



REPORT OF INDEPENDENT AUDITORS
AND CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

YES HOUSING, INC. AND AFFILIATES

December 31, 2021 and 2020



Table of Contents

	PAGE
Official Roster (unaudited)	1
Report of Independent Auditors	2-4
Consolidated Financial Statements	
Consolidated Statements of Financial Position	5-6
Consolidated Statements of Activities	7
Consolidated Statements of Changes in Net Assets	8
Consolidated Statements of Cash Flows	9-10
Consolidated Statements of Functional Expenses	11-12
Notes to Consolidated Financial Statements	13-38
Supplementary Information	
Consolidating Statement of Financial Position	39-54
Consolidating Statement of Activities	55-63
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 <i>Government Auditing Standards</i>	64-65

**YES HOUSING, INC. AND AFFILIATES
OFFICIAL ROSTER (UNAUDITED)
DECEMBER 31, 2021**

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

Report of Independent Auditors

The Board of Directors
YES Housing, Inc. and Affiliates

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of YES Housing, Inc. and Affiliates (the Organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of YES Housing, Inc. and Affiliates as of December 31, 2021 and 2020, 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.

We did not audit the financial statements of Apple Ridge Apartments LP, Bella Vista Townhomes, LP, Brentwood Gardens Apartments, LP, Copper Terrace Limited Partnership LP, LLLP, UR 205 Silver, LLC (Imperial), Mesa Del Norte Apartments LP, LLLP, Montana Meadows Apartments, LP, YES Deming Mountain View Apartments LP, LLLP, New Frontier Family Living, LLC, 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, LLLP and Wildwood Apartments, LP, affiliates, which statements reflect total assets of \$152,229,001, as of December 31, 2021, respectively, and total revenues of \$10,450,486, respectively, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Apple Ridge Apartments LP, Bella Vista Townhomes, LP, Brentwood Gardens Apartments, LP, Copper Terrace Limited Partnership LP, LLLP, UR 205 Silver, LLC (Imperial), Mesa Del Norte Apartments LP, LLLP, Montana Meadows Apartments, LP, YES Deming Mountain View Apartments LP, LLLP, New Frontier Family Living, LLC, 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, LLLP and Wildwood Apartments, LP is based solely on the report of the other auditors.

We did not audit the financial statements of Apple Ridge Apartments LP, Bella Vista Townhomes, LP, Brentwood Gardens Apartments, LP, Copper Terrace Limited Partnership LP, LLLP, UR 205 Silver, LLC (Imperial), Mesa Del Norte Apartments LP, LLLP, Montana Meadows Apartments, LP, YES Deming Mountain View Apartments LP, LLLP, New Leaf Community, LLLP, Nuevo Atrisco Apartments, LP, LLLP, Roswell Summit Apartments, LP, Solar Villa Apartments, LP, LLLP, Gallup Sunset Hills Apartments, LP and Wildwood Apartments, LP, affiliates, which statements reflect total assets of \$127,150,743, as of December 31, 2020, respectively, and total revenues of \$11,346,624, respectively, for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Apple Ridge Apartments LP, Bella Vista Townhomes, LP, Brentwood Gardens Apartments, LP, Copper Terrace Limited Partnership LP, LLLP, UR 205 Silver, LLC (Imperial), Mesa Del Norte Apartments LP, LLLP, Montana Meadows Apartments, LP, YES Deming Mountain View Apartments LP, LLLP, New Leaf Community, LLLP, Nuevo Atrisco Apartments, LP, LLLP, Roswell Summit Apartments, LP, Solar Villa Apartments, LP, LLLP, Gallup Sunset Hills Apartments, LP and Wildwood Apartments, LP is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about YES Housing, Inc. and Affiliates ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of net position and consolidating statements of activities is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating statements of net position and consolidating statements of activities 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 15, 2022 on our consideration of Yes Housing, Inc. and Affiliates '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 YES Housing Inc. and Affiliate'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 YES Housing, Inc. and Affiliate's internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
July 19, 2022

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

ASSETS

	December 31,	
	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,145,623	\$ 5,461,624
Restricted cash and cash equivalents	909,557	1,581,773
Construction costs receivable	84,020	176,365
Rents and miscellaneous receivables	778,484	246,294
Prepaid expenses and deposit	693,161	638,240
	9,610,845	8,104,296
WORK IN PROGRESS	17,561,474	23,241,699
PROPERTY, FURNITURE, AND EQUIPMENT, NET	122,300,529	112,397,040
OTHER ASSETS		
Tax credit monitoring fees, net of accumulated amortization	559,691	352,941
Predevelopment costs	854,143	24,222
Receivables - affiliates	626,389	554,340
Notes receivable - affiliates	3,000,000	3,000,000
Notes receivable	364,010	892,043
Investments in limited partnerships	851,343	351,366
Investments in marketable securities	17,078,425	8,029,136
Restricted cash and cash equivalents	6,277,333	5,506,919
Restricted investments (457(b) Plan)	452,428	457,012
	30,063,762	19,167,979
TOTAL ASSETS	\$ 179,536,610	\$ 162,911,014

See accompanying notes to these consolidated financial statements.

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

LIABILITIES AND NET ASSETS

	December 31,	
	2021	2020
CURRENT LIABILITIES		
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ 25,199,597	\$ 19,392,728
Accrued interest payable	135,166	190,250
Accounts payable	1,078,597	2,616,027
Accrued salaries and payroll taxes	209,098	190,362
Tenant prepaid rent	288,350	177,422
Other accrued expenses	776,239	564,058
Security deposits	310,945	345,969
	27,997,992	23,476,816
LONG-TERM LIABILITIES		
Development fee payable	1,484,201	572,208
Asset management fee payable	52,312	120,077
Accrued interest payable - long-term	667,225	564,448
Pension plan liability	452,428	457,012
Long-term debt, less current maturities and net of unamortized debt issuance costs	65,312,738	73,085,539
	67,968,904	74,799,284
Total long-term liabilities	67,968,904	74,799,284
Total liabilities	95,966,896	98,276,100
NET ASSETS		
Without donor restrictions	17,096,811	14,122,144
Net assets attributable to YES Housing, Inc. and Affiliates	17,096,811	14,122,144
Noncontrolling interest	66,472,903	50,512,770
Total net assets	83,569,714	64,634,914
TOTAL LIABILITIES AND NET ASSETS	\$ 179,536,610	\$ 162,911,014

See accompanying notes to these consolidated financial statements.

YES Housing, Inc. and Affiliates
Consolidated Statements of Activities

	Years Ended December 31,	
	2021	2020
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and revenue		
Rent, net	\$ 10,351,703	\$ 11,785,928
Contribution revenue	489,216	772,708
Interest	534,746	264,641
Net unrealized/realized gain on investments	1,051,240	644,334
Net realized gain on capital investments	1,203,933	288,922
Other revenue	256,226	233,818
Property management fees	250,835	-
	14,137,899	13,990,351
Expenses		
Program	14,307,463	14,296,747
General and administrative	755,080	1,074,427
	15,062,543	15,371,174
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(924,644)	(1,380,823)
CHANGE IN NET ASSETS ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(2,347,802)	(1,795,601)
CHANGE IN NET ASSETS ATTRIBUTABLE TO YES HOUSING, INC.	\$ 1,423,158	\$ 414,778

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, 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	14,122,144	50,512,770	64,634,914
Capital contributions	38,716	18,184,262	18,222,978
Distributions	-	(525,557)	(525,557)
Redemption of Los Tres	1,512,793	649,230	2,162,023
Change in net assets	<u>1,423,158</u>	<u>(2,347,802)</u>	<u>(924,644)</u>
BALANCE, December 31, 2021	<u>\$ 17,096,811</u>	<u>\$ 66,472,903</u>	<u>\$ 83,569,714</u>

See accompanying notes to these consolidated financial statements.

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

	Years Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,423,158	\$ 414,778
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Gain on disposal of assets	(814,291)	(799,334)
Depreciation and amortization	4,245,318	4,460,039
Net realized and unrealized gain on investments	(1,051,240)	(644,334)
Reinvested dividends and interest	(238,621)	631,912
Non-controlling interest	(2,347,802)	(1,795,601)
Changes in assets and liabilities		
Receivable - affiliates	(72,049)	(71,950)
Construction costs receivable	92,345	(170,389)
Rents and miscellaneous receivables	(532,190)	(45,000)
Prepaid expenses and deposit	(54,921)	(146,231)
Tax credit monitoring fees	(248,833)	(76,209)
Predevelopment costs	(829,921)	433,837
Accrued interest payable	47,693	(116,998)
Accounts payable	(1,537,430)	1,869,141
Accrued salaries and payroll taxes	18,736	33,759
Tenant prepaid rent	110,928	69,573
Other accrued expenses	212,181	33,801
Security deposits	(35,024)	28,671
	(3,035,121)	3,694,687
	\$ (1,611,963)	\$ 4,109,465

See accompanying notes to these consolidated financial statements.

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

	Years Ended December 31,	
	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances on notes receivable	\$ (67,765)	\$ 69,074
Payments received on notes receivable	528,033	65,045
Proceeds from sales of property and equipment	2,792,170	4,100,000
Proceeds from sales of investments	(10,817,528)	(7,756,286)
Purchases of investments	2,558,123	6,870,949
Payment on development fee	911,993	(85,109)
Redemption of interest in Los Tres	2,162,023	-
Purchases of property and equipment	(4,307,573)	(14,539,289)
Purchases for work in progress	(6,096,805)	(22,124,058)
	<u>(12,337,329)</u>	<u>(33,399,674)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	28,489,973	29,770,127
Payment on loans	(30,455,905)	(5,182,808)
Capital contribution	18,222,978	5,650,770
Distribution	(525,557)	(502,270)
	<u>15,731,489</u>	<u>29,735,819</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	1,782,197	445,610
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of year	<u>12,550,316</u>	<u>12,104,706</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of year	<u>\$ 14,332,513</u>	<u>\$ 12,550,316</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 2,368,772</u>	<u>\$ 2,029,503</u>
CASH AND CASH EQUIVALENTS	\$ 7,145,623	\$ 5,461,624
RESTRICTED CASH AND CASH EQUIVALENTS, current	909,557	1,581,773
RESTRICTED CASH AND CASH EQUIVALENTS, non-current	<u>6,277,333</u>	<u>5,506,919</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 14,332,513</u>	<u>\$ 12,550,316</u>

See accompanying notes to these consolidated financial statements.

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

	Year Ended December 31, 2021		
	Program	Management and General	Total
Salaries and wages	\$ 2,452,041	\$ 401,600	\$ 2,853,641
Payroll taxes	354,623	28,403	383,026
Employee benefits	422,720	121,617	544,337
	3,229,384	551,620	3,781,004
Depreciation and amortization	4,145,309	100,009	4,245,318
Donations expense	-	12,515	12,515
Duplication and publishing	4,821	1,674	6,495
Equipment	9,297	112	9,409
Insurance	678,259	5,987	684,246
Interest	2,310,199	3,489	2,313,688
Gain on disposal of assets	(814,211)	(80)	(814,291)
Other expenses	732,011	8,027	740,038
Professional fees	451,463	64,580	516,043
Property management	744,690	-	744,690
Property taxes	397,078	-	397,078
Repairs and maintenance	1,007,678	3,302	1,010,980
Social services	426,680	-	426,680
Telephone and utilities	960,973	2,874	963,847
Training	7,383	949	8,332
Travel	16,449	22	16,471
	11,078,079	203,460	11,281,539
Total expenses	\$ 14,307,463	\$ 755,080	\$ 15,062,543

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
	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
	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

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, YES Live Work, LLC, YES Bella Vista, LLC, YES Mesa Del Norte Apartments, LLC, YES Imperial, LLC, YES Mountain View Apartments, LLC, YES New Leaf Community, LLC, YES Roswell Summit Apartments, LLC, YES Sunset Hills Apartments, LLC, YES Skyview Terrace, LLC, YES Copper Terrace, LLC, YES Nuevo Atrisco, LLC, YES Solar Villa Apartments, LLC and Hope Village, LLC. Vista Grande Apartments, LP was consolidated in 2020 and sold during 2020 (see Note 13).

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 LP, 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 LP, LLLP, YES Deming Mountain View Apartments LP, LLLP, Roswell Summit Apartments, LP, Solar Villa Apartments LP, LLLP, Nuevo Atrisco Apartments LP, LLLP, Skyview Terrace LP, LLLP, and Copper Terrace Limited Partnership LP, LLLP. All material intercompany transactions have been eliminated. YES redeemed its interest in Los Tres Apartments, LP during 2021.

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.

During 2021, YES West Berry Senior Apartments, LLC was formed to serve as the general partner of West Berry Senior Apartments LP, LLLP. As of December 31, 2021, there was no activity in YES West Berry Senior Apartments, LLC and the partnership agreements for West Berry Senior Apartments, LLLP had not been executed. During 2021, YES Mustang Villas, LLC was formed to serve as the general partner of Mustang Villas LP, LLLP. As of December 31, 2021, there was no activity in YES Mustang Villas, LLC.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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, 2021 and 2020 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, 2021 and 2020, there were no amounts recorded in the allowance for doubtful accounts. Historical uncollectible receivables have not been material to the consolidated financial statements.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

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, 2021 and 2020, YES recorded an allowance of \$139,395 and \$152,867, respectively, against the entirety of the notes receivable from YES NSP, LLC resulting in a net balance of zero.

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, 2021 and 2020.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

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, 2021 and 2020.

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 consolidated 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, 2021 and 2020. As a result, YES did not recognize federal and state income tax for the years ended December 31, 2021 and 2020.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

New Leaf Community LP, LLLP, UR 205 Silver, LLC, Wildewood Apartments, LP, Brentwood Gardens Apartments, LP, Montana Meadows Apartments, LP, Los Tres Apartments, LP, Gallup Sunset Hills LP, LLLP, Vista Grande Apartments, LP, Apple Ridge Apartments, LP, Bella Vista Townhomes, LP, Mesa Del Norte Apartments LP, LLLP, YES Deming Mountain View Apartments LP, 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 LP, 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 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, 2021 and 2020.

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 standards update (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. 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 consolidated 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 19, 2022, which is the date the consolidated financial statements were available to be issued.

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:

	2021	2020
Replacement reserve	\$ 3,394,087	\$ 3,637,602
Operating deficit reserve	2,491,202	1,512,416
Debt service reserve	59,649	59,632
Escrow deposits	341,507	188,026
Other	428,447	393,421
Security deposits	338,335	341,325
Money market fund	133,163	634,265
OCS grant	500	322,005
Total	\$ 7,186,890	\$ 7,088,692
Current restricted cash and cash equivalents	\$ 909,557	\$ 1,581,773
Long-term restricted cash and cash equivalents	6,277,333	5,506,919
Total	\$ 7,186,890	\$ 7,088,692

The money market fund had an amount of \$133,163 and \$634,265 as of December 31, 2021 and 2020, 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:

	<u>2021</u>	<u>2020</u>
Buildings	\$ 143,665,839	\$ 130,004,948
Buildings/land improvements	9,831,728	18,233,410
Furniture and equipment	<u>7,145,955</u>	<u>6,899,227</u>
	160,643,522	155,137,585
Less accumulated depreciation	<u>(47,984,882)</u>	<u>(54,219,001)</u>
	112,658,640	100,918,584
Land	<u>9,641,889</u>	<u>11,478,456</u>
Property, furniture, and equipment, net	<u>\$ 122,300,529</u>	<u>\$ 112,397,040</u>

Depreciation expense for the years ended December 31, 2021 and 2020 totaled \$4,245,318 and \$4,460,039, respectively.

Work in progress on the accompanying consolidated statement of financial position is stated at cost and is not depreciated. The balances of \$17,561,474 and \$23,241,699 consisted of costs capitalized related to construction projects and various property improvements in progress as of December 31, 2021 and 2020, respectively. Significant construction projects relate to the development of the Hope Village and Copper Terrace properties. 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 Hope Village project began in 2020 and is expected to be completed in 2022. The construction and development of the property for the Copper Terrace project began in 2020 and is expected to be completed in 2022. The balances related to work in progress will be transferred to the respective property, furniture, and equipment accounts upon completion of the respective projects.

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

Note 4 – Notes Receivable

Notes receivable consist of the following at December 31:

	2021	2020
<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, 2021 and 2020 was \$626,390 and \$554,340, respectively.	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
 <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.	\$ 364,010	\$ 442,043
 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 outstanding principal balance was fully paid during 2021.	<u>-</u>	<u>450,000</u>
	<u>\$ 364,010</u>	<u>\$ 892,043</u>

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:

	2021	2020
Tax credit monitoring fees	\$ 827,012	\$ 647,468
Less accumulated amortization	<u>(267,321)</u>	<u>(294,527)</u>
 Total	<u>\$ 559,691</u>	<u>\$ 352,941</u>

Amortization expense for the years ended December 31, 2021 and 2020 totaled \$42,083 and \$39,659, 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:

	2021			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	\$ 4,676,208	\$ -	\$ -	\$ 4,676,208
Bond funds	6,736,833	-	-	6,736,833
Value funds	3,664,565	-	-	3,664,565
Emerging Markets	2,000,819	-	-	2,000,819
Subtotal	17,078,425	-	-	17,078,425
Restricted				
Investments (457(b) Plan)				
Mutual funds				
Growth funds	171,583	-	-	171,583
Bond funds	113,543	-	-	113,543
Value funds	109,331	-	-	109,331
Fixed income	4,843	-	-	4,843
Growth and Value funds	53,128	-	-	53,128
Subtotal	452,428	-	-	452,428
Total	<u>\$ 17,530,853</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,530,853</u>

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

Note 6 – Fair Value of Financial Instruments (continued)

	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	8,029,136	-	-	8,029,136
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 and Value funds	29,224	-	-	29,224
Subtotal	457,012	-	-	457,012
Total	\$ 8,486,148	\$ -	\$ -	\$ 8,486,148

A summary of return on investments consists of the following for the years ended December 31, 2021 and 2020:

	2021	2020
Net realized income	\$ 3,947	\$ 241,848
Net unrealized gain	1,047,293	402,486
Total	\$ 1,051,240	\$ 644,334

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt

	2021	2020
<p>New Frontier - Construction loan to Bank of America, bearing interest at a fluctuating rate equal to the lesser of the non-maximum non-usurious 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. Secured by deed of trust. The construction loan was paid and converted on February 24, 2022.</p>	\$ 14,998,518	\$ 7,547,001
<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, 2021 and December 31, 2020 was 3.45% and 3.25%, respectively. Debt issuance costs are being amortized to work in progress over the term of the loan.</p>	8,776,362	617,326
<p>Brentwood Gardens - On February 8, 2017, loan issued by Lument (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>	6,532,139	6,731,677
<p>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.</p>	4,250,000	1,807,112
<p>Apple Ridge - On February 8, 2017, loan issued by Lument (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>	4,097,220	4,212,838
<p>YES Hope Village - City of Albuquerque in the original amount of \$4,000,000. The loan is a 360 month forgivable loan ending on August 5, 2052 with 0% interest, secured by apartment project.</p>	3,843,442	1,466,701
<p>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.</p>	3,375,000	3,375,000
<p>Montana Meadows - On February 8, 2017, loan issued by Lument (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>	3,301,366	3,407,334

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	2021	2020
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	\$ 3,041,410	\$ 3,068,580
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 Lument, 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.	2,630,534	2,703,310
Skyview Terrace- on December 17, 2021, Skyview entered into a permanent loan agreement with Rocky Mountain Community Reinvestment Corporation for the amount of \$2,500,000 bearing interest of 4.721% and maturing on January 1, 2038. The Partnership will make interest only payments for the month in which the closing date of loan occurs and the first full month following the month in which the closing date occurs. The permanent loan amortizes over a 480-month period.	2,500,000	-
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.	2,275,549	2,292,665
Nuevo Atrisco- On May 19, 2021, the partnership entered into a permanent loan agreement with Rocky Mountain Community Reinvestment Corporation of \$2,000,000 and bears interest at 5.535% and matures on June 1, 2037. Interest only payments were required until August 1, 2021. Beginning August 1, 2021, monthly payments of principal and interest in the amount of \$10,369 are due until maturity at which time a final balloon payment is due.	1,994,227	-

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	2021	2020
YES Skyview- On December 19, 2019, entered into a loan agreement with the City of Hobbs in the amount of \$1,570,000 and bears an interest of 7.5%. The unpaid principal balance is due on December 31, 2049.	\$ 1,570,000	\$ -
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.	1,533,292	1,548,093
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.	1,379,390	1,393,643
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
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.	1,274,500	1,147,500
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 2021 and 2020 was 6.54%. Interest and principal payments due at the beginning of each month. Loan secured by project.	1,116,413	1,134,397
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	1,000,000
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.	900,000	875,000
Roswell Summit - Mortgage payable to New Mexico Mortgage Finance Authority in monthly installments, bearing interest at 6.00%, matures on December 1, 2043.	709,529	724,623

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	2021	2020
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.	\$ 612,973	\$ 619,947
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.	600,000	540,000
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.	582,500	540,000
Bella Vista - Mortgage loan payable to Pacific Life Insurance Company, bearing interest at 7.93%, monthly payments due until maturity on August 1, 2027.	568,998	583,220
YES Hope Village, LLC- New Mexico Mortgage Finance Authority Home loan in the amount of \$630,000, maturity date of August 5, 2052. The loan is a 384 month forgivable loan with 0% interest, secured by property.	567,000	-
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.	558,333	578,333
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 was made. 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.	500,000	1,000,000
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. At completion of construction, a principal payment of \$500,000 was. 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.	493,949	1,000,000
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 refinance of the Project or until maturity at December 12, 2042.	490,000	490,000

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

Note 7 – Long-Term Debt (continued)

	2021	2020
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.	\$ 452,604	\$ 458,854
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.	451,439	463,003
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.	444,532	456,300
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.	431,004	475,359
YES Hope Village, LLC- Federal Home Loan Bank of Dallas in the amount of \$420,000. Loan is forgivable after 15 years after meeting all eligibility requirements of the Affordable Housing Program.	420,000	-
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.	408,122	420,966
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.	399,365	412,467
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.	397,919	406,243
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.	393,750	405,000

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

	2021	2020
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 refinance 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 refinance of the Project or on maturity at May 1, 2043.	314,343	334,932
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.	260,773	290,323
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
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. Permanent loan commences after this for 360 months.	199,658	223,283
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
Skyview - Construction loan to Wells Fargo Bank, bearing interest at 1.70% plus LIBOR. Interest rate is adjusted monthly. YES can draw up to \$10,200,000. The loan was paid in 2021.	-	8,872,203
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. The loan was paid in 2021.	-	8,614,962
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. The loan was paid in 2021.	-	6,933,268
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. The loan was paid during 2021.	-	1,401,975
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. The loan was paid in 2021.	-	556,556

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

Note 7 – Long-Term Debt (continued)

	2021	2020
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. The loan was paid in 2021.	\$ -	\$ 500,000
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, matured June 22, 2021.	-	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. The loan was paid in 2021.	-	397,917
Roswell Summit - Promissory note payable to the investor limited partner, bearing interest at 3.50% per annum, matured December 2022. Annual payments are due from available cash flows.	-	85,962
Total long-term debt	91,382,278	93,249,998
Less unamortized debt issuance costs	(869,943)	(771,731)
Total long-term debt, net of unamortized debt issuance costs	90,512,335	92,478,267
Less current maturities	(25,199,597)	(19,392,728)
Total long-term debt, net of current maturities	\$ 65,312,738	\$ 73,085,539

Aggregate maturities of long-term debt as of December 31, 2021 are as follows:

Years Ending December 31,	Amount
2022	\$ 25,199,597
2023	1,023,903
2024	1,062,219
2025	1,107,828
2026	3,370,686
Thereafter	59,618,045
Total	\$ 91,382,278

Interest expense incurred related to these notes for the years ended December 31, 2021 and 2020 totaled \$2,313,668 and \$2,091,772, respectively. Accrued interest related to these notes for the years ended December 31, 2021 and 2020 totaled \$754,698 and \$871,696, respectively.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt (continued)

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.

Note 8 – Rental Revenue

In February 2018, YES entered into an agreement to lease one of its buildings. The lease was cancelled in 2021. Rental revenue related to this lease for the years ended December 31, 2021 and 2020 was \$17,446 and \$18,985, respectively. YES entered into a new lease agreement for one of its buildings in June 2022.

Future expected rent revenue is as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2022	\$ 11,700
2023	21,924
2024	<u>11,124</u>
Total	<u>\$ 44,748</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 \$149,808 and \$141,839 to the retirement plan during the years ended December 31, 2021 and 2020, respectively.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 9 – Retirement Plan (continued)

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 \$51,372 and \$55,782 to the retirement plan during the years ended December 31, 2021 and 2020, respectively. The related 457(b) Retirement Plan assets included in restricted investments as of December 31, 2021 and 2020 totaled \$452,428 and \$457,012, respectively (see Note 6).

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, 2021 and 2020 totaled \$9,409 and \$8,348, respectively.

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

Construction Commitments

During 2020, YES entered into construction contracts, plus approved change orders related to Hope Village and Copper Terrace projects totaling \$7,134,755, and \$10,551,332, respectively, of which \$199,419 and \$2,593,165, respectively, was still outstanding of December 31, 2021.

During 2021, YES entered into construction contracts related to Nuevo Atrisco project totaling \$283,423 of which \$99,732 was still outstanding as of December 31, 2021.

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. YES applied for and received forgiveness in April 2020.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 10 – Commitment and Contingencies (continued)

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.

Litigation

YES from time to time may be a party to disputes and legal actions arising in the normal course of business. There are no pending significant legal proceedings to which YES is a party for which management believes the ultimate outcome would have a material adverse effect on YES's financial position or future operating results.

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, 2021, development fees of \$1,506,061, net realized gain on investment of \$49,463, other revenue of \$46,000, interest revenue of \$152,597, other expenses of \$3,216,876, property management fees of \$559,129, and additional smaller amounts have been eliminated.

Additionally, for the year ended December 31, 2021, YES's receivables from affiliates of \$1,684,814, notes receivable from affiliates of \$14,194,188, due to affiliates of \$13,589,488, development fees receivable and payable of \$2,451,662, and accrued interest payable of \$1,063,332 have also been eliminated. Additionally, equity investments of \$14,827,257; property, furniture, and equipment of \$12,049,922; work in progress of \$1,551,811; and various amounts attributable to the 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.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 11 – Consolidation (continued)

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.

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, 2021 and 2020, 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, 2021 and 2020 was \$626,389 and \$554,340, respectively.

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.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 13 – Limited Partnership Purchases (continued)

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. Contributions of \$100 were made during 2021.

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 \$8,923,255 and \$1,087,886 in 2021 and 2020, respectively to the partnership.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 13 – Limited Partnership Purchases (continued)

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 \$1,145,045 and \$825,425 in 2021 and 2020, respectively 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. As of December 31, 2021, all of the activity of Hope Village is included in the Asset Management activity within YES which includes assets of \$9,649,654.

Los Tres Apartments, LLC

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 and payment of the loans between Los Tres Apartments and YES. Loans between Los Tres Apartments, LP and YES Housing of Arizona, Inc. in the amount of \$3,983,323 were paid. Loans, development fees and other fees were paid between Los Tres Apartments, LP and YES in the amount of \$4,647,635. A realized gain of \$250,835 was recorded in the statements of activities.

Otero Village Limited Partnership

On December 20, 2021, YES sold the Otero Village Apartments for \$1,375,000. A gain of \$74,446 was recorded in 2021. YES is expecting to wind-down and close the Limited Partnership in 2022.

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 \$4,925,962 and \$3,345,702 at December 31, 2021 and 2020, respectively. The Board of Directors also held other designated reserves of \$133,163 and \$634,265 at December 31, 2021 and 2020, respectively.

Note 15 – Liquidity and Funds Available

The following table reflects YES's financial assets as of December 31, 2021 and 2020, 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.

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and cash equivalents	\$ 14,332,513	\$ 12,550,316
Accounts and contributions receivable	4,852,903	4,869,042
Investments	<u>17,078,425</u>	<u>8,029,136</u>
Total financial assets	<u>36,263,841</u>	<u>25,448,494</u>
Less those unavailable for general expenditure within one year, due to		
Restricted cash and cash equivalents	(6,277,333)	(5,506,919)
Contributions and accounts receivable collectible beyond one year	(4,405,630)	(4,823,546)
Board designated reserves for future contingencies	<u>(5,059,125)</u>	<u>(3,979,967)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 20,521,753</u>	<u>\$ 11,138,062</u>

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, 2021, the impact due to COVID-19 has not been significant.

Copper Terrace Limited Partnership LP, LLLP

On March 2021, Building A in Copper Terrace Limited Partnership, LLLP was damaged by a fire. Subsequent to year-end, YES collected insurance proceeds receivable of \$552,101.

New Frontier Family Living, LLC

On February 24, 2022, YES repaid the construction loan through the funding of permanent financing.

Mustang Villas LLC

On April 29, 2022, YES entered into an operating agreement for a .01% ownership interest in Mustang Villas LLC.

Supplementary Information

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2021

	General Fund	Payroll	Development Services	Asset Management	Social Services	Solar Villas Brentwood Gardens Grant
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 2,887,003	\$ 8,488	\$ 1,109,109	\$ 171,542	\$ 406,108	\$ -
Restricted Cash and Cash Equivalents	133,163	-	-	-	500	-
Construction Costs Receivable	-	-	112,620	-	-	-
Rents and Miscellaneous Receivables	289	-	63	23,581	37,190	7,759
Prepaid Expenses and Deposits	5,306	-	24,138	6,937	5,805	-
Interfund Receivables	4,978	117,385	-	-	-	-
Total Current Assets	3,030,739	125,873	1,245,930	202,060	449,603	7,759
WORK IN PROGRESS	-	-	-	8,432,188	-	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	845,957	-	259,485	1,196,900	-	-
OTHER ASSETS						
Tax Credit Monitoring Fees, Net	-	-	-	-	-	-
Predevelopment Costs	-	-	373,590	-	-	-
Receivables - Affiliates	1,689,721	-	5,000	616,482	-	-
Notes Receivable - Affiliates	17,194,189	-	-	-	-	-
Notes Receivable	-	-	-	-	364,010	-
Investments in Limited Partnerships	2,076,783	-	-	-	-	-
Investments in Marketable Securities	15,570,068	-	1,508,357	-	-	-
Development Fees Receivable	144,748	-	2,306,914	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	-	-	-
Restricted Investments (457(b) Plan)	452,428	-	-	-	-	-
Total Other Assets	37,127,937	-	4,193,861	616,482	364,010	-
Total Assets	<u>\$ 41,004,633</u>	<u>\$ 125,873</u>	<u>\$ 5,699,276</u>	<u>\$ 10,447,630</u>	<u>\$ 813,613</u>	<u>\$ 7,759</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2021

	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	30,890	900	86,480	187,186	880	-
Accrued Salaries and Payroll Taxes	19,630	124,973	26,374	21,009	17,112	-
Tenant Prepaid Rent	-	-	-	-	-	-
Other Accrued Expenses	1,406	-	67	26,621	30	-
Security Deposits	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Interfund Payables	24,320	-	40,105	30,008	20,506	7,424
Total Current Liabilities	76,246	125,873	153,026	264,824	38,528	7,424
LONG-TERM LIABILITIES						
Due to Affiliates	-	-	-	-	-	-
Deferred AHP Revenue	-	-	-	-	-	-
Development Fee Payable	-	-	-	440,000	-	-
Asset Management Fee Payable	-	-	-	-	-	-
Accrued Interest Payable - Long-Term	-	-	-	-	-	-
Pension Plan Liability	452,428	-	-	-	-	-
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	16,539,500	-	-	9,029,965	-	-
Total Long-Term Liabilities	16,991,928	-	-	9,469,965	-	-
Total Liabilities	17,068,174	125,873	153,026	9,734,789	38,528	7,424
NET ASSETS						
Net assets without donor restrictions	23,936,459	-	5,546,250	712,841	775,085	335
Capital Contribution	-	-	-	-	-	-
Partners' Capital (Deficit)	-	-	-	-	-	-
Net Assets Attributable to YES Housing, Inc. and Affiliates	23,936,459	-	5,546,250	712,841	775,085	335
Noncontrolling Interest	-	-	-	-	-	-
Total Net Assets	23,936,459	-	5,546,250	712,841	775,085	335
Total Liabilities and Net Assets	\$ 41,004,633	\$ 125,873	\$ 5,699,276	\$ 10,447,630	\$ 813,613	\$ 7,759

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2021

	La Hacienda, LLC	Otero Village Apartments, LP	Live Work	YES of Arizona, Inc.	YES Housing Inc. 100% Owned Preconsolidated Subtotal
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 103,660	\$ 15,992	\$ 62,212	\$ 1,000	\$ 4,765,114
Restricted Cash and Cash Equivalents	10,876	16,841	2,100	-	163,480
Construction Costs Receivable	-	-	-	-	112,620
Rents and Miscellaneous Receivables	9,100	14,233	4,144	-	96,359
Prepaid Expenses and Deposits	12,274	-	2,136	40,000	96,596
Interfund Receivables	-	-	-	-	122,363
Total Current Assets	135,910	47,066	70,592	41,000	5,356,532
WORK IN PROGRESS	-	-	-	-	8,432,188
PROPERTY, FURNITURE, AND EQUIPMENT, NET	1,054,879	-	376,825	-	3,734,046
OTHER ASSETS					
Tax Credit Monitoring Fees, Net	-	-	-	-	-
Predevelopment Costs	-	-	-	480,553	854,143
Receivables - Affiliates	-	-	-	-	2,311,203
Notes Receivable - Affiliates	-	-	-	-	17,194,189
Notes Receivable	-	-	-	-	364,010
Investments in Limited Partnerships	-	-	-	84	2,076,867
Investments in Marketable Securities	-	-	-	-	17,078,425
Development Fees Receivable	-	-	-	-	2,451,662
Restricted Cash and Cash Equivalents	294,328	41,773	-	-	336,101
Restricted Investments (457(b) Plan)	-	-	-	-	452,428
Total Other Assets	294,328	41,773	-	480,637	43,119,028
Total Assets	<u>\$ 1,485,117</u>	<u>\$ 88,839</u>	<u>\$ 447,417</u>	<u>\$ 521,637</u>	<u>\$ 60,641,794</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2021

	La Hacienda, LLC	Otero Village 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	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-
Accounts Payable	1,087	1,464	4,453	54,165	367,505
Accrued Salaries and Payroll Taxes	-	-	-	-	209,098
Tenant Prepaid Rent	10,374	-	9,720	-	20,094
Other Accrued Expenses	7,144	746	-	-	36,014
Security Deposits	6,112	-	6,100	-	12,212
Deferred revenue	-	-	-	-	-
Interfund Payables	-	-	-	-	122,363
Total Current Liabilities	24,717	2,210	20,273	54,165	767,286
LONG-TERM LIABILITIES					
Due to Affiliates	-	-	-	-	-
Deferred AHP Revenue	-	-	-	-	-
Development Fee Payable	-	-	-	-	440,000
Asset Management Fee Payable	-	-	-	-	-
Accrued Interest Payable - Long-Term	-	-	-	-	-
Pension Plan Liability	-	-	-	-	452,428
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	2,275,549	-	-	-	27,845,014
Total Long-Term Liabilities	2,275,549	-	-	-	28,737,442
Total Liabilities	2,300,266	2,210	20,273	54,165	29,504,728
NET ASSETS					
Net assets without donor restrictions	(815,149)	86,629	-	467,472	30,709,922
Capital Contribution	-	-	-	-	-
Partners' Capital (Deficit)	-	-	427,144	-	427,144
Net Assets Attributable to YES Housing, Inc. and Affiliates	(815,149)	86,629	427,144	467,472	31,137,066
Noncontrolling Interest	-	-	-	-	-
Total Net Assets	(815,149)	86,629	427,144	467,472	31,137,066
Total Liabilities and Net Assets	\$ 1,485,117	\$ 88,839	\$ 447,417	\$ 521,637	\$ 60,641,794

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2021

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Copper Terrace Limited Partnership LP, LLLP	UR 205 Silver, LLC (Imperial)	Los Tres Apartments, LP	Mesa Del Norte Apartments, LP	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments LP, LLLP
ASSETS									
CURRENT ASSETS									
Cash and Cash Equivalents	\$ 128,425	\$ 11,427	\$ 32,276	\$ 223,410	\$ 97,750	\$ -	\$ 101,167	\$ 119,943	\$ 25,236
Restricted Cash and Cash Equivalents	32,461	34,316	77,395	18,779	61,097	-	21,015	26,825	16,018
Construction Costs Receivable	-	-	-	-	-	-	-	-	-
Rents and Miscellaneous Receivables	15,546	3,965	8,823	597,278	4,678	-	1,676	15,254	1,321
Prepaid Expenses and Deposits	29,687	47,337	40,989	31,436	19,077	-	14,925	36,137	24,989
Interfund Receivables	-	-	-	-	-	-	-	-	-
Total Current Assets	206,119	97,045	159,483	870,903	182,602	-	138,783	198,159	67,564
WORK IN PROGRESS	-	-	-	10,456,659	-	-	1,824	-	3,139
PROPERTY, FURNITURE, AND EQUIPMENT, NET	2,727,885	5,503,824	4,137,951	3,687,321	15,181,180	-	4,184,209	2,517,279	4,316,549
OTHER ASSETS									
Tax Credit Monitoring Fees, Net	-	7,820	-	-	43,384	-	17,351	-	14,251
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	370,570	86,752	330,174	-	342,180	-	226,534	395,427	793,097
Restricted Investments (457(b) Plan)	-	-	-	-	-	-	-	-	-
Total Other Assets	370,570	94,572	330,174	-	385,564	-	243,885	395,427	807,348
Total Assets	<u>\$ 3,304,574</u>	<u>\$ 5,695,441</u>	<u>\$ 4,627,608</u>	<u>\$ 15,014,883</u>	<u>\$ 15,749,346</u>	<u>\$ -</u>	<u>\$ 4,568,701</u>	<u>\$ 3,110,865</u>	<u>\$ 5,194,600</u>

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2021

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Copper Terrace Limited Partnership LP, LLLP	UR 205 Silver, LLC (Imperial)	Los Tres Apartments, LP	Mesa Del Norte Apartments, LP	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments LP, LLLP
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ 121,164	\$ 15,392	\$ 209,109	\$ 9,278,470	\$ 34,514	\$ -	\$ 28,307	\$ 111,354	\$ 41,923
Accrued Interest Payable	-	4,249	26,043	-	6,801	-	2,950	13,930	2,620
Accounts Payable	996	12,952	1,605	672,034	5,651	-	4,849	844	952
Accrued Salaries and Payroll Taxes	-	-	-	-	-	-	-	-	-
Tenant Prepaid Rent	3,612	10,483	5,382	41,912	39,858	-	13,202	8,026	2,938
Other Accrued Expenses	24,739	19,649	73,936	34,264	32,565	-	20,698	34,001	15,993
Security Deposits	22,101	16,523	31,143	15,986	16,560	-	10,300	19,944	10,508
Deferred revenue	-	-	-	-	-	-	-	-	-
Interfund Payables	-	-	-	-	-	-	-	-	-
Total Current Liabilities	172,612	79,248	347,218	10,042,666	135,949	-	80,306	188,099	74,934
LONG-TERM LIABILITIES									
Due to Affiliates	5,027	-	-	560,189	3,583,019	-	-	5,241	-
Deferred AHP Revenue	-	-	-	-	378,000	-	252,000	-	-
Development Fee Payable	-	-	-	825,000	144,748	-	-	-	-
Asset Management Fee Payable	-	12,128	-	43,750	84,632	-	86,951	-	18,267
Accrued Interest Payable - Long-Term	16,335	220,251	-	67,240	944,424	-	23,016	-	-
Pension Plan Liability	-	-	-	-	-	-	-	-	-
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	3,913,018	911,706	6,238,201	1,375,045	1,495,023	-	1,205,862	3,131,690	1,252,297
Total Long-Term Liabilities	3,934,380	1,144,085	6,238,201	2,871,224	6,629,846	-	1,567,829	3,136,931	1,270,564
Total Liabilities	4,106,992	1,223,333	6,585,419	12,913,890	6,765,795	-	1,648,135	3,325,030	1,345,498
NET ASSETS									
Net assets without donor restrictions	-	-	-	-	-	-	-	-	-
Capital Contribution	-	-	-	100	-	-	-	-	-
Partners' Capital (Deficit)	(802,418)	4,472,108	(1,957,811)	2,100,893	8,983,551	-	2,920,566	(214,165)	3,849,102
Net Assets Attributable to YES Housing, Inc. and Affiliates	(802,418)	4,472,108	(1,957,811)	2,100,993	8,983,551	-	2,920,566	(214,165)	3,849,102
Noncontrolling Interest	-	-	-	-	-	-	-	-	-
Total Net Assets	(802,418)	4,472,108	(1,957,811)	2,100,993	8,983,551	-	2,920,566	(214,165)	3,849,102
Total Liabilities and Net Assets	\$ 3,304,574	\$ 5,695,441	\$ 4,627,608	\$ 15,014,883	\$ 15,749,346	\$ -	\$ 4,568,701	\$ 3,110,865	\$ 5,194,600

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2021

	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	\$ 435,136	\$ 187,058	\$ 179,780	\$ 48,901	\$ 141,501	\$ 177,582	\$ 380,380	\$ 90,537	\$ -	\$ 7,145,623
Restricted Cash and Cash Equivalents	30,950	25,253	132,419	14,854	56,120	142,558	19,854	36,163	-	909,557
Construction Costs Receivable	-	-	-	-	-	-	-	-	(28,600)	84,020
Rents and Miscellaneous Receivables	-	7,932	7,868	6,817	14,146	3,293	7,478	11,350	(25,300)	778,484
Prepaid Expenses and Deposits	56,366	59,554	56,688	27,454	56,651	43,746	27,206	24,323	-	693,161
Interfund Receivables	-	-	-	-	-	-	-	-	(122,363)	-
Total Current Assets	522,452	279,797	376,755	98,026	268,418	367,179	434,918	162,373	(176,263)	9,610,845
WORK IN PROGRESS	-	-	219,475	-	-	-	-	-	(1,551,811)	17,561,474
PROPERTY, FURNITURE, AND EQUIPMENT, NET	17,627,249	10,604,827	16,668,720	2,899,713	14,865,359	15,394,360	8,494,074	1,805,905	(12,049,922)	122,300,529
OTHER ASSETS										
Tax Credit Monitoring Fees, Net	163,682	44,183	70,611	1,792	86,964	69,401	40,252	-	-	559,691
Predevelopment Costs	-	-	-	-	-	-	-	-	-	854,143
Receivables - Affiliates	-	-	-	-	-	-	-	-	(1,684,814)	626,389
Notes Receivable - Affiliates	-	-	-	-	-	-	-	-	(14,194,189)	3,000,000
Notes Receivable	-	-	-	-	-	-	-	-	-	364,010
Investments in Limited Partnerships	-	-	-	-	-	-	-	-	(1,225,524)	851,343
Investments in Marketable Securities	-	-	-	-	-	-	-	-	-	17,078,425
Development Fees Receivable	-	-	-	-	-	-	-	-	(2,451,662)	-
Restricted Cash and Cash Equivalents	-	403,238	559,622	97,744	418,900	579,744	1,127,951	209,299	-	6,277,333
Restricted Investments (457(b) Plan)	-	-	-	-	-	-	-	-	-	452,428
Total Other Assets	163,682	447,421	630,233	99,536	505,864	649,145	1,168,203	209,299	(19,556,189)	30,063,762
Total Assets	\$ 18,313,383	\$ 11,332,045	\$ 17,895,183	\$ 3,097,275	\$ 15,639,641	\$ 16,410,684	\$ 10,097,195	\$ 2,177,577	\$ (33,334,185)	\$ 179,536,610

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2021

	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	\$ 14,974,170	\$ 38,360	\$ 55,032	\$ 16,023	\$ 35,867	\$ 73,168	\$ 90,870	\$ 75,874	\$ -	\$ 25,199,597
Accrued Interest Payable	26,331	6,858	10,433	4,236	-	15,295	6,087	9,333	-	135,166
Accounts Payable	1,222	3,538	19,725	919	7,009	7,202	3,851	1,343	(33,600)	1,078,597
Accrued Salaries and Payroll Taxes	-	-	-	-	-	-	-	-	-	209,098
Tenant Prepaid Rent	9,296	46,875	16,024	3,224	49,822	12,213	2,140	3,249	-	288,350
Other Accrued Expenses	83,122	25,625	201,594	21,488	66,106	43,105	13,082	30,258	-	776,239
Security Deposits	30,950	18,660	22,275	9,843	23,305	22,680	13,291	14,664	-	310,945
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Interfund Payables	-	-	-	-	-	-	-	-	(122,363)	-
Total Current Liabilities	15,125,091	139,916	325,083	55,733	182,109	173,663	129,321	134,721	(155,963)	27,997,992
LONG-TERM LIABILITIES										
Due to Affiliates	-	1,158,444	4,264,500	169,644	1,570,000	2,263,521	5,045	4,858	(13,589,488)	-
Deferred AHP Revenue	-	-	-	-	-	-	-	-	(630,000)	-
Development Fee Payable	1,374,201	-	855,412	-	296,502	-	-	-	(2,451,662)	1,484,201
Asset Management Fee Payable	-	5,940	64,000	266,893	30,000	32,888	23,346	-	(616,483)	52,312
Accrued Interest Payable - Long-Term	-	-	-	374,908	83,884	499	-	-	(1,063,332)	667,225
Pension Plan Liability	-	-	-	-	-	-	-	-	-	452,428
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	-	2,131,245	2,881,426	1,161,077	3,475,055	3,694,273	2,133,920	2,467,886	-	65,312,738
Total Long-Term Liabilities	1,374,201	3,295,629	8,065,338	1,972,522	5,455,441	5,991,181	2,162,311	2,472,744	(18,350,965)	67,968,904
Total Liabilities	16,499,292	3,435,545	8,390,421	2,028,255	5,637,550	6,164,844	2,291,632	2,607,465	(18,506,928)	95,966,896
NET ASSETS										
Net assets without donor restrictions	-	-	-	-	-	-	-	-	(14,838,735)	15,871,187
Capital Contribution	1,145,045	-	8,143,297	-	8,923,255	-	-	-	(18,211,597)	100
Partners' Capital (Deficit)	669,046	7,896,500	1,361,465	1,069,020	1,078,836	10,245,840	7,805,563	(429,888)	(48,249,828)	1,225,524
Net Assets Attributable to YES Housing, Inc. and Affiliates	1,814,091	7,896,500	9,504,762	1,069,020	10,002,091	10,245,840	7,805,563	(429,888)	(81,300,160)	17,096,811
Noncontrolling Interest	-	-	-	-	-	-	-	-	66,472,903	66,472,903
Total Net Assets	1,814,091	7,896,500	9,504,762	1,069,020	10,002,091	10,245,840	7,805,563	(429,888)	(14,827,257)	83,569,714
Total Liabilities and Net Assets	\$ 18,313,383	\$ 11,332,045	\$ 17,895,183	\$ 3,097,275	\$ 15,639,641	\$ 16,410,684	\$ 10,097,195	\$ 2,177,577	\$ (33,334,185)	\$ 179,536,610

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

	General Fund	Payroll	Development Services	Asset Management	Social Services	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	1,862,202	100,069	1,760,464	9,471	398,125	12,544
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	34,535,937	-	1,980,827	612,012	442,596	-
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>\$ 12,544</u>

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

	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	\$ 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	473,243	100,069	227,048	54,532	44,824	12,209
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	15,299,512	-	3,273,813	-	-	-
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	21,501,716	-	4,415,334	722,819	795,897	335
Noncontrolling Interest	-	-	-	-	-	-
Total Net Assets	21,501,716	-	4,415,334	722,819	795,897	335
Total Liabilities and Net Assets	\$ 37,274,471	\$ 100,069	\$ 7,916,195	\$ 777,351	\$ 840,721	\$ 12,544

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
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	99,094	36,726	195,859	32,794	11,027	4,518,375
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	290,407	46,360	-	-	2,493,969	40,402,108
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
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	14,749	59,921	29,257	19,289	-	1,035,141
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	2,292,665	923,932	166,602	-	1,867,731	23,824,255
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	(766,106)	363,855	-	364,922	637,265	28,036,037
Noncontrolling Interest	-	-	-	-	-	-
Total Net Assets	(766,106)	363,855	-	364,922	637,265	28,036,037
Total Liabilities and Net Assets	\$ 1,541,308	\$ 1,347,708	\$ 195,859	\$ 384,211	\$ 2,504,996	\$ 52,895,433

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

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Copper Terrace Limited Partnership LP, LLLP	UR 205 Silver, LLC (Imperial)	Los Tres Apartments, LP	Mesa del Norte Apartments, LP	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments LP, 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
December 31, 2020

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Copper Terrace Limited Partnership LP, LLLLP	UR 205 Silver, LLC (Imperial)	Los Tres Apartments, LP	Mesa del Norte Apartments, LP	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments LP, LLLLP
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
December 31, 2020

	New Frontier	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	\$ 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
December 31, 2020

	New Frontier	New Leaf Community, LLL	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	\$ -	\$ 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 Activities
December 31, 2021

	General Fund	Payroll	Development Services	Asset Management	Social Services	Solar Villas Brentwood Gardens Grant
REVENUES AND OTHER SUPPORT						
Rent	\$ -	\$ -	\$ -	\$ 17,445	\$ -	\$ -
Contribution Revenue	5	-	40,000	-	17,302	66,295
Development Fees	-	-	1,529,400	-	-	-
Interest	657,934	-	21,791	-	6,030	-
Net Unrealized/Realized Gain (Loss) on Investments	1,060,370	-	(9,130)	-	-	-
Net realized gain (loss) on Capital Investments	(358,408)	-	-	-	-	-
Other Revenue	35	-	2,500	-	59,500	-
Property Management Fees	-	-	-	564,964	-	-
Construction Management Fees	-	-	45,750	-	-	-
Operating Transfers, Net	1,691,629	-	-	318,702	191,595	-
Total Revenue and Other Support	3,051,565	-	1,630,311	901,111	274,427	66,295
PERSONNEL EXPENSES						
Salaries and Wages	401,600	-	601,236	523,781	166,882	-
Payroll Taxes	28,403	-	45,550	42,347	14,222	-
Employee Benefits	121,617	-	174,672	193,404	54,644	-
Total Personnel Expenses	551,620	-	821,458	759,532	235,748	-
OTHER EXPENSES						
Depreciation and Amortization	100,009	-	-	4,891	-	-
Donations Expense	12,515	-	-	-	-	-
Duplication and Publishing	1,674	-	1,862	1,941	1,018	-
Equipment	112	-	3,032	5,027	1,238	-
Insurance	5,987	-	10,060	7,883	6,276	-
Interest	3,489	-	-	-	-	-
Loss on Disposal of Assets	(80)	-	(863,992)	20	-	-
Other Expenses	8,027	-	27,733	27,409	10,589	-
Predevelopment/Development Costs	-	-	-	-	-	-
Professional Fees	64,580	-	23,114	43,733	26,426	-
Property Management	-	-	-	-	-	-
Property Taxes	-	-	4,491	5,841	962	-
Rent	-	-	-	-	-	-
Repairs and Maintenance	3,302	-	15,992	39,491	3,086	-
Social Services	-	-	-	-	5,414	66,295
Telephone and Utilities	2,874	-	9,766	16,031	4,102	-
Training	949	-	701	3,867	274	-
Travel	22	-	2,893	6,804	106	-
Operating Transfers, Net	-	-	442,285	-	-	-
Total Other Expenses	203,460	-	(322,063)	162,938	59,491	66,295
Total Expenses	755,080	-	499,395	922,470	295,239	66,295
CHANGE IN NET ASSETS	2,296,485	-	1,130,916	(21,359)	(20,812)	-
Net Assets and Partners' Capital - Beginning of Year	21,501,716	-	4,415,334	722,819	795,897	335
Capital Contributions	-	-	-	11,381	-	-
Redemption of interest in Los Tres Apartments, LP	-	-	-	-	-	-
Distributions	138,258	-	-	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ 23,936,459	\$ -	\$ 5,546,250	\$ 712,841	\$ 775,085	\$ 335

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities
December 31, 2021

	La Hacienda, LLC	Otero Village Apartments, LP	Live Work	YES of Arizona, Inc.	YES Housing Inc. 100% Owned Preconsolidated Subtotal
REVENUES AND OTHER SUPPORT					
Rent	\$ 159,385	\$ 252,250	\$ 56,830	\$ -	\$ 485,910
Contribution Revenue	-	-	-	-	123,602
Development Fees	-	-	-	(23,339)	1,506,061
Interest	104	22	1	-	685,882
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	1,051,240
Net realized gain (loss) on Capital Investments	-	-	-	1,512,878	-
Other Revenue	2,205	18,879	1,489	-	84,608
Property Management Fees	-	-	-	245,000	809,964
Construction Management Fees	-	-	-	-	45,750
Operating Transfers, Net	-	-	-	-	2,201,926
Total Revenue and Other Support	161,694	271,151	58,320	1,734,539	8,149,413
PERSONNEL EXPENSES					
Salaries and Wages	31,432	47,689	-	-	1,772,620
Payroll Taxes	5,515	5,042	-	-	141,079
Employee Benefits	-	-	-	-	544,337
Total Personnel Expenses	36,947	52,731	-	-	2,458,036
OTHER EXPENSES					
Depreciation and Amortization	98,129	101,096	12,597	-	316,722
Donations Expense	-	-	-	-	12,515
Duplication and Publishing	-	-	-	-	6,495
Equipment	-	-	-	-	9,409
Insurance	17,945	22,270	1,961	-	72,382
Interest	-	48,529	-	-	52,018
Loss on Disposal of Assets	-	(74,446)	-	-	(938,498)
Other Expenses	6,381	165,535	11,640	551	257,865
Predevelopment/Development Costs	-	-	-	-	-
Professional Fees	2,272	2,868	1,156	140,365	304,514
Property Management	19,500	17,229	3,252	-	39,981
Property Taxes	3,822	9,925	3,318	-	28,359
Rent	-	-	-	-	-
Repairs and Maintenance	8,605	48,109	-	-	118,585
Social Services	-	562	-	-	72,271
Telephone and Utilities	17,136	15,711	790	-	66,410
Training	-	-	-	-	5,791
Travel	-	-	-	3,775	13,600
Operating Transfers, Net	-	-	-	1,759,641	2,201,926
Total Other Expenses	173,790	357,388	34,714	1,904,332	2,640,345
Total Expenses	210,737	410,119	34,714	1,904,332	5,098,381
CHANGE IN NET ASSETS	(49,043)	(138,968)	23,606	(169,793)	3,051,032
Net Assets and Partners' Capital - Beginning of Year	(766,106)	363,855	364,922	637,265	28,036,037
Capital Contributions	-	-	38,616	-	49,997
Redemption of interest in Los Tres Apartments, LP	-	-	-	-	-
Distributions	-	(138,258)	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ (815,149)	\$ 86,629	\$ 427,144	\$ 467,472	\$ 31,137,066

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities
December 31, 2021

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Copper Terrace Limited Partnership LP, LLLP	UR 205 Silver, LLC (Imperial)	Los Tres Apartments, LP	Mesa Del Norte Apartments, LP	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments LP, LLLP
REVENUES AND OTHER SUPPORT									
Rent	\$ 842,170	\$ 413,230	\$ 1,205,752	\$ 600,805	\$ 568,712	\$ -	\$ 353,331	\$ 778,827	\$ 362,474
Contribution Revenue	62,752	-	-	-	-	-	-	61,486	69,706
Development Fees	-	-	-	-	-	-	-	-	-
Interest	131	50	119	4	40	-	74	90	332
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	-	-	-	-
Net realized gain (loss) on Capital Investments	-	-	-	-	-	-	-	-	-
Other Revenue	3,095	7,285	14,117	12,165	26,014	-	5,603	7,239	2,029
Property Management Fees	-	-	-	-	-	-	-	-	-
Construction Management Fees	-	-	-	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	-	-	-	-
Total Revenue and Other Support	908,148	420,565	1,219,988	612,974	594,766	-	359,008	847,642	434,541
PERSONNEL EXPENSES									
Salaries and Wages	63,216	72,102	95,993	93,126	70,916	-	40,259	65,957	67,900
Payroll Taxes	14,697	19,800	18,420	17,319	7,309	-	5,782	14,923	21,098
Employee Benefits	-	-	-	-	-	-	-	-	-
Total Personnel Expenses	77,913	91,902	114,413	110,445	78,225	-	46,041	80,880	88,998
OTHER EXPENSES									
Depreciation and Amortization	188,052	342,100	244,970	85,887	464,715	-	222,825	156,482	165,270
Donations Expense	-	-	-	-	-	-	-	-	-
Duplication and Publishing	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Insurance	33,077	52,473	43,002	7,703	48,386	-	16,603	33,483	27,726
Interest	207,228	71,869	327,627	134,740	260,179	-	41,087	177,905	34,250
Loss on Disposal of Assets	-	706	617	122,279	-	-	-	463	-
Other Expenses	13,350	12,675	22,630	30,649	22,570	-	18,366	17,543	14,654
Predevelopment/Development Costs	-	-	-	-	-	-	-	-	-
Professional Fees	10,553	11,970	17,133	21,583	13,738	-	12,117	11,501	12,540
Property Management	61,450	84,409	80,078	70,491	44,568	-	103,850	45,246	48,787
Property Taxes	19,933	12,276	55,421	-	10,944	-	17,449	28,803	11,400
Rent	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	38,309	53,234	112,443	79,947	92,134	-	41,521	65,973	40,966
Social Services	68,751	6,000	6,000	-	10,342	-	25	67,486	69,706
Telephone and Utilities	55,747	57,183	63,384	107,989	60,880	-	37,301	45,312	14,024
Training	375	90	-	195	110	-	281	195	230
Travel	-	-	-	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	-	-	-	-
Total Other Expenses	696,825	704,985	973,305	661,463	1,028,566	-	511,425	650,392	439,553
Total Expenses	774,738	796,887	1,087,718	771,908	1,106,791	-	557,466	731,272	528,551
CHANGE IN NET ASSETS	133,410	(376,322)	132,270	(158,934)	(512,025)	-	(198,458)	116,370	(94,010)
Net Assets and Partners' Capital - Beginning of Year	(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
Capital Contributions	-	-	-	100	-	-	-	-	-
Redemption of interest in Los Tres Apartments, LP	-	-	-	-	-	2,162,023	-	-	-
Distributions	(185,471)	(5,220)	(160,431)	-	-	-	(6,974)	(127,535)	(1,279)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ (802,418)	\$ 4,472,108	\$ (1,957,811)	\$ 2,100,993	\$ 8,983,551	\$ -	\$ 2,920,566	\$ (214,165)	\$ 3,849,102

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities
December 31, 2021

	New Frontier	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
REVENUES AND OTHER SUPPORT										
Rent	\$ 397,042	\$ 656,252	\$ 781,175	\$ 366,808	\$ 498,662	\$ 956,571	\$ 517,070	\$ 566,912	\$ -	\$ 10,351,703
Contribution Revenue	-	-	23,864	29,177	-	-	59,357	59,272	-	489,216
Development Fees	-	-	-	-	-	-	-	-	(1,506,061)	-
Interest	-	72	15	42	9	46	375	62	(152,597)	534,746
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	-	-	-	-	1,051,240
Net realized gain (loss) on Capital Investments	-	-	-	-	-	-	-	-	49,463	1,203,933
Other Revenue	49,884	21,533	24,605	4,178	16,028	16,405	4,550	2,888	(46,000)	256,226
Property Management Fees	-	-	-	-	-	-	-	-	(559,129)	250,835
Construction Management Fees	-	-	-	-	-	-	-	-	(45,750)	-
Operating Transfers, Net	-	-	-	-	-	-	-	-	(2,201,926)	-
Total Revenue and Other Support	446,926	677,857	829,659	400,205	514,699	973,022	581,352	629,134	(4,462,000)	14,137,899
PERSONNEL EXPENSES										
Salaries and Wages	64,483	70,192	72,629	59,051	73,789	75,767	48,406	47,235	-	2,853,641
Payroll Taxes	18,899	15,515	18,790	9,403	23,374	8,051	15,879	12,688	-	383,026
Employee Benefits	-	-	-	-	-	-	-	-	-	544,337
Total Personnel Expenses	83,382	85,707	91,419	68,454	97,163	83,818	64,285	59,923	-	3,781,004
OTHER EXPENSES										
Depreciation and Amortization	144,555	345,148	505,585	148,653	351,831	535,899	307,426	105,285	(386,087)	4,245,318
Donations Expense	-	-	-	-	-	-	-	-	-	12,515
Duplication and Publishing	-	-	-	-	-	-	-	-	-	6,495
Equipment	-	-	-	-	-	-	-	-	-	9,409
Insurance	25,676	61,089	64,499	30,628	53,500	55,546	29,544	28,929	-	684,246
Interest	172,521	91,117	191,515	91,371	248,521	189,519	43,123	131,695	(152,597)	2,313,688
Loss on Disposal of Assets	-	-	-	-	-	-	-	142	-	(814,291)
Other Expenses	68,150	20,576	103,267	19,871	68,023	24,348	14,619	10,882	-	740,038
Predevelopment/Development Costs	-	-	-	-	-	-	-	-	-	-
Professional Fees	12,000	13,407	8,774	14,073	15,202	13,906	12,479	10,553	-	516,043
Property Management	28,533	43,947	99,889	66,464	60,210	167,278	59,747	70,028	(430,266)	744,690
Property Taxes	1,480	27,529	41,394	14,257	25,251	55,479	29,267	17,836	-	397,078
Rent	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	13,126	75,962	64,435	40,595	30,494	76,555	33,682	33,019	-	1,010,980
Social Services	-	232	12,000	35,177	-	6,061	59,357	59,272	(46,000)	426,680
Telephone and Utilities	53,388	57,029	66,770	22,937	40,536	156,022	27,342	31,593	-	963,847
Training	594	-	90	98	-	-	185	98	-	8,332
Travel	-	-	-	2,871	-	-	-	-	-	16,471
Operating Transfers, Net	-	-	-	-	-	-	-	-	(2,201,926)	-
Total Other Expenses	520,023	736,036	1,158,218	486,995	893,568	1,280,613	616,771	499,332	(3,216,876)	11,281,539
Total Expenses	603,405	821,743	1,249,637	555,449	990,731	1,364,431	681,056	559,255	(3,216,876)	15,062,543
CHANGE IN NET ASSETS	(156,479)	(143,886)	(419,978)	(155,244)	(476,032)	(391,409)	(99,704)	69,879	(1,245,124)	(924,644)
Net Assets and Partners' Capital - Beginning of Year	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
Capital Contributions	1,145,045	-	8,143,297	-	8,923,255	-	-	-	(38,716)	18,222,978
Redemption of interest in Los Tres Apartments, LP	-	-	-	-	-	-	-	-	-	2,162,023
Distributions	-	-	-	-	-	(6,892)	-	(94,781)	63,026	(525,557)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ 1,814,091	\$ 7,896,500	\$ 9,504,762	\$ 1,069,020	\$ 10,002,091	\$ 10,245,840	\$ 7,805,563	\$ (429,888)	\$ (14,827,257)	\$ 83,569,714

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	2,334,503	-	2,789,848	907,810	315,447	1,609	72,727
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	558,488	-	822,865	753,306	236,143	-	-
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	-	-	-	-	-	-
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	2,594,994	-	109,883	107,200	54,935	-	72,392
Total Expenses	3,153,482	-	932,748	860,506	291,078	-	72,392
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
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	164,011	227,359	1,595,681	5,597	1,030,325	9,444,917
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	39,157	59,601	106,012	-	-	2,575,572
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	178,532	320,021	106,785	4,421	110,005	3,659,168
Total Expenses	217,689	379,622	212,797	4,421	110,005	6,234,740
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	\$ (766,106)	\$ 363,855	\$ -	\$ 364,922	\$ 637,265	\$ 28,036,037

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

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Copper Terrace Limited Partnership LP, LLLP	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	908,317	413,190	1,199,012	76,624	543,404	3,227,869	345,647
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	84,625	80,480	110,597	16,503	80,490	481,726	57,019
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	685,967	645,114	953,366	72,080	988,956	2,475,888	465,587
Total Expenses	770,592	725,594	1,063,963	88,583	1,069,446	2,957,614	522,606
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	\$ (750,357)	\$ 4,853,650	\$ (1,929,650)	\$ 2,259,827	\$ 9,495,576	\$ (2,162,023)	\$ 3,125,998

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

	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments LP, LLLP	New Frontier	New Leaf Community, LLLP	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	834,615	444,534	-	659,559	99,628	424,900	10,216
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	91,510	87,544	-	108,021	44,476	61,185	13,390
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	665,108	436,242	-	778,871	353,826	462,818	28,886
Total Expenses	756,618	523,786	-	886,892	398,302	524,003	42,276
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	\$ (203,000)	\$ 3,944,391	\$ 825,525	\$ 8,040,386	\$ 1,781,443	\$ 1,224,264	\$ 1,554,868

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities
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	961,136	577,387	630,802	(6,811,406)	13,990,351
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	87,730	71,510	71,188	-	4,123,566
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	1,226,695	598,202	499,277	(3,748,443)	11,247,608
Total Expenses	1,314,425	669,712	570,465	(3,748,443)	15,371,174
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	\$ 10,644,141	\$ 7,905,267	\$ (404,986)	\$ (13,606,443)	\$ 64,634,914

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*

The 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 of YES Housing, Inc. and Affiliates (YES), which comprise the consolidated statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, , and have issued our report thereon dated July 19, 2022.

YES'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 LP, LLLP, Roswell Summit Apartments, LP, and Nuevo Atrisco Apartments, LP, LLLP (the Partnerships) which received \$59,272, \$61,486, \$59,357, \$62,752, \$69,706, \$29,177 and \$23,864, 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered YES'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of YES's internal control. Accordingly, we do not express an opinion on the effectiveness of YES'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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether YES's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 results 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 19, 2022