,172,164	-	-	(363,746)	10,226,116
Distributions	-	-	(89,167)	61,601	(567,957)
NET ASSETS AND PARTNERS'					
CAPITAL - END OF YEAR	<u>\$ 10,363,619</u>	<u>\$ 7,997,592</u>	<u>\$ (366,261)</u>	<u>\$ (10,596,911)</u>	<u>\$ 60,867,237</u>

Report of Independent Auditors 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 Directors
YES Housing, Inc. and Affiliates
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 consolidated financial statements of YES Housing, Inc. and Affiliates (the Organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 23, 2021.

The Organization's consolidated financial statements include the operations of Wildewood Apartments LP, Montana Meadows Apartments LP, Gallup Sunset Hills LLLP, Apple Ridge Apartments LP, YES Deming Mountain View Apartments LLLP, and Roswell Summit Apartments LP (the Partnerships) which received \$66,404, \$66,951, \$66,093, \$69,988, \$83,106, and \$47,478, respectively. Our audit, described below, did not include the operations of the Partnerships because the Partnerships engaged other auditors to perform an audit of their financial statements and the Partnerships' operations are not instrumental to those of YES Housing, Inc.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mess Adams LLP

Albuquerque, New Mexico
July 23, 2021