



Report of Independent Auditors
and Consolidated Financial Statements
with Supplementary Information

YES Housing, Inc. and Affiliates

December 31, 2022 and 2021

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YES Housing, Inc. and Affiliates
Official Roster (Unaudited)
December 31, 2022

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, 2022 and 2021, 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, 2022 and 2021, 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 \$154,781,838, as of December 31, 2022, and total revenues of \$11,547,203, for the year 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 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, and total revenues of \$10,450,486, for the year 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.

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 financial position and consolidating statements of activities are presented for purposes of additional analysis and are 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 financial position and consolidating statements of activities are 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 August 11, 2023 on our consideration of Yes Housing, Inc. and Affiliates' 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 Affiliates' 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 Affiliates' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Albuquerque, New Mexico
August 11, 2023

Consolidated Financial Statements

YES Housing, Inc. and Affiliates
Consolidated Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,721,130	\$ 7,145,623
Restricted cash and cash equivalents	1,236,289	909,557
Construction costs receivable	-	84,020
Rents and miscellaneous receivables	327,065	778,484
Prepaid expenses and deposit	824,561	693,161
Total current assets	13,109,045	9,610,845
WORK IN PROGRESS	10,642,294	17,561,474
PROPERTY, FURNITURE, AND EQUIPMENT, NET	133,258,857	122,300,529
OTHER ASSETS		
Tax credit monitoring fees, net of accumulated amortization	504,548	559,691
Predevelopment costs	952,413	854,143
Receivables - affiliates	698,390	626,389
Notes receivable - affiliates	3,000,000	3,000,000
Notes receivable	290,846	364,010
Investments in limited partnerships	851,299	851,343
Investments in marketable securities	14,349,411	17,078,425
Restricted cash and cash equivalents	6,148,900	6,277,333
Restricted investments (457(b) Plan)	435,241	452,428
Total other assets	27,231,048	30,063,762
TOTAL ASSETS	\$ 184,241,244	\$ 179,536,610

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ 21,735,108	\$ 25,199,597
Accrued interest payable	215,803	135,166
Accounts payable	3,417,605	1,078,597
Accrued salaries and payroll taxes	285,230	209,098
Tenant prepaid rent	460,924	288,350
Other accrued expenses	499,554	776,239
Security deposits	330,759	310,945
Total current liabilities	26,944,983	27,997,992
LONG-TERM LIABILITIES		
Development fee payable	-	1,484,201
Asset management fee payable	64,577	52,312
Accrued interest payable - long-term	728,195	667,225
Pension plan liability	435,241	452,428
Long-term debt, less current maturities and net of unamortized debt issuance costs	61,867,438	65,312,738
Total long-term liabilities	63,095,451	67,968,904
Total liabilities	90,040,434	95,966,896
NET ASSETS		
Without donor restrictions	13,529,229	17,096,811
Net assets attributable to YES Housing, Inc. and Affiliates	13,529,229	17,096,811
Noncontrolling interest	80,671,581	66,472,903
Total net assets	94,200,810	83,569,714
TOTAL LIABILITIES AND NET ASSETS	\$ 184,241,244	\$ 179,536,610

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Activities
Years Ended December 31, 2022 and 2021

	2022	2021
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and revenue		
Rent, net	\$ 11,677,496	\$ 10,351,703
Contribution revenue	883,014	489,216
Interest	449,531	534,746
Net unrealized/realized (loss) gain on investments	(2,205,877)	1,051,240
Net realized gain on capital investments	-	1,203,933
Other revenue	398,194	256,226
Property management fees	-	250,835
	11,202,358	14,137,899
Expenses		
Program	16,115,215	14,307,463
General and administrative	766,457	755,080
	16,881,672	15,062,543
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(5,679,314)	(924,644)
CHANGE IN NET ASSETS ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(2,094,974)	(2,347,802)
CHANGE IN NET ASSETS ATTRIBUTABLE TO YES HOUSING, INC.	\$ (3,584,340)	\$ 1,423,158

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2022 and 2021

	<u>Without Donor Restrictions</u>	<u>Non-Controlling Interest</u>	<u>Total</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	17,096,811	66,472,903	83,569,714
Capital contributions	16,758	16,785,690	16,802,448
Distributions	-	(492,038)	(492,038)
Change in net assets	<u>(3,584,340)</u>	<u>(2,094,974)</u>	<u>(5,679,314)</u>
BALANCE, December 31, 2022	<u>\$ 13,529,229</u>	<u>\$ 80,671,581</u>	<u>\$ 94,200,810</u>

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (3,584,340)	\$ 1,423,158
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Loss (gain) on disposal of assets	142,409	(814,291)
Depreciation and amortization	4,844,565	4,245,318
Net realized and unrealized loss (gain) on investments	2,205,877	(1,051,240)
Reinvested dividends and interest	187,790	(238,621)
Non-controlling interest	(2,094,974)	(2,347,802)
Changes in assets and liabilities		
Receivable - affiliates	(72,001)	(72,049)
Construction costs receivable	84,020	92,345
Rents and miscellaneous receivables	451,419	(532,190)
Prepaid expenses and deposit	(131,400)	(54,921)
Tax credit monitoring fees	13,060	(248,833)
Predevelopment costs	(98,270)	(829,921)
Accrued interest payable	141,607	47,693
Accounts payable	2,339,008	(1,537,430)
Accrued salaries and payroll taxes	76,132	18,736
Tenant prepaid rent	172,574	110,928
Other accrued expenses	(276,685)	212,181
Security deposits	19,814	(35,024)
	8,004,945	(3,035,121)
Total adjustments		
Net cash provided by (used in) operating activities	\$ 4,420,605	\$ (1,611,963)

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Cash Flows
December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances on notes receivable	\$ 12,265	\$ (67,765)
Payments received on notes receivable	73,164	528,033
Proceeds from sales of property and equipment	1,462,728	2,792,170
Purchases of investments	(11,001,627)	(10,817,528)
Proceeds from sales of investments	11,337,018	2,558,123
Payment on development fee	(1,484,201)	911,993
Redemption of interest in Los Tres	-	2,162,023
Purchases of property and equipment	(8,058,396)	(4,307,573)
Purchases for work in progress	(12,538,565)	(6,096,805)
	(20,197,614)	(12,337,329)
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	15,689,304	28,489,973
Payment on loans	(12,448,899)	(30,455,905)
Capital contribution	16,802,448	18,222,978
Distribution	(492,038)	(525,557)
	19,550,815	15,731,489
Net cash provided by financing activities		
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	3,773,806	1,782,197
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of year	14,332,513	12,550,316
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of year	\$ 18,106,319	\$ 14,332,513
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 2,230,127	\$ 2,368,772
SUPPLEMENTAL DISCLOSURE OF NON-CASH FLOW INFORMATION		
Assignment of Hope Village Assets to HopeWorks	\$ (10,150,194)	\$ -
Assignment of Hope Village Liabilities to HopeWorks	\$ 10,150,194	\$ -
CASH AND CASH EQUIVALENTS	\$ 10,721,130	\$ 7,145,623
RESTRICTED CASH AND CASH EQUIVALENTS, current	1,236,289	909,557
RESTRICTED CASH AND CASH EQUIVALENTS, non-current	6,148,900	6,277,333
TOTAL CASH AND CASH EQUIVALENTS	\$ 18,106,319	\$ 14,332,513

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Functional Expenses
Year Ended December 31, 2022

	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 2,719,282	\$ 398,852	\$ 3,118,134
Payroll taxes	385,306	28,132	413,438
Employee benefits	431,201	123,937	555,138
Total personnel expenses	3,535,789	550,921	4,086,710
Depreciation and amortization	4,747,418	97,147	4,844,565
Donations expense	-	4,750	4,750
Duplication and publishing	2,398	2,147	4,545
Equipment	13,021	1,324	14,345
Insurance	805,927	6,394	812,321
Interest	2,310,764	-	2,310,764
Gain on disposal of assets	142,409	-	142,409
Other expenses	(285,944)	28,624	(257,320)
Professional fees	584,160	67,757	651,917
Property management	553,205	-	553,205
Property taxes	368,237	-	368,237
Repairs and maintenance	1,625,514	3,887	1,629,401
Social services	641,905	-	641,905
Telephone and utilities	1,030,531	2,775	1,033,306
Training	20,600	632	21,232
Travel	19,281	99	19,380
Total other expenses	12,579,426	215,536	12,794,962
Total expenses	\$ 16,115,215	\$ 766,457	\$ 16,881,672

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Functional Expenses
Year Ended December 31, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
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
Total personnel expenses	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
Total other expenses	11,078,079	203,460	11,281,539
Total expenses	\$ 14,307,463	\$ 755,080	\$ 15,062,543

See accompanying notes.

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: Hope Village, LLC; Otero Village Apartments, LP; YES Bella Vista, LLC; YES Copper Terrace, LLC; YES Imperial, LLC; YES La Hacienda, LLC; YES Live Work, LLC; YES Mesa Del Norte Apartments, LLC; YES Mountain View Apartments, LLC; YES Mustang Villas, LLC; YES New Leaf Community, LLC; YES NSP, LLC; YES Nuevo Atrisco, LLC; YES Nuevo Atrisco Retail, LLC; YES Roswell Summit Apartments, LLC; YES Skyview Terrace; YES Solar Villa Apartments, LLC; YES Sunset Hills Apartments, LLC; and YES West Berry, LLC.

Additionally, YES owns limited liability companies whose sole activity consists of General Partner ownership interests ranging from 10% to 0.01% or less of various limited partnerships, which are also consolidated as they meet the consolidation requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810-20-25. These general partnership (GP) investments are: New Leaf Community 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. The Partnership Agreement was executed on August 1, 2022. All material intercompany transactions have been eliminated.

During 2021, YES Mustang Villas, LLC was formed to serve as the general partner of Mustang Villas LP, LLLP. The Partnership Agreement was executed on April 29, 2022. All material intercompany transactions have been eliminated.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

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, 2022 and 2021 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, 2022 and 2021, there were no amounts recorded in the allowance for doubtful accounts. Historical uncollectible receivables have not been material to the consolidated financial statements.

YES participates in a Neighborhood Stabilization Program (NSP) with other non-profit organizations for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Under the NSP, organizations are provided grants with the intention to purchase, redevelop, and sell residential properties. Any organization in violation or noncompliance of the grant agreement is required to repay the grant amounts in full. YES participates in the NSP as YES NSP, LLC, which was created for the renovation and sale of homes under the NSP. As a participant of the NSP, YES loaned amounts to YES NSP, LLC from the NSP grant awards and recorded such loans as notes receivable from YES NSP, LLC. As YES has fully met all obligations and compliance matters under the NSP grant and expect the remaining members of the consortium to comply with the grant agreement. As of December 31, 2022 and 2021, YES recorded an allowance of \$99,758 and \$139,395, respectively, against the entirety of the notes receivable from YES NSP, LLC resulting in a net balance of zero.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

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, 2022 and 2021.

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, 2022 and 2021.

Financial instruments and credit risk – YES manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions YES believes to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, YES has not experienced losses in any of these accounts. Subsequent to year end, several banks in the United States were closed, and the Federal Deposit Insurance Corporation (FDIC) has been appointed as receiver. If any of the financial institutions with whom YES does business were to be placed into receivership, YES may be unable to access the cash it has on deposit with such institutions. If YES is unable to access its cash and cash equivalents as needed, its financial position and ability to operate could be adversely affected.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

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.

Rental Revenue recognition – Rental income is shown at its maximum gross potential. Rental income is derived from rental rates subject to HUD approval. Vacancy loss is shown as a reduction in rental income. The Company recognized revenue for services under resident agreements in accordance with the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) (Topic 842), *Leases*, which is recognized as the services are performed. Revenue is recognized as earned when rental is invoiced. Other income includes fees for late payments, cleaning, damages, laundry facilities, and other charges, and is recorded when earned.

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, 2022 and 2021. As a result, YES did not recognize federal and state income tax for the years ended December 31, 2022 and 2021.

Apple Ridge Apartments, LP; Bella Vista Townhomes, LP; Brentwood Gardens Apartments, LP; Copper Terrace Limited Partnership LP, LLLP; Gallup Sunset Hills LP, LLLP; Los Tres Apartments, LP; Mesa Del Norte Apartments LP, LLLP; Montana Meadows Apartments, LP; Mustang Villas LP, LLLP; New Frontier Family Living, LLC; New Leaf Community LP, LLLP; Nuevo Atrisco Apartments LP, LLLP; Otero Village Apartments, LP; Roswell Summit Apartments, LP; Skyview Terrace LP, LLLP; Solar Villa Apartments LP, LLLP; UR 205 Silver, LLC; West Berry Senior Apartments LP, LLLP; Wildewood Apartments, LP; YES Deming Mountain View Apartments LP, LLLP; and YES La Hacienda, 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, 2022 and 2021.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

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. YES has evaluated and adopted this standard for the year ended December 31, 2022, and determined it has no material financial statement impact.

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 August 11, 2023, 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.

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

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

	<u>2022</u>	<u>2021</u>
Replacement reserve	\$ 3,279,204	\$ 3,394,087
Operating deficit reserve	2,745,353	2,491,202
Debt service reserve	62,864	59,649
Escrow deposits	170,046	341,507
Other	437,234	428,447
Security deposits	343,722	338,335
Money market fund	346,266	133,163
OCS grant	<u>500</u>	<u>500</u>
 Total	 <u>\$ 7,385,189</u>	 <u>\$ 7,186,890</u>
 Current restricted cash and cash equivalents	 \$ 1,236,289	 \$ 909,557
Long-term restricted cash and cash equivalents	<u>6,148,900</u>	<u>6,277,333</u>
 Total	 <u>\$ 7,385,189</u>	 <u>\$ 7,186,890</u>

The money market fund had an amount of \$346,266 and \$133,163 as of December 31, 2022 and 2021, 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>2022</u>	<u>2021</u>
Buildings	\$ 141,451,473	\$ 143,665,839
Buildings/land improvements	26,145,602	9,831,728
Furniture and equipment	<u>9,350,672</u>	<u>7,145,955</u>
	176,947,747	160,643,522
Less accumulated depreciation	<u>(53,960,563)</u>	<u>(47,984,882)</u>
	122,987,184	112,658,640
Land	<u>10,271,673</u>	<u>9,641,889</u>
Property, furniture, and equipment, net	<u>\$ 133,258,857</u>	<u>\$ 122,300,529</u>

Depreciation expense for the years ended December 31, 2022 and 2021 totaled \$4,844,565 and \$4,245,318, respectively.

Work in progress on the accompanying consolidated statement of financial position is stated at cost and is not depreciated. The balances of \$10,642,294 and \$17,561,474 consisted of costs capitalized related to construction projects and various property improvements in progress as of December 31, 2022 and 2021, respectively. Significant construction projects relate to the development of the Mustang Villas, West Berry, 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 Mustang Villas project began in 2022 and is expected to be completed in 2023. The construction and development of the property for the West Berry project began in 2022 and is expected to be completed in 2024. The construction and development of the property for the Copper Terrace project began in 2020 and is expected to be completed in 2023. 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:

	2022	2021
<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, 2022 and 2021 was \$698,390 and \$626,390, respectively.	\$ 3,000,000	\$ 3,000,000
<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.	\$ 290,846	\$ 364,010

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:

	2022	2021
Tax credit monitoring fees	\$ 821,228	\$ 827,012
Less accumulated amortization	(316,680)	(267,321)
Total	\$ 504,548	\$ 559,691

Amortization expense for the years ended December 31, 2022 and 2021 totaled \$55,143 and \$42,083, respectively.

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.

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

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.

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

	2022			Total
	Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments in				
Marketable securities				
Mutual funds				
Growth funds	\$ 2,864,055	\$ -	\$ -	\$ 2,864,055
Bond funds	6,191,462	-	-	6,191,462
Value funds	4,054,722	-	-	4,054,722
Emerging Markets	1,239,172	-	-	1,239,172
Subtotal	14,349,411	-	-	14,349,411
Restricted				
Investments (457(b) Plan)				
Mutual funds				
Growth funds	139,330	-	-	139,330
Bond funds	104,150	-	-	104,150
Value funds	148,948	-	-	148,948
Fixed income	7,530	-	-	7,530
Growth and Value funds	35,283	-	-	35,283
Subtotal	435,241	-	-	435,241
Total	<u>\$ 14,784,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,784,652</u>

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

	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>

A summary of return on investments consists of the following for the years ended December 31, 2022 and 2021:

	2022	2021
Net realized (loss) gain	\$ (423,750)	\$ 3,947
Net unrealized (loss) gain	(1,782,127)	1,047,293
	<u>\$ (2,205,877)</u>	<u>\$ 1,051,240</u>

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt

	2022	2021
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.	\$ -	\$ 14,998,518
Copper Terrace- On November 17, 2020, 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%. In accordance with the amended loan agreement, the construction loan maturity date was extended to 2/17/2023. The Partnership has exercised option to extend the loan to 9/17/2023. The interest rate on December 31, 2022 and 2021 was 6.45% and 3.45%, respectively. Debt issuance costs are being amortized to work in progress over the term of the loan.	12,405,549	8,776,362
Mustang Villas- Construction loan to Wells Fargo, bearing interest at SOFR plus 2.00%. Interest rate is adjusted monthly. YES can draw up to \$14,511,887. The loan is due April 2024.	6,402,114	-
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.	6,323,030	6,532,139
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.	-	4,250,000
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.	3,976,056	4,097,220
New Frontier- On February 24, 2022, permanent loan issued by Rocky Mountain CRC in the amount of \$3,900,000. The loan amortizes over 330 months and matures on March 1, 2038. The loan bears interest at 4.991% per annum.	3,855,124	-
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.	-	3,843,442
YES Imperial - City of Albuquerque Workforce Housing Trust Funds note payable bearing interest at 3.50% per annum, secured by the property, matures on January 1, 2072.	3,375,000	3,375,000
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.	3,190,012	3,301,366

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

	2022	2021
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	\$ 3,012,584	\$ 3,041,410
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.	3,362,401	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.	2,554,660	2,630,534
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.	2,482,072	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.	2,258,560	2,275,549
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.	1,979,818	1,994,227
YES Housing -On August 20, 2021, Yes Housing entered into a line of credit with Bank of America for \$10,000,000 with no maturity date. The loan is subject to variable interest rates with an interest rate of 5.82444% at December 31, 2022.	1,618,562	-
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	1,570,000

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

	2022	2021
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.	\$ 1,517,926	\$ 1,533,292
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.	1,364,405	1,379,390
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.	1,274,000	1,274,500
YES West Berry- New Mexico Department of Aging and Long Term Services promissory note, bearing interest at 4% per annum, secured by the property, matures on December 31, 2053	1,229,111	-
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.	1,097,325	1,116,413
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.	901,000	900,000
Roswell Summit - Mortgage payable to New Mexico Mortgage Finance Authority in monthly installments, bearing interest at 6.00%, matures on December 1, 2043.	693,507	709,529

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

	2022	2021
West Berry - Mortgage loan payable to the New Mexico Mortgage Finance Authority through a HOME agreement, non-interest bearing for the first 24 months, monthly payments to begin on September 1, 2024, secured by the mortgage encumbering the Project, matures on September 1, 2064.	\$ 630,000	\$ -
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.	605,752	612,973
Skyview Terrace - Note payable to New Mexico Mortgage Finance Authority (HOME), non-interest bearing note. Principal payments made monthly, beginning January 1, 2022; matures December 1, 2059.	592,500	600,000
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.	552,500	582,500
Bella Vista - Mortgage loan payable to Pacific Life Insurance Company, bearing interest at 7.93%, monthly payments due until maturity on August 1, 2027.	553,606	568,998
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 - Note payable to New Mexico Mortgage Finance Authority (HOME), non-interest bearing note. Principal payments made monthly, beginning December 1, 2019; matures November 1, 2049.	538,333	558,333
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.	489,561	500,000
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 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.	483,325	493,949
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

	2022	2021
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.	\$ 446,355	\$ 452,604
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.	439,523	451,439
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.	432,406	444,532
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.	385,300	431,004
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.	394,888	408,122
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.	385,823	399,365
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.	389,096	397,919
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.	382,500	393,750
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

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

	2022	2021
YES West Berry- Community Development Block Grant Coronavirus promissory note, bearing interest at 4% per annum, secured by the property, matures on December 31, 2053	\$ 370,589	\$ -
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
West Berry - New Mexico Mortgage Finance Authority (HTF), 3.00% interest, maturity date August 2054. YES can draw up to \$1,000,000. Interest only payments until completion of construction of the West Berry project. Thereafter, the loan amortizes on a 360-month term with monthly principal and interest payments. Note is secured by a mortgage.	364,913	-
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.	293,128	314,343
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.	230,924	260,773
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.	175,316	199,658
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
Westberry - Construction loan to Wells Fargo, bearing interest at SOFR plus 2.15%. Interest rate is adjusted monthly. YES can draw up to \$7,865,000. The loan is due August 2024.	1,676	-
Total long-term debt	84,816,955	91,382,278
Less unamortized debt issuance costs	(1,214,409)	(869,943)
Total long-term debt, net of unamortized debt issuance costs	83,602,546	90,512,335
Less current maturities	(21,735,108)	(25,199,597)
Total long-term debt, net of current maturities	\$ 61,867,438	\$ 65,312,738

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

Aggregate maturities of long-term debt as of December 31, 2022 are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2023	\$ 21,735,108
2024	1,139,477
2025	1,202,743
2026	3,483,756
2027	10,075,263
Thereafter	<u>47,180,608</u>
Total	<u>\$ 84,816,955</u>

Interest expense incurred related to these notes for the years ended December 31, 2022 and 2021 totaled \$2,425,450 and \$2,313,668, respectively. Accrued interest related to these notes for the years ended December 31, 2022 and 2021 totaled \$215,803 and \$754,698, respectively.

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. YES entered into a new lease agreement for one of its buildings in June 2022. Rental revenue related to this lease for the years ended December 31, 2022 and 2021 was \$11,700 and \$17,446, respectively.

Future expected rent revenue is as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2023	\$ 51,924
2024	<u>11,124</u>
Total	<u>\$ 63,048</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.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

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 \$158,565 and \$149,808 to the retirement plan during the years ended December 31, 2022 and 2021, respectively.

During fiscal year 2007, YES adopted a 457(b) Retirement Plan wherein the employer contributes 10% of eligible participants' bi-weekly gross pay, which is accrued on YES's consolidated statement of financial position until the employee is eligible for retirement. Designated members of Senior Management (President/CEO, Senior Vice President/Chief Financial Officer/Chief Operating Officer, and Senior Vice President of Development) are eligible employees for participation in this plan. This plan is subject to credit risk. YES contributed \$54,292 and \$51,372 to the retirement plan during the years ended December 31, 2022 and 2021, respectively. The related 457(b) Retirement Plan assets included in restricted investments as of December 31, 2022 and 2021 totaled \$435,241 and \$452,428, 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, 2022 and 2021 totaled \$13,975 and \$9,409, respectively.

Future lease obligations are \$2,965 for year 2023, \$3,558 for years 2024 through 2026, and \$4,151 for year 2027.

Construction commitments – During 2020, YES entered into construction contracts, plus approved change orders related to Copper Terrace projects totaling \$13,891,411, respectively, of which \$887,027 was still outstanding of December 31, 2022.

During 2022, YES entered into construction contracts, plus approved change orders related to West Berry and Mustang Villas totaling \$13,090,645 and \$12,123,761, respectively, of which \$10,275,306 and \$6,869,165, respectively, was still outstanding as of December 31, 2022.

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.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

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, 2022, development fees of \$3,254,872, other revenue of \$50,497, interest revenue of \$267,283, other expenses of \$733,725, property management fees of \$559,642, and additional smaller amounts have been eliminated.

Additionally, for the year ended December 31, 2022, YES's receivables from affiliates of \$2,209,777, notes receivable from affiliates of \$15,889,753, due to affiliates of \$15,367,774, development fees receivable and payable of \$2,964,297, and accrued interest payable of \$1,330,464 have also been eliminated. Additionally, equity investments of \$17,467,682; property, furniture, and equipment of \$12,985,233; work in progress of \$3,264,872; and various amounts attributable to the 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.

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, 2022 and 2021, 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, 2022 and 2021 was \$698,390 and \$626,389, respectively.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 13 – Limited Partnership Purchases

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 100-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 per the agreement, the limited partner provided a capital contribution of \$1,158,393 and \$100 in 2022 and 2021, respectively, to the partnership.

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 \$314,443 and \$8,923,255 in 2022 and 2021, respectively, to the partnership.

New Frontier Family Living, LLC – The New Frontier Family Living, LLC (New Frontier) was formed as a limited liability corporation under the laws of the State of Arizona for the purpose of acquiring, constructing, owning, operating, holding for investment, leasing, and selling an affordable housing project located in Phoenix, Arizona by and among YES Housing of Arizona, Inc., an Arizona nonprofit corporation, as a member and New Frontier MM, LLC, an Arizona limited liability corporation, as the managing member on March 14, 2019. On March 25, 2020, the operating agreement was amended by and among YES Housing of Arizona, Inc., LLC, as the withdrawing member and sole member of the managing member, New Frontier MM, LLC, as managing member, Bank of America, N.A., a national banking association, as the investor member, and Banc of America CDC Special Holding Company, Inc., a North Carolina corporation, as the special member. The partnership's formation included the plans to construct an apartment complex eligible for low-income housing tax credits (LIHTC). As part of the amended agreement, New Frontier MM, LLC, contributed \$100 for a 0.01% interest. Additionally, the investor member will contribute \$14,783,495 for a 99.99% interest throughout the construction and loan conversion phase of the project. As per the agreement, the limited partner contributed \$12,661,640 and \$1,145,045 in 2022 and 2021, respectively, for admission to the partnership.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

West Berry Senior Apartments, LLLP – West Berry Senior Apartments, LLLP (West Berry) 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 August 4, 2021, by and among YES West Berry Senior Apartments, LLC, a New Mexico limited liability company, as general partner, and USA Institutional West Berry LLC. as the limited partner.. The partnership's formation included the plans to construct an apartment complex eligible for low-income housing tax credits (LIHTC). As part of the agreement, YES West Berry Senior Apartments, LLC, will contribute \$100 for a 0.01% interest. Additionally, the investor member will contribute \$9,347,041 for a 99.99% interest throughout the construction and loan conversion phase of the project. As per the agreement, the limited partner contributed \$1,402,056 in 2022 for admission to the partnership.

Mustang Villas, LLC – Mustang Villas, LLC (Mustang Villas) 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 New Mexico by and among YES Housing, Inc., an Arizona nonprofit corporation, as a member, and Yes Mustang Villas LLC, an Arizona limited liability corporation, as the managing member, on April 29, 2022. The partnership's formation included the plans to construct an apartment complex eligible for low-income housing tax credits (LIHTC). As part of the agreement, YES Mustang Villas LLC contributed \$100 for a 0.01% interest. Additionally, the investor member will contribute \$12,563,538 for a 99.99% interest throughout the construction and loan conversion phase of the project. As per the agreement, the limited partner contributed \$643,154 in 2022 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, and YES' portion was paid in full in 2022. YES transferred its interest in Hope Village on December 21, 2022, including all assets and debt.

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 in 2021.

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 closed out the Limited Partnership in 2022.

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

Note 14 – Net Assets Without Donor Restrictions

Return objectives and risk parameters – YES has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the quasi-endowments while not eroding the future purchasing power of the quasi-endowment assets. Quasi-endowment assets include assets designated by the board, plus earnings that have been reinvested. Under the board-approved investment policy, endowment assets are invested in a manner intended to produce a rate of return in excess of the rate of inflation, while assuming a moderate level of investment risk.

Spending policy and how investment objectives relate to spending policy – The Board of Directors may approve spending from time to time to meet operational or emergency needs. Appropriations from the fund, if approved, shall be made from accumulated earnings. Accordingly, over the long term, YES expects the current spending policy to allow its quasi-endowment to grow. This is consistent with YES' objective to produce moderate growth sufficient to support current and future program objectives.

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 \$4,049,478 and \$4,925,962 at December 31, 2022 and 2021, respectively. The Board of Directors also held other designated reserves of \$346,266 and \$133,163 at December 31, 2022 and 2021, respectively.

Note 15 – Liquidity and Funds Available

The following table reflects YES's financial assets as of December 31, 2022 and 2021, 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>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents	\$ 18,106,319	\$ 14,332,513
Accounts and contributions receivable	4,316,301	4,852,903
Investments	<u>14,349,411</u>	<u>17,078,425</u>
Total financial assets	<u>36,772,031</u>	<u>36,263,841</u>
Less those unavailable for general expenditure within one year, due to		
Restricted cash and cash equivalents	(6,148,900)	(6,277,333)
Contributions and accounts receivable collectible beyond one year	(3,989,236)	(4,405,630)
Board designated reserves for future contingencies	<u>(4,395,744)</u>	<u>(5,059,125)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 22,238,151</u>	<u>\$ 20,521,753</u>

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 16 – Subsequent Events

Roswell Summit Apartments, LP – On January 1, 2023, the Partners entered into an assignment and assumption agreement wherein the Investor Limited Partner and Special Limited Partner sold their interest in the Partnership to an affiliate of the General Partner.

Copper Terrace Limited Partnership, LLLP – On February 17, 2023, the Partnership extended the construction loan period until May 17, 2023. The construction loan was converted to a permanent loan on July 13, 2023.

On February 14, 2023, the Partnership entered into a loan agreement with YES in the amount of \$1,800,000 (the ARPA Loan). The ARPA loan bears interest at 0.50% compounding annually and beginning in January 2024, is payable out of cash flows as defined in the Partnership Agreement.

In April 2023, the Project suffered fire damage impacting two units. Management estimates the cost to repair the affected units to be approximately \$250,000 of which \$225,000 is expected to be covered by insurance proceeds.

Supplementary Information

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2022

	General Fund	Payroll	Development Services	Asset Management	Social Services	Solar Villas Brentwood Gardens Grant
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 3,388,751	\$ 50,528	\$ 1,301,476	\$ -	\$ 490,310	\$ -
Restricted Cash and Cash Equivalents	346,266	-	-	-	500	-
Construction Costs Receivable	-	-	19,355	-	-	-
Rents and Miscellaneous Receivables	32,297	-	8,378	-	145,082	8,096
Prepaid Expenses and Deposits	5,167	-	74,377	8,195	7,289	-
Interfund Receivables	5,627	124,921	1,163	1,110	1,299	75
Total Current Assets	3,778,108	175,449	1,404,749	9,305	644,480	8,171
WORK IN PROGRESS	-	-	-	-	-	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	775,013	-	1,905,339	150,479	-	-
OTHER ASSETS						
Tax Credit Monitoring Fees, Net	-	-	-	-	-	-
Predevelopment Costs	-	-	952,413	-	-	-
Receivables - Affiliates	2,028,854	-	7,500	867,646	-	-
Notes Receivable - Affiliates	18,778,467	-	111,286	-	-	-
Notes Receivable	-	-	-	-	290,846	-
Investments in Limited Partnerships	2,068,012	-	-	-	-	-
Investments in Marketable Securities	13,183,558	-	1,165,853	-	-	-
Development Fees Receivable	107,416	-	1,737,243	-	-	-
Restricted Cash and Cash Equivalents	-	-	-	-	-	-
Restricted Investments (457(b) Plan)	435,241	-	-	-	-	-
Total Other Assets	36,601,548	-	3,974,295	867,646	290,846	-
Total Assets	\$ 41,154,669	\$ 175,449	\$ 7,284,383	\$ 1,027,430	\$ 935,326	\$ 8,171
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ -	\$ -	\$ 1,618,561	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	8,127	-	-	-
Accounts Payable	206	2,726	24,865	2,785	1,160	-
Accrued Salaries and Payroll Taxes	13,805	168,577	59,650	19,622	23,576	-
Tenant Prepaid Rent	-	-	-	-	-	-
Other Accrued Expenses	23,593	-	1	-	16,740	-
Security Deposits	-	-	-	1,800	-	-
Deferred Revenue	-	-	-	-	-	-
Interfund Payables	23,677	4,146	43,239	28,796	26,498	7,841
Total Current Liabilities	61,281	175,449	1,754,443	53,003	67,974	7,841
LONG-TERM LIABILITIES						
Due to Affiliates	-	-	-	-	-	-
Deferred AHP Revenue	-	-	-	-	-	-
Development Fee Payable	-	-	-	-	-	-
Asset Management Fee Payable	-	-	-	-	-	-
Accrued Interest Payable - Long-Term	-	-	-	-	-	-
Pension Plan Liability	435,241	-	-	-	-	-
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	18,511,101	-	-	-	-	-
Total Long-Term Liabilities	18,946,342	-	-	-	-	-
Total Liabilities	19,007,623	175,449	1,754,443	53,003	67,974	7,841
NET ASSETS						
Net assets without donor restrictions	22,147,046	-	5,529,940	974,427	867,352	330
Capital Contribution	-	-	-	-	-	-
Partners' Capital (Deficit)	-	-	-	-	-	-
Net Assets Attributable to YES Housing, Inc. and Affiliates	22,147,046	-	5,529,940	974,427	867,352	330
Noncontrolling Interest	-	-	-	-	-	-
Total Net Assets	22,147,046	-	5,529,940	974,427	867,352	330
Total Liabilities and Net Assets	\$ 41,154,669	\$ 175,449	\$ 7,284,383	\$ 1,027,430	\$ 935,326	\$ 8,171

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2022

	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	\$ 142,347	\$ -	\$ 56,838	\$ 1,009	\$ 5,431,259
Restricted Cash and Cash Equivalents	4,567	-	6,604	-	357,937
Construction Costs Receivable	-	-	-	735	20,090
Rents and Miscellaneous Receivables	150	-	-	-	194,003
Prepaid Expenses and Deposits	12,139	-	2,303	-	109,470
Interfund Receivables	-	-	-	-	134,195
Total Current Assets	159,203	-	65,745	1,744	6,246,954
WORK IN PROGRESS	-	-	-	-	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	996,385	-	365,922	-	4,193,138
OTHER ASSETS					
Tax Credit Monitoring Fees, Net	-	-	-	-	-
Predevelopment Costs	-	-	-	-	952,413
Receivables - Affiliates	-	-	-	4,167	2,908,167
Notes Receivable - Affiliates	-	-	-	-	18,889,753
Notes Receivable	-	-	-	-	290,846
Investments in Limited Partnerships	-	-	-	132	2,068,144
Investments in Marketable Securities	-	-	-	-	14,349,411
Development Fees Receivable	-	-	-	1,119,638	2,964,297
Restricted Cash and Cash Equivalents	260,015	-	-	-	260,015
Restricted Investments (457(b) Plan)	-	-	-	-	435,241
Total Other Assets	260,015	-	-	1,123,937	43,118,287
Total Assets	<u>\$ 1,415,603</u>	<u>\$ -</u>	<u>\$ 431,667</u>	<u>\$ 1,125,681</u>	<u>\$ 53,558,379</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ -	\$ -	\$ -	\$ -	\$ 1,618,561
Accrued Interest Payable	-	-	-	-	8,127
Accounts Payable	579	-	411	-	32,732
Accrued Salaries and Payroll Taxes	-	-	-	-	285,230
Tenant Prepaid Rent	8,758	-	1,630	-	10,388
Other Accrued Expenses	6,782	-	6,972	-	54,088
Security Deposits	5,792	-	6,600	-	14,192
Deferred Revenue	-	-	-	-	-
Interfund Payables	-	-	-	-	134,197
Total Current Liabilities	21,911	-	15,613	-	2,157,515
LONG-TERM LIABILITIES					
Due to Affiliates	-	-	-	-	-
Deferred AHP Revenue	-	-	-	-	-
Development Fee Payable	-	-	-	-	-
Asset Management Fee Payable	-	-	-	-	-
Accrued Interest Payable - Long-Term	-	-	-	-	-
Pension Plan Liability	-	-	-	-	435,241
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	2,258,560	-	-	-	20,769,661
Total Long-Term Liabilities	2,258,560	-	-	-	21,204,902
Total Liabilities	2,280,471	-	15,613	-	23,362,417
NET ASSETS					
Net assets without donor restrictions	(864,868)	-	-	1,125,681	29,779,908
Capital Contribution	-	-	-	-	-
Partners' Capital (Deficit)	-	-	416,054	-	416,054
Net Assets Attributable to YES Housing, Inc. and Affiliates	(864,868)	-	416,054	1,125,681	30,195,962
Noncontrolling Interest	-	-	-	-	-
Total Net Assets	(864,868)	-	416,054	1,125,681	30,195,962
Total Liabilities and Net Assets	<u>\$ 1,415,603</u>	<u>\$ -</u>	<u>\$ 431,667</u>	<u>\$ 1,125,681</u>	<u>\$ 53,558,379</u>

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	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	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments LP, LLLP
ASSETS								
CURRENT ASSETS								
Cash and Cash Equivalents	\$ 104,036	\$ 83,739	\$ 82,420	\$ 402,390	\$ 105,218	\$ 204,462	\$ 98,855	\$ 40,241
Restricted Cash and Cash Equivalents	26,423	31,454	42,771	27,354	65,996	13,821	26,628	15,169
Construction Costs Receivable	-	-	-	-	-	-	-	-
Rents and Miscellaneous Receivables	12,404	2,954	7,722	28,310	18,380	1,386	9,433	8,835
Prepaid Expenses and Deposits	39,915	52,409	57,699	61,103	19,222	22,178	49,220	28,847
Interfund Receivables	-	-	-	-	-	-	-	-
Total Current Assets	182,778	170,556	190,612	519,157	208,816	241,847	184,136	93,092
WORK IN PROGRESS	-	-	-	2,563,625	-	-	-	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	2,586,904	5,185,646	4,035,181	17,413,533	14,777,171	3,982,920	2,427,147	4,168,603
OTHER ASSETS								
Tax Credit Monitoring Fees, Net	-	3,266	-	-	35,969	14,748	-	11,401
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	381,322	65,969	196,528	-	335,030	235,540	382,346	805,963
Restricted Investments (457(b) Plan)	-	-	-	-	-	-	-	-
Total Other Assets	381,322	69,235	196,528	-	370,999	250,288	382,346	817,364
Total Assets	\$ 3,151,004	\$ 5,425,437	\$ 4,422,321	\$ 20,496,315	\$ 15,356,986	\$ 4,475,055	\$ 2,993,629	\$ 5,079,059
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ 126,976	\$ 16,657	\$ 219,139	\$ 12,926,557	\$ 32,541	\$ 29,237	\$ 117,013	\$ 43,237
Accrued Interest Payable	15,852	4,162	25,210	-	37,590	2,877	13,460	2,512
Accounts Payable	81	828	3,254	314,849	2,346	2,784	906	124
Accrued Salaries and Payroll Taxes	-	-	-	-	-	-	-	-
Tenant Prepaid Rent	1,994	51,689	10,824	36,872	34,752	70,167	4,902	1,328
Other Accrued Expenses	25,947	22,930	47,100	18,083	24,193	14,497	32,328	18,636
Security Deposits	22,826	16,879	31,966	26,232	16,512	11,450	20,557	11,710
Deferred Revenue	-	-	-	-	-	-	-	-
Interfund Payables	-	-	-	-	-	-	-	-
Total Current Liabilities	193,676	113,145	337,493	13,322,593	147,934	131,012	189,166	77,547
LONG-TERM LIABILITIES								
Due to Affiliates	6,935	-	-	576,612	3,583,019	-	7,726	8,115
Deferred AHP Revenue	-	-	-	-	378,000	252,000	-	-
Development Fee Payable	-	-	-	1,137,000	107,416	-	-	-
Asset Management Fee Payable	-	22,895	-	84,950	100,875	135,676	-	21,558
Accrued Interest Payable - Long-Term	-	240,316	-	150,582	1,036,744	25,536	-	-
Pension Plan Liability	-	-	-	-	-	-	-	-
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	3,798,443	896,114	6,035,750	1,379,992	1,468,482	1,179,350	3,026,150	1,211,250
Total Long-Term Liabilities	3,805,378	1,159,325	6,035,750	3,329,136	6,674,536	1,592,562	3,033,876	1,240,923
Total Liabilities	3,999,054	1,272,470	6,373,243	16,651,729	6,822,470	1,723,574	3,223,042	1,318,470
NET ASSETS								
Net assets without donor restrictions	-	-	-	-	-	-	-	-
Capital Contribution	-	-	-	1,158,393	-	-	-	-
Partners' Capital (Deficit)	(848,050)	4,152,967	(1,950,922)	2,686,193	8,534,516	2,751,481	(229,413)	3,760,589
Net Assets Attributable to YES Housing, Inc. and Affiliates	(848,050)	4,152,967	(1,950,922)	3,844,586	8,534,516	2,751,481	(229,413)	3,760,589
Noncontrolling Interest	-	-	-	-	-	-	-	-
Total Net Assets	(848,050)	4,152,967	(1,950,922)	3,844,586	8,534,516	2,751,481	(229,413)	3,760,589
Total Liabilities and Net Assets	\$ 3,151,004	\$ 5,425,437	\$ 4,422,321	\$ 20,496,315	\$ 15,356,986	\$ 4,475,055	\$ 2,993,629	\$ 5,079,059

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	New Frontier	New Leaf Community, LLLLP	Nuevo Atrisco Apartments, LP	Roswell Summit Apartments, LP	Skyview Terrace, LP, LLLP	Solar Villa Apartments, LP, LLLP
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 677,356	\$ 151,206	\$ 426,783	\$ 54,598	\$ 154,065	\$ 170,939
Restricted Cash and Cash Equivalents	314,125	29,968	39,845	13,330	49,819	140,988
Construction Costs Receivable	-	-	-	-	-	-
Rents and Miscellaneous Receivables	4,707	3,989	36,167	23,981	2,572	2,368
Prepaid Expenses and Deposits	45,200	66,157	59,168	37,087	61,191	50,547
Interfund Receivables	-	-	-	-	-	-
Total Current Assets	1,041,388	251,320	561,963	128,996	267,647	364,842
WORK IN PROGRESS	-	26,439	-	-	-	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	17,007,237	10,287,359	16,590,264	2,766,219	14,409,241	14,865,018
OTHER ASSETS						
Tax Credit Monitoring Fees, Net	157,721	39,319	65,444	-	77,842	63,617
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	-	425,878	584,483	113,582	440,986	611,671
Restricted Investments (457(b) Plan)	-	-	-	-	-	-
Total Other Assets	157,721	465,197	649,927	113,582	518,828	675,288
Total Assets	<u>\$ 18,206,346</u>	<u>\$ 11,030,315</u>	<u>\$ 17,802,154</u>	<u>\$ 3,008,797</u>	<u>\$ 15,195,716</u>	<u>\$ 15,905,148</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ 70,171	\$ 39,495	\$ 56,173	\$ 17,012	\$ 40,720	\$ 75,662
Accrued Interest Payable	16,034	6,766	9,132	4,182	10,989	15,150
Accounts Payable	771	5,080	4,185	5,675	4,337	13,243
Accrued Salaries and Payroll Taxes	-	-	-	-	-	-
Tenant Prepaid Rent	12,066	58,366	56,024	4,221	85,863	10,720
Other Accrued Expenses	49,817	37,239	13,687	21,579	14,845	40,618
Security Deposits	32,000	19,644	21,325	11,038	23,983	22,507
Deferred Revenue	-	-	-	-	-	-
Interfund Payables	-	-	-	-	-	-
Total Current Liabilities	180,859	166,590	160,526	63,707	180,737	177,900
LONG-TERM LIABILITIES						
Due to Affiliates	-	1,018,911	4,636,401	172,308	1,466,981	2,213,615
Deferred AHP Revenue	-	-	-	-	-	-
Development Fee Payable	301,767	-	354,957	-	-	-
Asset Management Fee Payable	8,333	5,940	110,646	288,766	55,900	77,317
Accrued Interest Payable - Long-Term	-	-	1,208	403,892	199,943	438
Pension Plan Liability	-	-	-	-	-	-
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	3,755,113	2,093,132	2,829,950	1,146,072	3,436,748	3,620,995
Total Long-Term Liabilities	4,065,213	3,117,983	7,933,162	2,011,038	5,159,572	5,912,365
Total Liabilities	4,246,072	3,284,573	8,093,688	2,074,745	5,340,309	6,090,265
NET ASSETS						
Net assets without donor restrictions	-	-	-	-	-	-
Capital Contribution	12,661,640	-	456,079	-	314,443	-
Partners' Capital (Deficit)	1,298,634	7,745,742	9,252,387	934,052	9,540,964	9,814,883
Net Assets Attributable to YES Housing, Inc. and Affiliates	13,960,274	7,745,742	9,708,466	934,052	9,855,407	9,814,883
Noncontrolling Interest	-	-	-	-	-	-
Total Net Assets	13,960,274	7,745,742	9,708,466	934,052	9,855,407	9,814,883
Total Liabilities and Net Assets	<u>\$ 18,206,346</u>	<u>\$ 11,030,315</u>	<u>\$ 17,802,154</u>	<u>\$ 3,008,797</u>	<u>\$ 15,195,716</u>	<u>\$ 15,905,148</u>

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	Gallup Sunset Hills Apartments, LP	Wildewood Apartments, LP	Mustang Villas	West Berry	Eliminations	Total
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 426,802	\$ 86,027	\$ 791,373	\$ 1,229,361	\$ -	\$ 10,721,130
Restricted Cash and Cash Equivalents	18,973	21,688	-	-	-	1,236,289
Construction Costs Receivable	-	-	-	-	(20,090)	-
Rents and Miscellaneous Receivables	70,881	7,728	-	-	(108,755)	327,065
Prepaid Expenses and Deposits	32,069	33,079	-	-	-	824,561
Interfund Receivables	-	-	-	-	(134,195)	-
Total Current Assets	548,725	148,522	791,373	1,229,361	(263,040)	13,109,045
WORK IN PROGRESS	-	-	7,380,240	3,936,862	(3,264,872)	10,642,294
PROPERTY, FURNITURE, AND EQUIPMENT, NET	8,231,474	1,960,027	985,407	371,601	(12,985,233)	133,258,857
OTHER ASSETS						
Tax Credit Monitoring Fees, Net	35,221	-	-	-	-	504,548
Predevelopment Costs	-	-	-	-	-	952,413
Receivables - Affiliates	-	-	-	-	(2,209,777)	698,390
Notes Receivable - Affiliates	-	-	-	-	(15,889,753)	3,000,000
Notes Receivable	-	-	-	-	-	290,846
Investments in Limited Partnerships	-	-	-	-	(1,216,845)	851,299
Investments in Marketable Securities	-	-	-	-	-	14,349,411
Development Fees Receivable	-	-	-	-	(2,964,297)	-
Restricted Cash and Cash Equivalents	1,147,261	162,326	-	-	-	6,148,900
Restricted Investments (457(b) Plan)	-	-	-	-	-	435,241
Total Other Assets	1,182,482	162,326	-	-	(22,280,672)	27,231,048
Total Assets	<u>\$ 9,962,681</u>	<u>\$ 2,270,875</u>	<u>\$ 9,157,020</u>	<u>\$ 5,537,824</u>	<u>\$ (38,793,817)</u>	<u>\$ 184,241,244</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Long-Term Debt - Current Maturities and net of unamortized debt issuance costs	\$ 93,144	\$ 79,105	\$ 6,132,031	\$ 1,677	\$ -	\$ 21,735,108
Accrued Interest Payable	5,899	9,063	28,790	8	-	215,803
Accounts Payable	25	11,601	1,532,664	1,509,710	(27,590)	3,417,605
Accrued Salaries and Payroll Taxes	-	-	-	-	-	285,230
Tenant Prepaid Rent	1,995	8,753	-	-	-	460,924
Other Accrued Expenses	17,862	34,589	2,410	9,106	-	499,554
Security Deposits	12,981	14,957	-	-	-	330,759
Deferred Revenue	-	-	-	-	-	-
Interfund Payables	-	-	-	-	(134,197)	-
Total Current Liabilities	131,906	158,068	7,695,895	1,520,501	(161,787)	26,944,983
LONG-TERM LIABILITIES						
Due to Affiliates	70,022	7,430	-	1,599,699	(15,367,774)	-
Deferred AHP Revenue	-	-	-	-	(630,000)	-
Development Fee Payable	-	-	817,871	245,286	(2,964,297)	-
Asset Management Fee Payable	23,534	-	-	-	(871,813)	64,577
Accrued Interest Payable - Long-Term	-	-	-	-	(1,330,464)	728,195
Pension Plan Liability	-	-	-	-	-	435,241
Long-Term Debt, Less Current Maturities and net of unamortized debt issuance costs	2,040,757	2,409,197	-	770,282	-	61,867,438
Total Long-Term Liabilities	2,134,313	2,416,627	817,871	2,615,267	(21,164,348)	63,095,451
Total Liabilities	2,266,219	2,574,695	8,513,766	4,135,768	(21,326,135)	90,040,434
NET ASSETS						
Net assets without donor restrictions	-	-	-	-	(17,484,440)	12,295,468
Capital Contribution	-	166,583	643,254	1,402,056	(16,785,690)	16,758
Partners' Capital (Deficit)	7,696,462	(470,403)	-	-	(63,869,133)	1,217,003
Net Assets Attributable to YES Housing, Inc. and Affiliates	7,696,462	(303,820)	643,254	1,402,056	(98,139,263)	13,529,229
Noncontrolling Interest	-	-	-	-	80,671,581	80,671,581
Total Net Assets	7,696,462	(303,820)	643,254	1,402,056	(17,467,682)	94,200,810
Total Liabilities and Net Assets	<u>\$ 9,962,681</u>	<u>\$ 2,270,875</u>	<u>\$ 9,157,020</u>	<u>\$ 5,537,824</u>	<u>\$ (38,793,817)</u>	<u>\$ 184,241,244</u>

YES Housing, Inc. and Affiliates
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	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>
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	-	-	-	-	-	-
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	<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>

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

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	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	\$ 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	268,416	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
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
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)	(48,249,826)	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
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	General Fund	Payroll	Development Services	Asset Management	Social Services	Solar Villas Brentwood Gardens Grant
REVENUES AND OTHER SUPPORT						
Rent	\$ -	\$ -	\$ 7,833	\$ 610,087	\$ -	\$ -
Contribution Revenue	153	-	40,000	14,254	313,740	75,202
Development Fees	-	-	862,800	-	-	-
Interest	654,363	-	46,194	-	12,732	-
Net Unrealized/Realized Gain (Loss) on Investments	(2,059,690)	-	(146,187)	-	-	-
Net realized gain (loss) on Capital Investments	(25,430)	-	-	-	-	-
Other Revenue	72,376	-	4,251	-	76,980	-
Property Management Fees	-	-	-	555,475	-	-
Construction Management Fees	-	-	10,000	-	-	-
Operating Transfers, Net	335,272	-	917,574	608,138	257,357	-
Total Revenue and Other Support	(1,022,956)	-	1,742,465	1,787,954	660,809	75,202
PERSONNEL EXPENSES						
Salaries and Wages	398,852	-	752,800	551,696	214,650	-
Payroll Taxes	28,132	-	57,617	44,156	15,109	-
Employee Benefits	123,937	-	210,420	166,803	53,978	-
Total Personnel Expenses	550,921	-	1,020,837	762,655	283,737	-
OTHER EXPENSES						
Depreciation and Amortization	97,147	-	5,689	5,082	-	-
Donations Expense	4,750	-	-	-	-	-
Duplication and Publishing	2,147	-	779	1,413	206	-
Equipment	1,324	-	4,209	6,990	1,822	-
Insurance	6,394	-	11,589	5,479	7,288	-
Interest	-	-	12,210	5,420	-	-
Loss on Disposal of Assets	-	-	-	54,757	-	-
Other Expenses	28,624	-	31,343	47,898	12,139	-
Predevelopment/Development Costs	-	-	-	-	-	-
Professional Fees	67,757	-	28,539	44,818	36,613	-
Property Management	-	-	-	-	-	-
Property Taxes	-	-	2,809	5,856	966	-
Rent	-	-	-	-	-	-
Repairs and Maintenance	3,887	-	16,292	556,131	2,746	-
Social Services	-	-	-	-	125,497	75,202
Telephone and Utilities	2,775	-	10,660	18,209	4,251	-
Training	632	-	472	2,739	84	-
Travel	99	-	2,210	8,921	3,416	-
Operating Transfers, Net	-	-	611,137	-	89,777	5
Total Other Expenses	215,536	-	737,938	763,713	284,805	75,207
Total Expenses	766,457	-	1,758,775	1,526,368	568,542	75,207
CHANGE IN NET ASSETS	(1,789,413)	-	(16,310)	261,586	92,267	(5)
Net Assets and Partners' Capital - Beginning of Year	23,936,459	-	5,546,250	712,841	775,085	335
Capital Contributions	-	-	-	-	-	-
Distributions	-	-	-	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ 22,147,046	\$ -	\$ 5,529,940	\$ 974,427	\$ 867,352	\$ 330

YES Housing, Inc. and Affiliates
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	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	\$ 166,031	\$ -	\$ 80,292	\$ -	\$ 864,243
Contribution Revenue	-	-	-	-	443,349
Development Fees	-	-	-	2,392,072	3,254,872
Interest	755	-	2	-	714,046
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	(2,205,877)
Net realized gain (loss) on Capital Investments	-	-	-	(52)	(25,482)
Other Revenue	3,240	1	326	-	157,174
Property Management Fees	-	-	-	4,167	559,642
Construction Management Fees	-	-	-	-	10,000
Operating Transfers, Net	-	-	-	136,473	2,254,814
Total Revenue and Other Support	170,026	1	80,620	2,532,660	6,026,781
PERSONNEL EXPENSES					
Salaries and Wages	32,539	-	6,014	-	1,956,551
Payroll Taxes	5,822	-	1,647	-	152,483
Employee Benefits	-	-	-	-	555,138
Total Personnel Expenses	38,361	-	7,661	-	2,664,172
OTHER EXPENSES					
Depreciation and Amortization	97,962	-	10,903	-	216,783
Donations Expense	-	-	-	-	4,750
Duplication and Publishing	-	-	-	-	4,545
Equipment	-	-	-	-	14,345
Insurance	19,994	-	2,666	-	53,410
Interest	-	-	-	-	17,630
Loss on Disposal of Assets	-	-	-	-	54,757
Other Expenses	6,180	79	106	123,875	250,244
Predevelopment/Development Costs	-	-	-	-	-
Professional Fees	2,258	-	4,597	208,664	393,246
Property Management	19,500	-	3,130	-	22,630
Property Taxes	4,115	-	5,718	(64)	19,400
Rent	-	-	-	-	-
Repairs and Maintenance	14,829	-	-	-	593,885
Social Services	-	-	-	-	200,699
Telephone and Utilities	16,546	-	4,737	-	57,178
Training	-	-	11	-	3,938
Travel	-	-	-	2,314	16,960
Operating Transfers, Net	-	14,234	-	1,539,662	2,254,815
Total Other Expenses	181,384	14,313	31,868	1,874,451	4,179,215
Total Expenses	219,745	14,313	39,529	1,874,451	6,843,387
CHANGE IN NET ASSETS	(49,719)	(14,312)	41,091	658,209	(816,606)
Net Assets and Partners' Capital - Beginning of Year	(815,149)	86,629	427,144	467,472	31,137,066
Capital Contributions	-	-	-	-	-
Distributions	-	(72,317)	(52,181)	-	(124,498)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ (864,868)	\$ -	\$ 416,054	\$ 1,125,681	\$ 30,195,962

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	New Frontier	New Leaf Community, LLLP	Nuevo Atrisco Apartments, LP, LLLP	Roswell Summit Apartments, LP	Skyview Terrace, LP, LLLP	Solar Villa Apartments, LP, LLLP
REVENUES AND OTHER SUPPORT						
Rent	\$ 713,076	\$ 679,260	\$ 836,772	\$ 385,052	\$ 621,298	\$ 978,971
Contribution Revenue	-	-	21,600	71,090	-	-
Development Fees	-	-	-	-	-	-
Interest	-	402	19	270	28	60
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	-
Net realized gain (loss) on Capital Investments	-	-	-	-	-	-
Other Revenue	12,629	25,473	33,546	7,382	15,693	15,921
Property Management Fees	-	-	-	-	-	-
Construction Management Fees	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	-
Total Revenue and Other Support	725,705	705,135	891,937	463,794	637,019	994,952
PERSONNEL EXPENSES						
Salaries and Wages	82,584	69,269	78,011	47,431	86,465	88,452
Payroll Taxes	22,978	19,132	21,879	7,962	25,430	9,753
Employee Benefits	-	-	-	-	-	-
Total Personnel Expenses	105,562	88,401	99,890	55,393	111,895	98,205
OTHER EXPENSES						
Depreciation and Amortization	626,507	338,384	477,160	149,285	466,704	540,841
Donations Expense	-	-	-	-	-	-
Duplication and Publishing	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Insurance	64,904	65,707	69,446	32,930	65,048	49,601
Interest	238,347	89,928	129,297	90,839	251,205	190,539
Loss on Disposal of Assets	-	-	-	-	-	-
Other Expenses	37,802	21,886	25,152	19,266	27,567	24,710
Predevelopment/Development Costs	-	-	-	-	-	-
Professional Fees	13,500	13,969	23,169	13,309	15,245	16,725
Property Management	44,921	47,551	104,257	67,074	19,671	194,778
Property Taxes	-	27,132	48,913	12,181	22,597	56,981
Rent	-	-	-	-	-	-
Repairs and Maintenance	37,573	94,445	78,740	56,723	70,596	77,086
Social Services	-	3,899	17,400	77,090	2,387	6,000
Telephone and Utilities	71,517	62,857	70,556	23,889	43,772	164,103
Training	529	1,165	332	783	890	1,349
Travel	-	569	-	-	569	-
Operating Transfers, Net	-	-	-	-	-	-
Total Other Expenses	1,135,600	767,492	1,044,422	543,369	986,251	1,322,713
Total Expenses	1,241,162	855,893	1,144,312	598,762	1,098,146	1,420,918
CHANGE IN NET ASSETS	(515,457)	(150,758)	(252,375)	(134,968)	(461,127)	(425,966)
Net Assets and Partners' Capital - Beginning of Year	1,814,091	7,896,500	9,504,762	1,069,020	10,002,091	10,245,840
Capital Contributions	12,661,640	-	456,079	-	314,443	-
Distributions	-	-	-	-	-	(4,991)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ 13,960,274	\$ 7,745,742	\$ 9,708,466	\$ 934,052	\$ 9,855,407	\$ 9,814,883

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities
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	Gallup Sunset Hills Apartments, LP	Wildewood Apartments, LP	Mustang Villas	West Berry	Eliminations	Total
REVENUES AND OTHER SUPPORT						
Rent	\$ 530,388	\$ 569,781	\$ -	\$ -	\$ -	\$ 11,677,496
Contribution Revenue	70,022	70,311	-	-	-	883,014
Development Fees	-	-	-	-	(3,254,872)	-
Interest	487	116	-	-	(267,283)	449,531
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	(2,205,877)
Net realized gain (loss) on Capital Investments	-	-	-	-	25,482	-
Other Revenue	4,767	3,390	-	-	(50,497)	398,194
Property Management Fees	-	-	-	-	(559,642)	-
Construction Management Fees	-	-	-	-	(10,000)	-
Operating Transfers, Net	-	-	-	-	(2,254,814)	-
Total Revenue and Other Support	605,664	643,598	-	-	(6,371,626)	11,202,358
PERSONNEL EXPENSES						
Salaries and Wages	57,477	55,392	-	-	-	3,118,134
Payroll Taxes	20,095	8,853	-	-	-	413,438
Employee Benefits	-	-	-	-	-	555,138
Total Personnel Expenses	77,572	64,245	-	-	-	4,086,710
OTHER EXPENSES						
Depreciation and Amortization	309,135	113,856	-	-	(420,442)	4,844,565
Donations Expense	-	-	-	-	-	4,750
Duplication and Publishing Equipment	-	-	-	-	-	4,545
Insurance	33,020	30,939	-	-	-	14,345
Interest	40,907	108,168	-	-	(267,283)	812,321
Loss on Disposal of Assets	-	84,911	-	-	-	2,310,764
Other Expenses	16,133	15,390	-	-	-	142,409
Predevelopment/Development Costs	-	-	-	-	-	(257,320)
Professional Fees	11,708	10,963	-	-	-	-
Property Management	65,432	29,699	-	-	(559,642)	651,917
Property Taxes	29,247	17,095	-	-	-	553,205
Rent	-	-	-	-	-	368,237
Repairs and Maintenance	34,210	42,921	-	-	-	-
Social Services	70,022	70,311	-	-	(46,000)	1,629,401
Telephone and Utilities	25,968	40,314	-	-	-	641,905
Training	1,411	873	-	-	-	1,033,306
Travel	-	144	-	-	-	21,232
Operating Transfers, Net	-	-	-	-	(2,254,815)	19,380
Total Other Expenses	637,193	565,584	-	-	(3,548,182)	12,794,962
Total Expenses	714,765	629,829	-	-	(3,548,182)	16,881,672
CHANGE IN NET ASSETS	(109,101)	13,769	-	-	(2,823,444)	(5,679,314)
Net Assets and Partners' Capital - Beginning of Year	7,805,563	(429,888)	-	-	(14,827,257)	83,569,714
Capital Contributions	-	166,583	643,254	1,402,056	-	16,802,448
Distributions	-	(54,284)	-	-	183,019	(492,038)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ 7,696,462	\$ (303,820)	\$ 643,254	\$ 1,402,056	\$ (17,467,682)	\$ 94,200,810

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities
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	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
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	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	1,154,470
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
	<u>161,694</u>	<u>271,151</u>	<u>58,320</u>	<u>1,734,539</u>	<u>8,149,413</u>
PERSONNEL EXPENSES					
Salaries and Wages	31,432	47,689	-	-	1,772,620
Payroll Taxes	5,515	5,042	-	-	141,079
Employee Benefits	-	-	-	-	544,337
	<u>36,947</u>	<u>52,731</u>	<u>-</u>	<u>-</u>	<u>2,458,036</u>
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
	<u>173,790</u>	<u>357,388</u>	<u>34,714</u>	<u>1,904,332</u>	<u>2,640,345</u>
Total Other Expenses					
	<u>210,737</u>	<u>410,119</u>	<u>34,714</u>	<u>1,904,332</u>	<u>5,098,381</u>
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	<u>\$ (815,149)</u>	<u>\$ 86,629</u>	<u>\$ 427,144</u>	<u>\$ 467,472</u>	<u>\$ 31,137,066</u>

YES Housing, Inc. and Affiliates
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	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	\$ 842,170	\$ 413,230	\$ 1,205,752	\$ 600,805	\$ 568,712	\$ -	\$ 353,331
Contribution Revenue	62,752	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-	-
Interest	131	50	119	4	40	-	74
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
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
PERSONNEL EXPENSES							
Salaries and Wages	63,216	72,102	95,993	93,126	70,916	-	40,259
Payroll Taxes	14,697	19,800	18,420	17,319	7,309	-	5,782
Employee Benefits	-	-	-	-	-	-	-
Total Personnel Expenses	77,913	91,902	114,413	110,445	78,225	-	46,041
OTHER EXPENSES							
Depreciation and Amortization	188,052	342,100	244,970	85,887	464,715	-	222,825
Donations Expense	-	-	-	-	-	-	-
Duplication and Publishing	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Insurance	33,077	52,473	43,002	7,703	48,386	-	16,603
Interest	207,228	71,869	327,627	134,740	260,179	-	41,087
Loss on Disposal of Assets	-	706	617	122,279	-	-	-
Other Expenses	13,350	12,675	22,630	30,649	22,570	-	18,366
Predevelopment/Development Costs	-	-	-	-	-	-	-
Professional Fees	10,553	11,970	17,133	21,583	13,738	-	12,117
Property Management	61,450	84,409	80,078	70,491	44,568	-	103,850
Property Taxes	19,933	12,276	55,421	-	10,944	-	17,449
Rent	-	-	-	-	-	-	-
Repairs and Maintenance	38,309	53,234	112,443	79,947	92,134	-	41,521
Social Services	68,751	6,000	6,000	-	10,342	-	25
Telephone and Utilities	55,747	57,183	63,384	107,989	60,880	-	37,301
Training	375	90	-	195	110	-	281
Travel	-	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	-	-
Total Other Expenses	696,825	704,985	973,305	661,463	1,028,566	-	511,425
Total Expenses	774,738	796,887	1,087,718	771,908	1,106,791	-	557,466
CHANGE IN NET ASSETS							
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
Capital Contributions	-	-	-	100	-	-	-
Redemption of interest in Los Tres Apartments, LP	-	-	-	-	-	2,162,023	-
Distributions	(185,471)	(5,220)	(160,431)	-	-	-	(6,974)
NET ASSETS AND PARTNERS'							
CAPITAL - END OF YEAR	<u>\$ (802,418)</u>	<u>\$ 4,472,108</u>	<u>\$ (1,957,811)</u>	<u>\$ 2,100,993</u>	<u>\$ 8,983,551</u>	<u>\$ -</u>	<u>\$ 2,920,566</u>

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	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	\$ 778,827	\$ 362,474	\$ 397,042	\$ 656,252	\$ 781,175	\$ 366,808	\$ 498,662
Contribution Revenue	61,486	69,706	-	-	23,864	29,177	-
Development Fees	-	-	-	-	-	-	-
Interest	90	332	-	72	15	42	9
Net Unrealized/Realized Gain (Loss) on Investments	-	-	-	-	-	-	-
Net realized gain (loss) on Capital Investments	-	-	-	-	-	-	-
Other Revenue	7,239	2,029	49,884	21,533	24,605	4,178	16,028
Property Management Fees	-	-	-	-	-	-	-
Construction Management Fees	-	-	-	-	-	-	-
Operating Transfers, Net	-	-	-	-	-	-	-
Total Revenue and Other Support	847,642	434,541	446,926	677,857	829,659	400,205	514,699
PERSONNEL EXPENSES							
Salaries and Wages	65,957	67,900	64,483	70,192	72,629	59,051	73,789
Payroll Taxes	14,923	21,098	18,899	15,515	18,790	9,403	23,374
Employee Benefits	-	-	-	-	-	-	-
Total Personnel Expenses	80,880	88,998	83,382	85,707	91,419	68,454	97,163
OTHER EXPENSES							
Depreciation and Amortization	156,482	165,270	144,555	345,148	505,585	148,653	351,831
Donations Expense	-	-	-	-	-	-	-
Duplication and Publishing	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Insurance	33,483	27,726	25,676	61,089	64,499	30,628	53,500
Interest	177,905	34,250	172,521	91,117	191,515	91,371	248,521
Loss on Disposal of Assets	463	-	-	-	-	-	-
Other Expenses	17,543	14,654	68,150	20,576	103,267	19,871	68,023
Predevelopment/Development Costs	-	-	-	-	-	-	-
Professional Fees	11,501	12,540	12,000	13,407	8,774	14,073	15,202
Property Management	45,246	48,787	28,533	43,947	99,889	66,464	60,210
Property Taxes	28,803	11,400	1,480	27,529	41,394	14,257	25,251
Rent	-	-	-	-	-	-	-
Repairs and Maintenance	65,973	40,966	13,126	75,962	64,435	40,595	30,494
Social Services	67,486	69,706	-	232	12,000	35,177	-
Telephone and Utilities	45,312	14,024	53,388	57,029	66,770	22,937	40,536
Training	195	230	594	-	90	98	-
Travel	-	-	-	-	-	2,871	-
Operating Transfers, Net	-	-	-	-	-	-	-
Total Other Expenses	650,392	439,553	520,023	736,036	1,158,218	486,995	893,568
Total Expenses	731,272	528,551	603,405	821,743	1,249,637	555,449	990,731
CHANGE IN NET ASSETS	116,370	(94,010)	(156,479)	(143,886)	(419,978)	(155,244)	(476,032)
Net Assets and Partners' Capital - Beginning of Year	(203,000)	3,944,391	825,525	8,040,386	1,781,443	1,224,264	1,554,868
Capital Contributions	-	-	1,145,045	-	8,143,297	-	8,923,255
Redemption of interest in Los Tres Apartments, LP	-	-	-	-	-	-	-
Distributions	(127,535)	(1,279)	-	-	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ (214,165)	\$ 3,849,102	\$ 1,814,091	\$ 7,896,500	\$ 9,504,762	\$ 1,069,020	\$ 10,002,091

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

	Solar Villa Apartments, LP, LLLP	Gallup Sunset Hills Apartments, LP	Wildewood Apartments, LP	Eliminations	Total
REVENUES AND OTHER SUPPORT					
Rent	\$ 956,571	\$ 517,070	\$ 566,912	\$ -	\$ 10,351,703
Contribution Revenue	-	59,357	59,272	-	489,216
Development Fees	-	-	-	(1,506,061)	-
Interest	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	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)	-
	<u>973,022</u>	<u>581,352</u>	<u>629,134</u>	<u>(4,462,000)</u>	<u>14,137,899</u>
PERSONNEL EXPENSES					
Salaries and Wages	75,767	48,406	47,235	-	2,853,641
Payroll Taxes	8,051	15,879	12,688	-	383,026
Employee Benefits	-	-	-	-	544,337
	<u>83,818</u>	<u>64,285</u>	<u>59,923</u>	<u>-</u>	<u>3,781,004</u>
OTHER EXPENSES					
Depreciation and Amortization	535,899	307,426	105,285	(386,087)	4,245,318
Donations Expense	-	-	-	-	12,515
Duplication and Publishing	-	-	-	-	6,495
Equipment	-	-	-	-	9,409
Insurance	55,546	29,544	28,929	-	684,246
Interest	189,519	43,123	131,695	(152,597)	2,313,688
Loss on Disposal of Assets	-	-	142	-	(814,291)
Other Expenses	24,348	14,619	10,882	-	740,038
Predevelopment/Development Costs	-	-	-	-	-
Professional Fees	13,906	12,479	10,553	-	516,043
Property Management	167,278	59,747	70,028	(430,266)	744,690
Property Taxes	55,479	29,267	17,836	-	397,078
Rent	-	-	-	-	-
Repairs and Maintenance	76,555	33,682	33,019	-	1,010,980
Social Services	6,061	59,357	59,272	(46,000)	426,680
Telephone and Utilities	156,022	27,342	31,593	-	963,847
Training	-	185	98	-	8,332
Travel	-	-	-	-	16,471
Operating Transfers, Net	-	-	-	(2,201,926)	-
	<u>1,280,613</u>	<u>616,771</u>	<u>499,332</u>	<u>(3,216,876)</u>	<u>11,281,539</u>
Total Expenses	<u>1,364,431</u>	<u>681,056</u>	<u>559,255</u>	<u>(3,216,876)</u>	<u>15,062,543</u>
CHANGE IN NET ASSETS	(391,409)	(99,704)	69,879	(1,245,124)	(924,644)
Net Assets and Partners' Capital - Beginning of Year	10,644,141	7,905,267	(404,986)	(13,606,443)	64,634,914
Capital Contributions	-	-	-	(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	<u>\$ 10,245,840</u>	<u>\$ 7,805,563</u>	<u>\$ (429,888)</u>	<u>\$ (14,827,257)</u>	<u>\$ 83,569,714</u>

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
YES Housing, Inc. and Affiliates

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of Yes Housing, Inc. and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated date. Our report includes a reference to other auditors who audited the financial statements 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), as described in our report on YES Housing, Inc. and Affiliates' financial statements. The financial statements of 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, New Frontier Family Living, LLC, New Leaf Community, LLLP, LLLP, Skyview Terrace, LP, LLLP, and Solar Villa Apartments, LP, LLLP were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with 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, New Frontier Family Living, LLC, New Leaf Community, LLLP, LLLP, Skyview Terrace, LP, LLLP, and Solar Villa Apartments, LP, LLLP, or that are reported on separately by those auditors who audited the financial statements 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Yes Housing, Inc. and Affiliates' 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 Housing, Inc. and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Yes Housing, Inc. and Affiliates' 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yes Housing, Inc. and Affiliates' 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.



Albuquerque, New Mexico
August 11, 2023