

Reports of Independent Auditors and
Consolidated Financial Statements with
Supplementary Information

YES Housing, Inc. and Affiliates

December 31, 2024 and 2023

Table of Contents

	Page
Official Roster (Unaudited)	1
Report of Independent Auditors	2
Consolidated Financial Statements	
Consolidated Statements of Financial Position	7
Consolidated Statements of Activities	9
Consolidated Statements of Changes in Net Assets	10
Consolidated Statements of Cash Flows	11
Consolidated Statements of Functional Expenses	13
Notes to Consolidated Financial Statements	15
Supplementary Information	
Consolidating Statements of Financial Position	41
Consolidating Statements of Activities	51
Schedule of Expenditures of Federal Awards	61
Notes to Schedule of Expenditures of Federal Awards	62
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	63
Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	65
Schedule of Findings and Questioned Costs	68

YES Housing, Inc. and Affiliates
Official Roster (Unaudited)
December 31, 2024

Board of Directors

Dr. Beverlee McClure, Chair
Lawrence Chavez, Vice Chairman
Kevin Caudill, Secretary/Treasurer
Garrett Hennessy, Member
George L. Carter, Member
Joe Romero, Member
Grant Taylor, Member
Michael Lucero, Member
Augustine C. Baca, Non-Voting 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, 2024 and 2023, and the related consolidated statements of activities, changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the 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, 2024 and 2023, 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; Brentwood Gardens Apartments, LP; Copper Terrace Limited Partnership LP, LLLP; Gallup Sunset Hills Apartments, LLLP; UR 205 Silver, LLC (Imperial); Mesa Del Norte Apartments LP, LLLP; Montana Meadows Apartments, LP; Mustang Villas LLC; New Frontier Family Living, LLC; New Leaf Community LP, LLLP; Nuevo Atrisco Apartments LP, LLLP; Skyview Terrace LP, LLLP; Solar Villa Apartments LP, LLLP; West Berry Senior Apartments LP, LLLP; Wildewood Apartments, LP; and YES Deming Mountain View Apartments LP, LLLP, affiliates whose statements reflect total assets of \$175,808,630 as of December 31, 2024, and total revenues of \$13,366,702 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; Brentwood Gardens Apartments, LP; Copper Terrace Limited Partnership LP, LLLP; Gallup Sunset Hills Apartments, LLLP; UR 205 Silver, LLC (Imperial); Mesa Del Norte Apartments LP, LLLP; Montana Meadows Apartments, LP; Mustang Villas LLC, LLLP; New Frontier Family Living, LLC; New Leaf Community, LLLP; Nuevo Atrisco Apartments LP, LLLP; Skyview Terrace, LP, LLLP; Solar Villa Apartments, LP, LLLP; West Berry Senior Apartments, LLLP; Wildewood Apartments, LP; and YES Deming Mountain View Apartments LP, LLLP, 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 LP, LLLP; Nuevo Atrisco Apartments LP, LLLP; Skyview Terrace LP, LLLP; Solar Villa Apartments LP, LLLP; Gallup Sunset Hills Apartments, LLLP; and Wildewood Apartments, LP, affiliates whose statements reflect total assets of \$151,008,165 as of December 31, 2023, and total revenues of \$11,898,025 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 LP, LLLP; Nuevo Atrisco Apartments LP, LLLP; Skyview Terrace LP, LLLP; Solar Villa Apartments LP, LLLP; Gallup Sunset Hills Apartments, LLLP; and Wildewood 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, consolidating statements of activities, and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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, consolidating statements of activities, and the schedule of expenditures of federal awards 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 June 30, 2025, 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 black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Albuquerque, New Mexico
June 30, 2025

Consolidated Financial Statements

YES Housing, Inc. and Affiliates
Consolidated Statements of Financial Position
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,386,420	\$ 5,940,595
Restricted cash and cash equivalents	3,107,949	2,655,893
Construction costs receivable	3,920	-
Rents and miscellaneous receivables	3,390,250	4,536,099
Prepaid expenses and deposit	<u>1,246,608</u>	<u>1,089,011</u>
Total current assets	<u>12,135,147</u>	<u>14,221,598</u>
WORK IN PROGRESS	<u>16,038,698</u>	<u>29,302,011</u>
PROPERTY, FURNITURE, AND EQUIPMENT, NET	<u>162,738,859</u>	<u>135,218,645</u>
OTHER ASSETS		
Tax credit monitoring fees, net of accumulated amortization	709,175	548,371
Predevelopment costs	5,897	821,413
Receivables – affiliates	842,391	770,390
Notes receivable – affiliates	3,000,000	3,000,000
Notes receivable	301,805	216,577
Investments in limited partnerships	866,592	882,678
Investments in marketable securities	11,811,735	10,679,599
Restricted cash and cash equivalents	6,767,099	6,228,413
Restricted investments (457(b) Plan)	<u>709,513</u>	<u>564,887</u>
Total other assets	<u>25,014,207</u>	<u>23,712,328</u>
TOTAL ASSETS	<u><u>\$ 215,926,911</u></u>	<u><u>\$ 202,454,582</u></u>

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Financial Position
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Long-term debt, current maturities and net of unamortized debt issuance costs	\$ 9,161,970	\$ 20,168,096
Accrued interest payable	273,874	301,786
Accounts payable	1,122,932	3,085,019
Accrued salaries and payroll taxes	288,689	270,781
Tenant prepaid rent	196,454	191,687
Other accrued expenses	1,856,954	2,318,574
Security deposits	393,871	338,733
Deferred revenue	419,655	3,000
	<u>13,714,399</u>	<u>26,677,676</u>
Total current liabilities		
LONG-TERM LIABILITIES		
Development fee payable	-	10,300
Asset management fee payable	76,512	54,235
Accrued interest payable, long-term	678,033	710,816
Pension plan liability	709,513	564,887
Long-term debt, less current maturities and net of unamortized debt issuance costs	84,553,208	72,270,551
	<u>86,017,266</u>	<u>73,610,789</u>
Total long-term liabilities		
Total liabilities	<u>99,731,665</u>	<u>100,288,465</u>
NET ASSETS		
Without donor restrictions	20,437,128	15,975,636
	<u>20,437,128</u>	<u>15,975,636</u>
Net assets attributable to YES Housing, Inc. and Affiliates		
Noncontrolling interest	95,758,118	86,190,481
	<u>116,195,246</u>	<u>102,166,117</u>
Total net assets		
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 215,926,911</u></u>	<u><u>\$ 202,454,582</u></u>

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Activities
Years Ended December 31, 2024 and 2023

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and revenue		
Rent, net	\$ 8,070,186	\$ 7,220,958
Rent, HAP contracts	5,526,115	4,730,090
Contribution revenue	951,030	2,073,963
Grant revenue	420,384	-
Interest	655,476	774,725
Net unrealized/realized gain on investments	1,197,071	1,466,227
Net realized loss on capital investments	(16,086)	(138,330)
Other revenue	2,008,933	318,448
Total revenue	<u>18,813,109</u>	<u>16,446,081</u>
Expenses		
Program	21,356,909	17,492,016
General and administrative	912,035	864,918
Fundraising	46,021	49,162
Total expenses	<u>22,314,965</u>	<u>18,406,096</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(3,501,856)	(1,960,015)
CHANGE IN NET ASSETS ATTRIBUTABLE TO NONCONTROLLING INTEREST	<u>(3,947,739)</u>	<u>(3,026,020)</u>
CHANGE IN NET ASSETS ATTRIBUTABLE TO YES HOUSING, INC. AND AFFILIATES	<u><u>\$ 445,883</u></u>	<u><u>\$ 1,066,005</u></u>

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2024 and 2023

	Without Donor Restrictions	Noncontrolling Interest	Total
BALANCE, December 31, 2022	\$ 13,529,229	\$ 80,671,581	\$ 94,200,810
Capital contributions	446,247	10,171,364	10,617,611
Distributions	-	(692,289)	(692,289)
Transfer of interest	934,155	(934,155)	-
Change in net assets	<u>1,066,005</u>	<u>(3,026,020)</u>	<u>(1,960,015)</u>
BALANCE, December 31, 2023	15,975,636	86,190,481	102,166,117
Capital contributions	-	18,065,740	18,065,740
Distributions	-	(534,755)	(534,755)
Transfer of interest	4,015,609	(4,015,609)	-
Change in net assets	<u>445,883</u>	<u>(3,947,739)</u>	<u>(3,501,856)</u>
BALANCE, December 31, 2024	<u>\$ 20,437,128</u>	<u>\$ 95,758,118</u>	<u>\$ 116,195,246</u>

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 445,883	\$ 1,066,005
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Loss (gain) on disposal of assets	147,870	(20,411)
Depreciation and amortization	6,364,023	5,067,953
Net realized and unrealized (gain) on investments	(1,197,071)	(1,466,227)
Reinvested dividends and interest	(412,533)	(412,533)
Noncontrolling interest	(3,947,739)	(3,026,020)
Changes in assets and liabilities		
Receivable, affiliates	(72,001)	(72,000)
Construction costs receivable	(3,920)	-
Rents and miscellaneous receivables	1,145,849	(4,209,034)
Prepaid expenses and deposit	(157,597)	(264,450)
Tax credit monitoring fees	(213,237)	(96,256)
Predevelopment costs	815,516	131,000
Accrued interest payable	(60,695)	68,604
Accounts payable	(1,962,087)	(332,586)
Accrued salaries and payroll taxes	17,908	(14,449)
Tenant prepaid rent	4,767	(269,237)
Other accrued expenses	(461,620)	1,819,020
Deferred revenue	416,655	3,000
Security deposits	55,138	7,974
Total adjustments	<u>479,226</u>	<u>(3,085,652)</u>
Net cash provided by (used in) operating activities	<u>\$ 925,109</u>	<u>\$ (2,019,647)</u>

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances on notes receivable	\$ 22,277	\$ (10,342)
Proceeds from notes receivable	(85,228)	74,269
Proceeds from sales of property and equipment	298,414	27,950
Purchases of investments	(6,551,839)	(5,187,238)
Proceeds from sales of investments	7,045,393	10,704,431
Payment on development fee	(10,300)	10,300
Purchases of property and equipment	(6,343,990)	(5,560,566)
Purchases for work in progress	(14,670,785)	(20,081,998)
Net cash used in investing activities	(20,296,058)	(20,023,194)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	19,340,138	22,870,744
Payments on loans	(18,063,607)	(14,034,643)
Capital contribution	18,065,740	10,617,611
Distribution	(534,755)	(692,289)
Net cash provided by financing activities	18,807,516	18,761,423
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(563,433)	(3,281,418)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	14,824,901	18,106,319
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	<u>\$ 14,261,468</u>	<u>\$ 14,824,901</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 2,890,768</u>	<u>\$ 2,443,569</u>
CASH AND CASH EQUIVALENTS	\$ 4,386,420	\$ 5,940,595
RESTRICTED CASH AND CASH EQUIVALENTS, current	3,107,949	2,655,893
RESTRICTED CASH AND CASH EQUIVALENTS, noncurrent	6,767,099	6,228,413
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 14,261,468</u>	<u>\$ 14,824,901</u>

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Functional Expenses
Year Ended December 31, 2024

	Year Ended December 31, 2024			
	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 3,328,455	\$ 492,310	\$ 13,290	\$ 3,834,055
Payroll taxes	282,730	36,145	875	319,750
Employee benefits	739,031	156,845	3,757	899,633
Total personnel expenses	4,350,216	685,300	17,922	5,053,438
Depreciation and amortization	6,259,654	104,369	-	6,364,023
Donations expense	-	2,850	-	2,850
Duplication and publishing	6,058	1,022	71	7,151
Equipment	11,768	1,912	17	13,697
Insurance	1,410,113	8,223	198	1,418,534
Interest	2,862,856	-	-	2,862,856
Loss on disposal of assets	116,038	31,832	-	147,870
Other expenses	1,496,023	11,704	566	1,508,293
Predevelopment/development costs	307,400	-	-	307,400
Professional fees	752,475	61,500	292	814,267
Property management	266,440	-	-	266,440
Property taxes	436,259	-	-	436,259
Repairs and maintenance	1,126,904	2,917	113	1,129,934
Social services	670,376	-	26,842	697,218
Training	15,294	372	-	15,666
Travel	50,609	34	-	50,643
Utilities	1,218,426	-	-	1,218,426
Total other expenses	17,006,693	226,735	28,099	17,261,527
Total expenses	<u>\$ 21,356,909</u>	<u>\$ 912,035</u>	<u>\$ 46,021</u>	<u>\$ 22,314,965</u>

See accompanying notes.

YES Housing, Inc. and Affiliates
Consolidated Statements of Functional Expenses
Year Ended December 31, 2023

	Year Ended December 31, 2023			
	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 2,932,267	\$ 480,286	\$ 13,349	\$ 3,425,902
Payroll taxes	240,466	33,779	804	275,049
Employee benefits	654,590	156,183	3,892	814,665
Total personnel expenses	3,827,323	670,248	18,045	4,515,616
Depreciation and amortization	4,976,136	91,817	-	5,067,953
Donations expense	-	33,000	-	33,000
Duplication and publishing	1,677	1,145	44	2,866
Equipment	12,180	394	-	12,574
Insurance	1,011,192	6,263	167	1,017,622
Interest	2,529,552	-	-	2,529,552
Loss (gain) on disposal of assets	7,539	(27,950)	-	(20,411)
Other expenses	1,146,429	13,141	960	1,160,530
Predevelopment/development costs	24,064	-	-	24,064
Professional fees	523,756	73,798	274	597,828
Property management	184,363	-	-	184,363
Property taxes	414,668	-	-	414,668
Repairs and maintenance	1,026,836	2,444	85	1,029,365
Social services	656,064	-	29,584	685,648
Training	7,170	547	3	7,720
Travel	26,923	71	-	26,994
Utilities	1,116,144	-	-	1,116,144
Total other expenses	13,664,693	194,670	31,117	13,890,480
Total expenses	<u>\$ 17,492,016</u>	<u>\$ 864,918</u>	<u>\$ 49,162</u>	<u>\$ 18,406,096</u>

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. and Affiliates (YES), a not-for-profit organization, 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 of YES), incorporated under the Arizona Nonprofit Corporation Act in order to relieve the burdens on the poor, distressed, elderly, and disabled 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 wholly owned entities: YES Bella Vista, LLC; YES Calle Cuarta Live-Work LLC; YES Calle Cuarta Retail 1 LLC; YES Calle Cuarta Retail 2 LLC; YES Calle Cuarta TH, LLC; YES Calle Cuarta, LLC; YES Copper Terrace, LLC; YES Imperial, LLC; YES Hobbs Land Holding, 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 RB2 Land Holding, LLC; YES Roswell Summit Apartments, LLC; YES Skyview Terrace; YES Solar Villa Apartments, LLC; YES Sunset Hills Apartments, LLC; and YES West Berry Senior Apartments, 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; Gallup Sunset Hills Apartments, LLLP; Apple Ridge Apartments, LP; Calle Cuarta LP, LLLP; Mesa Del Norte Apartments LP, LLLP; YES Deming Mountain View Apartments LP, LLLP; Solar Villa Apartments LP, LLLP; Nuevo Atrisco Apartments LP, LLLP; Skyview Terrace LP, LLLP; Copper Terrace Limited Partnership LP, LLLP; West Berry Senior Apartments LP, LLLP; Mustang Villas, LLC; and New Frontier Family Living, LLC. All material intercompany transactions have been eliminated.

In 2024, the limited partner withdrew its partnership interest from Bella Vista Townhomes, LP and transferred it to YES Bella Vista, LLC, a wholly owned entity of YES Housing, Inc. An Assignment and Assumption Agreement was executed, effective October 31, 2024. All material intercompany transactions have been eliminated.

In 2023, the limited partner withdrew its partnership interest from Roswell Summit Apartments, LP and transferred it to YES Roswell Summit Apartments, LLC, a wholly owned entity of YES Housing, Inc. An Assignment and Assumption Agreement was executed, effective January 1, 2023. 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.

Net assets – YES reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of YES, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those requiring funds be used for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those requiring resources to be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

No donor-restricted assets were held during the years ended December 31, 2024 and 2023, 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 statements of cash flows, YES considers all undesignated interest-bearing accounts and debt instruments with an original maturity 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 by Board designation.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Rents and miscellaneous receivables – Rents and miscellaneous receivables are stated at invoiced cost, less allowance for expected credit losses. Under this method, management evaluates the ability to collect accounts receivable based on a combination of factors, including historical write-off experience and management's evaluation of, among other factors, current and reasonably supportable expected future economic conditions and the customer's willingness or ability to pay. YES has determined the allowance for credit losses to be de minimis at December 31, 2024 and 2023, and has therefore not recorded an allowance. Historical uncollectible receivables have not been material to the consolidated financial statements. Rents and miscellaneous receivables were \$3,390,250 and \$4,536,099 at December 31, 2024 and 2023, respectively.

YES participates in a Neighborhood Stabilization Program (NSP) with other nonprofit 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 of or noncompliance with 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 in 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. YES has fully met all obligations and compliance matters under the NSP grant and expects the remaining members of the consortium to comply with the grant agreement. As of December 31, 2024 and 2023, YES recorded an allowance of \$61,321 and \$80,538, respectively, against the entirety of the notes receivable from YES NSP, LLC, resulting in a net balance of zero.

Property, furniture, and equipment – Property, furniture, and equipment are 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 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.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

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, 2024 or 2023.

Investments in limited partnerships – Investments in limited partnerships are carried at cost, adjusted for YES'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 consolidated statements of financial position. Investment income or loss (including gains or losses on investments, 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, 2024 and 2023.

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.

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 U.S. Department of Housing and Urban Development (HUD) approval. Vacancy loss is shown as a reduction in rental income. YES recognizes revenue for services under resident agreements in accordance with the provisions of ASC 842, *Leases*, as the services are performed. Revenue is recognized as earned when rent is invoiced. Other income includes fees for late payments, cleaning, damages, laundry facilities, and other charges, and is recorded when earned.

Various partnerships are subject to Section 8 Housing Assistance Payments Program (HAP) agreements with HUD. Under the HAP agreements, HUD provides a subsidy equal to the difference between the contract rent and the tenant's portion of rent as defined in the HAP agreements. HAP subsidy for the years ended December 31, 2024 and 2023, totaled \$5,526,115 and \$4,730,090, respectively.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

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 recognizes contributions as revenue when they are received or unconditionally pledged. Contributions of cash and other assets are recorded 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 statements 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, Inc., are nonprofit 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, 2024 and 2023. As a result, YES did not recognize federal or state income tax for the years ended December 31, 2024 and 2023.

As partnerships, Apple Ridge Apartments, LP; Bella Vista Townhomes, LP; Brentwood Gardens Apartments, LP; Calle Cuarta LP, LLLP; Copper Terrace Limited Partnership LP, LLLP; Gallup Sunset Hills Apartments, LLLP; Mesa Del Norte Apartments LP, LLLP; Montana Meadows Apartments, LP; Mustang Villas LLC; New Frontier Family Living, LLC; New Leaf Community LP, LLLP; Nuevo Atrisco Apartments LP, LLLP; 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; and YES Deming Mountain View Apartments LP, LLLP, are not subject to federal income tax. The partners separately account for their pro rata shares 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 responsibilities of the individual partners.

YES would recognize accrued interest related to unrecognized tax benefits in interest expense and penalties in operating expenses. No such interest or penalties were recorded for the years ended December 31, 2024 and 2023.

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.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

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 recognizes 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 statement of financial position date and before consolidated financial statements were 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 June 30, 2025, 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.

Designated and restricted amounts included in restricted cash and cash equivalents consisted of the following at December 31:

	2024	2023
Replacement reserve	\$ 3,731,292	\$ 3,214,439
Operating deficit reserve	3,117,046	3,396,855
Other	970,347	438,127
OCS grant	706,933	7,010
Money market fund	487,199	292,270
Security deposits	404,725	357,702
Escrow deposits	392,196	1,114,364
Debt service reserve	65,310	63,539
	<u>\$ 9,875,048</u>	<u>\$ 8,884,306</u>
Total		
Current restricted cash and cash equivalents	\$ 3,107,949	\$ 2,655,893
Long-term restricted cash and cash equivalents	6,767,099	6,228,413
	<u>\$ 9,875,048</u>	<u>\$ 8,884,306</u>
Total		

The money market fund had a balance of \$487,199 and \$292,270 as of December 31, 2024 and 2023, 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, the market value of which 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:

	2024	2023
Buildings	\$ 173,812,486	\$ 144,541,465
Building/land improvements	32,514,139	26,562,817
Furniture and equipment	12,121,987	10,305,721
	218,448,612	181,410,003
Less accumulated depreciation	(69,709,241)	(60,452,051)
	148,739,371	120,957,952
Land	13,999,488	14,260,693
Property, furniture, and equipment, net	<u>\$ 162,738,859</u>	<u>\$ 135,218,645</u>

Depreciation expense for the years ended December 31, 2024 and 2023, totaled \$6,284,327 and \$5,002,331, respectively.

Work in progress is stated at cost on the accompanying consolidated statements of financial position and is not depreciated. The balances of \$16,038,698 and \$29,302,011 as of December 31, 2024 and 2023, respectively, consisted of costs capitalized related to construction projects and of various property improvements in progress. Significant construction projects relate to the development of properties for Calle Cuarta LP, LLLP. See Note 12 for details on the partnerships formed related to these respective projects and properties. The construction and development of the property for Calle Cuarta LP, LLLP, began in 2023 and is expected to be completed in 2025. The balances related to work in progress will be transferred to the corresponding 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 consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
<i>Notes receivable – affiliate:</i>		
Note receivable from Casitas de Colores, LLC (see Note 11). The note accrues interest at 2.4%. Payment of interest and principal will be made from net cash flows after obligations of higher priority have been paid. This note is due January 1, 2045. The accrued interest at December 31, 2024 and 2023, was \$842,391 and \$770,390, respectively.	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
	<u>2024</u>	<u>2023</u>
<i>Notes receivable:</i>		
Note receivable from ROKO, LLC, 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.	\$ 141,170	\$ 216,577
Note receivable from AI Property Management with an annual interest rate of 5% accruing from March 8, 2024 until maturity on or about October 1, 2027. Principal and interest payments are due monthly. The note is secured by property.	<u>160,635</u>	<u>-</u>
	<u>\$ 301,805</u>	<u>\$ 216,577</u>

Note 5 – Tax Credit Monitoring Fees

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

	<u>2024</u>	<u>2023</u>
Tax credit monitoring fees	\$ 1,060,442	\$ 923,268
Less accumulated amortization	<u>(351,267)</u>	<u>(374,897)</u>
Total	<u>\$ 709,175</u>	<u>\$ 548,371</u>

Amortization expense for the years ended December 31, 2024 and 2023, totaled \$85,852 and \$65,622, respectively. Future annual amortization expense will be approximately \$67,000 for years 2025 through 2039.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 6 – Fair Value of Financial Instruments

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

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

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

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

Except for certificates of deposit, investments are measured at fair value using Level 1 inputs. The fair values are based on quoted market prices at the reporting date.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

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

	2024			
	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)	Total
Investments in				
Marketable securities				
Mutual funds				
Growth funds	\$ 3,691,095			\$ 3,691,095
Bond funds	3,579,187			3,579,187
Value funds	3,275,311			3,275,311
Emerging markets	1,266,142			1,266,142
Subtotal	11,811,735	-	-	11,811,735
Restricted				
Investments (457(b) Plan)				
Mutual funds				
Growth funds	79,373			79,373
Bond funds	234,422			234,422
Value funds	197,859			197,859
Growth and value funds	197,859			197,859
Subtotal	709,513	-	-	709,513
Total	<u>\$ 12,521,248</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,521,248</u>

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

	2023			
	Fair Value Measurement Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments in				
Marketable securities				
Mutual funds				
Growth funds	\$ 3,498,308	\$ -	\$ -	\$ 3,498,308
Bond funds	2,537,353	-	-	2,537,353
Value funds	3,632,627	-	-	3,632,627
Emerging markets	1,011,311	-	-	1,011,311
Subtotal	10,679,599	-	-	10,679,599
Restricted				
Investments (457(b) Plan)				
Mutual funds				
Growth funds	178,956	-	-	178,956
Bond funds	160,548	-	-	160,548
Value funds	183,310	-	-	183,310
Growth and value funds	42,073	-	-	42,073
Subtotal	564,887	-	-	564,887
Total	<u>\$ 11,244,486</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,244,486</u>

A summary of gain (loss) on investments consists of the following for the years ended December 31, 2024 and 2023:

	2024	2023
Net realized (loss) gain	\$ (16,086)	\$ 462,278
Net unrealized gain	1,197,071	1,003,949
	<u>\$ 1,180,985</u>	<u>\$ 1,466,227</u>

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 7 – Long-Term Debt

	2024	2023
Copper Terrace – Loan payable to Rocky Mountain CRC in the original amount of \$6,575,000, secured by property, bears interest at 4.60% per annum and requires monthly principal and interest payments of \$31,525 until maturity on August 1, 2039, upon which date a balloon payment for the remaining balance will be due.	\$ 6,477,600	\$ 6,555,965
Calle Cuarta – Construction loan payable to Wells Fargo in the original amount of \$12,675,411, secured by property, bears interest at SOFR plus 2%. Interest rate is adjusted monthly. Matures on September 27, 2025.	6,099,716	175
Brentwood Gardens – Loan payable to Lument in the original amount of \$7,400,000, secured by property, bears interest at 4.63% per annum, and requires monthly principal and interest payments of \$42,606 until maturity on March 1, 2027, upon which date a balloon payment for the remaining balance will be due.	5,875,048	6,103,891
Mustang Villas – Loan payable to Rocky Mountain CRC in the original amount of \$4,950,000, secured by property, bears interest at 4.99% per annum, and requires principal and interest payments of \$23,852 until maturity on May 1, 2040, upon which date a balloon payment for the remaining balance will be due.	4,930,188	-
Apple Ridge – Loan payable to Lument in the original amount of \$4,600,000, secured by property, bears interest at 4.63% per annum, and requires monthly principal and interest payments of \$25,909 until maturity on March 1, 2027, upon which date a balloon payment for the remaining balance will be due.	3,716,523	3,849,080
New Frontier – Loan payable to Rocky Mountain CRC in the original amount of \$3,900,000, secured by property, bears interest at 4.991% per annum, and requires monthly principal and interest payments of \$21,749 until maturity on March 1, 2038, upon which date a balloon payment for the remaining balance will be due.	3,711,198	3,784,953
Calle Cuarta – City of Albuquerque Workforce Housing Trust Funds in the original amount of \$3,500,000, secured by the property, bears interest at 0.00% per annum. Borrower shall make an annual payment on this note to the extent of residual receipts for the immediately preceding calendar year.	3,500,000	-
YES Imperial – City of Albuquerque Workforce Housing Trust Funds in the original amount of \$3,375,000, secured by the property, bears interest at 3.50% per annum. Repayments are made from excess cash flows for the immediately preceding calendar year. Matures on January 1, 2072.	3,375,000	3,375,000

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

	2024	2023
YES Nuevo Atrisco – City of Albuquerque Workforce Housing Trust Funds in the original amount of \$3,362,401, secured by the property, non-interest-bearing. Repayments are made from excess cash flows for the immediately preceding calendar year. Matures on December 31, 2049.	3,362,401	3,362,401
YES Casitas – City of Albuquerque Workforce Housing Trust Funds in the original amount of \$3,000,000, secured by the property, bears interest at 2.40%. Repayments are made from excess cash flows for the immediately preceding calendar year. Matures on January 1, 2045.	3,000,000	3,000,000
Montana Meadows – Loan payable to Lument in the original amount of \$3,760,000, secured by property, bears interest at 4.90% per annum, and requires monthly principal and interest payments of \$22,737 until maturity on March 1, 2029, upon which date a balloon payment for the remaining balance will be due.	2,950,470	3,072,999
Solar Villa – Loan payable to Community Development Trust in the original amount of \$3,100,000, secured by property, bears interest at 5.84% per annum and requires monthly principal and interest payments of \$17,344 until maturity on September 1, 2035, upon which date a balloon payment for the remaining balance will be due.	2,950,072	2,982,006
Skyview Terrace – Loan payable to Rocky Mountain CRC in the original amount of \$2,500,000, secured by property, bears interest at 4.721% per annum, and requires monthly principal and interest payments of \$11,597 until maturity on January 1, 2038, upon which date a balloon payment for the remaining balance will be due.	2,436,062	2,459,609
YES Solar Villa – City of Albuquerque Workforce Housing Trust Funds in the original amount of \$2,400,000, secured by the property, non-interest-bearing. Repayments are made from excess cash flows for the immediately preceding calendar year. Matures on December 1, 2058.	2,400,000	2,400,000
Wildewood – Loan payable to Lument in the original amount of \$3,000,000, secured by property, bears interest at 4.12% per annum, and requires monthly principal and interest payments of \$15,359 until maturity on May 1, 2026, upon which date a balloon payment for the remaining balance will be due.	2,393,371	2,475,554
La Hacienda – Loan payable to New Mexico Mortgage Finance Authority in the original amount of \$2,366,674, secured by property, non-interest-bearing. Repayments are made from excess cash flows. The loan matures on April 1, 2031. Upon maturity and as long as the property remains in compliance with the note, all remaining unpaid principal will be forgiven.	2,198,538	2,216,901

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

	2024	2023
YES West Berry – New Mexico Mortgage Finance Authority (Legislative Appropriations) in the original amount of \$2,000,000, secured by the property, bears interest at 4.00% per annum. Restricted by Land Use Restriction Agreement as condition of the proceeds, and balance is to be forgiven upon satisfactory completion of the affordability period. Matures on December 31, 2053.	2,000,000	2,000,000
Nuevo Atrisco – Loan payable to Rocky Mountain CRC in the original amount of \$2,000,000, secured by property, bears interest at 5.54% per annum, and requires monthly principal and interest payments of \$10,369 until maturity on June 1, 2037, upon which date a balloon payment for the remaining balance will be due.	1,948,499	1,964,591
YES Copper Terrace – New Mexico Mortgage Finance Authority (ARPA) in the original amount of \$1,800,000, secured by the property, bears interest at 0.50% per annum, compounded annually. Repayments are made from excess cash flows for the immediately preceding calendar year. Restricted by Land Use Restriction Agreement, and the balance is to be forgiven upon satisfactory completion of affordability period. Matures on January 1, 2063.	1,800,000	1,800,000
YES Housing, Inc. – Line of credit with Bank of America for \$10,000,000, secured by investment accounts, bears interest at SOFR plus 1.5% per annum. No stated maturity date.	1,748,964	1,728,155
West Berry – Loan payable to Rocky Mountain CRC in the original amount of \$1,700,000, secured by property, bears interest at 5.27% per annum and requires principal and interest payments of \$8,510 until maturity on October 1, 2040.	1,698,957	-
YES Skyview Terrace – City of Hobbs in the original amount of \$1,570,000, secured by the property, bearing interest at 7.50% per annum. Repayments are made from excess cash flows for the immediately preceding calendar year. Restricted by Land Use Restriction Agreement, and the balance is to be forgiven upon satisfactory completion of the affordability period. Matures on December 31, 2049.	1,570,000	1,570,000
Sunset Hills – Loan payable to USDA, Rural Development (RD), in the original amount of \$1,629,266, secured by property, bears interest at 3.75% per annum; however, a subsidy agreement entered into with RD effectively lowers interest rate to 1%. Requires monthly principal and interest payments of \$6,046 until maturity on December 18, 2043.	1,485,608	1,502,117
YES West Berry – City of Hobbs in the original amount of \$1,425,000, secured by property, bears interest at 4.00% per annum, shall make a payment beginning March 1, 2025, from excess annual cash flows for the immediately preceding calendar year. Restricted by Land Use Agreement and the balance is forgiven upon satisfactory completion of affordability period. Matures on December 31, 2053.	1,425,000	570,000

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

	2024	2023
New Leaf – Loan payable to New Mexico Mortgage Finance Authority (542 Risk Share) in the original amount of \$1,445,000, secured by property, bears interest at 5.00% per annum, and requires monthly principal and interest payments of \$6,968 until maturity on December 1, 2056.	1,332,099	1,348,655
YES New Leaf – City of Hobbs in the original amount of \$1,300,000, secured by the property, non-interest-bearing. Loan is restricted by Land Use Restriction Agreement, and the balance is to be forgiven upon satisfactory completion of the affordability period. Matures on January 1, 2030.	1,300,000	1,300,000
YES Nuevo Atrisco – New Mexico Mortgage Finance Authority (NHTF) in the original amount of \$1,275,000, secured by the property, non-interest-bearing. Payment shall be made in the amount of the greater of 50% of any positive annual cash flows or \$500 per year. Matures on April 1, 2051.	1,273,000	1,273,500
Imperial – Loan payable to JPMorgan Chase Bank, N.A., in the original amount of \$1,188,000, secured by property, bears interest at 5.90% per annum, and requires monthly principal and interest payments of \$7,113 until maturity on June 28, 2035, upon which date a balloon payment for the remaining balance will be due.	1,055,737	1,077,061
Mustang Villas – Loan payable to City of Phoenix (HOME), in the original amount of \$1,000,000, secured by property, bears interest at 4.00% per annum, non-compounding, and requires annual principal and interest payments of \$50,523 until maturity on January 1, 2063.	1,000,000	450,000
Calle Cuarta – Construction loan payable to New Mexico Finance Authority (HTF) in an amount up to \$1,000,000, secured by property, bears interest at 3.00% per annum. Payments begin on the first day of the month following the conversion to the permanent loan term.	1,000,000	172,239
West Berry – Loan payable to New Mexico Mortgage Finance Authority (HTF) in the original amount of \$1,000,000, secured by property, bears interest at 3.00% per annum, and requires principal and interest payments of \$4,216 until maturity on August 1, 2054.	993,110	1,000,000
Copper Terrace – Loan payable to New Mexico Mortgage Finance Authority (HOME) in the original amount of \$1,000,000, secured by property, non-interest-bearing, and requires monthly payments of \$1,042 until maturity on November 1, 2062.	985,417	997,917
Calle Cuarta – Loan payable to New Mexico Finance Authority (HOME) in the original amount of \$915,000, secured by property, non-interest-bearing. No payments will be due during the construction loan term. Matures September 27, 2025.	848,500	823,500

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

	2024	2023
West Berry – Loan payable to New Mexico Mortgage Finance Authority (HOME) in the original amount of \$840,000, secured by property, non-interest-bearing, and requires monthly payments of \$875 until maturity on August 1, 2064.	836,667	655,000
Roswell Summit – Loan payable to New Mexico Mortgage Finance Authority (542 Risk Share) in the original amount of \$850,000, secured by property, bears interest at 6.00% per annum, and requires monthly principal and interest payments of \$4,847 until maturity on December 1, 2043.	658,434	676,495
West Berry – Loan payable to New Mexico Mortgage Finance Authority (SLFRF) in the original amount of \$627,026, secured by property, bears interest at 0.00% per annum. Annual principal payments shall be the greater of \$500 or 50% of available cash flows, as defined in the partnership agreement.	627,026	-
Mountain View – Loan payable to USDA, Rural Development, in the original amount of \$672,705, secured by property, bears interest at 3.50% per annum; however, a subsidy agreement entered into with RD effectively lowers interest rate to 1%. Requires monthly principal and interest payments of \$2,377 until maturity on December 1, 2041.	590,684	598,416
Skyview Terrace – Loan payable to New Mexico Mortgage Finance Authority (HOME) in the original amount of \$600,000, secured by property, non-interest-bearing, and requires monthly payments of \$625 until maturity on December 31, 2059, upon which date a balloon payment for the remaining balance will be due.	577,500	585,000
Bella Vista – Loan payable to Pacific Life Insurance Company in the original amount of \$685,540, secured by property, bears interest at 7.93% per annum, and requires monthly principal and interest payments of \$4,997 until maturity on August 1, 2027, upon which date a balloon payment for the remaining balance will be due.	518,921	536,948
Solar Villa – Loan payable to New Mexico Mortgage Finance Authority (HOME) in the original amount of \$600,000, secured by property, non-interest-bearing, and requires monthly payments of \$1,667 until maturity on September 1, 2049.	498,333	518,333
Nuevo Atrisco – Loan payable to New Mexico Mortgage Finance Authority (HOME) in the original amount of \$600,000, secured by property, non-interest-bearing, and requires monthly payments of \$2,500 until maturity on June 1, 2041.	492,500	522,500
Copper Terrace – Loan payable to New Mexico Mortgage Finance Authority (HTF) in the original amount of \$1,000,000, secured by property, bears interest at 3.00% per annum, and requires monthly principal and interest payments of \$2,108 until maturity on July 1, 2053.	485,119	495,688

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

	2024	2023
Skyview Terrace – Loan payable to New Mexico Mortgage Finance Authority (HTF) in the original amount of \$1,000,000, secured by property, bears interest at 3.00% per annum, and requires monthly principal and interest payments of \$2,108 until maturity on December 1, 2051.	467,721	478,804
Nuevo Atrisco – Loan payable to New Mexico Mortgage Finance Authority (HTF) in the original amount of \$1,000,000, secured by property, bears interest at 3.00% per annum, and requires monthly principal and interest payments of \$2,108 until maturity on May 1, 2051.	461,100	472,379
Roswell Summit – Loan payable to New Mexico Mortgage Finance Authority (HOME) in the original amount of \$490,000, secured by property. Loan modified on October 31, 2023, to bear interest at a rate of 0.00% per annum with principal-only payments of \$2,722 due monthly until maturity on September 30, 2038.	454,611	484,556
Mesa Del Norte – Loan payable to New Mexico Mortgage Finance Authority (HOME) in the original amount of \$500,000, secured by property, non-interest-bearing, and requires monthly payments of \$521 until maturity on May 1, 2054.	433,855	440,104
Imperial – Loan payable to New Mexico Mortgage Finance Authority (HTF) in the original amount of \$1,500,000, secured by property, bears interest at 3.00% per annum, and requires monthly principal and interest payments of \$2,108 until maturity on February 1, 2047.	414,593	427,245
New Leaf – Loan payable to New Mexico Mortgage Finance Authority (HTF) in the original amount of \$1,500,000, secured by property, bears interest at 3.00% per annum, and requires monthly principal and interest payments of \$2,108 until maturity on December 1, 2046.	407,036	419,911
YES Imperial – Federal Home Loan Bank in the original amount of \$378,000, secured by the property, bears interest at 3.50% per annum, shall make a payment on this note to the extent of residual receipts for the immediately preceding calendar year. Matures on January 1, 2072.	378,000	378,000
YES West Berry – Loan payable to New Mexico Mortgage Finance Authority (CDBG) in the original amount of \$370,589, secured by property, bearing interest at 4.00% per annum. Restricted by Land Use Restriction Agreement as condition of the proceeds, and balance is to be forgiven upon satisfactory completion of the affordability period. Matures on December 31, 2053.	370,589	370,589

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

	2024	2023
Mesa Del Norte – Loan payable to Pacific Life Insurance Company in the original amount of \$450,000, secured by property, bears interest at 5.83% per annum, and requires monthly principal and interest payments of \$2,649 until maturity on June 1, 2032, upon which date a balloon payment for the remaining balance will be due.	369,834	379,745
Mesa Del Norte – Loan payable to New Mexico Mortgage Finance Authority (HTF) in the original amount of \$500,000, secured by property, bears interest at 3.00% per annum, and requires monthly principal and interest payments of \$2,108 until maturity on May 1, 2044.	367,201	381,252
Bella Vista – Loan payable to New Mexico Mortgage Finance Authority (HOME) in the original amount of \$366,000, secured by property, bears interest at 4.37% per annum with interest-only payments at 1% per annum paid monthly. Matures on January 31, 2048, upon which date a balloon payment for the remaining balance will be due.	366,000	366,000
New Leaf – Loan payable to New Mexico Mortgage Finance Authority (HOME) in the original amount of \$450,000, secured by property, non-interest-bearing, and requires payments of \$938 until maturity on December 1, 2056.	360,000	371,250
YES Calle Cuarta – New Mexico Mortgage Finance Authority (NHTF) in the original amount of \$400,000, secured by the property, non-interest-bearing. Payment shall be made in the amount of the greater of 50% of any positive annual cash flows or \$500 per year. The loan principal balance and all accrued and unpaid interest shall be due and payable upon the termination of the Affordability Period or an event of default by borrower.	360,000	360,000
Mountain View – Loan payable to New Mexico Mortgage Finance Authority (HTF), in the original amount of \$500,000, secured by property, bears interest at 3.00% per annum, and requires monthly principal and interest payments of \$2,108 until maturity on February 1, 2043.	357,577	371,912
Sunset Hills – Loan payable to New Mexico Mortgage Finance Authority (HTF) in the original amount of \$700,000, secured by property, bears interest at 3.00% per annum, and requires monthly principal and interest payments of \$4,834 until maturity on May 1, 2030.	289,680	338,206
YES Mesa Del Norte – Federal Home Loan Bank in the original amount of \$252,000, secured by the property, bears interest at 1.00% per annum, compounded annually. Loan is restricted by Land Use Restriction Agreement, and the balance is to be forgiven upon satisfactory completion of the affordability period. Matures on December 31, 2032.	252,000	252,000

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

	2024	2023
Mountain View – Loan payable to New Mexico Mortgage Finance Authority (HOME) in the original amount of \$600,000, secured by property, bears interest at 3.00% per annum. Requires monthly principal and interest payments of \$2,530 until maturity on May 1, 2043.	248,742	271,267
Sunset Hills – Loan payable to New Mexico Mortgage Finance Authority (HOME) in the original amount of \$450,000, secured by property, bears interest at 1.00% per annum, and requires monthly principal and interest payments of \$2,693 until maturity on May 1, 2030.	170,327	200,777
Solar Villa – Loan payable to New Mexico Mortgage Finance Authority (HTF) in the original amount of \$1,000,000, secured by property, bears interest at 3.00% per annum, and requires monthly principal and interest payments of \$2,500 until maturity on June 1, 2029.	124,385	150,232
Imperial – Albuquerque Bernalillo County Water Utility Authority in the original amount of \$50,125, secured by the property, bears 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 (plus interest, only in the event of default) is due on December 31, 2066.	50,125	50,125
Mustang Villas – Construction loan payable to Wells Fargo in the original amount of \$14,511,887, secured by property, bears interest at Secured Overnight Financing Rate (SOFR) plus 2%. Interest rate is adjusted monthly. In April 2024, the loan was converted to a mortgage loan.	-	13,677,299
West Berry – Construction loan payable to Wells Fargo in the original amount of \$7,865,000, secured by property, bore interest at SOFR plus 2.15%. Interest rate was adjusted monthly. The loan matured on August 24, 2024.	-	3,588,334
Total long-term debt	94,829,638	94,034,636
Less unamortized debt issuance costs	(1,114,460)	(1,595,989)
Total long-term debt, net of unamortized debt issuance costs	93,715,178	92,438,647
Less current maturities	(9,161,970)	(20,168,096)
Total long-term debt, net of current maturities	<u>\$ 84,553,208</u>	<u>\$ 72,270,551</u>

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Aggregate future maturities of long-term debt as of December 31, 2024, are as follows:

	Amount
Years Ending December 31,	
2025	\$ 9,161,970
2026	3,738,428
2027	10,278,076
2028	1,022,601
2029	3,281,049
Thereafter	67,347,514
Total	<u>\$ 94,829,638</u>

Interest expense incurred related to these notes for the years ended December 31, 2024 and 2023, totaled \$2,862,856 and \$2,529,552, respectively. Accrued interest related to these notes for the years ended December 31, 2024 and 2023, totaled \$273,874 and \$301,786, respectively.

Note 8 – 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 IRC. This plan is classified as a defined contribution plan. The employee contributions to the plan are considered a reduction of salary for federal income tax purposes.

All employees who meet the eligibility requirements are eligible to participate in this plan on their first day of employment. After six months of service, YES will make a dollar-for-dollar matching contribution up to 10% of the employee's gross salary to the plan if the employee contributes at least 3% of their biweekly gross salary. The contribution percentage is approved annually by the Board of Directors. YES contributed \$193,649 and \$178,651 to the retirement plan during the years ended December 31, 2024 and 2023, respectively.

During fiscal year 2007, YES adopted a 457(b) Retirement Plan wherein the employer contributes 10% of eligible participants' biweekly gross pay, which contribution is accrued on YES's consolidated statements 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 \$60,832 and \$59,091 to the Retirement Plan during the years ended December 31, 2024 and 2023, respectively. The related 457(b) Retirement Plan assets included in restricted investments as of December 31, 2024 and 2023, totaled \$709,513 and \$564,887, respectively (see Note 6).

Note 9 – Commitment and Contingencies

Rent increases – Under HUD agreements, YES may not increase rents charged to tenants residing in HAP properties without prior approval.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Construction commitments – During 2023, Calle Cuarta Limited Partnership, LLLP, entered into a construction contract to include change orders totaling \$21,754,065 with Pavilion Construction for the new construction of property. As of December 31, 2024, the property was still under construction and \$13,952,823 of the contract fees had been incurred.

Litigation – From time to time, YES may be a party to disputes and legal actions arising in the normal course of business. YES is not a party to any pending significant legal proceedings for which management believes the ultimate outcomes will have a material adverse effect on YES's financial position or future operating results.

Note 10 – Consolidation

The consolidated presentation of YES Housing, Inc. and Affiliates arises due to YES's position as general partner in limited partnerships that 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, 2024, development fees of \$622,950, interest revenue of \$463,958, property management fees of \$768,615, operating transfers of \$2,896,884, and additional smaller amounts have been eliminated.

Additionally, for the year ended December 31, 2024, YES's receivables from affiliates of \$3,237,873; notes receivable from affiliates of \$24,889,900; due to affiliates of \$24,312,307; development fees receivable and payable of \$3,168,361; and accrued interest payable of \$2,090,786 have also been eliminated. Additionally, equity investments of \$10,526,100; property, furniture, and equipment of \$16,773,256; work in progress of \$805,500; and various amounts attributable to the partnerships have been eliminated.

For the year ended December 31, 2023, development fees of \$2,081,621, interest revenue and expense of \$291,345, property management fees of \$614,286, operating transfers of \$2,025,398, net realized gain on capital investments of \$937,965, and additional smaller amounts have been eliminated.

Additionally, for the year ended December 31, 2023, YES's receivables from affiliates of \$2,566,458; notes receivable from affiliates of \$19,945,675; due to affiliates of \$19,366,432; and development fees receivable and payable of \$4,335,151 have also been eliminated. Additionally, equity investments of \$5,833,714; property, furniture, and equipment of \$14,059,658; work in progress of \$3,411,256; and various amounts attributable to the partnerships have been eliminated.

Note 11 – Investment in Casitas de Colores

Casitas de Colores, LLC (CDC), is a New Mexico limited liability company that was formed on November 2, 2010, to develop and operate a multifamily 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 Casitas, LLC, the sole member of which is YES Housing, Inc., is the 0.0051% member of CDC. 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. and Affiliates

Notes to Consolidated Financial Statements

YES Housing, Inc., made available its Workforce Housing Trust Funds Grant and HOME Investment Trust Funds Grant for construction of the Development in exchange for a note payable from CDC to YES. As of December 31, 2024 and 2023, 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. Payments of interest and principal are made out of net cash flows after obligations of higher priority have been paid. This note is due January 1, 2045. The accrued interest at December 31, 2024 and 2023, was \$842,391 and \$770,390, respectively.

Note 12 – Limited Partnership Purchases

Copper Terrace Limited Partnership LP, LLLP – Copper Terrace Limited Partnership LP, 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 Copper Terrace are subject to the provisions of the housing assistance payment contract executed between Copper Terrace and HUD and are executed in a manner intended to qualify Copper Terrace for tax credits under the federal low-income housing tax credit program as defined under the IRC.

The general partner of 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 \$589,209 and \$7,024,565 in 2024 and 2023, respectively, to Copper Terrace.

New Frontier Family Living, LLC – New Frontier Family Living, LLC (New Frontier), was formed on March 14, 2019, 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 25, 2020, the operating agreement was amended by and among YES Housing of Arizona, Inc., as the withdrawing member and sole member of the managing member; New Frontier MM, LLC, as the 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. New Frontier's formation included plans to construct an apartment complex eligible for LIHTCs. 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 \$0 and \$526,531 in 2024 and 2023, respectively, to New Frontier.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

West Berry Senior Apartments LP, LLLP – West Berry Senior Apartments LP, LLLP (West Berry), was formed on August 4, 2021, 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, 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 plans to construct an apartment complex eligible for LIHTCs. As part of the agreement, YES West Berry Senior Apartments, LLC, contributed \$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 \$5,774,768 and \$1,869,408 in 2024 and 2023, respectively, to West Berry.

Mustang Villas, LLC – Mustang Villas, LLC (Mustang Villas), was formed on April 29, 2022, 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 Arizona, by and among YES Housing of Arizona, Inc., an Arizona nonprofit corporation, as a member, and Yes Mustang Villas, LLC, an Arizona limited liability corporation, as the managing member. The partnership's formation included plans to construct an apartment complex eligible for LIHTCs. 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 \$1,031,320 in 2024 to Mustang Villas.

Calle Cuarta – Calle Cuarta Limited Partnership LP, LLLP (Calle Cuarta), was formed as a limited liability limited partnership under the laws of the state of New Mexico to acquire, hold, invest in, construct, rehabilitate, develop, improve, maintain, operate, lease, and otherwise deal with a multifamily housing project known as Calle Cuarta, located in Albuquerque, New Mexico. YES Calle Cuarta, LLC, is the general partner and managing member. The partnership's formation included plans to construct a 61-unit multifamily complex eligible for LIHTCs. As part of the agreement, YES Calle Cuarta, LLC, contributed \$541,910 for a 0.01% interest. Additionally, the investor will contribute \$13,110,053 for a 99.99% interest throughout the construction and loan conversion phase of the project. As per the agreement, the limited partner contributed \$1,031,329 and \$655,503 in 2024 and 2023, respectively, to the partnership.

Note 13 – 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, quasi-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.

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Spending policy and how investment objectives relate to spending policy – 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 \$5,273,357 and \$4,774,354 at December 31, 2024 and 2023, respectively. The Board of Directors also held other designated reserves of \$487,199 and \$292,270 at December 31, 2024 and 2023, respectively.

The Board of Directors may, from time to time, approve spending from the fund to meet operational or emergency needs. Appropriations, 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's objective to produce moderate growth sufficient to support current and future program objectives.

Note 14 – Liquidity and Funds Available

The following table reflects YES's financial assets as of December 31, 2024 and 2023, 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, which includes restricted trust assets, perpetual trusts held by others, endowments, accumulated earnings net of appropriations within one year, and funds set aside by the governing board for a specific contingency reserve. These Board designations could be drawn upon if the Board of Directors approves such action.

	2024	2023
Financial assets		
Cash and cash equivalents	\$ 14,261,468	\$ 14,824,901
Receivables	7,538,366	8,523,066
Investments in limited partnerships	866,592	882,678
Investments in marketable securities	11,811,735	10,679,599
Restricted investments (457(b) Plan)	709,513	564,887
	<u>35,187,674</u>	<u>35,475,131</u>
Total financial assets		
Less those unavailable for general expenditure within one year, due to		
Restricted cash and cash equivalents	(6,767,099)	(6,228,413)
Contributions and accounts receivable collectible beyond one year	(4,144,196)	(3,986,967)
Board-designated reserves for future contingencies	(5,760,556)	(5,066,624)
Investments with liquidity restrictions	(866,592)	(882,678)
Investments restricted for 457(b) Plan	(709,513)	(564,887)
	<u>(18,248,361)</u>	<u>(16,730,571)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 16,939,718</u>	<u>\$ 18,745,562</u>

YES Housing, Inc. and Affiliates

Notes to Consolidated Financial Statements

Note 15 – Involuntary Conversion of Nonmonetary Asset to Monetary Asset

Bella Vista Townhomes, LP – During the year ended December 31, 2023, this property sustained a hail and wind damage loss. As a result, the partnership received insurance proceeds in the amount of \$889,375 and \$437,053 during the years ended December 31, 2024 and 2023, respectively. The partnership wrote off the original depreciable basis of the units damaged by the hail and wind damage loss, net of accumulated depreciation, upon completion of construction in 2024. The partnership entered into two construction contracts with Diversified Improvement Contractors, Inc., an unrelated party, for a total combined cost of \$1,336,428. The reconstruction began December 2023 and was completed in March 2024, at which time the associated costs were capitalized; they are being depreciated over the useful lives of the buildings and their components.

Note 16 – Subsequent Events

Apple Ridge Apartments, LP – On February 10, 2025, the Partnership entered into a purchase and sale agreement with a third party to sell the property for \$8,650,000. The sale is expected to close no later than July 31, 2025 with one option to extend the closing date an additional sixty days. The HAP contract and service coordinator grant shall be transferred to the buyer upon HUD approval.

Brentwood Gardens Apartments, LP – On February 10, 2025, the Partnership entered into a purchase and sale agreement with a third party to sell the property for \$13,200,000. The sale is expected to close no later than July 31, 2025 with one option to extend the closing date an additional sixty days. The HAP contract and service coordinator grant shall be transferred to the buyer upon HUD approval.

Montana Meadows Apartments, LP – On February 10, 2025, the Partnership entered into a purchase and sale agreement with a third party to sell the property for \$6,850,000. The sale is expected to close no later than July 31, 2025 with one option to extend the closing date an additional sixty days. The HAP contract and service coordinator grant shall be transferred to the buyer upon HUD approval.

Roswell Summit Apartments, LP – During the year end December 31, 2024, the property sustained major damage due to flooding. On November 1, 2024, the President declared a major disaster in the State of New Mexico based on a flooding incident on October 19, 2024. During 2025, the partnership received insurance proceeds in the amount of \$1,691,508. The partnership will write off the original depreciable basis of the units damaged by the flood, net of accumulated depreciation, upon completion of construction in 2025.

Wildewood Apartments, LP – On February 10, 2025, the Partnership entered into a purchase and sale agreement with a third party to sell the property for \$3,800,000. The sale is expected to close no later than July 31, 2025 with one option to extend the closing date an additional sixty days. The HAP contract and service coordinator grant shall be transferred to the buyer upon HUD approval.

Supplementary Information

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2024

	General Fund	Payroll	Development Services	Asset Management	Social Services
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 761,066	\$ 189,331	\$ 46,208	\$ -	\$ -
Restricted cash and cash equivalents	487,199	-	-	-	706,932
Construction costs receivable	-	-	50,362	-	-
Rents and miscellaneous receivables	47,777	-	939,341	1,629	120,660
Prepaid expenses and deposits	6,858	-	35,488	12,105	10,611
Interfund receivables	6,523	27,669	-	-	-
Total current assets	1,309,423	217,000	1,071,399	13,734	838,203
WORK IN PROGRESS	-	-	2,441,849	-	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	953,971	-	5,645,700	187,861	-
OTHER ASSETS					
Tax credit monitoring fees, net	-	-	-	-	-
Predevelopment costs	-	-	5,897	-	-
Receivables - affiliates	2,933,176	-	-	1,120,783	-
Notes receivable - affiliates	27,509,900	-	380,000	-	-
Notes receivable	-	-	160,635	-	141,170
Investments in limited partnerships	11,581,049	-	-	-	-
Investments in marketable securities	11,811,735	-	-	-	-
Development fees receivable	1,272,897	-	775,500	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Restricted investments (457(b) plan)	709,513	-	-	-	-
Total other assets	55,818,270	-	1,322,032	1,120,783	141,170
Total assets	<u>\$ 58,081,664</u>	<u>\$ 217,000</u>	<u>\$ 10,480,980</u>	<u>\$ 1,322,378</u>	<u>\$ 979,373</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ 500	\$ -	\$ 1,690,987	\$ -	\$ -
Accrued interest payable	-	-	9,220	-	-
Accounts payable	9,512	45,999	7,651	4,408	20,833
Accrued salaries and payroll taxes	29,884	171,001	35,131	23,638	29,035
Tenant prepaid rent	-	-	-	2,641	-
Other accrued expenses	69,123	-	70,124	175	-
Security deposits	-	-	-	2,594	-
Deferred revenue	-	-	-	-	419,655
Interfund payables	5,287	-	9,729	5,918	13,260
Total current liabilities	114,306	217,000	1,822,842	39,374	482,783
LONG-TERM LIABILITIES					
Due to affiliates	-	-	-	-	-
Deferred AHP revenue	-	-	-	-	-
Development fee payable	-	-	-	-	-
Asset management fee payable	-	-	-	-	-
Accrued interest payable - long-term	-	-	-	-	-
Pension plan liability	709,513	-	-	-	-
Long-term debt, less current maturities and net of unamortized debt issuance costs	26,365,490	-	-	-	-
Total long-term liabilities	27,075,003	-	-	-	-
Total liabilities	27,189,309	217,000	1,822,842	39,374	482,783
NET ASSETS					
Net assets without donor restrictions	30,892,355	-	8,658,138	1,283,004	496,590
Capital contribution	-	-	-	-	-
Partners' capital (deficit)	-	-	-	-	-
Net assets attributable to YES Housing, Inc. and Affiliates	30,892,355	-	8,658,138	1,283,004	496,590
Noncontrolling interest	-	-	-	-	-
Total net assets	30,892,355	-	8,658,138	1,283,004	496,590
Total liabilities and net assets	<u>\$ 58,081,664</u>	<u>\$ 217,000</u>	<u>\$ 10,480,980</u>	<u>\$ 1,322,378</u>	<u>\$ 979,373</u>

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Financial Position

December 31, 2024

	Bella Vista Townhomes, LP	La Hacienda, LLC	Nuevo Atrisco Live Work	Roswell Summit Apartments, LP	YES of Arizona, Inc.	YES Housing, Inc. 100% Owned Preconsolidated Subtotal
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	9,129	\$ 133,985	\$ 51,976	\$ 50,489	\$ 1,000	\$ 1,243,184
Restricted cash and cash equivalents	96,638	5,751	7,711	27,755	-	1,331,986
Construction costs receivable	-	-	-	-	-	50,362
Rents and miscellaneous receivables	2,660	3,031	78	1,747,421	-	2,862,597
Prepaid expenses and deposits	90,963	17,713	5,686	53,759	-	233,183
Interfund receivables	-	-	-	-	-	34,192
Total current assets	199,390	160,480	65,451	1,879,424	1,000	5,755,504
WORK IN PROGRESS						
	-	-	-	-	-	2,441,849
PROPERTY, FURNITURE, AND EQUIPMENT, NET						
	5,819,568	832,318	345,497	2,510,925	-	16,295,840
OTHER ASSETS						
Tax credit monitoring fees, net	-	-	-	-	-	-
Predevelopment costs	-	-	-	-	-	5,897
Receivables - affiliates	-	-	-	-	26,305	4,080,264
Notes receivable - affiliates	-	-	-	-	-	27,889,900
Notes receivable	-	-	-	-	-	301,805
Investments in limited partnerships	-	-	-	-	(188,357)	11,392,692
Investments in marketable securities	-	-	-	-	-	11,811,735
Development fees receivable	-	-	-	-	1,119,964	3,168,361
Restricted cash and cash equivalents	51,911	269,587	7,237	120,293	-	449,028
Restricted investments (457(b) plan)	-	-	-	-	-	709,513
Total other assets	51,911	269,587	7,237	120,293	957,912	59,809,195
Total assets	<u>\$ 6,070,869</u>	<u>\$ 1,262,385</u>	<u>\$ 418,185</u>	<u>\$ 4,510,642</u>	<u>\$ 958,912</u>	<u>\$ 84,302,388</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Long-term debt - current maturities						
and net of unamortized debt issuance costs	\$ 19,511	\$ -	\$ -	\$ 51,842	\$ -	\$ 1,762,840
Accrued interest payable	3,968	-	-	3,292	-	16,480
Accounts payable	6,474	1,086	750	720	587	98,020
Accrued salaries and payroll taxes	-	-	-	-	-	288,689
Tenant prepaid rent	11,335	5,127	18	1,800	-	20,921
Other accrued expenses	9,441	8,378	3,493	1,215,494	-	1,376,228
Security deposits	17,123	5,201	4,430	11,867	-	41,215
Deferred revenue	-	-	-	-	-	419,655
Interfund payables	-	-	-	-	-	34,194
Total current liabilities	67,852	19,792	8,691	1,285,015	587	4,058,242
LONG-TERM LIABILITIES						
Due to affiliates	71,846	-	-	767,820	-	839,666
Deferred AHP revenue	-	-	-	-	-	-
Development fee payable	-	-	-	-	-	-
Asset management fee payable	17,727	7,500	-	324,980	-	350,207
Accrued interest payable - long-term	282,529	-	-	445,633	-	728,162
Pension plan liability	-	-	-	-	-	709,513
Long-term debt, less current maturities	-	-	-	-	-	-
and net of unamortized debt issuance costs	860,478	2,198,538	-	1,052,474	-	30,476,980
Total long-term liabilities	1,232,580	2,206,038	-	2,590,907	-	33,104,528
Total liabilities	1,300,432	2,225,830	8,691	3,875,922	587	37,162,770
NET ASSETS						
Net assets without donor restrictions	4,770,437	(963,445)	409,494	634,720	958,325	47,139,618
Capital contribution	-	-	-	-	-	-
Partners' capital (deficit)	-	-	-	-	-	-
Net assets attributable to YES Housing, Inc. and Affiliates	4,770,437	(963,445)	409,494	634,720	958,325	47,139,618
Noncontrolling interest	-	-	-	-	-	-
Total net assets	4,770,437	(963,445)	409,494	634,720	958,325	47,139,618
Total liabilities and net assets	<u>\$ 6,070,869</u>	<u>\$ 1,262,385</u>	<u>\$ 418,185</u>	<u>\$ 4,510,642</u>	<u>\$ 958,912</u>	<u>\$ 84,302,388</u>

See report of independent auditors.

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2024

	Apple Ridge Apartments, LP	Brentwood Gardens Apartments, LP	Calle Cuarta LP, LLLP	Copper Terrace Limited Partnership LP, LLLP	UR 205 Silver, LLC (Imperial)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 118,483	\$ 71,675	\$ 20,236	\$ 234,808	\$ 156,821
Restricted cash and cash equivalents	33,710	53,161		44,425	80,071
Construction costs receivable	-	-			
Rents and miscellaneous receivables	11,925	5,516	386,234	30,232	6,702
Prepaid expenses and deposits	60,520	92,682	-	108,736	32,097
Interfund receivables	-	-	-	-	-
Total current assets	224,638	223,034	406,470	418,201	275,691
WORK IN PROGRESS	-	-	14,402,349	-	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	2,382,371	3,852,934	541,604	19,842,274	14,060,393
OTHER ASSETS					
Tax credit monitoring fees, net	-	-	-	70,588	37,592
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	320,587	35,486	-	541,534	323,150
Restricted investments (457(b) plan)	-	-	-	-	-
Total other assets	320,587	35,486	-	612,122	360,742
Total assets	<u>\$ 2,927,596</u>	<u>\$ 4,111,454</u>	<u>\$ 15,350,423</u>	<u>\$ 20,872,597</u>	<u>\$ 14,696,826</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ 139,425	\$ 240,627	\$ 6,099,716	\$ 105,439	\$ 35,857
Accrued interest payable	14,818	23,424	20,911	26,044	6,400
Accounts payable	183	4,783	1,008,476	6,821	3,173
Accrued salaries and payroll taxes	-	-	-	-	-
Tenant prepaid rent	3,286	11,162	-	17,116	15,311
Other accrued expenses	30,134	49,898	10,663	24,995	16,069
Security deposits	22,252	32,859	1,171	32,330	18,597
Deferred revenue	-	-	-	-	-
Interfund payables	-	-	-	-	-
Total current liabilities	210,098	362,753	7,140,937	212,745	95,407
LONG-TERM LIABILITIES					
Due to affiliates	8,324	-	4,762,346	2,265,326	3,583,019
Deferred AHP revenue	-	-	-	-	378,000
Development fee payable	-	-	775,500	329,165	24,889
Asset management fee payable	-	-	-	171,098	134,838
Accrued interest payable - long-term	-	-	-	179,114	1,348,374
Pension plan liability	-	-	-	-	-
Long-term debt, less current maturities and net of unamortized debt issuance costs	-	-	-	-	-
	3,551,263	5,599,656	1,490,910	7,799,971	1,419,734
Total long-term liabilities	3,559,587	5,599,656	7,028,756	10,744,674	6,888,854
Total liabilities	3,769,685	5,962,409	14,169,693	10,957,419	6,984,261
NET ASSETS					
Net assets without donor restrictions	-	-	-	-	-
Capital contribution	-	-	-	589,209	-
Partners' capital (deficit)	(842,089)	(1,850,955)	1,180,730	9,325,969	7,712,565
Net assets attributable to YES Housing, Inc. and Affiliates	(842,089)	(1,850,955)	1,180,730	9,915,178	7,712,565
Noncontrolling interest	-	-	-	-	-
Total net assets	(842,089)	(1,850,955)	1,180,730	9,915,178	7,712,565
Total liabilities and net assets	<u>\$ 2,927,596</u>	<u>\$ 4,111,454</u>	<u>\$ 15,350,423</u>	<u>\$ 20,872,597</u>	<u>\$ 14,696,826</u>

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Financial Position

December 31, 2024

	Mesa Del Norte Apartments LP, LLLP	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments LP, LLLP	Mustang Villas, LLC	New Frontier Family Living, LLC	New Leaf Community LP, LLLP	Nuevo Atrisco Apartments LP, LLLP
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	\$ 265,595	\$ 107,207	\$ 14,569	\$ 342,303	\$ 478,517	\$ 179,206	\$ 249,952
Restricted cash and cash equivalents	21,268	43,872	30,623	228,273	809,186	21,029	40,051
Construction costs receivable	-	-	-	-	-	-	-
Rents and miscellaneous receivables	2,150	10,624	10,944	7,795	8,864	14,795	33,455
Prepaid expenses and deposits	34,507	56,419	44,690	28,291	35,785	112,154	66,124
Interfund receivables	-	-	-	-	-	-	-
Total current assets	323,520	218,122	100,826	606,662	1,332,352	327,184	389,582
WORK IN PROGRESS	-	-	-	-	-	-	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	3,617,257	2,222,539	3,880,503	17,857,673	15,875,969	9,658,329	15,715,937
OTHER ASSETS							
Tax credit monitoring fees, net	9,542	-	5,701	120,954	146,717	29,591	55,110
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	199,438	337,700	828,716	-	-	444,674	696,376
Restricted investments (457(b) plan)	-	-	-	-	-	-	-
Total other assets	208,980	337,700	834,417	120,954	146,717	474,265	751,486
Total assets	<u>\$ 4,149,757</u>	<u>\$ 2,778,361</u>	<u>\$ 4,815,746</u>	<u>\$ 18,585,289</u>	<u>\$ 17,355,038</u>	<u>\$ 10,459,778</u>	<u>\$ 16,857,005</u>
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ 31,232	\$ 129,189	\$ 45,987	\$ 41,136	\$ 77,521	\$ 41,920	\$ 58,628
Accrued interest payable	2,715	12,449	2,286	66,357	15,435	6,568	10,141
Accounts payable	2,798	109	411	9,921	-	4,560	-
Accrued salaries and payroll taxes	-	-	-	-	-	-	-
Tenant prepaid rent	10,379	6,901	3,382	6,288	8,362	14,846	34,666
Other accrued expenses	24,052	37,501	21,662	24,742	26,595	34,189	22,410
Security deposits	11,812	21,206	11,183	36,115	31,750	20,501	21,450
Deferred revenue	-	-	-	-	-	-	-
Interfund payables	-	-	-	-	-	-	-
Total current liabilities	82,988	207,355	84,911	184,559	159,663	122,584	147,295
LONG-TERM LIABILITIES							
Due to affiliates	-	9,434	9,965	-	-	864,388	4,628,648
Deferred AHP revenue	252,000	-	-	-	-	-	-
Development fee payable	-	-	-	1,119,964	-	-	-
Asset management fee payable	213,769	-	39,339	26,000	10,609	5,940	56,276
Accrued interest payable - long-term	30,576	-	-	-	-	-	-
Pension plan liability	-	-	-	-	-	-	-
Long-term debt, less current maturities and net of unamortized debt issuance costs	1,123,354	2,797,379	1,125,291	5,798,081	3,607,794	2,013,299	2,732,129
Total long-term liabilities	1,619,699	2,806,813	1,174,595	6,944,045	3,618,403	2,883,627	7,417,053
Total liabilities	1,702,687	3,014,168	1,259,506	7,128,604	3,778,066	3,006,211	7,564,348
NET ASSETS							
Net assets without donor restrictions	-	-	-	-	-	-	-
Capital contribution	-	-	-	11,701,763	-	-	-
Partners' capital (deficit)	2,447,070	(235,807)	3,556,240	(245,078)	13,576,972	7,453,567	9,292,657
Net assets attributable to YES Housing, Inc. and Affiliates	2,447,070	(235,807)	3,556,240	11,456,685	13,576,972	7,453,567	9,292,657
Noncontrolling interest	-	-	-	-	-	-	-
Total net assets	2,447,070	(235,807)	3,556,240	11,456,685	13,576,972	7,453,567	9,292,657
Total liabilities and net assets	<u>\$ 4,149,757</u>	<u>\$ 2,778,361</u>	<u>\$ 4,815,746</u>	<u>\$ 18,585,289</u>	<u>\$ 17,355,038</u>	<u>\$ 10,459,778</u>	<u>\$ 16,857,005</u>

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Financial Position

December 31, 2024

	Skyview Terrace, LP, LLLP	Solar Villa Apartments, LP, LLLP	Gallup Sunset Hills Apartments, LLLP	West Berry Senior Apartments LP, LLLP	Wildewood Apartments, LP	Eliminations	Total
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	\$ 119,666	\$ 150,010	\$ 508,431	\$ 67,076	\$ 58,681	\$ -	\$ 4,386,420
Restricted cash and cash equivalents	34,900	132,458	48,383	26,633	127,920	-	3,107,949
Construction costs receivable	-	-	-	-	-	(46,442)	3,920
Rents and miscellaneous receivables	6,224	13,268	11,017	9,861	10,953	(52,906)	3,390,250
Prepaid expenses and deposits	95,040	81,344	48,597	71,121	45,318	-	1,246,608
Interfund receivables	-	-	-	-	-	(34,192)	-
Total current assets	255,830	377,080	616,428	174,691	242,872	(133,540)	12,135,147
WORK IN PROGRESS	-	-	-	-	-	(805,500)	16,038,698
PROPERTY, FURNITURE, AND EQUIPMENT, NET	13,553,652	13,968,604	7,658,272	16,683,788	1,844,176	(16,773,256)	162,738,859
OTHER ASSETS							
Tax credit monitoring fees, net	60,382	52,051	25,159	95,788	-	-	709,175
Predevelopment costs	-	-	-	-	-	-	5,897
Receivables - affiliates	-	-	-	-	-	(3,237,873)	842,391
Notes receivable - affiliates	-	-	-	-	-	(24,889,900)	3,000,000
Notes receivable	-	-	-	-	-	-	301,805
Investments in limited partnerships	-	-	-	-	-	(10,526,100)	866,592
Investments in marketable securities	-	-	-	-	-	-	11,811,735
Development fees receivable	-	-	-	-	-	(3,168,361)	-
Restricted cash and cash equivalents	486,536	678,968	1,205,860	216,465	2,581	-	6,767,099
Restricted investments (457(b) plan)	-	-	-	-	-	-	709,513
Total other assets	546,918	731,019	1,231,019	312,253	2,581	(41,822,234)	25,014,207
Total assets	<u>\$ 14,356,400</u>	<u>\$ 15,076,703</u>	<u>\$ 9,505,719</u>	<u>\$ 17,170,732</u>	<u>\$ 2,089,629</u>	<u>\$ (59,534,530)</u>	<u>\$ 215,926,911</u>
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ 43,604	\$ 81,015	\$ 97,897	\$ 43,964	\$ 85,973	\$ -	\$ 9,161,970
Accrued interest payable	10,753	15,147	5,509	9,946	8,491	-	273,874
Accounts payable	3,530	7,866	53	19,097	73	(46,942)	1,122,932
Accrued salaries and payroll taxes	-	-	-	-	-	-	288,689
Tenant prepaid rent	20,532	9,898	2,375	7,737	3,292	-	196,454
Other accrued expenses	39,632	46,927	19,742	16,754	34,761	-	1,856,954
Security deposits	22,350	22,411	14,231	15,803	16,635	-	393,871
Deferred revenue	-	-	-	-	-	-	419,655
Interfund payables	-	-	-	-	-	(34,194)	-
Total current liabilities	140,401	183,264	139,807	113,301	149,225	(81,136)	13,714,399
LONG-TERM LIABILITIES							
Due to affiliates	1,393,356	2,134,026	9,086	3,795,589	9,134	(24,312,307)	-
Deferred AHP revenue	-	-	-	-	-	(630,000)	-
Development fee payable	-	-	-	918,843	-	(3,168,361)	-
Asset management fee payable	110,056	74,675	25,792	5,000	-	(1,147,087)	76,512
Accrued interest payable - long-term	414,242	-	-	68,351	-	(2,090,786)	678,033
Pension plan liability	-	-	-	-	-	-	709,513
Long-term debt, less current maturities and net of unamortized debt issuance costs	3,355,467	3,466,564	1,847,529	4,065,931	2,281,876	-	84,553,208
Total long-term liabilities	5,273,121	5,675,265	1,882,407	8,853,714	2,291,010	(31,348,541)	86,017,266
Total liabilities	5,413,522	5,858,529	2,022,214	8,967,015	2,440,235	(31,429,677)	99,731,665
NET ASSETS							
Net assets without donor restrictions	-	-	-	-	-	(55,291,030)	(8,151,412)
Capital contribution	-	-	-	5,774,768	-	-	18,065,740
Partners' capital (deficit)	8,942,878	9,218,174	7,483,505	2,428,949	(350,606)	(68,571,941)	10,522,800
Net assets attributable to YES Housing, Inc. and Affiliates	8,942,878	9,218,174	7,483,505	8,203,717	(350,606)	(123,862,971)	20,437,128
Noncontrolling interest	-	-	-	-	-	95,758,118	95,758,118
Total net assets	8,942,878	9,218,174	7,483,505	8,203,717	(350,606)	(28,104,853)	116,195,246
Total liabilities and net assets	<u>\$ 14,356,400</u>	<u>\$ 15,076,703</u>	<u>\$ 9,505,719</u>	<u>\$ 17,170,732</u>	<u>\$ 2,089,629</u>	<u>\$ (59,534,530)</u>	<u>\$ 215,926,911</u>

See report of independent auditors.

YES Housing, Inc. and Affiliates
Consolidating Statement of Financial Position
December 31, 2023

	General Fund	Payroll	Development Services	Asset Management	Social Services
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,452,304	\$ 44,609	\$ 471,442	\$ -	\$ 588,734
Restricted cash and cash equivalents	292,270	-	-	-	7,010
Construction costs receivable	-	-	84,874	-	-
Rents and miscellaneous receivables	20,187	-	2,981,089	596	110,524
Prepaid expenses and deposits	6,746	-	23,132	11,236	10,375
Interfund receivables	5,561	125,739	-	-	-
Total current assets	1,777,068	170,348	3,560,537	11,832	716,643
WORK IN PROGRESS	3,007	-	396,646	-	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	775,078	-	5,318,579	145,502	-
OTHER ASSETS					
Tax credit monitoring fees, net	-	-	-	-	-
Predevelopment costs	-	-	821,413	-	-
Receivables - affiliates	2,397,368	-	7,500	926,830	-
Notes receivable - affiliates	22,180,675	-	765,000	-	-
Notes receivable	-	-	-	-	216,577
Investments in limited partnerships	6,816,551	-	-	-	-
Investments in marketable securities	10,679,599	-	-	-	-
Development fees receivable	53,373	-	2,446,036	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Restricted investments (457(b) plan)	564,887	-	-	-	-
Total other assets	42,692,453	-	4,039,949	926,830	216,577
Total assets	\$ 45,247,606	\$ 170,348	\$ 13,315,711	\$ 1,084,164	\$ 933,220
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Long-term debt - current maturities					
and net of unamortized debt issuance costs	\$ -	\$ -	\$ 1,670,178	\$ -	\$ -
Accrued interest payable	-	-	10,293	-	-
Accounts payable	3,114	768	61,392	3,267	20,208
Accrued salaries and payroll taxes	22,961	169,580	27,222	23,045	27,973
Tenant prepaid rent	-	-	-	305	-
Other accrued expenses	50,860	-	108,958	-	125
Security deposits	-	-	-	1,800	-
Deferred revenue	-	-	-	-	3,000
Interfund payables	25,109	-	37,072	30,613	38,420
Total current liabilities	102,044	170,348	1,915,115	59,030	89,726
LONG-TERM LIABILITIES					
Due to affiliates	-	-	-	-	-
Deferred AHP revenue	-	-	-	-	-
Development fee payable	-	-	-	-	-
Asset management fee payable	-	-	-	-	-
Accrued interest payable - long-term	-	-	-	-	-
Pension plan liability	564,887	-	-	-	-
Long-term debt, less current maturities					
and net of unamortized debt issuance costs	22,011,490	-	-	-	-
Total long-term liabilities	22,576,377	-	-	-	-
Total liabilities	22,678,421	170,348	1,915,115	59,030	89,726
NET ASSETS					
Net assets without donor restrictions	22,569,185	-	8,093,743	1,025,134	843,494
Capital contribution	-	-	3,306,853	-	-
Partners' capital (deficit)	-	-	-	-	-
Net assets attributable to YES Housing, Inc. and Affiliates	22,569,185	-	11,400,596	1,025,134	843,494
Noncontrolling interest	-	-	-	-	-
Total net assets	22,569,185	-	11,400,596	1,025,134	843,494
Total liabilities and net assets	\$ 45,247,606	\$ 170,348	\$ 13,315,711	\$ 1,084,164	\$ 933,220

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Financial Position

December 31, 2023

	La Hacienda, LLC	Nuevo Atrisco Live Work	Roswell Summit Apartments, LP	YES of Arizona, Inc.	YES Housing Inc. 100% Owned Preconsolidated Subtotal
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 129,124	\$ 48,993	\$ 44,637	\$ 26,000	\$ 2,805,843
Restricted cash and cash equivalents	5,519	6,590	12,439	-	323,828
Construction costs receivable	-	-	-	46,615	131,489
Rents and miscellaneous receivables	1,335	193	9,776	8,825	3,132,525
Prepaid expenses and deposits	15,115	3,974	64,433	-	135,011
Interfund receivables	-	-	-	-	131,300
Total current assets	151,093	59,750	131,285	81,440	6,659,996
WORK IN PROGRESS	-	-	-	-	399,653
PROPERTY, FURNITURE, AND EQUIPMENT, NET	916,568	355,019	2,639,826	-	10,150,572
OTHER ASSETS					
Tax credit monitoring fees, net	-	-	-	-	-
Predevelopment costs	-	-	-	-	821,413
Receivables - affiliates	-	-	-	5,150	3,336,848
Notes receivable - affiliates	-	-	-	-	22,945,675
Notes receivable	-	-	-	-	216,577
Investments in limited partnerships	-	-	-	(100,159)	6,716,392
Investments in marketable securities	-	-	-	-	10,679,599
Development fees receivable	-	-	-	1,835,742	4,335,151
Restricted cash and cash equivalents	263,798	5,425	128,652	-	397,875
Restricted investments (457(b) plan)	-	-	-	-	564,887
Total other assets	263,798	5,425	128,652	1,740,733	50,014,417
Total assets	\$ 1,331,459	\$ 420,194	\$ 2,899,763	\$ 1,822,173	\$ 67,224,638
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ -	\$ -	\$ 50,728	\$ -	\$ 1,720,906
Accrued interest payable	-	-	3,382	-	13,675
Accounts payable	928	440	2,750	11,975	104,842
Accrued salaries and payroll taxes	-	-	-	-	270,781
Tenant prepaid rent	4,611	-	3,429	-	8,345
Other accrued expenses	14,258	11,266	45,963	-	231,430
Security deposits	4,500	6,778	12,163	-	25,241
Deferred revenue	-	-	-	-	3,000
Interfund payables	-	-	-	86	131,300
Total current liabilities	24,297	18,484	118,415	12,061	2,509,520
LONG-TERM LIABILITIES					
Due to affiliates	-	-	173,340	-	173,340
Deferred AHP revenue	-	-	-	-	-
Development fee payable	-	-	-	-	-
Asset management fee payable	-	-	285,394	-	285,394
Accrued interest payable - long-term	-	-	438,587	-	438,587
Pension plan liability	-	-	-	-	564,887
Long-term debt, less current maturities and net of unamortized debt issuance costs	2,216,902	-	1,092,766	-	25,321,158
Total long-term liabilities	2,216,902	-	1,990,087	-	26,783,366
Total liabilities	2,241,199	18,484	2,108,502	12,061	29,292,886
NET ASSETS					
Net assets without donor restrictions	(909,740)	-	791,261	1,810,112	34,223,189
Capital contribution	-	-	-	-	3,306,853
Partners' capital (deficit)	-	401,710	-	-	401,710
Net assets attributable to YES Housing, Inc. and Affiliates	(909,740)	401,710	791,261	1,810,112	37,931,752
Noncontrolling interest	-	-	-	-	-
Total net assets	(909,740)	401,710	791,261	1,810,112	37,931,752
Total liabilities and net assets	\$ 1,331,459	\$ 420,194	\$ 2,899,763	\$ 1,822,173	\$ 67,224,638

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Financial Position

December 31, 2023

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Calle Cuarta LP, LLLP	Copper Terrace Limited Partnership LP, LLLP	UR 205 Silver, LLC (Imperial)
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 141,320	\$ 34,126	\$ 111,465	\$ 6,432	\$ 700,558	\$ 72,474
Restricted cash and cash equivalents	31,443	923,228	50,291	-	95,855	73,804
Construction costs receivable	-	-	-	-	-	-
Rents and miscellaneous receivables	9,982	490,191	1,896	385,168	41,632	4,744
Prepaid expenses and deposits	51,399	114,292	76,611	-	92,082	20,391
Interfund receivables	-	-	-	-	-	-
Total current assets	234,144	1,561,837	240,263	391,600	930,127	171,413
WORK IN PROGRESS	-	178,988	-	3,540,539	129,626	-
PROPERTY, FURNITURE, AND EQUIPMENT, NET	2,468,507	4,889,513	3,930,147	541,604	20,591,821	14,496,718
OTHER ASSETS						
Tax credit monitoring fees, net	-	-	-	-	80,213	43,375
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	337,213	59,698	106,024	-	447,452	318,842
Restricted investments (457(b) plan)	-	-	-	-	-	-
Total other assets	337,213	59,698	106,024	-	527,665	362,217
Total assets	\$ 3,039,864	\$ 6,690,036	\$ 4,276,434	\$ 4,473,743	\$ 22,179,239	\$ 15,030,348
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ 132,557	\$ 18,028	\$ 228,842	\$ -	\$ 101,435	\$ 33,977
Accrued interest payable	15,346	4,069	24,336	-	26,370	40,115
Accounts payable	405	233	491	1,491,717	237,594	5,472
Accrued salaries and payroll taxes	-	-	-	-	-	-
Tenant prepaid rent	11	10,854	13,049	-	21,805	18,990
Other accrued expenses	27,323	1,583,696	49,537	13,701	37,706	22,699
Security deposits	22,324	19,090	32,379	-	30,475	19,295
Deferred revenue	-	-	-	-	-	-
Interfund payables	-	-	-	-	-	-
Total current liabilities	197,966	1,635,970	348,634	1,505,418	455,385	140,548
LONG-TERM LIABILITIES						
Due to affiliates	7,999	39,000	-	740,000	2,265,326	3,583,019
Deferred AHP revenue	-	-	-	-	-	378,000
Development fee payable	-	-	-	387,750	1,225,000	53,373
Asset management fee payable	-	13,680	-	-	127,387	117,606
Accrued interest payable - long-term	-	261,067	-	-	126,442	1,175,205
Pension plan liability	-	-	-	-	-	-
Long-term debt, less current maturities and net of unamortized debt issuance costs	3,678,287	878,922	5,823,596	638,300	7,902,461	1,451,468
Total long-term liabilities	3,686,286	1,192,669	5,823,596	1,766,050	11,646,616	6,758,671
Total liabilities	3,884,252	2,828,639	6,172,230	3,271,468	12,102,001	6,899,219
NET ASSETS						
Net assets without donor restrictions	-	-	-	1,202,275	-	-
Capital contribution	-	-	-	-	7,024,565	95,358
Partners' capital (deficit)	(844,388)	3,861,397	(1,895,796)	-	3,052,673	8,035,771
Net assets attributable to YES Housing, Inc. and Affiliates	(844,388)	3,861,397	(1,895,796)	1,202,275	10,077,238	8,131,129
Noncontrolling interest	-	-	-	-	-	-
Total net assets	(844,388)	3,861,397	(1,895,796)	1,202,275	10,077,238	8,131,129
Total liabilities and net assets	\$ 3,039,864	\$ 6,690,036	\$ 4,276,434	\$ 4,473,743	\$ 22,179,239	\$ 15,030,348

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Financial Position

December 31, 2023

	Mesa Del Norte Apartments, LP	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments LP, LLLP	Mustang Villas LP, LLLP	New Frontier Family Living, LLC	New Leaf Community, LLLP	Nuevo Atrisco Apartments, LP
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	\$ 221,062	\$ 121,441	\$ 15,650	\$ 9,710	\$ 382,402	\$ 169,819	\$ 344,706
Restricted cash and cash equivalents	21,065	39,796	22,292	-	781,128	19,409	39,930
Construction costs receivable	-	-	-	-	-	-	-
Rents and miscellaneous receivables	2,982	8,984	9,574	693	3,412	9,362	60,191
Prepaid expenses and deposits	29,058	48,052	38,748	8,090	80,255	95,151	61,235
Interfund receivables	-	-	-	-	-	-	-
Total current assets	274,167	218,273	86,264	18,493	1,247,197	293,741	506,062
WORK IN PROGRESS							
	14,309	-	-	15,599,500	-	-	3,919
PROPERTY, FURNITURE, AND EQUIPMENT, NET							
	3,789,330	2,321,781	4,013,004	985,407	16,440,774	9,993,268	16,117,088
OTHER ASSETS							
Tax credit monitoring fees, net	12,145	-	8,551	-	152,219	34,455	60,277
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	209,826	349,610	814,715	-	-	427,841	371,241
Restricted investments (457(b) plan)	-	-	-	-	-	-	-
Total other assets	221,971	349,610	823,266	-	152,219	462,296	431,518
Total assets	\$ 4,299,777	\$ 2,889,664	\$ 4,922,534	\$ 16,603,400	\$ 17,840,190	\$ 10,749,305	\$ 17,058,587
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ 30,212	\$ 122,529	\$ 44,590	\$ 13,677,299	\$ 73,755	\$ 40,681	\$ 57,371
Accrued interest payable	2,798	12,966	2,400	86,321	15,742	6,669	10,243
Accounts payable	3,299	1,033	-	209,850	-	10,176	6,624
Accrued salaries and payroll taxes	-	-	-	-	-	-	-
Tenant prepaid rent	23,678	3,846	1,789	3,861	11,657	12,851	23,765
Other accrued expenses	27,886	34,785	18,672	7,685	17,693	48,337	54,693
Security deposits	12,550	21,563	12,079	645	31,950	18,146	20,770
Deferred revenue	-	-	-	-	-	-	-
Interfund payables	-	-	-	-	-	-	-
Total current liabilities	100,423	196,722	79,530	13,985,661	150,797	136,860	173,466
LONG-TERM LIABILITIES							
Due to affiliates	-	8,600	8,974	-	-	951,402	4,635,901
Deferred AHP revenue	252,000	-	-	-	-	-	-
Development fee payable	-	-	-	1,835,742	10,300	-	-
Asset management fee payable	118,092	-	19,379	-	-	5,940	102,708
Accrued interest payable - long-term	28,056	-	-	-	-	-	-
Pension plan liability	-	-	-	-	-	-	-
Long-term debt, less current maturities and net of unamortized debt issuance costs	1,151,863	2,915,093	1,169,035	158,008	3,683,336	2,053,835	2,781,668
Total long-term liabilities	1,550,011	2,923,693	1,197,388	1,993,750	3,693,636	3,011,177	7,520,277
Total liabilities	1,650,434	3,120,415	1,276,918	15,979,411	3,844,433	3,148,037	7,693,743
NET ASSETS							
Net assets without donor restrictions	-	-	-	-	-	-	-
Capital contribution	-	-	-	-	526,531	-	-
Partners' capital (deficit)	2,649,343	(230,751)	3,645,616	623,989	13,469,226	7,601,268	9,364,844
Net assets attributable to YES Housing, Inc. and Affiliates	2,649,343	(230,751)	3,645,616	623,989	13,995,757	7,601,268	9,364,844
Noncontrolling interest	-	-	-	-	-	-	-
Total net assets	2,649,343	(230,751)	3,645,616	623,989	13,995,757	7,601,268	9,364,844
Total liabilities and net assets	\$ 4,299,777	\$ 2,889,664	\$ 4,922,534	\$ 16,603,400	\$ 17,840,190	\$ 10,749,305	\$ 17,058,587

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Financial Position

December 31, 2023

	Skyview Terrace, LP, LLLP	Solar Villa Apartments, LP, LLLP	Sunset Hills Apartments, LP	West Berry Senior Apartments LP, LLLP	Wildewood Apartments, LP	Eliminations	Total
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	\$ 104,219	\$ 194,057	\$ 467,342	\$ 500	\$ 37,469	\$ -	\$ 5,940,595
Restricted cash and cash equivalents	41,125	129,285	39,824	-	23,590	-	2,655,893
Construction costs receivable	-	-	-	-	-	(131,489)	-
Rents and miscellaneous receivables	5,523	8,956	10,887	391,258	8,894	(50,755)	4,536,099
Prepaid expenses and deposits	75,237	65,428	41,323	-	56,648	-	1,089,011
Interfund receivables	-	-	-	-	-	(131,300)	-
Total current assets	226,104	397,726	559,376	391,758	126,601	(313,544)	14,221,598
WORK IN PROGRESS	-	-	-	12,846,733	-	(3,411,256)	29,302,011
PROPERTY, FURNITURE, AND EQUIPMENT, NET	13,987,473	14,347,215	7,944,560	371,601	1,897,920	(14,059,658)	135,218,645
OTHER ASSETS							
Tax credit monitoring fees, net	69,112	57,834	30,190	-	-	-	548,371
Predevelopment costs	-	-	-	-	-	-	821,413
Receivables - affiliates	-	-	-	-	-	(2,566,458)	770,390
Notes receivable - affiliates	-	-	-	-	-	(19,945,675)	3,000,000
Notes receivable	-	-	-	-	-	-	216,577
Investments in limited partnerships	-	-	-	-	-	(5,833,714)	882,678
Investments in marketable securities	-	-	-	-	-	-	10,679,599
Development fees receivable	-	-	-	-	-	(4,335,151)	-
Restricted cash and cash equivalents	463,269	644,799	1,175,101	-	104,907	-	6,228,413
Restricted investments (457(b) plan)	-	-	-	-	-	-	564,887
Total other assets	532,381	702,633	1,205,291	-	104,907	(32,680,998)	23,712,328
Total assets	\$ 14,745,958	\$ 15,447,574	\$ 9,709,227	\$ 13,610,092	\$ 2,129,428	\$ (50,465,456)	\$ 202,454,582
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Long-term debt - current maturities							
and net of unamortized debt issuance costs	\$ 42,131	\$ 77,781	\$ 95,485	\$ 3,588,334	\$ 82,183	\$ -	\$ 20,168,096
Accrued interest payable	10,874	15,372	5,707	-	8,783	-	301,786
Accounts payable	3,514	14,327	39	1,141,193	2,663	(148,453)	3,085,019
Accrued salaries and payroll taxes	-	-	-	-	-	-	270,781
Tenant prepaid rent	17,499	11,209	2,618	-	5,860	-	191,687
Other accrued expenses	21,106	48,540	19,426	29,265	24,394	-	2,318,574
Security deposits	22,061	20,419	13,770	-	15,976	-	338,733
Deferred revenue	-	-	-	-	-	-	3,000
Interfund payables	-	-	-	-	-	(131,300)	-
Total current liabilities	117,185	187,648	137,045	4,758,792	139,859	(279,753)	26,677,676
LONG-TERM LIABILITIES							
Due to affiliates	1,432,028	2,178,896	8,140	3,325,589	8,218	(19,366,432)	-
Deferred AHP revenue	-	-	-	-	-	(630,000)	-
Development fee payable	-	-	-	833,286	-	(4,335,151)	10,300
Asset management fee payable	82,578	89,108	24,343	-	-	(931,980)	54,235
Accrued interest payable - long-term	308,437	-	-	-	-	(1,626,978)	710,816
Pension plan liability	-	-	-	-	-	-	564,887
Long-term debt, less current maturities							
and net of unamortized debt issuance costs	3,396,845	3,545,592	1,945,396	1,428,256	2,347,432	-	72,270,551
Total long-term liabilities	5,219,888	5,813,596	1,977,879	5,587,131	2,355,650	(26,890,541)	73,610,789
Total liabilities	5,337,073	6,001,244	2,114,924	10,345,923	2,495,509	(27,170,294)	100,288,465
NET ASSETS							
Net assets without donor restrictions	-	-	-	-	-	(28,025,182)	7,400,282
Capital contribution	-	-	-	1,869,508	-	(10,076,007)	2,746,808
Partners' capital (deficit)	9,408,885	9,446,330	7,594,303	1,394,661	(366,081)	(71,384,454)	5,828,546
Net assets attributable to YES							
Housing, Inc. and Affiliates	9,408,885	9,446,330	7,594,303	3,264,169	(366,081)	(109,485,643)	15,975,636
Noncontrolling interest	-	-	-	-	-	86,190,481	86,190,481
Total net assets	9,408,885	9,446,330	7,594,303	3,264,169	(366,081)	(23,295,162)	102,166,117
Total liabilities and net assets	\$ 14,745,958	\$ 15,447,574	\$ 9,709,227	\$ 13,610,092	\$ 2,129,428	\$ (50,465,456)	\$ 202,454,582

See report of independent auditors.

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities
December 31, 2024

	General Fund	Payroll	Development Services	Asset Management	Social Services
REVENUES AND OTHER SUPPORT					
Rent	\$ -	\$ -	\$ -	\$ 13,679	\$ -
Rent - HAP Contracts	-	-	-	-	-
Contribution revenue	100	-	562,346	-	388,584
Grant revenue	-	-	-	-	-
Development fees	-	-	622,950	-	-
Interest	920,244	-	84,526	2	35,738
Net unrealized/realized gain (loss) on investments	1,197,071	-	-	-	-
Net realized gain (loss) on capital investments	4,764,498	-	-	-	-
Other revenue	47	-	749	4033	128,948
Property management fees	-	-	-	654,231	-
Construction management fees	-	-	22,500	-	-
Operating transfers, net	2,353,242	-	-	543,642	-
Total revenue and other support	9,235,202	-	1,293,071	1,215,587	553,270
PERSONNEL EXPENSES					
Salaries and wages	492,310	-	886,224	569,393	344,280
Payroll taxes	36,144	-	68,296	48,051	26,012
Employee benefits	156,845	-	214,551	156,415	70,946
Total personnel expenses	685,299	-	1,169,071	773,859	441,238
OTHER EXPENSES					
Depreciation and amortization	104,369	-	45,828	7,433	-
Donations expense	2,850	-	-	-	-
Duplication and publishing	1,022	-	3,447	1,964	718
Equipment	1,912	-	5,784	4,711	1,290
Insurance	8,224	-	32,668	15,209	12,673
Interest	-	-	119,453	-	-
Loss (gain) on disposal of assets	31,832	-	(40,515)	-	-
Other expenses	11,703	-	47,528	32,683	15,668
Predevelopment/development costs	-	-	216,305	-	58,689
Professional fees	61,500	-	58,608	79,525	56,888
Property management	-	-	-	-	-
Property taxes	-	-	23,017	5,229	977
Rent	-	-	-	-	-
Repairs and maintenance	2,915	-	56,463	16,273	2,785
Social services	-	-	-	-	253,192
Training	372	-	389	1,550	915
Travel	34	-	11,151	13,724	3,383
Utilities	-	-	15,615	5,557	1,626
Operating transfers, net	-	-	2,270,717	-	50,132
Total other expenses	226,733	-	2,866,458	183,858	458,936
Total expenses	912,032	-	4,035,529	957,717	900,174
CHANGE IN NET ASSETS	8,323,170	-	(2,742,458)	257,870	(346,904)
Net assets and partners' capital - beginning of year	22,569,185	-	11,400,596	1,025,134	843,494
Capital contributions	-	-	-	-	-
Distributions	-	-	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ 30,892,355</u>	<u>\$ -</u>	<u>\$ 8,658,138</u>	<u>\$ 1,283,004</u>	<u>\$ 496,590</u>

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Activities

December 31, 2024

	Bella Vista Townhomes, LP	La Hacienda, LLC	Nuevo Atrisco Live Work	Roswell Summit Apartments, LP	YES of Arizona, Inc.	YES Housing, Inc. 100% Owned Preconsolidated Subtotal
REVENUES AND OTHER SUPPORT						
Rent	\$ 278,863	\$ 193,988	\$ 90,879	\$ 158,448	\$ -	\$ 735,857
Rent - HAP Contracts	244,372	-	-	255,322	-	499,694
Contribution revenue	-	-	-	-	-	951,030
Grant revenue	-	-	-	44,134	-	44,134
Development fees	-	-	-	-	-	622,950
Interest	2,897	8,311	155	3,687	-	1,055,560
Net unrealized/realized gain (loss) on investments	-	-	-	-	-	1,197,071
Net realized gain (loss) on capital investments	-	-	-	-	(88,198)	4,676,300
Other revenue	1,335,298	4,255	6,421	5,200	-	1,484,951
Property management fees	-	-	-	-	114,384	768,615
Construction management fees	-	-	-	-	-	22,500
Operating transfers, net	-	-	-	-	-	2,896,884
Total revenue and other support	1,861,430	206,554	97,455	466,791	26,186	14,955,546
PERSONNEL EXPENSES						
Salaries and wages	69,237	42,658	8,396	70,902	-	2,483,400
Payroll taxes	6,328	3,866	752	6,292	-	195,741
Employee benefits	12,278	8,141	1,204	18,795	-	639,175
Total personnel expenses	87,843	54,665	10,352	95,989	-	3,318,316
OTHER EXPENSES						
Depreciation and amortization	301,757	102,585	13,144	175,579	-	750,695
Donations expense	-	-	-	-	-	2,850
Duplication and publishing	-	-	-	-	-	7,151
Equipment	-	-	-	-	-	13,697
Insurance	132,485	20,102	7,455	72,615	-	301,431
Interest	69,645	-	-	47,054	-	236,152
Loss (gain) on disposal of assets	152,884	-	-	-	-	144,201
Other expenses	48,227	27,152	1,505	64,160	2,437	251,063
Predevelopment/development costs	-	-	-	-	32,406	307,400
Professional fees	5,028	2,200	-	13,013	260,956	537,718
Property management	31,818	12,000	5,954	32,605	-	82,377
Property taxes	10,624	4,414	3,480	11,943	-	59,684
Rent	-	-	-	-	-	-
Repairs and maintenance	42,503	17,504	6,102	30,358	-	174,903
Social services	6,000	-	-	50,134	-	309,326
Training	638	9	-	919	-	4,792
Travel	1,752	-	-	3,552	6,139	39,735
Telephone and utilities	61,186	19,628	4,200	25,411	-	133,223
Operating transfers, net	-	-	-	-	576,035	2,896,884
Total other expenses	864,547	205,594	41,840	527,343	877,973	6,253,282
Total expenses	952,390	260,259	52,192	623,332	877,973	9,571,598
CHANGE IN NET ASSETS	909,040	(53,705)	45,263	(156,541)	(851,787)	5,383,948
Net assets and partners' capital - beginning of year	3,861,397	(909,740)	401,710	791,261	1,810,112	41,793,149
Capital contributions	-	-	-	-	-	-
Distributions	-	-	(37,479)	-	-	(37,479)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ 4,770,437	\$ (963,445)	\$ 409,494	\$ 634,720	\$ 958,325	\$ 47,139,618

See report of independent auditors.

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities
December 31, 2024

	Apple Ridge Apartments, LP	Brentwood Gardens Apartments, LP	Calle Cuarta LP, LLLP	Copper Terrace Limited Partnership LP, LLLP	UR 205 Silver, LLC (Imperial)
REVENUES AND OTHER SUPPORT					
Rent	\$ 298,656	\$ 442,743	\$ -	\$ 614,799	\$ 572,112
Rent - HAP Contracts	618,225	842,262	-	620,021	108,019
Contribution revenue	-	-	-	-	-
Grant revenue	70,205	-	-	-	-
Development fees	-	-	-	-	-
Interest	3,233	1,202	5,544	10,353	1,962
Net unrealized/realized gain (loss) on investments	-	-	-	-	-
Net realized gain (loss) on capital investments	-	-	-	-	-
Other revenue	8,146	16,015	210	31,682	20,816
Property management fees	-	-	-	-	-
Construction management fees	-	-	-	-	-
Operating transfers, net	-	-	-	-	-
Total revenue and other support	998,465	1,302,222	5,754	1,276,855	702,909
PERSONNEL EXPENSES					
Salaries and wages	80,468	111,348	2,284	132,794	85,203
Payroll taxes	7,024	9,769	173	12,052	7,311
Employee benefits	22,202	23,674	1,510	16,485	21,439
Total personnel expenses	109,694	144,791	3,967	161,331	113,953
OTHER EXPENSES					
Depreciation and amortization	142,207	204,242	-	812,516	455,221
Donations expense	-	-	-	-	-
Duplication and publishing	-	-	-	-	-
Equipment	-	-	-	-	-
Insurance	63,503	92,910	-	113,829	68,612
Interest	190,223	298,206	-	369,955	220,398
Loss (gain) on disposal of assets	259	979	-	947	320
Other expenses	22,346	34,224	9,348	103,313	67,452
Predevelopment/development costs	-	-	-	-	-
Professional fees	12,728	19,501	3,448	31,063	17,110
Property management	46,080	65,880	10,500	62,983	27,770
Property taxes	21,813	58,556	-	49,756	(7,500)
Rent	-	-	-	-	-
Repairs and maintenance	32,449	106,117	-	160,445	90,569
Social services	76,205	6,000	-	4,800	7,200
Training	1,175	1,267	36	570	1,162
Travel	1,370	397	-	40	314
Telephone and utilities	62,785	81,080	-	156,576	58,892
Operating transfers, net	-	-	-	-	-
Total other expenses	673,143	969,359	23,332	1,866,793	1,007,520
Total expenses	782,837	1,114,150	27,299	2,028,124	1,121,473
CHANGE IN NET ASSETS	215,628	188,072	(21,545)	(751,269)	(418,564)
Net assets and partners' capital - beginning of year	(844,388)	(1,895,796)	1,202,275	10,077,238	8,131,129
Capital contributions	-	-	-	589,209	-
Distributions	(213,329)	(143,231)	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ (842,089)</u>	<u>\$ (1,850,955)</u>	<u>\$ 1,180,730</u>	<u>\$ 9,915,178</u>	<u>\$ 7,712,565</u>

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Activities

December 31, 2024

	Mesa Del Norte Apartments LP, LLLP	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments LP, LLLP	Mustang Villas, LLC	New Frontier Family Living, LLC	New Leaf Community LP, LLLP	Nuevo Atrisco Apartments LP, LLLP
REVENUES AND OTHER SUPPORT							
Rent	\$ 543,934	\$ 265,562	\$ 129,374	\$ 707,608	\$ 853,414	\$ 575,730	\$ 730,925
Rent - HAP Contracts	-	582,553	271,661	-	-	180,707	198,397
Contribution revenue	-	-	-	-	-	-	-
Grant revenue	-	75,659	82,030	-	-	-	-
Development fees	-	-	-	-	-	-	-
Interest	1,233	1,980	9,435	217	2,687	5,493	3,580
Net unrealized/realized gain (Loss) on investments	-	-	-	-	-	-	-
Net realized gain (loss) on capital investments	-	-	-	-	-	-	-
Other revenue	9,234	6,084	2,642	15,784	17,057	28,367	359,093
Property management fees	-	-	-	-	-	-	-
Construction management fees	-	-	-	-	-	-	-
Operating transfers, net	-	-	-	-	-	-	-
Total Revenue and Other Support	554,401	931,838	495,142	723,609	873,158	790,297	1,291,995
PERSONNEL EXPENSES							
Salaries and wages	35,214	80,323	74,938	70,847	96,462	81,347	111,821
Payroll taxes	3,234	7,234	6,593	8,264	11,241	7,235	9,995
Employee benefits	3,046	14,335	20,884	7,357	11,434	21,037	15,994
Total personnel expenses	41,494	101,892	102,415	86,468	119,137	109,619	137,810
OTHER EXPENSES							
Depreciation and amortization	214,066	132,970	171,933	704,689	579,483	344,586	508,435
Donations expense	-	-	-	-	-	-	-
Duplication and publishing	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Insurance	35,959	71,956	46,747	31,999	68,851	110,890	74,446
Interest	38,283	161,274	30,314	517,056	188,907	80,760	131,340
Loss (gain) on disposal of assets	-	-	319	-	-	845	-
Other expenses	274,713	21,652	39,508	86,001	45,565	63,727	161,371
Predevelopment/development costs	-	-	-	-	-	-	-
Professional fees	14,250	13,640	15,057	14,250	14,250	18,000	21,163
Property management	28,071	50,653	41,322	63,487	54,004	42,514	55,987
Property taxes	16,566	29,781	11,545	-	-	26,628	46,228
Rent	-	-	-	-	-	-	-
Repairs and maintenance	29,504	63,846	21,846	21,569	49,926	61,153	134,289
Social services	6,300	81,659	82,154	-	-	875	6,540
Training	88	1,175	115	-	-	663	1,093
Travel	-	3,321	115	-	-	692	334
Telephone and utilities	40,876	47,188	21,128	67,157	73,955	77,046	85,146
Operating transfers, net	-	-	-	-	-	-	-
Total other expenses	698,676	679,115	482,103	1,506,208	1,074,941	828,379	1,226,372
Total expenses	740,170	781,007	584,518	1,592,676	1,194,078	937,998	1,364,182
CHANGE IN NET ASSETS	(185,769)	150,831	(89,376)	(869,067)	(320,920)	(147,701)	(72,187)
Net assets and partners' capital - beginning of year	2,649,343	(230,751)	3,645,616	623,989	13,995,757	7,601,268	9,364,844
Capital contributions	-	-	-	11,701,763	-	-	-
Distributions	(16,504)	(155,887)	-	-	(97,865)	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	\$ 2,447,070	\$ (235,807)	\$ 3,556,240	\$ 11,456,685	\$ 13,576,972	\$ 7,453,567	\$ 9,292,657

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Activities

December 31, 2024

	Skyview Terrace, LP, LLLP	Solar Villa Apartments, LP, LLLP	Gallup Sunset Hills Apartments, LLLP	West Berry Senior Apartments LP, LLLP	Wildewood Apartments, LP	Eliminations	Total
REVENUES AND OTHER SUPPORT							
Rent	\$ 584,712	\$ 359,883	\$ 180,649	\$ 283,012	\$ 191,216	\$ -	\$ 8,070,186
Rent - HAP Contracts	105,113	692,905	386,075	-	420,483	-	5,526,115
Contribution revenue	-	-	-	-	-	-	951,030
Grant revenue	-	-	73,669	-	74,687	-	420,384
Development fees	-	-	-	-	-	(622,950)	-
Interest	844	414	10,534	4,846	317	(463,958)	655,476
Net unrealized/realized gain (loss) on investments	-	-	-	-	-	-	1,197,071
Net realized gain (loss) on capital investments	-	-	-	-	-	(4,692,386)	(16,086)
Other revenue	19,865	16,140	4,548	12,296	3,603	(47,600)	2,008,933
Property management fees	-	-	-	-	-	(768,615)	-
Construction management fees	-	-	-	-	-	(22,500)	-
Operating transfers, net	-	-	-	-	-	(2,896,884)	-
Total revenue and other support	710,534	1,069,342	655,475	300,154	690,306	(9,514,893)	18,813,109
PERSONNEL EXPENSES							
Salaries and wages	92,969	105,257	63,560	51,030	74,790	-	3,834,055
Payroll taxes	7,639	9,211	5,649	4,730	6,655	-	319,750
Employee benefits	22,230	22,941	21,387	1,878	12,625	-	899,633
Total personnel expenses	122,838	137,409	90,596	57,638	94,070	-	5,053,438
OTHER EXPENSES							
Depreciation and amortization	442,902	402,275	312,686	610,364	111,505	(536,752)	6,364,023
Donations expense	-	-	-	-	-	-	2,850
Duplication and publishing	-	-	-	-	-	-	7,151
Equipment	-	-	-	-	-	-	13,697
Insurance	94,245	81,697	50,442	45,305	65,712	-	1,418,534
Interest	237,736	182,110	36,327	285,519	122,254	(463,958)	2,862,856
Loss (gain) on disposal of assets	-	-	-	-	-	-	147,870
Other expenses	69,248	139,280	50,053	52,115	17,314	-	1,508,293
Predevelopment/development costs	-	-	-	-	-	-	307,400
Professional fees	14,954	19,714	16,313	18,079	13,029	-	814,267
Property management	38,894	64,119	52,728	30,810	30,829	(582,568)	266,440
Property taxes	21,968	58,334	25,790	411	16,699	-	436,259
Rent	-	-	-	-	-	-	-
Repairs and maintenance	55,971	63,970	21,695	10,007	31,675	-	1,129,934
Social services	-	6,000	74,466	-	74,687	(38,994)	697,218
Training	1,158	724	880	132	636	-	15,666
Travel	1,624	352	1,391	-	958	-	50,643
Telephone and utilities	75,003	137,027	32,906	24,994	43,444	-	1,218,426
Operating transfers, net	-	-	-	-	-	(2,896,884)	-
Total other expenses	1,053,703	1,155,602	675,677	1,077,736	528,742	(4,519,156)	17,261,527
Total expenses	1,176,541	1,293,011	766,273	1,135,374	622,812	(4,519,156)	22,314,965
CHANGE IN NET ASSETS	(466,007)	(223,669)	(110,798)	(835,220)	67,494	(4,995,737)	(3,501,856)
Net assets and partners' capital - beginning of year	9,408,885	9,446,330	7,594,303	3,264,169	(366,081)	(23,295,162)	102,166,117
Capital contributions	-	-	-	5,774,768	-	-	18,065,740
Distributions	-	(4,487)	-	-	(52,019)	186,046	(534,755)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ 8,942,878</u>	<u>\$ 9,218,174</u>	<u>\$ 7,483,505</u>	<u>\$ 8,203,717</u>	<u>\$ (350,606)</u>	<u>\$ (28,104,853)</u>	<u>\$ 116,195,246</u>

See report of independent auditors.

YES Housing, Inc. and Affiliates
Consolidating Statement of Activities
December 31, 2023

	General Fund	Payroll	Development Services	Asset Management	Social Services
REVENUES AND OTHER SUPPORT					
Rent	\$ -	\$ -	\$ 55,000	\$ 21,924	\$ -
Rent - HAP Contracts	-	-	-	-	-
Contribution revenue	-	-	1,100,195	-	508,148
Development fees	-	-	1,063,750	-	-
Interest	872,403	-	100,564	-	31,665
Net unrealized/realized gain (loss) on investments	1,415,016	-	51,213	-	-
Net realized gain (loss) on capital investments	899,924	-	-	-	-
Other revenue	-	-	2,798	-	86,911
Property management fees	-	-	-	609,136	-
Construction management fees	-	-	27,500	-	-
Operating transfers, net	-	-	1,513,548	372,519	87,027
Total revenue and other support	3,187,343	-	3,914,568	1,003,579	713,751
PERSONNEL EXPENSES					
Salaries and wages	480,286	-	765,565	580,688	310,628
Payroll taxes	33,779	-	57,379	47,028	23,146
Employee benefits	156,183	-	211,098	165,096	63,337
Total personnel expenses	670,248	-	1,034,042	792,812	397,111
OTHER EXPENSES					
Depreciation and amortization	91,817	-	34,176	4,976	-
Donations expense	33,000	-	-	-	-
Duplication and publishing	1,145	-	1,192	347	182
Equipment	394	-	4,768	5,436	1,976
Insurance	6,264	-	23,054	10,306	9,087
Interest	-	-	111,759	-	-
Loss on disposal of assets	(27,950)	-	-	-	-
Other expenses	13,142	-	43,039	31,320	18,084
Predevelopment/development costs	-	-	24,064	-	-
Professional fees	73,798	-	38,499	53,063	53,588
Property management	-	-	-	-	-
Property taxes	-	-	7,484	5,151	996
Rent	-	-	-	-	-
Repairs and maintenance	2,444	-	19,179	17,369	3,178
Social services	-	-	-	-	248,715
Training	547	-	790	1,841	522
Travel	71	-	1,539	8,300	2,679
Utilities	-	-	7,180	5,184	1,821
Operating transfers, net	1,804,926	-	-	16,767	-
Total other expenses	1,999,598	-	316,723	160,060	340,828
Total expenses	2,669,846	-	1,350,765	952,872	737,939
CHANGE IN NET ASSETS	517,497	-	2,563,803	50,707	(24,188)
Net assets and partners' capital - beginning of year	22,147,046	-	5,529,940	974,427	867,682
Capital contributions	-	-	3,306,853	-	-
Distributions	(95,358)	-	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ 22,569,185</u>	<u>\$ -</u>	<u>\$ 11,400,596</u>	<u>\$ 1,025,134</u>	<u>\$ 843,494</u>

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Activities

December 31, 2023

	La Hacienda, LLC	Nuevo Atrisco Live Work	Roswell Summit Apartments, LP	YES of Arizona, Inc.	YES Housing Inc. 100% Owned Preconsolidated Subtotal
REVENUES AND OTHER SUPPORT					
Rent	\$ 184,997	\$ 72,431	\$ 144,888	\$ -	\$ 479,240
Rent - HAP Contracts	-	-	242,715	-	242,715
Contribution revenue	-	-	75,999	25,000	1,709,342
Development fees	-	-	-	1,017,871	2,081,621
Interest	7,677	107	3,293	-	1,015,709
Net unrealized/realized gain (loss)					-
on investments	-	-	-	(2)	1,466,227
Net realized gain (loss)					-
on capital investments	-	-	-	(100,289)	799,635
Other revenue	5,092	449	6,962	-	102,212
Property management fees	-	-	-	5,150	614,286
Construction management fees	-	-	-	-	27,500
Operating transfers, net	-	-	-	52,304	2,025,398
Total revenue and other support	197,766	72,987	473,857	1,000,034	10,563,885
PERSONNEL EXPENSES					
Salaries and wages	34,395	5,887	58,050	-	2,235,499
Payroll taxes	3,162	558	5,152	-	170,204
Employee benefits	2,453	775	9,649	-	608,591
Total personnel expenses	40,010	7,220	72,851	-	3,014,294
OTHER EXPENSES					
Depreciation and amortization	100,247	10,903	144,384	-	386,503
Donations expense	-	-	-	-	33,000
Duplication and publishing	-	-	-	-	2,866
Equipment	-	-	-	-	12,574
Insurance	16,624	5,523	47,309	-	118,167
Interest	-	-	85,883	-	197,642
Loss on disposal of assets	4,498	-	22	-	(23,430)
Other expenses	19,161	2,449	73,466	3,436	204,097
Predevelopment/development costs	-	-	-	-	24,064
Professional fees	2,411	600	6,500	99,237	327,696
Property management	12,000	4,399	28,374	-	44,773
Property taxes	4,413	3,239	11,995	-	33,278
Rent	-	-	-	-	-
Repairs and maintenance	18,086	5,063	40,276	-	105,595
Social services	-	-	81,999	-	330,714
Training	154	11	127	-	3,992
Travel	-	-	-	9,225	21,814
Telephone and utilities	25,034	3,698	23,462	-	66,379
Operating transfers, net	-	-	-	203,705	2,025,398
Total other expenses	202,628	35,885	543,797	315,603	3,915,122
Total expenses	242,638	43,105	616,648	315,603	6,929,416
CHANGE IN NET ASSETS	(44,872)	29,882	(142,791)	684,431	3,634,469
Net assets and partners' capital - beginning of year	(864,868)	416,054	934,052	1,125,681	31,130,014
Capital contributions	-	-	-	-	3,306,853
Distributions	-	(44,226)	-	-	(139,584)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ (909,740)</u>	<u>\$ 401,710</u>	<u>\$ 791,261</u>	<u>\$ 1,810,112</u>	<u>\$ 37,931,752</u>

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Activities

December 31, 2023

	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Calle Cuarta LP, LLLP	Copper Terrace Limited Partnership LP, LLLP	UR 205 Silver, LLC (Imperial)
REVENUES AND OTHER SUPPORT						
Rent	\$ 286,639	\$ 465,376	\$ 412,811	\$ -	\$ 588,116	\$ 544,955
Rent - HAP Contracts	602,545	-	839,206	-	543,920	74,952
Contribution revenue	66,299	-	-	-	-	-
Development fees	-	-	-	-	-	-
Interest	2,459	2,600	1,495	5,168	5,089	1,971
Net unrealized/realized gain (loss) on investments	-	-	-	-	-	-
Net realized gain (loss) on capital investments	-	-	-	-	-	-
Other revenue	6,252	11,750	15,470	-	47,860	23,823
Property management fees	-	-	-	-	-	-
Construction management fees	-	-	-	-	-	-
Operating transfers, net	-	-	-	-	-	-
Total revenue and other support	964,194	479,726	1,268,982	5,168	1,184,985	645,701
PERSONNEL EXPENSES						
Salaries and wages	81,024	71,654	102,743	-	115,811	78,613
Payroll taxes	7,029	6,367	8,881	-	10,394	6,702
Employee benefits	14,339	12,406	18,826	-	7,346	16,339
Total personnel expenses	102,392	90,427	130,450	-	133,551	101,654
OTHER EXPENSES						
Depreciation and amortization	147,522	316,745	196,251	-	718,895	449,232
Donations expense	-	-	-	-	-	-
Duplication and publishing	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Insurance	50,195	75,267	72,574	-	86,431	58,487
Interest	195,826	70,939	307,948	-	590,069	223,017
Loss on disposal of assets	128	2,083	604	-	-	204
Other expenses	21,554	39,852	32,339	-	98,592	66,442
Predevelopment/development costs	-	-	-	-	-	-
Professional fees	12,055	14,361	21,549	-	25,136	18,913
Property management	46,080	25,888	69,174	-	56,476	25,906
Property taxes	21,512	10,814	57,612	-	20,064	17,464
Rent	-	-	-	-	-	-
Repairs and maintenance	31,765	48,768	92,068	-	92,229	114,771
Social services	72,299	6,000	6,000	-	-	11,570
Training	149	96	332	-	262	318
Travel	-	3,384	-	-	-	-
Telephone and utilities	66,342	66,533	85,059	-	155,193	56,468
Operating transfers, net	-	-	-	-	-	-
Total other expenses	665,427	680,730	941,510	-	1,843,347	1,042,792
Total expenses	767,819	771,157	1,071,960	-	1,976,898	1,144,446
CHANGE IN NET ASSETS	196,375	(291,431)	197,022	5,168	(791,913)	(498,745)
Net assets and partners' capital - beginning of year	(848,050)	4,152,967	(1,950,922)	-	3,844,586	8,534,516
Capital contributions	-	-	-	1,197,107	7,024,565	95,358
Distributions	(192,713)	(139)	(141,896)	-	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ (844,388)</u>	<u>\$ 3,861,397</u>	<u>\$ (1,895,796)</u>	<u>\$ 1,202,275</u>	<u>\$ 10,077,238</u>	<u>\$ 8,131,129</u>

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Activities

December 31, 2023

	Mesa Del Norte Apartments, LP	Montana Meadows Apartments, LP	YES Deming Mountain View Apartments LP, LLLP	Mustang Villas LP, LLLP	New Frontier Family Living, LLC	New Leaf Community, LLLP	Nuevo Atrisco Apartments, LP, LLLP
REVENUES AND OTHER SUPPORT							
Rent	\$ 493,850	\$ 251,772	\$ 124,716	\$ -	\$ 776,642	\$ 558,402	\$ 872,255
Rent - HAP Contracts	-	563,697	259,753	-	-	161,286	-
Contribution revenue	-	74,191	80,178	-	-	-	-
Development fees	-	-	-	-	-	-	-
Interest	1,173	1,500	7,692	-	-	4,689	507
Net unrealized/realized gain (Loss) on investments	-	-	-	-	-	-	-
Net realized gain (loss) on capital investments	-	-	-	-	-	-	-
Other revenue	5,218	7,534	2,362	8,460	22,230	28,865	42,144
Property management fees	-	-	-	-	-	-	-
Construction management fees	-	-	-	-	-	-	-
Operating transfers, net	-	-	-	-	-	-	-
Total Revenue and Other Support	500,241	898,694	474,701	8,460	798,872	753,242	914,906
PERSONNEL EXPENSES							
Salaries and wages	34,058	78,105	71,785	3,991	85,506	78,114	86,436
Payroll taxes	3,020	6,799	6,246	283	8,551	6,765	7,674
Employee benefits	8,103	11,555	16,579	256	13,510	16,940	11,041
Total personnel expenses	45,181	96,459	94,610	4,530	107,567	101,819	105,151
OTHER EXPENSES							
Depreciation and amortization	221,677	133,001	170,687	-	578,569	344,460	504,500
Donations expense	-	-	-	-	-	-	-
Duplication and publishing	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Insurance	27,990	58,830	36,409	735	61,127	77,211	71,390
Interest	39,262	166,812	31,801	-	192,505	81,951	132,542
Loss on disposal of assets	-	-	-	-	-	-	-
Other expenses	119,263	22,141	40,113	5,375	59,340	51,963	115,206
Predevelopment/development costs	-	-	-	-	-	-	-
Professional fees	13,850	12,055	27,821	3,100	16,893	16,597	23,408
Property management	23,891	47,148	38,375	7,500	49,318	38,525	53,226
Property taxes	16,465	29,435	11,872	-	-	27,115	44,392
Rent	-	-	-	-	-	-	-
Repairs and maintenance	45,096	44,125	32,311	5,556	46,242	82,660	110,758
Social services	(2,100)	80,191	80,178	-	-	(2,405)	13,200
Training	28	206	129	2	1,261	143	152
Travel	-	-	-	-	-	-	-
Telephone and utilities	40,134	43,385	19,335	927	65,709	77,677	84,603
Operating transfers, net	-	-	-	-	-	-	-
Total other expenses	545,556	637,329	489,031	23,195	1,070,964	795,897	1,153,377
Total expenses	590,737	733,788	583,641	27,725	1,178,531	897,716	1,258,528
CHANGE IN NET ASSETS	(90,496)	164,906	(108,940)	(19,265)	(379,659)	(144,474)	(343,622)
Net assets and partners' capital - beginning of year	2,751,481	(229,413)	3,760,589	643,254	13,960,274	7,745,742	9,708,466
Capital contributions	-	-	-	-	526,531	-	-
Distributions	(11,642)	(166,244)	(6,033)	-	(111,389)	-	-
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ 2,649,343</u>	<u>\$ (230,751)</u>	<u>\$ 3,645,616</u>	<u>\$ 623,989</u>	<u>\$ 13,995,757</u>	<u>\$ 7,601,268</u>	<u>\$ 9,364,844</u>

See report of independent auditors.

YES Housing, Inc. and Affiliates

Consolidating Statement of Activities

December 31, 2023

	Skyview Terrace, LP, LLLP	Solar Villa Apartments, LP, LLLP	Gallup Sunset Hills Apartments, LP	West Berry Senior Apartments LP, LLL	Wildewood Apartments, LP	Eliminations	Total
REVENUES AND OTHER SUPPORT							
Rent	\$ 667,022	\$ 350,037	\$ 171,501	\$ -	\$ 177,624	\$ -	\$ 7,220,958
Rent - HAP Contracts	-	662,757	375,081	-	404,178	-	4,730,090
Contribution revenue	-	-	71,862	-	72,091	-	2,073,963
Development fees	-	-	-	-	-	(2,081,621)	-
Interest	501	313	8,433	6,258	513	(291,345)	774,725
Net unrealized/realized gain (loss) on investments	-	-	-	-	-	-	1,466,227
Net realized gain (loss) on capital investments	-	-	-	-	-	(937,965)	(138,330)
Other revenue	22,980	17,808	6,324	-	4,756	(57,600)	318,448
Property management fees	-	-	-	-	-	(614,286)	-
Construction management fees	-	-	-	-	-	(27,500)	-
Operating transfers, net	-	-	-	-	-	(2,025,398)	-
Total revenue and other support	690,503	1,030,915	633,201	6,258	659,162	(6,035,715)	16,446,081
PERSONNEL EXPENSES							
Salaries and wages	93,689	89,235	59,240	1,928	58,471	-	3,425,902
Payroll taxes	7,855	7,745	5,133	183	5,218	-	275,049
Employee benefits	19,722	14,377	19,400	23	5,312	-	814,665
Total personnel expenses	121,266	111,357	83,773	2,134	69,001	-	4,515,616
OTHER EXPENSES							
Depreciation and amortization	442,770	528,748	311,190	-	123,805	(506,602)	5,067,953
Donations expense	-	-	-	-	-	-	33,000
Duplication and publishing	-	-	-	-	-	-	2,866
Equipment	-	-	-	-	-	-	12,574
Insurance	75,035	63,632	39,734	-	44,408	-	1,017,622
Interest	241,842	184,628	38,769	-	125,344	(291,345)	2,529,552
Loss on disposal of assets	-	-	-	-	-	-	(20,411)
Other expenses	66,007	151,531	45,849	3,408	17,458	-	1,160,530
Predevelopment/development costs	-	-	-	-	-	-	24,064
Professional fees	14,916	19,115	14,950	3,100	12,313	-	597,828
Property management	34,234	57,360	50,095	5,000	30,321	(518,927)	184,363
Property taxes	22,903	58,201	26,781	-	16,760	-	414,668
Rent	-	-	-	-	-	-	-
Repairs and maintenance	46,124	64,674	20,821	-	45,802	-	1,029,365
Social services	(2,405)	6,000	71,915	-	72,091	(57,600)	685,648
Training	56	315	134	11	134	-	7,720
Travel	-	-	-	-	1,796	-	26,994
Telephone and utilities	74,277	150,435	31,349	-	32,339	-	1,116,144
Operating transfers, net	-	-	-	-	-	(2,025,398)	-
Total other expenses	1,015,759	1,284,639	651,587	11,519	522,571	(3,399,872)	13,890,480
Total expenses	1,137,025	1,395,996	735,360	13,653	591,572	(3,399,872)	18,406,096
CHANGE IN NET ASSETS	(446,522)	(365,081)	(102,159)	(7,395)	67,590	(2,635,843)	(1,960,015)
Net assets and partners' capital - beginning of year	9,855,407	9,814,883	7,696,462	1,402,056	(303,820)	(17,467,682)	94,200,810
Capital contributions	-	-	-	1,869,508	-	(3,402,311)	10,617,611
Distributions	-	(3,472)	-	-	(129,851)	210,674	(692,289)
NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR	<u>\$ 9,408,885</u>	<u>\$ 9,446,330</u>	<u>\$ 7,594,303</u>	<u>\$ 3,264,169</u>	<u>\$ (366,081)</u>	<u>\$ (23,295,162)</u>	<u>\$ 102,166,117</u>

See report of independent auditors.

YES Housing, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

December 31, 2024

Federal Grantor/Program Title	Pass-Through Entity	Grant Award Number	Federal Assistance Listing Number	Federal Expenditures
U.S. Department of Agriculture				
Direct awards				
Urban Agriculture and Innovative Production Grants Program (UAIP)	N/A		10.935	\$ 166,497
Total U.S. Department of Agriculture				166,497
U.S. Department of Housing and Urban Development				
Direct awards				
Multifamily Housing Service Coordinators	N/A	MFSC179543-01-08	14.191	83,655
Multifamily Housing Service Coordinators	N/A	MFSC179542-01-08	14.191	44,134
<i>Subtotal, Multifamily Housing Service Coordinators</i>				<i>127,789</i>
Section 8 Project-Based Cluster				
Project-Based Rental Assistance (PBRA)	N/A	NM020002003	14.195	255,322
Pass-through awards				
Home Investment Partnerships Program	New Mexico Mortgage Finance Authority	22-01-YES-COP-001	14.239	40,000
Total U.S. Department of Housing and Urban Development				423,111
U.S. Department of the Treasury				
Pass-through awards				
COVID-19 Emergency Rental Assistance Program	New Mexico Community Trust	HSP-2022-0601	21.023	11,990
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Bernalillo County	113-0215-CALLEC	21.027	522,346
Total U.S. Department of the Treasury				534,336
U.S. Department of Health and Human Services				
Pass-through awards				
Special Programs for the Aging, Title IV, and Title II Discretionary Projects	National Alliance for Hispanic Health	90HDC0008-01-00	93.048	11,780
Total U.S. Department of Health and Human Services				11,780
Total Expenditures of Federal Awards				\$ 1,135,724

See accompanying notes to the schedule of expenditures of federal awards.

YES Housing, Inc. and Affiliates
Notes to Schedule of Expenditures of Federal Awards
December 31, 2024

Note 1 –Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of YES Housing, Inc. and Affiliates (YES) under programs of the federal government for year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of the Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of YES, it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of YES.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

YES has elected to not use the 10% de minimis indirect cost rate as allowed under Uniform Guidance. YES uses negotiated indirect costs for federal awards as approved.

YES had no subrecipients for the year ended December 31, 2024.

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, 2024, and the related consolidated statements of activities, changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2025. Our report includes a reference to other auditors who audited the financial statements of Apple Ridge Apartments, LP; Brentwood Gardens Apartments, LP; Copper Terrace Limited Partnership LP, LLLP; Gallup Sunset Hills Apartments, LLLP; UR 205 Silver, LLC (Imperial); Mesa Del Norte Apartments LP, LLLP; Montana Meadows Apartments, LP; Mustang Villas LLC; New Frontier Family Living, LLC; New Leaf Community LP, LLLP; Nuevo Atrisco Apartments LP, LLLP; Skyview Terrace, LP, LLLP; Solar Villa Apartments, LP, LLLP; West Berry Senior Apartments, LLLP; Wildewood Apartments, LP; and YES Deming Mountain View Apartments LP, LLLP (the Partnerships), as described in our report on YES Housing, Inc. and Affiliates' financial statements. The financial statements of Apple Ridge Apartments LP; Brentwood Gardens Apartments, LP; UR 205 Silver, LLC (Imperial); Mesa Del Norte Apartments LP, LLLP; Montana Meadows Apartments, LP; Mustang Villas LLC; New Frontier Family Living, LLC; New Leaf Community LP, LLLP; Nuevo Atrisco Apartments LP, LLLP; Skyview Terrace, LP, LLLP; West Berry Senior Apartments, LLLP; and Wildewood Apartments, LP, 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 those entities.

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.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

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.

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

Albuquerque, New Mexico
June 30, 2025

Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Directors
YES Housing, Inc. and Affiliates

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited YES Housing, Inc. and Affiliates' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on YES Housing, Inc. and Affiliates' major federal program for the year ended December 31, 2024. YES Housing, Inc. and Affiliates' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, YES Housing, Inc. and Affiliates complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of YES Housing, Inc. and Affiliates and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the federal program. Our audit does not provide a legal determination of YES Housing, Inc. and Affiliates' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to YES Housing, Inc. and Affiliates' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on YES Housing, Inc. and Affiliates' compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about YES Housing, Inc. and Affiliates' compliance with the requirements of the federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 YES Housing, Inc. and Affiliates' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of YES Housing, Inc. and Affiliates' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of YES Housing, Inc. and Affiliates' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Albuquerque, New Mexico
June 30, 2025

YES Housing, Inc. and Affiliates
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Section I – Summary of Audit Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

YES Housing, Inc. and Affiliates
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Section II – Financial Statement Findings

No matters reported.

Section III – Federal Award Findings and Questioned Costs

No matters reported.