



Report of Independent Auditors and  
Consolidated Financial Statements with  
Supplementary Information

**YES Housing, Inc. and Affiliates**

December 31, 2023 and 2022

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**YES Housing, Inc. and Affiliates**  
**Official Roster (Unaudited)**  
**December 31, 2023**

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**Board of Directors**

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

**Executive Staff**

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

## Report of Independent Auditors

The Board of Directors  
YES Housing, Inc. and Affiliates

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of YES Housing, Inc and Affiliates (the Organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of YES Housing, Inc. and Affiliates as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Apple Ridge Apartments LP, Bella Vista Townhomes, LP, Brentwood Gardens Apartments, LP, Copper Terrace Limited Partnership LP, LLLP, UR 205 Silver, LLC (Imperial), Mesa Del Norte Apartments LP, LLLP, Montana Meadows Apartments, LP, YES Deming Mountain View Apartments LP, LLLP, New Frontier Family Living, LLC, New Leaf Community, LLLP, Nuevo Atrisco Apartments LP, LLLP, Skyview Terrace, LP, LLLP, Solar Villa Apartments, LP, LLLP, Gallup Sunset Hills Apartments, LLLP and Wildewood Apartments, LP, affiliates, which 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, 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.

We did not audit the financial statements of Apple Ridge Apartments LP, Bella Vista Townhomes, LP, Brentwood Gardens Apartments, LP, Copper Terrace Limited Partnership LP, LLLP, UR 205 Silver, LLC (Imperial), Mesa Del Norte Apartments LP, LLLP, Montana Meadows Apartments, LP, YES Deming Mountain View Apartments LP, LLLP, New Frontier Family Living, LLC, New Leaf Community, LLLP, Nuevo Atrisco Apartments LP, LLLP, Roswell Summit Apartments, LP, Skyview Terrace, LP, LLLP, Solar Villa Apartments, LP, LLLP, Gallup Sunset Hills Apartments, LLLP and Wildewood Apartments, LP, affiliates, which statements reflect total assets of \$154,781,838, as of December 31, 2022, and total revenues of \$11,547,203, for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Apple Ridge Apartments LP, Bella Vista Townhomes, LP, Brentwood Gardens Apartments, LP, Copper Terrace Limited Partnership LP, LLLP, UR 205 Silver, LLC (Imperial), Mesa Del Norte Apartments LP, LLLP, Montana Meadows Apartments, LP, YES Deming Mountain View Apartments LP, LLLP, New Frontier Family Living, LLC, New Leaf Community, LLLP, Nuevo Atrisco Apartments LP, LLLP, Roswell Summit Apartments, LP, Skyview Terrace, LP, LLLP, Solar Villa Apartments, LP, LLLP, Gallup Sunset Hills Apartments, LLLP and 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 and consolidating statements of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating statements of financial position and consolidating statements of activities are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2024, 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.

*Moss Adams LLP*

Albuquerque, New Mexico  
August 26, 2024

## **Consolidated Financial Statements**

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**YES Housing, Inc. and Affiliates**  
**Consolidated Statements of Financial Position**  
**December 31, 2023 and 2022**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 5,940,595	\$ 10,721,130
Restricted cash and cash equivalents	2,655,893	1,236,289
Rents and miscellaneous receivables	4,536,099	327,065
Prepaid expenses and deposit	1,089,011	824,561
Total current assets	14,221,598	13,109,045
WORK IN PROGRESS	29,302,011	10,642,294
PROPERTY, FURNITURE, AND EQUIPMENT, NET	135,218,645	133,258,857
<b>OTHER ASSETS</b>		
Tax credit monitoring fees, net of accumulated amortization	548,371	504,548
Predevelopment costs	821,413	952,413
Receivables - affiliates	770,390	698,390
Notes receivable - affiliates	3,000,000	3,000,000
Notes receivable	216,577	290,846
Investments in limited partnerships	882,678	851,299
Investments in marketable securities	10,679,599	14,349,411
Restricted cash and cash equivalents	6,228,413	6,148,900
Restricted investments (457(b) Plan)	564,887	435,241
Total other assets	23,712,328	27,231,048
<b>TOTAL ASSETS</b>	<b>\$ 202,454,582</b>	<b>\$ 184,241,244</b>

See accompanying notes.

**YES Housing, Inc. and Affiliates**  
**Consolidated Statements of Financial Position**  
**December 31, 2023 and 2022**

	2023	2022
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Long-term debt, current maturities and net of unamortized debt issuance costs	\$ 20,168,096	\$ 21,735,108
Accrued interest payable	301,786	215,803
Accounts payable	3,085,019	3,417,605
Accrued salaries and payroll taxes	270,781	285,230
Tenant prepaid rent	191,687	460,924
Other accrued expenses	2,318,574	499,554
Security deposits	338,733	330,759
Deferred revenue	3,000	-
	<u>26,677,676</u>	<u>26,944,983</u>
<b>LONG-TERM LIABILITIES</b>		
Development fee payable	10,300	-
Asset management fee payable	54,235	64,577
Accrued interest payable, long-term	710,816	728,195
Pension plan liability	564,887	435,241
Long-term debt, less current maturities and net of unamortized debt issuance costs	72,270,551	61,867,438
	<u>73,610,789</u>	<u>63,095,451</u>
Total long-term liabilities	<u>73,610,789</u>	<u>63,095,451</u>
Total liabilities	<u>100,288,465</u>	<u>90,040,434</u>
<b>NET ASSETS</b>		
Without donor restrictions	15,975,636	13,529,229
Net assets attributable to YES Housing, Inc. and Affiliates	15,975,636	13,529,229
Noncontrolling interest	86,190,481	80,671,581
Total net assets	<u>102,166,117</u>	<u>94,200,810</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 202,454,582</u></u>	<u><u>\$ 184,241,244</u></u>

See accompanying notes.

**YES Housing, Inc. and Affiliates**  
**Consolidated Statements of Activities**  
**Years Ended December 31, 2023 and 2022**

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and revenue		
Rent, net	\$ 7,220,958	\$ 7,126,073
Rent, HAP Contracts	4,730,090	4,551,423
Contribution revenue	2,073,963	883,014
Interest	774,725	449,531
Net unrealized/realized gain (loss) on investments	1,466,227	(2,205,877)
Net realized loss on capital investments	(138,330)	-
Other revenue	318,448	398,194
	16,446,081	11,202,358
Expenses		
Program	17,492,016	16,115,215
General and administrative	864,918	766,457
Fundraising	49,162	-
	18,406,096	16,881,672
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(1,960,015)	(5,679,314)
CHANGE IN NET ASSETS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(3,026,020)	(2,094,974)
CHANGE IN NET ASSETS ATTRIBUTABLE TO YES HOUSING, INC.	\$ 1,066,005	\$ (3,584,340)

See accompanying notes.

**YES Housing, Inc. and Affiliates**  
**Consolidated Statements of Changes in Net Assets**  
**Years Ended December 31, 2023 and 2022**

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	Without Donor Restrictions	Non-Controlling Interest	Total
BALANCE, December 31, 2021	\$ 17,096,811	\$ 66,472,903	\$ 83,569,714
Capital contributions	16,758	16,785,690	16,802,448
Distributions	-	(492,038)	(492,038)
Change in net assets	(3,584,340)	(2,094,974)	(5,679,314)
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	1,066,005	(3,026,020)	(1,960,015)
BALANCE, December 31, 2023	\$ 15,975,636	\$ 86,190,481	\$ 102,166,117

See accompanying notes.

**YES Housing, Inc. and Affiliates**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2023 and 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,066,005	\$ (3,584,340)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
(Gain) loss on disposal of assets	(20,411)	142,409
Depreciation and amortization	5,067,953	4,844,565
Net realized and unrealized (gain) loss on investments	(1,466,227)	2,205,877
Reinvested dividends and interest	(412,533)	187,790
Noncontrolling interest	(3,026,020)	(2,094,974)
Changes in assets and liabilities		
Receivable, affiliates	(72,000)	(72,001)
Construction costs receivable	-	84,020
Rents and miscellaneous receivables	(4,209,034)	451,419
Prepaid expenses and deposit	(264,450)	(131,400)
Tax credit monitoring fees	(96,256)	13,060
Predevelopment costs	131,000	(98,270)
Accrued interest payable	68,604	141,607
Accounts payable	(332,586)	2,339,008
Accrued salaries and payroll taxes	(14,449)	76,132
Tenant prepaid rent	(269,237)	172,574
Other accrued expenses	1,819,020	(276,685)
Deferred revenue	3,000	-
Security deposits	7,974	19,814
	(3,085,652)	8,004,945
Total adjustments		
Net cash (used in) provided by operating activities	\$ (2,019,647)	\$ 4,420,605

See accompanying notes.

**YES Housing, Inc. and Affiliates**  
**Consolidated Statements of Cash Flows**  
**December 31, 2023 and 2022**

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances on notes receivable	\$ (10,342)	\$ -
Proceeds from notes receivable	74,269	85,429
Proceeds from sales of property and equipment	27,950	1,462,728
Purchases of investments	(5,187,238)	(11,001,627)
Proceeds from sales of investments	10,704,431	11,337,018
Payment on development fee	10,300	(1,484,201)
Purchases of property and equipment	(5,560,566)	(8,058,396)
Purchases for work in progress	(20,081,998)	(12,538,565)
	(20,023,194)	(20,197,614)
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	22,870,744	15,689,304
Payments on loans	(14,034,643)	(12,448,899)
Capital contribution	10,617,611	16,802,448
Distribution	(692,289)	(492,038)
	18,761,423	19,550,815
Net cash provided by financing activities		
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(3,281,418)	3,773,806
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	18,106,319	14,332,513
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	\$ 14,824,901	\$ 18,106,319
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 2,443,569	\$ 2,230,127
SUPPLEMENTAL DISCLOSURE OF NONCASH FLOW INFORMATION		
Assignment of Hope Village Assets to HopeWorks	\$ -	\$ (10,150,194)
Assignment of Hope Village Liabilities to HopeWorks	\$ -	\$ 10,150,194
CASH AND CASH EQUIVALENTS	\$ 5,940,595	\$ 10,721,130
RESTRICTED CASH AND CASH EQUIVALENTS, current	2,655,893	1,236,289
RESTRICTED CASH AND CASH EQUIVALENTS, noncurrent	6,228,413	6,148,900
TOTAL CASH AND CASH EQUIVALENTS	\$ 14,824,901	\$ 18,106,319

See accompanying notes.

**YES Housing, Inc. and Affiliates**  
**Consolidated Statements of Functional Expenses**  
**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	<u>3,827,323</u>	<u>670,248</u>	<u>18,045</u>	<u>4,515,616</u>
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 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	<u>13,664,693</u>	<u>194,670</u>	<u>31,117</u>	<u>13,890,480</u>
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**  
**Consolidated Statements of Functional Expenses**  
**Year Ended December 31, 2022**

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

See accompanying notes.



# YES Housing, Inc. and Affiliates

## Notes to Consolidated Financial Statements

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### **Note 1 – Summary of Significant Accounting Policies**

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

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

**Principles of consolidation** – The consolidated financial statements include the accounts of YES and YES Housing of Arizona, Inc., and its 100% owned entities: Hope Village, LLC; 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; Bella Vista Townhomes, 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.

During 2022, YES Calle Cuarta, LLC, was formed to serve as the general partner of Calle Cuarta Limited Partnership, LLLP. The Amended and Restated Partnership Agreement was executed on September 27, 2023. All material intercompany transactions have been eliminated.

**Use of estimates in preparing financial statements** – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the methods and lives used to compute depreciation expense, amortization of debt issuance costs, and the allowance for uncollectible accounts. Accordingly, actual results could differ from those estimates.

## YES Housing, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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**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 without donor restrictions and net assets with 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 that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources 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, 2023 and 2022, and, accordingly, these consolidated financial statements do not reflect any activity related to this class of net assets.

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

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

**Allowance for credit losses** – In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value including accounts receivable. The most significant change in this standard is a shift from the incurred loss model to the expected credit loss model. The expected credit loss methodology under ASU 2016-13 is based on historical experience, current conditions, and reasonable and supportable forecasts, and replaces the probable/incurred loss model for measuring and recognizing expected losses under GAAP. The ASU also requires disclosure of information regarding how a company developed its allowance, including changes in the factors that influenced management's estimate of expected credit losses and the reasons for those changes. YES adopted the standard, effective January 1, 2023. The impact of the adoption was not material to the consolidated financial statements.

## YES Housing, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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**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, 2023 and 2022, and has therefore not recorded an allowance. Historical uncollectible receivables have not been material to the consolidated financial statements. Rents and miscellaneous receivables were \$4,536,099 and \$327,065 at December 31, 2023 and 2022, respectively. Rent and miscellaneous receivables were \$778,484 at January 1, 2022.

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 or noncompliance of the grant agreement is required to repay the grant amounts in full. YES participates in the NSP as YES NSP, LLC, which was created for the renovation and sale of homes under the NSP. As a participant of the NSP, YES loaned amounts to YES NSP, LLC, from the NSP grant awards and recorded such loans as notes receivable from YES NSP, LLC. 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, 2023 and 2022, YES recorded an allowance of \$80,538 and \$99,758, respectively, against the entirety of the notes receivable from YES NSP, LLC, resulting in a net balance of zero.

**Property, furniture, and equipment** – Property, furniture, and equipment is stated at cost or, if donated, at the approximate fair value at the date of donation. Assets costing \$500 or more are capitalized.

Depreciation is provided utilizing the straight-line method over the estimated useful lives of the respective assets, as follows:

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

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

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

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

## YES Housing, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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**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, 2023 and 2022.

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

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

Investments consist principally of marketable debt and equity securities. Fair value of investments in securities is based on the last reported sales price as of December 31, 2023 and 2022.

**Financial instruments and credit risk** – YES manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions which 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 HUD approval. Vacancy loss is shown as a reduction in rental income. YES recognized revenue for services under resident agreements in accordance with the provisions of FASB Accounting Standards Codification (ASC) (Topic 842), *Leases*, which is recognized as the services are performed. Revenue is recognized as earned when rental is invoiced. Other income includes fees for late payments, cleaning, damages, laundry facilities, and other charges, and is recorded when earned.

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, 2023 and 2022, totaled \$4,730,090 and \$4,551,423, respectively.

## **YES Housing, Inc. and Affiliates**

### **Notes to Consolidated Financial Statements**

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**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 statement of activities as net assets without donor restrictions.

**Income tax status** – With the exceptions of the partnerships, all entities of YES and YES Housing of Arizona are non-profit corporations and qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC) and are classified as other than private foundations. As such, their normal activities do not result in any income tax liability. YES did not incur any unrelated business taxable income for the years ended December 31, 2023 and 2022. As a result, YES did not recognize federal and state income tax for the years ended December 31, 2023 and 2022.

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, as partnerships, are not subject to federal income tax. The partners separately account for their pro-rata share of the partnerships' items of income, deductions, losses, and credits. Therefore, no provision is made in the accompanying consolidated financial statements for liabilities for federal, state, or local income taxes since such liabilities are the responsibility of the individual partners.

YES would recognize accrued interest related to unrecognized tax benefits in interest expense and penalties in operating expenses. There was no such interest or penalties recorded for the years ended December 31, 2023 and 2022.

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

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**Subsequent events** – Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before the consolidated financial statements are available to be issued. YES recognized in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including estimates inherent in the process of preparing the consolidated financial statements. YES’s consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position but arose after the consolidated balance sheet date and before consolidated financial statements are available to be issued. Note 17 provides disclosure of certain subsequent events that did not result in recognition in the consolidated financial statements. YES has evaluated subsequent events for recognition and disclosure through August 26, 2024, which is the date the consolidated financial statements were available to be issued.

#### **Note 2 – Designated and Restricted Cash and Cash Equivalents**

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

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

	2023	2022
Operating deficit reserve	\$ 3,396,855	\$ 2,745,353
Replacement reserve	3,214,439	3,279,204
Escrow deposits	1,114,364	170,046
Other	438,127	437,234
Security deposits	357,702	343,722
Money market fund	292,270	346,266
Debt service reserve	63,539	62,864
OCS grant	7,010	500
	<b>\$ 8,884,306</b>	<b>\$ 7,385,189</b>
Current restricted cash and cash equivalents	\$ 2,655,893	\$ 1,236,289
Long-term restricted cash and cash equivalents	6,228,413	6,148,900
	<b>\$ 8,884,306</b>	<b>\$ 7,385,189</b>

The money market fund had an amount of \$292,270 and \$346,266 as of December 31, 2023 and 2022, respectively. The use of the funds is subject to the Board of Directors’ approval. Restricted funds are held in bank accounts and money market accounts, some of which invest in federal treasury obligations, which market value approximates cost.

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

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**Note 3 – Property, Furniture, and Equipment**

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

	<u>2023</u>	<u>2022</u>
Buildings	\$ 144,541,465	\$ 141,451,473
Buildings/land improvements	26,562,817	26,145,602
Furniture and equipment	<u>10,305,721</u>	<u>9,350,672</u>
	181,410,003	176,947,747
Less accumulated depreciation	<u>(60,452,051)</u>	<u>(53,960,563)</u>
	120,957,952	122,987,184
Land	<u>14,260,693</u>	<u>10,271,673</u>
Property, furniture, and equipment, net	<u>\$ 135,218,645</u>	<u>\$ 133,258,857</u>

Depreciation expense for the years ended December 31, 2023 and 2022, totaled \$5,002,331 and \$4,731,845, respectively.

Work in progress on the accompanying consolidated statement of financial position is stated at cost and is not depreciated. The balances of \$29,302,011 and \$10,642,294 consisted of costs capitalized related to construction projects, and various property improvements in progress as of December 31, 2023 and 2022, respectively. Significant construction projects relate to the development of the Mustang Villas LLC; West Berry Senior Apartments LP, LLLP; Copper Terrace Limited Partnership LP, LLLP; and Calle Cuarta LP, LLLP, properties. See Note 13 for details on the partnerships formed related to these respective projects and properties. The construction and development of the property for the Mustang Villas project began in 2022 and was completed in 2023. The construction and development of the property for the West Berry project began in 2022 and was completed in 2024. The construction and development of the property for the Copper Terrace project began in 2020 and was completed in 2023. The construction and development of the property for the Calle Cuarta project began in 2023 and is expected to be completed in 2025. The balances related to work in progress will be transferred to the respective property, furniture, and equipment accounts upon completion of the respective projects.

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

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**Note 4 – Notes Receivable**

Notes receivable consist of the following at December 31:

	2023	2022
<i>Notes Receivable - Affiliate:</i>		
Note receivable from Casitas de Colores, LLC (see Note 12). The note accrues interest at 2.4%. Payment of interest and principal will be made from net cash flow after obligations of higher priority have been paid. This note is due January 1, 2045. The accrued interest at December 31, 2023 and 2022 was \$770,390 and \$698,390, respectively.	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
	2023	2022
<i>Notes Receivable:</i>		
Note receivable from ROKO, LLC to YES with an annual interest rate of 1.5% accruing from March 1, 2016 until maturity on October 1, 2026. Principal and interest payments are due monthly. The note is secured by property.	<u>\$ 216,577</u>	<u>\$ 290,846</u>

**Note 5 – Tax Credit Monitoring Fees**

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

	2023	2022
Tax credit monitoring fees	\$ 923,268	\$ 821,228
Less accumulated amortization	(374,897)	(316,680)
Total	<u>\$ 548,371</u>	<u>\$ 504,548</u>

Amortization expense for the years ended December 31, 2023 and 2022, totaled \$65,622 and \$55,143, respectively. Future amortization expense is approximately \$60,000 for years 2024 through 2034.



## YES Housing, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### **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**

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

	2023			Total
	Fair Value Measurement Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments in				
Marketable securities				
Mutual funds				
Growth funds	\$ 3,498,308	\$ -	\$ -	\$ 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	\$ 11,244,486	\$ -	\$ -	\$ 11,244,486

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

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

A summary of gain (loss) on investments consists of the following for the years ended December 31, 2023 and 2022:

	2023	2022
Net realized gain (loss)	\$ 462,278	\$ (423,750)
Net unrealized gain (loss)	1,003,949	(1,782,127)
	<u>\$ 1,466,227</u>	<u>\$ (2,205,877)</u>

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

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**Note 7 – Long-Term Debt**

	2023	2022
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	\$ 6,402,114
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 a balloon payment for the remaining balance will be due.	6,555,965	-
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 a balloon payment for the remaining balance will be due.	6,103,891	6,323,030
Apple Ridge - Loan payable to Lument in the original amount of \$4,600,000, secured by property, bears interest at 4.63% Interest, and requires monthly principal and interest payments of \$25,909 until maturity on March 1, 2027, upon which a balloon payment for the remaining balance will be due.	3,849,080	3,976,056
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 a balloon payment for the remaining balance will be due.	3,784,953	3,855,124
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 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 Housing, Inc. and Affiliates**  
**Notes to Consolidated Financial Statements**

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	2023	2022
West Berry - Construction loan payable to Wells Fargo in the original amount of \$7,865,000, secured by property, bears interest at SOFR plus 2.15%. Interest rate is adjusted monthly. The loan is due August 24, 2024.	3,588,334	1,676
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 a balloon payment for the remaining balance will be due.	3,072,999	3,190,012
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
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 a balloon payment for the remaining balance will be due.	2,982,006	3,012,584
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 a balloon payment for the remaining balance will be due.	2,475,554	2,554,660
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 a balloon payment for the remaining balance will be due.	2,459,609	2,482,072
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
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 flow and remaining balance to be forgiven upon satisfactory completion of affordability period. 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.	2,216,901	2,258,560

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

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	<u>2023</u>	<u>2022</u>
<p>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.</p>	2,000,000	1,229,111
<p>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 a balloon payment for the remaining balance will be due.</p>	1,964,591	1,979,818
<p>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.</p>	1,800,000	-
<p>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.</p>	1,728,155	1,618,562
<p>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.</p>	1,570,000	1,570,000
<p>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.</p>	1,502,117	1,517,926
<p>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.</p>	1,348,655	1,364,405

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

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	<u>2023</u>	<u>2022</u>
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 flow or \$500 per year. Matures on April 1, 2051.	1,273,500	1,274,000
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 a balloon payment for the remaining balance will be due.	1,077,061	1,097,325
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.	1,000,000	364,913
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 principal only payments of \$1,042 until maturity on November 1, 2062.	997,917	901,000
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.	823,500	-
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.	676,495	693,507
West Berry - Loan payable to New Mexico Mortgage Finance Authority (HOME), non-interest bearing for the first 24 months, monthly payments to begin on September 1, 2024, secured by property, matures on September 1, 2064.	655,000	630,000

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

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	2023	2022
<p>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.</p>	598,416	605,752
<p>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 principal only payments of \$625 until maturity on December 31, 2059 upon, which a balloon payment for the remaining balance will be due.</p>	585,000	592,500
<p>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.</p>	570,000	-
<p>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 a balloon payment for the remaining balance will be due.</p>	536,948	553,606
<p>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 principal only payments of \$2,500 until maturity on June 1, 2041.</p>	522,500	552,500
<p>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 principal only payments of \$1,667 until maturity on September 1, 2049.</p>	518,333	538,333
<p>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.</p>	495,688	1,000,000



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

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	2023	2022
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.	484,556	490,000
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.	478,804	489,561
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.	472,379	483,325
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 principal and interest payments, made annually of \$50,523 until maturity on January 1, 2063.	450,000	-
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 principal only payments of \$521 until maturity on May 1, 2054.	440,104	446,355
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.	427,245	439,523
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.	419,911	432,406
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.	381,252	394,888

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

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	2023	2022
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 a balloon payment for the remaining balance will be due.	379,745	389,096
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 residual receipts for the immediately preceding calendar year. Matures on January 1, 2072.	378,000	378,000
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.	371,912	385,823
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 principal only payments of \$938 until maturity on December 1, 2056.	371,250	382,500
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
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 a balloon payment for the remaining balance will be due.	366,000	366,000
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 flow 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	-

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

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	2023	2022
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.	338,206	385,300
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.	271,267	293,128
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
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.	200,777	230,924
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.	172,239	-
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.	150,232	175,316
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 and interest are due only in the event of default on December 31, 2066.	50,125	50,125

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

	2023	2022
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.	175	-
Copper Terrace - Construction loan payable to Wells Fargo in the original amount of \$12,405,549, secured by property, bears interest at SOFR plus 2%. Interest rate is adjusted monthly. During 2023, the balance was paid.	-	12,405,549
Total long-term debt	94,034,636	84,816,955
Less unamortized debt issuance costs	(1,595,989)	(1,214,409)
Total long-term debt, net of unamortized debt issuance costs	92,438,647	83,602,546
Less current maturities	(20,168,096)	(21,735,108)
Total long-term debt, net of current maturities	\$ 72,270,551	\$ 61,867,438

Aggregate maturities of long-term debt as of December 31, 2023, are as follows:

Years Ending December 31,	Amount
2024	\$ 20,168,096
2025	1,389,258
2026	3,621,806
2027	10,218,988
2028	955,846
Thereafter	57,680,642
Total	\$ 94,034,636

Interest expense incurred related to these notes for the years ended December 31, 2023 and 2022, totaled \$2,529,552 and \$2,310,764, respectively. Accrued interest related to these notes for the years ended December 31, 2023 and 2022, totaled \$301,786 and \$215,803, respectively.

## YES Housing, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### **Note 8 – Rental Revenue**

In February 2018, YES entered into a lease agreement for its building located at 917 Pennsylvania St., Albuquerque, NM. The lease was cancelled in 2021. YES entered into a new lease agreement for the same building in June 2022. In November 2022, YES assumed a lease agreement for its building located at 3501 4th St. NE, Albuquerque, NM. The lease was terminated in November 2023. Rental revenue related to the leases for the years ended December 31, 2023 and 2022, was \$76,924 and \$19,533, respectively.

#### **Note 9 – Retirement Plan**

Full-time regular employees of YES can participate in a retirement plan designed to comply with the requirements of Section 403(b) of the Internal Revenue Code (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 bi-weekly gross salary. The contribution percentage is approved annually by the Board of Directors. YES contributed \$178,651 and \$158,565 to the retirement plan during the years ended December 31, 2023 and 2022, respectively.

During fiscal year 2007, YES adopted a 457(b) Retirement Plan wherein the employer contributes 10% of eligible participants' bi-weekly gross pay, which is accrued on YES's consolidated statement of financial position, until the employee is eligible for retirement. Designated members of Senior Management (President/CEO, Senior Vice President/Chief Financial Officer/Chief Operating Officer, and Senior Vice President of Development) are eligible employees for participation in this plan. This plan is subject to credit risk. YES contributed \$59,091 and \$54,292 to the retirement plan during the years ended December 31, 2023 and 2022, respectively. The related 457(b) Retirement Plan assets included in restricted investments as of December 31, 2023 and 2022, totaled \$564,887 and \$435,241, respectively (see Note 6).

#### **Note 10 – Commitment and Contingencies**

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

**Operating leases** – YES leased equipment under short-term operating leases that expired at various dates through December 2024.

Lease payments related to all leases for the years ended December 31, 2023 and 2022, totaled \$4,198 and \$13,975, respectively.

Future lease obligations are \$3,558 for years 2024 through 2027, and \$593 for year 2028.

## YES Housing, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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**Construction commitments** – During 2022, West Berry Senior Apartments LP, LLLP, entered into a construction contract to include change orders totaling \$13,888,370 with Pavilion Construction for the new construction of the property. As of December 31, 2023, the property was still under construction and \$10,664,158 of the contract fees have been incurred. Mustang Villas LLC, entered into a construction contract to include change orders totaling \$12,688,403 with Pavilion Construction for the new construction of the property. As of December 31, 2023, the property was still under construction and \$11,486,005 of the contract fees have been incurred.

During 2023, Calle Cuarta Limited Partnership, LLLP, entered into a construction contract to include change orders totaling \$19,189,957 with Pavilion Construction for the new construction of the property. As of December 31, 2023, the property was still under construction and \$2,219,212 of the contract fees have been incurred.

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

#### **Note 11 – Consolidation**

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

For the year ended December 31, 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.

For the year ended December 31, 2022, development fees of \$3,254,872, other revenue of \$50,497, interest revenue of \$267,283, other expenses of \$733,725, property management fees of \$559,642, and additional smaller amounts have been eliminated.

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

## **YES Housing, Inc. and Affiliates**

### **Notes to Consolidated Financial Statements**

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#### **Note 12 – Investment in Casitas de Colores**

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

YES Housing, Inc., the sole member of YES Casitas, LLC, the 0.0051% member of CDC, made available its Workforce Housing Trust Funds Grant and HOME Investment Trust Funds Grant for construction of the project in exchange for a note payable from the Company to YES. As of December 31, 2023 and 2022, the outstanding balance on the loan due to YES from CDC was \$3,000,000 (see Note 4). The note accrues interest at 2.4% beginning December 20, 2012. Payment of interest and principal will be made out of net cash flow after obligations of higher priority have been paid. This note is due January 1, 2045. The accrued interest at December 31, 2023 and 2022, was \$770,390 and \$698,390, respectively.

#### **Note 13 – 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 the Project are subject to the provisions of housing assistance payment contract executed between Copper Terrace and HUD and in a manner that intends to qualify for tax credits under the federal low-income housing tax credit program as defined under the Code.

The general partner Copper Terrace is YES Copper Terrace, LLC (General Partner), and the limited partner of Copper Terrace is Enterprise Housing Partners XXXIV, LP. Pursuant to the partnership agreement dated November 17, 2020, profits, losses, and tax credits are allocated 0.01% to the General Partner and 99.99% to the Limited Partner, with certain transactions and occurrences warranting special allocations. The General Partner and Limited Partner are obligated to fund capital contributions to the partnership totaling \$100 and \$11,583,930, respectively. As per the agreement, the limited partner provided a capital contribution of \$7,024,565 and \$1,158,393 in 2023 and 2022, respectively, to the partnership.

## **YES Housing, Inc. and Affiliates**

### **Notes to Consolidated Financial Statements**

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**Skyview Terrace LP, LLLP** – The Skyview Terrace LP, LLLP (Skyview Terrace), was formed as a limited liability limited partnership under the laws of the State of New Mexico for the purpose of acquiring, owning, developing, constructing, leasing, managing, and operating a low-income housing project in New Mexico on July 11, 2019, by and among YES Skyview Terrace, LLC, a New Mexico limited liability company, as general partner, and YES Housing, Inc. as the limited partner. On December 19, 2019, the partnership agreement was amended by and among YES Housing, Inc., as the withdrawing limited partner and sole member of the general partner, YES Skyview Terrace, LLC, as general partner, and FRE Enterprise Affordable Housing Fund I, LLLP, a Maryland limited liability limited partnership, as the limited partner. The partnership's formation included the plans to construct an apartment complex eligible for low-income housing tax credits (LIHTC) located in Hobbs, New Mexico. As part of the amended agreement, YES Skyview Terrace, LLC, contributed \$100 for a 0.01% interest. Additionally, the limited partner will contribute \$10,878,855 for a 99.99% interest throughout the construction and loan conversion phase of the project. As per the agreement, the limited partner provided a capital contribution of \$314,443 in 2022 to the partnership.

**New Frontier Family Living, LLC** – The New Frontier Family Living, LLC (New Frontier), was formed as a limited liability corporation under the laws of the State of Arizona for the purpose of acquiring, constructing, owning, operating, holding for investment, leasing, and selling an affordable housing project located in Phoenix, Arizona, by and among YES Housing of Arizona, Inc., an Arizona nonprofit corporation, as a member and New Frontier MM, LLC, an Arizona limited liability corporation, as the managing member on March 14, 2019. On March 25, 2020, the operating agreement was amended by and among YES Housing of Arizona, Inc., LLC, as the withdrawing member and sole member of the managing member, New Frontier MM, LLC, as managing member, Bank of America, N.A., a national banking association, as the investor member, and Banc of America CDC Special Holding Company, Inc., a North Carolina corporation, as the special member. The partnership's formation included the plans to construct an apartment complex eligible for low-income housing tax credits (LIHTC). As part of the amended agreement, New Frontier MM, LLC, contributed \$100 for a 0.01% interest. Additionally, the investor member will contribute \$14,783,495 for a 99.99% interest throughout the construction and loan conversion phase of the project. As per the agreement, the limited partner contributed \$526,531 and \$12,661,640 in 2023 and 2022, respectively, to the partnership.

**West Berry Senior Apartments LP, LLLP** – West Berry Senior Apartments LP, LLLP (West Berry), was formed as a limited liability limited partnership under the laws of the State of New Mexico for the purpose of acquiring, owning, developing, constructing, leasing, managing, and operating a low-income housing project in New Mexico on August 4, 2021, by and among YES West Berry Senior Apartments, LLC, a New Mexico limited liability company, as general partner, and USA Institutional West Berry LLC, as the limited partner. The partnership's formation included the plans to construct an apartment complex eligible for low-income housing tax credits (LIHTC). As part of the agreement, YES West Berry Senior Apartments, LLC, will contribute \$100 for a 0.01% interest. Additionally, the investor member will contribute \$9,347,041 for a 99.99% interest throughout the construction, and loan conversion phase of the project. As per the agreement, the limited partner contributed \$1,869,408 and \$1,402,056 in 2023 and 2022, respectively, to the partnership.



## **YES Housing, Inc. and Affiliates**

### **Notes to Consolidated Financial Statements**

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**Mustang Villas, LLC** – Mustang Villas, LLC (Mustang Villas), was formed as a limited liability corporation under the laws of the state of Arizona for the purpose of acquiring, constructing, owning, operating, holding for investment, leasing, and selling an affordable housing project located in 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, on April 29, 2022. The partnership's formation included the plans to construct an apartment complex eligible for low-income housing tax credits (LIHTC). As part of the agreement, YES Mustang Villas, LLC, contributed \$100 for a 0.01% interest. Additionally, the investor member will contribute \$12,563,538 for a 99.99% interest throughout the construction and loan conversion phase of the project. As per the agreement, the limited partner contributed \$643,154 in 2022 for admission to the partnership.

**Hope Village, LLC** – The Hope Village, LLC (Hope Village), was formed as a limited liability corporation under the laws of the state of New Mexico for purposes of acquiring, developing, and constructing permanent supportive housing. The project is currently 100% owned by YES. YES is considered a co-developer on the project with St. Martin Hope Works (HW). The \$880,000 development fee is to be split 25% to HW and 75% to YES, and YES's portion was paid in full in 2022. YES transferred its interest in Hope Village on December 21, 2022, including all assets and debt.

**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 the plans to construct a 61-unit multifamily complex eligible for low-income housing tax credits (LIHTC). As part of the agreement, YES Calle Cuarta contributed \$541,910 for a .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 \$655,503 in 2023 for admission to the partnership.

#### **Note 14 – Net Assets Without Donor Restrictions**

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

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

## YES Housing, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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The Board of Directors has established a permanent fund with the objective of setting funds aside to be drawn down in the event of financial distress or an immediate liquidity need. They established a permanent fund investment policy that affects the presentation of Board designation on net assets. Endowments without donor restrictions are designated for long-term investment (quasi endowment). The quasi-endowment fund balance totaled \$4,774,354 and \$4,049,478 at December 31, 2023 and 2022, respectively. The Board of Directors also held other designated reserves of \$292,270 and \$346,266 at December 31, 2023 and 2022, respectively.

#### Note 15 – Liquidity and Funds Available

The following table reflects YES's financial assets as of December 31, 2023 and 2022, respectively, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, restricted trust assets, perpetual trusts held by others, endowments, and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for a specific contingency reserve. These Board designations could be drawn upon if the Board of Directors approves that action.

	2023	2022
Financial assets		
Cash and cash equivalents	\$ 14,824,901	\$ 18,106,319
Receivables	8,523,066	4,316,301
Investments in limited partnerships	882,678	851,299
Investments in marketable securities	10,679,599	14,349,411
Restricted investments (457(b) Plan)	564,887	435,241
Total financial assets	35,475,131	38,058,571
Less those unavailable for general expenditure within one year, due to		
Restricted cash and cash equivalents	(6,228,413)	(6,148,900)
Contributions and accounts receivable collectible beyond one year	(3,986,967)	(3,989,236)
Board designated reserves for future contingencies	(5,066,624)	(4,395,744)
Investments with liquidity restrictions	(882,678)	(851,299)
Investments restricted for 457(b) Plan	(564,887)	(435,241)
Financial assets available to meet cash needs for general expenditures within one year	\$ 18,745,562	\$ 22,238,151

## YES Housing, Inc. and Affiliates

### Notes to Consolidated Financial Statements

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#### **Note 16 – Involuntary conversion of nonmonetary asset to monetary asset**

**Bella Vista Townhomes, LP** – During the year ended December 31, 2023, this project sustained a hail and wind damage loss to the property. As a result, the partnership will receive insurance proceeds in the amount of \$1,326,428, which is recorded as a deferred gain at December 31, 2023. Of this amount, \$889,375 was received by the partnership and is being held by the lender and \$437,053 is owed from the insurance company as of December 31, 2023. The outstanding amount is included in rents and miscellaneous receivables in the accompanying consolidated statement of financial position as of December 31, 2023. As the remaining insurance proceeds were received in August 2024, the partnership does not believe it is exposed to any significant credit risk related to its insurance proceeds receivable.

The partnership will write 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 and depreciated over the useful life of the buildings and their components. As of December 31, 2023, reconstruction costs of \$175,320 were incurred and are included in work in progress and \$175,320 remains payable and is included in other accrued expenses in the accompanying consolidated statements of financial position at December 31, 2023.

#### **Note 17 – Subsequent Events**

**YES Housing** – In July 2024, YES listed for sale its interests in Roswell Summit Apartments, LP; Wildewood Apartments, LP; Brentwood Gardens Apartments, LP; Montana Meadows Apartments, LP; and Apple Ridge Apartments, LP.

**Bella Vista Townhomes, LP.** – As of August 26, 2024, the reconstruction related to the wind and hail damage is not completed. Insurance proceeds of \$1,326,428 have been received, of which \$240,000 was received in January 2024, and \$197,053 was received in August 2024 (see Note 16).

Bella Vista Townhomes, LP. has informed YES of its intention to exit the partnership during 2024.

**Mustang Villas, LLC** – In January 2024, the property's general contractor sent a formal notice of claim letter seeking additional payment for construction services. In April 2024, the parties reached a settlement agreement in which Mustang Villas, LLC made an additional payment of \$658,000 to settle the claim.

## **Supplementary Information**

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

	General Fund	Payroll	Development Services	Asset Management	Social Services
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
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	<u>1,777,068</u>	<u>170,348</u>	<u>3,560,537</u>	<u>11,832</u>	<u>716,643</u>
<b>WORK IN PROGRESS</b>	3,007	-	396,646	-	-
<b>PROPERTY, FURNITURE, AND EQUIPMENT, NET</b>	775,078	-	5,318,579	145,502	-
<b>OTHER ASSETS</b>					
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	<u>42,692,453</u>	<u>-</u>	<u>4,039,949</u>	<u>926,830</u>	<u>216,577</u>
Total assets	<u>\$ 45,247,606</u>	<u>\$ 170,348</u>	<u>\$ 13,315,711</u>	<u>\$ 1,084,164</u>	<u>\$ 933,220</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
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	<u>102,044</u>	<u>170,348</u>	<u>1,915,115</u>	<u>59,030</u>	<u>89,726</u>
<b>LONG-TERM LIABILITIES</b>					
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	<u>22,576,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>22,678,421</u>	<u>170,348</u>	<u>1,915,115</u>	<u>59,030</u>	<u>89,726</u>
<b>NET ASSETS</b>					
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	<u>22,569,185</u>	<u>-</u>	<u>11,400,596</u>	<u>1,025,134</u>	<u>843,494</u>
Noncontrolling interest	-	-	-	-	-
Total net assets	<u>22,569,185</u>	<u>-</u>	<u>11,400,596</u>	<u>1,025,134</u>	<u>843,494</u>
Total liabilities and net assets	<u>\$ 45,247,606</u>	<u>\$ 170,348</u>	<u>\$ 13,315,711</u>	<u>\$ 1,084,164</u>	<u>\$ 933,220</u>

**YES Housing, Inc. and Affiliates**  
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	La Hacienda, LLC	Nuevo Atrisco Live Work	Roswell Summit Apartments, LP	YES of Arizona, Inc.	YES Housing Inc. 100% Owned Preconsolidated Subtotal
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
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
<b>WORK IN PROGRESS</b>	-	-	-	-	399,653
<b>PROPERTY, FURNITURE, AND EQUIPMENT, NET</b>	916,568	355,019	2,639,826	-	10,150,572
<b>OTHER ASSETS</b>					
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
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
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
<b>LONG-TERM LIABILITIES</b>					
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
<b>NET ASSETS</b>					
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

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	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Calle Cuarta LP, LLLLP	Copper Terrace Limited Partnership LP, LLLLP	UR 205 Silver, LLC ( Imperial)
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
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	<u>234,144</u>	<u>1,561,837</u>	<u>240,263</u>	<u>391,600</u>	<u>930,127</u>	<u>171,413</u>
<b>WORK IN PROGRESS</b>	-	178,988	-	3,540,539	129,626	-
<b>PROPERTY, FURNITURE, AND EQUIPMENT, NET</b>	2,468,507	4,889,513	3,930,147	541,604	20,591,821	14,496,718
<b>OTHER ASSETS</b>						
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	<u>337,213</u>	<u>59,698</u>	<u>106,024</u>	<u>-</u>	<u>527,665</u>	<u>362,217</u>
Total assets	<u>\$ 3,039,864</u>	<u>\$ 6,690,036</u>	<u>\$ 4,276,434</u>	<u>\$ 4,473,743</u>	<u>\$ 22,179,239</u>	<u>\$ 15,030,348</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
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	<u>197,966</u>	<u>1,635,970</u>	<u>348,634</u>	<u>1,505,418</u>	<u>455,385</u>	<u>140,548</u>
<b>LONG-TERM LIABILITIES</b>						
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	<u>3,686,286</u>	<u>1,192,669</u>	<u>5,823,596</u>	<u>1,766,050</u>	<u>11,646,616</u>	<u>6,758,671</u>
Total liabilities	3,884,252	2,828,639	6,172,230	3,271,468	12,102,001	6,899,219
<b>NET ASSETS</b>						
Net assets without donor restrictions	-	-	-	-	-	-
Capital contribution	-	-	-	1,197,107	7,024,565	95,358
Partners' capital (deficit)	(844,388)	3,861,397	(1,895,796)	5,168	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	<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>
Total liabilities and net assets	<u>\$ 3,039,864</u>	<u>\$ 6,690,036</u>	<u>\$ 4,276,434</u>	<u>\$ 4,473,743</u>	<u>\$ 22,179,239</u>	<u>\$ 15,030,348</u>

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	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
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
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
<b>WORK IN PROGRESS</b>	14,309	-	-	15,599,500	-	-	3,919
<b>PROPERTY, FURNITURE, AND EQUIPMENT, NET</b>	3,789,330	2,321,781	4,013,004	985,407	16,440,774	9,993,268	16,117,088
<b>OTHER ASSETS</b>							
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
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
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
<b>LONG-TERM LIABILITIES</b>							
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
<b>NET ASSETS</b>							
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



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	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
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
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	<u>226,104</u>	<u>397,726</u>	<u>559,376</u>	<u>391,758</u>	<u>126,601</u>	<u>(313,544)</u>	<u>14,221,598</u>
<b>WORK IN PROGRESS</b>	-	-	-	12,846,733	-	(3,411,256)	29,302,011
<b>PROPERTY, FURNITURE, AND EQUIPMENT, NET</b>	13,987,473	14,347,215	7,944,560	371,601	1,897,920	(14,059,658)	135,218,645
<b>OTHER ASSETS</b>							
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	<u>532,381</u>	<u>702,633</u>	<u>1,205,291</u>	<u>-</u>	<u>104,907</u>	<u>(32,680,998)</u>	<u>23,712,328</u>
Total assets	<u>\$ 14,745,958</u>	<u>\$ 15,447,574</u>	<u>\$ 9,709,227</u>	<u>\$ 13,610,092</u>	<u>\$ 2,129,428</u>	<u>\$ (50,465,456)</u>	<u>\$ 202,454,582</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
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	<u>117,185</u>	<u>187,648</u>	<u>137,045</u>	<u>4,758,792</u>	<u>139,859</u>	<u>(279,753)</u>	<u>26,677,676</u>
<b>LONG-TERM LIABILITIES</b>							
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	<u>3,396,845</u>	<u>3,545,592</u>	<u>1,945,396</u>	<u>1,428,256</u>	<u>2,347,432</u>	<u>-</u>	<u>72,270,551</u>
Total long-term liabilities	<u>5,219,888</u>	<u>5,813,596</u>	<u>1,977,879</u>	<u>5,587,131</u>	<u>2,355,650</u>	<u>(26,890,541)</u>	<u>73,610,789</u>
Total liabilities	<u>5,337,073</u>	<u>6,001,244</u>	<u>2,114,924</u>	<u>10,345,923</u>	<u>2,495,509</u>	<u>(27,170,294)</u>	<u>100,288,465</u>
<b>NET ASSETS</b>							
Net assets without donor restrictions	-	-	-	-	-	(28,025,182)	6,198,007
Capital contribution	-	-	-	1,869,508	-	(10,076,007)	3,943,915
Partners' capital (deficit)	<u>9,408,885</u>	<u>9,446,330</u>	<u>7,594,303</u>	<u>1,394,661</u>	<u>(366,081)</u>	<u>(71,384,454)</u>	<u>5,833,714</u>
Net assets attributable to YES Housing, Inc. and Affiliates	<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>(109,485,643)</u>	<u>15,975,636</u>
Noncontrolling interest	-	-	-	-	-	86,190,481	86,190,481
Total net assets	<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>
Total liabilities and net assets	<u>\$ 14,745,958</u>	<u>\$ 15,447,574</u>	<u>\$ 9,709,227</u>	<u>\$ 13,610,092</u>	<u>\$ 2,129,428</u>	<u>\$ (50,465,456)</u>	<u>\$ 202,454,582</u>

**YES Housing, Inc. and Affiliates**  
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	General Fund	Payroll	Development Services	Asset Management	Social Services
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 3,388,751	\$ 50,528	\$ 1,301,476	\$ -	\$ 490,310
Restricted cash and cash equivalents	346,266	-	-	-	500
Construction costs receivable	-	-	19,355	-	-
Rents and miscellaneous receivables	32,297	-	8,378	-	153,178
Prepaid expenses and deposits	5,167	-	74,377	8,195	7,289
Interfund receivables	5,627	124,921	1,163	1,110	1,374
Total current assets	3,778,108	175,449	1,404,749	9,305	652,651
<b>WORK IN PROGRESS</b>	-	-	-	-	-
<b>PROPERTY, FURNITURE, AND EQUIPMENT, NET</b>	775,013	-	1,905,339	150,479	-
<b>OTHER ASSETS</b>					
Tax credit monitoring fees, net	-	-	-	-	-
Predevelopment costs	-	-	952,413	-	-
Receivables - affiliates	2,028,854	-	7,500	867,646	-
Notes receivable - affiliates	18,778,467	-	111,286	-	-
Notes receivable	-	-	-	-	290,846
Investments in limited partnerships	2,068,012	-	-	-	-
Investments in marketable securities	13,183,558	-	1,165,853	-	-
Development fees receivable	107,416	-	1,737,243	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Restricted investments (457(b) plan)	435,241	-	-	-	-
Total other assets	36,601,548	-	3,974,295	867,646	290,846
Total assets	<u>\$ 41,154,669</u>	<u>\$ 175,449</u>	<u>\$ 7,284,383</u>	<u>\$ 1,027,430</u>	<u>\$ 943,497</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ -	\$ -	\$ 1,618,561	\$ -	\$ -
Accrued interest payable	-	-	8,127	-	-
Accounts payable	206	2,726	24,865	2,785	1,160
Accrued salaries and payroll taxes	13,805	168,577	59,650	19,622	23,576
Tenant prepaid rent	-	-	-	-	-
Other accrued expenses	23,593	-	1	-	16,740
Security deposits	-	-	-	1,800	-
Deferred revenue	-	-	-	-	-
Interfund payables	23,677	4,146	43,239	28,796	34,339
Total current liabilities	61,281	175,449	1,754,443	53,003	75,815
<b>LONG-TERM LIABILITIES</b>					
Due to affiliates	-	-	-	-	-
Deferred AHP revenue	-	-	-	-	-
Development fee payable	-	-	-	-	-
Asset management fee payable	-	-	-	-	-
Accrued interest payable - long-term	-	-	-	-	-
Pension plan liability	435,241	-	-	-	-
Long-term debt, less current maturities and net of unamortized debt issuance costs	18,511,101	-	-	-	-
Total long-term liabilities	18,946,342	-	-	-	-
Total liabilities	19,007,623	175,449	1,754,443	53,003	75,815
<b>NET ASSETS</b>					
Net assets without donor restrictions	22,147,046	-	5,529,940	974,427	867,682
Capital contribution	-	-	-	-	-
Partners' capital (deficit)	-	-	-	-	-
Net assets attributable to YES Housing, Inc. and Affiliates	22,147,046	-	5,529,940	974,427	867,682
Noncontrolling interest	-	-	-	-	-
Total net assets	22,147,046	-	5,529,940	974,427	867,682
Total liabilities and net assets	<u>\$ 41,154,669</u>	<u>\$ 175,449</u>	<u>\$ 7,284,383</u>	<u>\$ 1,027,430</u>	<u>\$ 943,497</u>

**YES Housing, Inc. and Affiliates**  
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	La Hacienda, LLC	Otero Village Apartments, LP	Nuevo Atrisco Live Work	YES of Arizona, Inc.	YES Housing Inc. 100% Owned Preconsolidated Subtotal
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 142,347	\$ -	\$ 56,838	\$ 1,009	\$ 5,431,259
Restricted cash and cash equivalents	4,567	-	6,604	-	357,937
Construction costs receivable	-	-	-	735	20,090
Rents and miscellaneous receivables	150	-	-	-	194,003
Prepaid expenses and deposits	12,139	-	2,303	-	109,470
Interfund receivables	-	-	-	-	134,195
Total current assets	159,203	-	65,745	1,744	6,246,954
<b>WORK IN PROGRESS</b>	-	-	-	-	-
<b>PROPERTY, FURNITURE, AND EQUIPMENT, NET</b>	996,385	-	365,922	-	4,193,138
<b>OTHER ASSETS</b>					
Tax credit monitoring fees, net	-	-	-	-	-
Predevelopment costs	-	-	-	-	952,413
Receivables - affiliates	-	-	-	4,167	2,908,167
Notes receivable - affiliates	-	-	-	-	18,889,753
Notes receivable	-	-	-	-	290,846
Investments in limited partnerships	-	-	-	132	2,068,144
Investments in marketable securities	-	-	-	-	14,349,411
Development fees receivable	-	-	-	1,119,638	2,964,297
Restricted cash and cash equivalents	260,015	-	-	-	260,015
Restricted investments (457(b) plan)	-	-	-	-	435,241
Total other assets	260,015	-	-	1,123,937	43,118,287
Total assets	<u>\$ 1,415,603</u>	<u>\$ -</u>	<u>\$ 431,667</u>	<u>\$ 1,125,681</u>	<u>\$ 53,558,379</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ -	\$ -	\$ -	\$ -	\$ 1,618,561
Accrued interest payable	-	-	-	-	8,127
Accounts payable	579	-	411	-	32,732
Accrued salaries and payroll taxes	-	-	-	-	285,230
Tenant prepaid rent	8,758	-	1,630	-	10,388
Other accrued expenses	6,782	-	6,972	-	54,088
Security deposits	5,792	-	6,600	-	14,192
Deferred revenue	-	-	-	-	-
Interfund payables	-	-	-	-	134,197
Total current liabilities	21,911	-	15,613	-	2,157,515
<b>LONG-TERM LIABILITIES</b>					
Due to affiliates	-	-	-	-	-
Deferred AHP revenue	-	-	-	-	-
Development fee payable	-	-	-	-	-
Asset management fee payable	-	-	-	-	-
Accrued interest payable - long-term	-	-	-	-	-
Pension plan liability	-	-	-	-	435,241
Long-term debt, less current maturities and net of unamortized debt issuance costs	2,258,560	-	-	-	20,769,661
Total long-term liabilities	2,258,560	-	-	-	21,204,902
Total liabilities	2,280,471	-	15,613	-	23,362,417
<b>NET ASSETS</b>					
Net assets without donor restrictions	(864,868)	-	-	1,125,681	29,779,908
Capital contribution	-	-	-	-	-
Partners' capital (deficit)	-	-	416,054	-	416,054
Net assets attributable to YES Housing, Inc. and Affiliates	(864,868)	-	416,054	1,125,681	30,195,962
Noncontrolling interest	-	-	-	-	-
Total net assets	(864,868)	-	416,054	1,125,681	30,195,962
Total liabilities and net assets	<u>\$ 1,415,603</u>	<u>\$ -</u>	<u>\$ 431,667</u>	<u>\$ 1,125,681</u>	<u>\$ 53,558,379</u>

**YES Housing, Inc. and Affiliates**  
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	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Copper Terrace Limited Partnership LP, LLLP	UR 205 Silver, LLC (Imperial)	Mesa Del Norte Apartments LP, LLLP	Montana Meadows Apartments, LP
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	\$ 104,036	\$ 83,739	\$ 82,420	\$ 402,390	\$ 105,218	\$ 204,462	\$ 98,855
Restricted cash and cash equivalents	26,423	31,454	42,771	27,354	65,996	13,821	26,628
Construction costs receivable	-	-	-	-	-	-	-
Rents and miscellaneous receivables	12,404	2,954	7,722	28,310	18,380	1,386	9,433
Prepaid expenses and deposits	39,915	52,409	57,699	61,103	19,222	22,178	49,220
Interfund receivables	-	-	-	-	-	-	-
Total current assets	182,778	170,556	190,612	519,157	208,816	241,847	184,136
<b>WORK IN PROGRESS</b>	-	-	-	2,563,625	-	-	-
<b>PROPERTY, FURNITURE, AND EQUIPMENT, NET</b>	2,586,904	5,185,646	4,035,181	17,413,533	14,777,171	3,982,920	2,427,147
<b>OTHER ASSETS</b>							
Tax credit monitoring fees, net	-	3,266	-	-	35,969	14,748	-
Predevelopment costs	-	-	-	-	-	-	-
Receivables - affiliates	-	-	-	-	-	-	-
Notes receivable - affiliates	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Investments in limited partnerships	-	-	-	-	-	-	-
Investments in marketable securities	-	-	-	-	-	-	-
Development fees receivable	-	-	-	-	-	-	-
Restricted cash and cash equivalents	381,322	65,969	196,528	-	335,030	235,540	382,346
Restricted investments (457(b) plan)	-	-	-	-	-	-	-
Total other assets	381,322	69,235	196,528	-	370,999	250,288	382,346
Total assets	\$ 3,151,004	\$ 5,425,437	\$ 4,422,321	\$ 20,496,315	\$ 15,356,986	\$ 4,475,055	\$ 2,993,629
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ 126,976	\$ 16,657	\$ 219,139	\$ 12,926,557	\$ 32,541	\$ 29,237	\$ 117,013
Accrued interest payable	15,852	4,162	25,210	-	37,590	2,877	13,460
Accounts payable	81	828	3,254	314,849	2,346	2,784	906
Accrued salaries and payroll taxes	-	-	-	-	-	-	-
Tenant prepaid rent	1,994	51,689	10,824	36,872	34,752	70,167	4,902
Other accrued expenses	25,947	22,930	47,100	18,083	24,193	14,497	32,328
Security deposits	22,826	16,879	31,966	26,232	16,512	11,450	20,557
Deferred revenue	-	-	-	-	-	-	-
Interfund payables	-	-	-	-	-	-	-
Total current liabilities	193,676	113,145	337,493	13,322,593	147,934	131,012	189,166
<b>LONG-TERM LIABILITIES</b>							
Due to affiliates	6,935	-	-	576,612	3,583,019	-	7,726
Deferred AHP revenue	-	-	-	-	378,000	252,000	-
Development fee payable	-	-	-	1,137,000	107,416	-	-
Asset management fee payable	-	22,895	-	84,950	100,875	135,676	-
Accrued interest payable - long-term	-	240,316	-	150,582	1,036,744	25,536	-
Pension plan liability	-	-	-	-	-	-	-
Long-term debt, less current maturities and net of unamortized debt issuance costs	3,798,443	896,114	6,035,750	1,379,992	1,468,482	1,179,350	3,026,150
Total long-term liabilities	3,805,378	1,159,325	6,035,750	3,329,136	6,674,536	1,592,562	3,033,876
Total liabilities	3,999,054	1,272,470	6,373,243	16,651,729	6,822,470	1,723,574	3,223,042
<b>NET ASSETS</b>							
Net assets without donor restrictions	-	-	-	-	-	-	-
Capital contribution	-	-	-	1,158,393	-	-	-
Partners' capital (deficit)	(848,050)	4,152,967	(1,950,922)	2,686,193	8,534,516	2,751,481	(229,413)
Net Assets Attributable to YES Housing, Inc. and Affiliates	(848,050)	4,152,967	(1,950,922)	3,844,586	8,534,516	2,751,481	(229,413)
Noncontrolling interest	-	-	-	-	-	-	-
Total net assets	(848,050)	4,152,967	(1,950,922)	3,844,586	8,534,516	2,751,481	(229,413)
Total liabilities and net assets	\$ 3,151,004	\$ 5,425,437	\$ 4,422,321	\$ 20,496,315	\$ 15,356,986	\$ 4,475,055	\$ 2,993,629

**YES Housing, Inc. and Affiliates**  
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	YES Deming Mountain View Apartments LP, LLLP	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
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	\$ 40,241	\$ 677,356	\$ 151,206	\$ 426,783	\$ 54,598	\$ 154,065	\$ 170,939
Restricted cash and cash equivalents	15,169	314,125	29,968	39,845	13,330	49,819	140,988
Construction costs receivable	-	-	-	-	-	-	-
Rents and miscellaneous receivables	8,835	4,707	3,989	36,167	23,981	2,572	2,368
Prepaid expenses and deposits	28,847	45,200	66,157	59,168	37,087	61,191	50,547
Interfund receivables	-	-	-	-	-	-	-
Total current assets	93,092	1,041,388	251,320	561,963	128,996	267,647	364,842
<b>WORK IN PROGRESS</b>							
	-	-	26,439	-	-	-	-
<b>PROPERTY, FURNITURE, AND EQUIPMENT, NET</b>							
	4,168,603	17,007,237	10,287,359	16,590,264	2,766,219	14,409,241	14,865,018
<b>OTHER ASSETS</b>							
Tax credit monitoring fees, net	11,401	157,721	39,319	65,444	-	77,842	63,617
Predevelopment costs	-	-	-	-	-	-	-
Receivables - affiliates	-	-	-	-	-	-	-
Notes receivable - affiliates	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Investments in limited partnerships	-	-	-	-	-	-	-
Investments in marketable securities	-	-	-	-	-	-	-
Development fees receivable	-	-	-	-	-	-	-
Restricted cash and cash equivalents	805,963	-	425,878	584,483	113,582	440,986	611,671
Restricted investments (457(b) plan)	-	-	-	-	-	-	-
Total other assets	817,364	157,721	465,197	649,927	113,582	518,828	675,288
Total assets	<u>\$ 5,079,059</u>	<u>\$ 18,206,346</u>	<u>\$ 11,030,315</u>	<u>\$ 17,802,154</u>	<u>\$ 3,008,797</u>	<u>\$ 15,195,716</u>	<u>\$ 15,905,148</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
Long-term debt - current maturities and net of unamortized debt issuance costs	\$ 43,237	\$ 70,171	\$ 39,495	\$ 56,173	\$ 17,012	\$ 40,720	\$ 75,662
Accrued interest payable	2,512	16,034	6,766	9,132	4,182	10,989	15,150
Accounts payable	124	771	5,080	4,185	5,675	4,337	13,243
Accrued salaries and payroll taxes	-	-	-	-	-	-	-
Tenant prepaid rent	1,328	12,066	58,366	56,024	4,221	85,863	10,720
Other accrued expenses	18,636	49,817	37,239	13,687	21,579	14,845	40,618
Security deposits	11,710	32,000	19,644	21,325	11,038	23,983	22,507
Deferred revenue	-	-	-	-	-	-	-
Interfund payables	-	-	-	-	-	-	-
Total current liabilities	77,547	180,859	166,590	160,526	63,707	180,737	177,900
<b>LONG-TERM LIABILITIES</b>							
Due to affiliates	8,115	-	1,018,911	4,636,401	172,308	1,466,981	2,213,615
Deferred AHP revenue	-	-	-	-	-	-	-
Development fee payable	-	301,767	-	354,957	-	-	-
Asset management fee payable	21,558	8,333	5,940	110,646	288,766	55,900	77,317
Accrued interest payable - long-term	-	-	-	1,208	403,892	199,943	438
Pension plan liability	-	-	-	-	-	-	-
Long-term debt, less current maturities and net of unamortized debt issuance costs	1,211,250	3,755,113	2,093,132	2,829,950	1,146,072	3,436,748	3,620,995
Total long-term liabilities	1,240,923	4,065,213	3,117,983	7,933,162	2,011,038	5,159,572	5,912,365
Total liabilities	1,318,470	4,246,072	3,284,573	8,093,688	2,074,745	5,340,309	6,090,265
<b>NET ASSETS</b>							
Net assets without donor restrictions	-	-	-	-	-	-	-
Capital contribution	-	12,661,640	-	456,079	-	314,443	-
Partners' capital (deficit)	3,760,589	1,298,634	7,745,742	9,252,387	934,052	9,540,964	9,814,883
Net assets attributable to YES Housing, Inc. and Affiliates	3,760,589	13,960,274	7,745,742	9,708,466	934,052	9,855,407	9,814,883
Noncontrolling interest	-	-	-	-	-	-	-
Total net assets	3,760,589	13,960,274	7,745,742	9,708,466	934,052	9,855,407	9,814,883
Total liabilities and net assets	<u>\$ 5,079,059</u>	<u>\$ 18,206,346</u>	<u>\$ 11,030,315</u>	<u>\$ 17,802,154</u>	<u>\$ 3,008,797</u>	<u>\$ 15,195,716</u>	<u>\$ 15,905,148</u>

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

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	General Fund	Payroll	Development Services	Asset Management	Social Services
<b>REVENUES AND OTHER SUPPORT</b>					
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
<b>Total revenue and other support</b>	<b>3,187,343</b>	<b>-</b>	<b>3,914,568</b>	<b>1,003,579</b>	<b>713,751</b>
<b>PERSONNEL EXPENSES</b>					
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
<b>Total personnel expenses</b>	<b>670,248</b>	<b>-</b>	<b>1,034,042</b>	<b>792,812</b>	<b>397,111</b>
<b>OTHER EXPENSES</b>					
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	-
<b>Total other expenses</b>	<b>1,999,598</b>	<b>-</b>	<b>316,723</b>	<b>160,060</b>	<b>340,828</b>
<b>Total expenses</b>	<b>2,669,846</b>	<b>-</b>	<b>1,350,765</b>	<b>952,872</b>	<b>737,939</b>
<b>CHANGE IN NET ASSETS</b>	<b>517,497</b>	<b>-</b>	<b>2,563,803</b>	<b>50,707</b>	<b>(24,188)</b>
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)	-	-	-	-
<b>NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR</b>	<b>\$ 22,569,185</b>	<b>\$ -</b>	<b>\$ 11,400,596</b>	<b>\$ 1,025,134</b>	<b>\$ 843,494</b>

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	La Hacienda, LLC	Nuevo Atrisco Live Work	Roswell Summit Apartments, LP	YES of Arizona, Inc.	YES Housing Inc. 100% Owned Preconsolidated Subtotal
<b>REVENUES AND OTHER SUPPORT</b>					
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
<b>Total revenue and other support</b>	<b>197,766</b>	<b>72,987</b>	<b>473,857</b>	<b>1,000,034</b>	<b>10,563,885</b>
<b>PERSONNEL EXPENSES</b>					
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
<b>Total personnel expenses</b>	<b>40,010</b>	<b>7,220</b>	<b>72,851</b>	<b>-</b>	<b>3,014,294</b>
<b>OTHER EXPENSES</b>					
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
<b>Total other expenses</b>	<b>202,628</b>	<b>35,885</b>	<b>543,797</b>	<b>315,603</b>	<b>3,915,122</b>
<b>Total expenses</b>	<b>242,638</b>	<b>43,105</b>	<b>616,648</b>	<b>315,603</b>	<b>6,929,416</b>
<b>CHANGE IN NET ASSETS</b>	<b>(44,872)</b>	<b>29,882</b>	<b>(142,791)</b>	<b>684,431</b>	<b>3,634,469</b>
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)
<b>NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR</b>	<b>\$ (909,740)</b>	<b>\$ 401,710</b>	<b>\$ 791,261</b>	<b>\$ 1,810,112</b>	<b>\$ 37,931,752</b>



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	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)
<b>REVENUES AND OTHER SUPPORT</b>						
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	-	-	-	-	-	-
<b>Total revenue and other support</b>	<b>964,194</b>	<b>479,726</b>	<b>1,268,982</b>	<b>5,168</b>	<b>1,184,985</b>	<b>645,701</b>
<b>PERSONNEL EXPENSES</b>						
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
<b>Total personnel expenses</b>	<b>102,392</b>	<b>90,427</b>	<b>130,450</b>	<b>-</b>	<b>133,551</b>	<b>101,654</b>
<b>OTHER EXPENSES</b>						
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	-	-	-	-	-	-
<b>Total other expenses</b>	<b>665,427</b>	<b>680,730</b>	<b>941,510</b>	<b>-</b>	<b>1,843,347</b>	<b>1,042,792</b>
<b>Total expenses</b>	<b>767,819</b>	<b>771,157</b>	<b>1,071,960</b>	<b>-</b>	<b>1,976,898</b>	<b>1,144,446</b>
<b>CHANGE IN NET ASSETS</b>	<b>196,375</b>	<b>(291,431)</b>	<b>197,022</b>	<b>5,168</b>	<b>(791,913)</b>	<b>(498,745)</b>
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)	-	-	-
<b>NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR</b>	<b>\$ (844,388)</b>	<b>\$ 3,861,397</b>	<b>\$ (1,895,796)</b>	<b>\$ 1,202,275</b>	<b>\$ 10,077,238</b>	<b>\$ 8,131,129</b>

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	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
<b>REVENUES AND OTHER SUPPORT</b>							
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
<b>PERSONNEL EXPENSES</b>							
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
<b>OTHER EXPENSES</b>							
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
<b>CHANGE IN NET ASSETS</b>							
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)	-	-
<b>NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR</b>							
	\$ 2,649,343	\$ (230,751)	\$ 3,645,616	\$ 623,989	\$ 13,995,757	\$ 7,601,268	\$ 9,364,844

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	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
<b>REVENUES AND OTHER SUPPORT</b>							
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
<b>PERSONNEL EXPENSES</b>							
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
<b>OTHER EXPENSES</b>							
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
<b>CHANGE IN NET ASSETS</b>	(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)
<b>NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR</b>	<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>

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	General Fund	Payroll	Development Services	Asset Management	Social Services
<b>REVENUES AND OTHER SUPPORT</b>					
Rent	\$ -	\$ -	\$ 7,833	\$ 610,087	\$ -
Rent - HAP Contracts	-	-	-	-	-
Contribution revenue	153	-	40,000	14,254	388,942
Development fees	-	-	862,800	-	-
Interest	654,363	-	46,194	-	12,732
Net unrealized/realized gain (Loss) on investments	(2,059,690)	-	(146,187)	-	-
Net realized gain (loss) on capital investments	(25,430)	-	-	-	-
Other revenue	72,376	-	4,251	-	76,980
Property management fees	-	-	-	555,475	-
Construction management fees	-	-	10,000	-	-
Operating transfers, net	335,272	-	917,574	608,138	257,357
Total revenue and other support	(1,022,956)	-	1,742,465	1,787,954	736,011
<b>PERSONNEL EXPENSES</b>					
Salaries and wages	398,852	-	752,800	551,696	214,650
Payroll taxes	28,132	-	57,617	44,156	15,109
Employee benefits	123,937	-	210,420	166,803	53,978
Total personnel expenses	550,921	-	1,020,837	762,655	283,737
<b>OTHER EXPENSES</b>					
Depreciation and amortization	97,147	-	5,689	5,082	-
Donations expense	4,750	-	-	-	-
Duplication and publishing	2,147	-	779	1,413	206
Equipment	1,324	-	4,209	6,990	1,822
Insurance	6,394	-	11,589	5,479	7,288
Interest	-	-	12,210	5,420	-
Loss on disposal of assets	-	-	-	54,757	-
Other expenses	28,624	-	31,343	47,898	12,139
Professional fees	67,757	-	28,539	44,818	36,613
Property management	-	-	-	-	-
Property taxes	-	-	2,809	5,856	966
Repairs and maintenance	3,887	-	16,292	556,131	2,746
Social services	-	-	-	-	200,699
Training	632	-	472	2,739	84
Travel	99	-	2,210	8,921	3,416
Utilities	2,775	-	10,660	18,209	4,251
Operating transfers, net	-	-	611,137	-	89,782
Total other expenses	215,536	-	737,938	763,713	360,012
Total expenses	766,457	-	1,758,775	1,526,368	643,749
<b>CHANGE IN NET ASSETS</b>	(1,789,413)	-	(16,310)	261,586	92,262
Net assets and partners' capital - beginning of year	23,936,459	-	5,546,250	712,841	775,420
Capital contributions	-	-	-	-	-
Distributions	-	-	-	-	-
<b>NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR</b>	<u>\$ 22,147,046</u>	<u>\$ -</u>	<u>\$ 5,529,940</u>	<u>\$ 974,427</u>	<u>\$ 867,682</u>

**YES Housing, Inc. and Affiliates**  
**Consolidating Statement of Activities**  
**December 31, 2022**

	La Hacienda, LLC	Otero Village Apartments, LP	Nuevo Atrisco Live Work	YES of Arizona, Inc.	YES Housing Inc. 100% Owned Preconsolidated Subtotal
<b>REVENUES AND OTHER SUPPORT</b>					
Rent	\$ 166,031	\$ -	\$ 80,292	\$ -	\$ 864,243
Rent - HAP Contracts	-	-	-	-	-
Contribution revenue	-	-	-	-	443,349
Development fees	-	-	-	2,392,072	3,254,872
Interest	755	-	2	-	714,046
Net unrealized/realized gain (loss) on investments	-	-	-	-	(2,205,877)
Net realized gain (loss) on capital investments	-	-	-	(52)	(25,482)
Other revenue	3,240	1	326	-	157,174
Property management fees	-	-	-	4,167	559,642
Construction management fees	-	-	-	-	10,000
Operating transfers, net	-	-	-	136,473	2,254,814
<b>Total revenue and other support</b>	<b>170,026</b>	<b>1</b>	<b>80,620</b>	<b>2,532,660</b>	<b>6,026,781</b>
<b>PERSONNEL EXPENSES</b>					
Salaries and wages	32,539	-	6,014	-	1,956,551
Payroll taxes	5,822	-	1,647	-	152,483
Employee benefits	-	-	-	-	555,138
<b>Total personnel expenses</b>	<b>38,361</b>	<b>-</b>	<b>7,661</b>	<b>-</b>	<b>2,664,172</b>
<b>OTHER EXPENSES</b>					
Depreciation and amortization	97,962	-	10,903	-	216,783
Donations expense	-	-	-	-	4,750
Duplication and publishing	-	-	-	-	4,545
Equipment	-	-	-	-	14,345
Insurance	19,994	-	2,666	-	53,410
Interest	-	-	-	-	17,630
Loss on disposal of assets	-	-	-	-	54,757
Other expenses	6,180	79	106	123,875	250,244
Professional fees	2,258	-	4,597	208,664	393,246
Property management	19,500	-	3,130	-	22,630
Property taxes	4,115	-	5,718	(64)	19,400
Repairs and maintenance	14,829	-	-	-	593,885
Social services	-	-	-	-	200,699
Training	-	-	11	-	3,938
Travel	-	-	-	2,314	16,960
Telephone and utilities	16,546	-	4,737	-	57,178
Operating transfers, net	-	14,234	-	1,539,662	2,254,815
<b>Total other expenses</b>	<b>181,384</b>	<b>14,313</b>	<b>31,868</b>	<b>1,874,451</b>	<b>4,179,215</b>
<b>Total expenses</b>	<b>219,745</b>	<b>14,313</b>	<b>39,529</b>	<b>1,874,451</b>	<b>6,843,387</b>
<b>CHANGE IN NET ASSETS</b>	<b>(49,719)</b>	<b>(14,312)</b>	<b>41,091</b>	<b>658,209</b>	<b>(816,606)</b>
Net assets and partners' capital - beginning of year	(815,149)	86,629	427,144	467,472	31,137,066
Capital contributions	-	-	-	-	-
Distributions	-	(72,317)	(52,181)	-	(124,498)
<b>NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR</b>	<b>\$ (864,868)</b>	<b>\$ -</b>	<b>\$ 416,054</b>	<b>\$ 1,125,681</b>	<b>\$ 30,195,962</b>

**YES Housing, Inc. and Affiliates**  
**Consolidating Statement of Activities**  
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	Apple Ridge Apartments, LP	Bella Vista Townhomes, LP	Brentwood Gardens Apartments, LP	Copper Terrace Limited Partnership LP, LLLP	UR 205 Silver, LLC (Imperial)	Mesa Del Norte Apartments LP, LLLP	Montana Meadows Apartments, LP
<b>REVENUES AND OTHER SUPPORT</b>							
Rent	\$ 271,001	\$ 431,183	\$ 375,942	\$ 432,277	\$ 490,722	\$ 415,031	\$ 230,131
Rent - HAP Contracts	589,836	-	837,059	384,246	99,074	-	566,116
Contribution revenue	67,253	-	-	-	-	-	71,950
Development fees	-	-	-	-	-	-	-
Interest	142	68	124	22	367	146	100
Net unrealized/realized gain (loss) on investments	-	-	-	-	-	-	-
Net realized gain (loss) on capital investments	-	-	-	-	-	-	-
Other revenue	3,684	5,296	14,415	107,223	23,448	5,770	10,399
Property management fees	-	-	-	-	-	-	-
Construction management fees	-	-	-	-	-	-	-
Operating transfers, net	-	-	-	-	-	-	-
Total revenue and other support	<u>931,916</u>	<u>436,547</u>	<u>1,227,540</u>	<u>923,768</u>	<u>613,611</u>	<u>420,947</u>	<u>878,696</u>
<b>PERSONNEL EXPENSES</b>							
Salaries and wages	67,248	69,145	96,278	103,032	73,416	42,912	78,198
Payroll taxes	6,764	15,803	19,820	21,599	20,914	10,833	13,715
Employee benefits	-	-	-	-	-	-	-
Total personnel expenses	<u>74,012</u>	<u>84,948</u>	<u>116,098</u>	<u>124,631</u>	<u>94,330</u>	<u>53,745</u>	<u>91,913</u>
<b>OTHER EXPENSES</b>							
Depreciation and amortization	201,641	341,499	240,762	271,380	433,935	224,643	143,701
Donations expense	-	-	-	-	-	-	-
Duplication and publishing	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Insurance	37,678	57,819	52,529	54,279	51,245	19,361	43,647
Interest	189,259	71,552	301,330	399,935	224,953	40,200	161,023
Loss on disposal of assets	202	587	1,427	-	-	-	525
Other expenses	18,136	14,862	28,893	(831,757)	26,015	15,443	19,293
Professional fees	11,724	13,864	17,874	41,581	14,019	13,500	12,282
Property management	46,080	44,187	70,272	85,828	45,033	131,346	40,497
Property taxes	20,656	10,575	55,647	(19,225)	10,428	16,448	29,037
Repairs and maintenance	41,443	50,805	135,371	89,444	88,212	38,960	55,776
Social services	73,253	6,000	6,000	3,608	10,000	(4,153)	77,950
Training	2,325	1,209	1,603	1,098	1,398	313	1,158
Travel	569	569	-	-	-	-	-
Telephone and utilities	63,271	57,212	72,895	117,766	63,078	34,947	48,386
Operating transfers, net	-	-	-	-	-	-	-
Total other expenses	<u>706,237</u>	<u>670,740</u>	<u>984,603</u>	<u>213,937</u>	<u>968,316</u>	<u>531,008</u>	<u>633,275</u>
Total expenses	<u>780,249</u>	<u>755,688</u>	<u>1,100,701</u>	<u>338,568</u>	<u>1,062,646</u>	<u>584,753</u>	<u>725,188</u>
<b>CHANGE IN NET ASSETS</b>	151,667	(319,141)	126,839	585,200	(449,035)	(163,806)	153,508
Net assets and partners' capital - beginning of year	(802,418)	4,472,108	(1,957,811)	2,100,993	8,983,551	2,920,566	(214,165)
Capital contributions	-	-	-	1,158,393	-	-	-
Distributions	(197,299)	-	(119,950)	-	-	(5,279)	(168,756)
<b>NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR</b>	<u>\$ (848,050)</u>	<u>\$ 4,152,967</u>	<u>\$ (1,950,922)</u>	<u>\$ 3,844,586</u>	<u>\$ 8,534,516</u>	<u>\$ 2,751,481</u>	<u>\$ (229,413)</u>

**YES Housing, Inc. and Affiliates**  
**Consolidating Statement of Activities**  
**December 31, 2022**

	YES Deming Mountain View Apartments LP, LLLP	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
<b>REVENUES AND OTHER SUPPORT</b>							
Rent	\$ 113,524	\$ 713,076	\$ 533,947	\$ 836,772	\$ 144,178	\$ 621,298	\$ 333,380
Rent - HAP Contracts	262,513	-	145,313	-	240,874	-	645,591
Contribution revenue	67,439	-	-	21,600	71,090	-	-
Development fees	-	-	-	-	-	-	-
Interest	417	-	402	19	270	28	60
Net unrealized/realized gain (loss) on investments	-	-	-	-	-	-	-
Net realized gain (loss) on capital investments	-	-	-	-	-	-	-
Other revenue	2,481	12,629	25,473	33,546	7,382	15,693	15,921
Property management fees	-	-	-	-	-	-	-
Construction management fees	-	-	-	-	-	-	-
Operating transfers, net	-	-	-	-	-	-	-
<b>Total revenue and other support</b>	<b>446,374</b>	<b>725,705</b>	<b>705,135</b>	<b>891,937</b>	<b>463,794</b>	<b>637,019</b>	<b>994,952</b>
<b>PERSONNEL EXPENSES</b>							
Salaries and wages	66,273	82,584	69,269	78,011	47,431	86,465	88,452
Payroll taxes	15,425	22,978	19,132	21,879	7,962	25,430	9,753
Employee benefits	-	-	-	-	-	-	-
<b>Total personnel expenses</b>	<b>81,698</b>	<b>105,562</b>	<b>88,401</b>	<b>99,890</b>	<b>55,393</b>	<b>111,895</b>	<b>98,205</b>
<b>OTHER EXPENSES</b>							
Depreciation and amortization	168,791	626,507	338,384	477,160	149,285	466,704	540,841
Donations expense	-	-	-	-	-	-	-
Duplication and publishing	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Insurance	30,758	64,904	65,707	69,446	32,930	65,048	49,601
Interest	32,935	238,347	89,928	129,297	90,839	251,205	190,539
Loss on disposal of assets	-	-	-	-	-	-	-
Other expenses	13,645	37,802	21,886	25,152	19,266	27,567	24,710
Professional fees	15,239	13,500	13,969	23,169	13,309	15,245	16,725
Property management	53,591	44,921	47,551	104,257	67,074	19,671	194,778
Property taxes	11,125	-	27,132	48,913	12,181	22,597	56,981
Repairs and maintenance	43,211	37,573	94,445	78,740	56,723	70,596	77,086
Social services	67,439	-	3,899	17,400	77,090	2,387	6,000
Training	858	529	1,165	332	783	890	1,349
Travel	-	-	569	-	-	569	-
Telephone and utilities	15,597	71,517	62,857	70,556	23,889	43,772	164,103
Operating transfers, net	-	-	-	-	-	-	-
<b>Total other expenses</b>	<b>453,189</b>	<b>1,135,600</b>	<b>767,492</b>	<b>1,044,422</b>	<b>543,369</b>	<b>986,251</b>	<b>1,322,713</b>
<b>Total expenses</b>	<b>534,887</b>	<b>1,241,162</b>	<b>855,893</b>	<b>1,144,312</b>	<b>598,762</b>	<b>1,098,146</b>	<b>1,420,918</b>
<b>CHANGE IN NET ASSETS</b>	<b>(88,513)</b>	<b>(515,457)</b>	<b>(150,758)</b>	<b>(252,375)</b>	<b>(134,968)</b>	<b>(461,127)</b>	<b>(425,966)</b>
Net assets and partners' capital - beginning of year	3,849,102	1,814,091	7,896,500	9,504,762	1,069,020	10,002,091	10,245,840
Capital contributions	-	12,661,640	-	456,079	-	314,443	-
Distributions	-	-	-	-	-	-	(4,991)
<b>NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR</b>	<b>\$ 3,760,589</b>	<b>\$ 13,960,274</b>	<b>\$ 7,745,742</b>	<b>\$ 9,708,466</b>	<b>\$ 934,052</b>	<b>\$ 9,855,407</b>	<b>\$ 9,814,883</b>

**YES Housing, Inc. and Affiliates**  
**Consolidating Statement of Activities**  
**December 31, 2022**

	Gallup Sunset Hills Apartments, LLLP	Wildewood Apartments, LP	Mustang Villas, LLC	West Berry Senior Apartments LP, LLLP	Eliminations	Total
<b>REVENUES AND OTHER SUPPORT</b>						
Rent	\$ 153,406	\$ 165,962	\$ -	\$ -	\$ -	\$ 7,126,073
Rent - HAP Contracts	376,982	403,819	-	-	-	4,551,423
Contribution revenue	70,022	70,311	-	-	-	883,014
Development fees	-	-	-	-	(3,254,872)	-
Interest	487	116	-	-	(267,283)	449,531
Net unrealized/realized gain (loss) on investments	-	-	-	-	-	(2,205,877)
Net realized gain (loss) on capital investments	-	-	-	-	25,482	-
Other revenue	4,767	3,390	-	-	(50,497)	398,194
Property management fees	-	-	-	-	(559,642)	-
Construction management fees	-	-	-	-	(10,000)	-
Operating transfers, net	-	-	-	-	(2,254,814)	-
Total revenue and other support	605,664	643,598	-	-	(6,371,626)	11,202,358
<b>PERSONNEL EXPENSES</b>						
Salaries and wages	57,477	55,392	-	-	-	3,118,134
Payroll taxes	20,095	8,853	-	-	-	413,438
Employee benefits	-	-	-	-	-	555,138
Total personnel expenses	77,572	64,245	-	-	-	4,086,710
<b>OTHER EXPENSES</b>						
Depreciation and amortization	309,135	113,856	-	-	(420,442)	4,844,565
Donations expense	-	-	-	-	-	4,750
Duplication and publishing	-	-	-	-	-	4,545
Equipment	-	-	-	-	-	14,345
Insurance	33,020	30,939	-	-	-	812,321
Interest	40,907	108,168	-	-	(267,283)	2,310,764
Loss on disposal of assets	-	84,911	-	-	-	142,409
Other expenses	16,133	15,390	-	-	-	(257,320)
Professional fees	11,708	10,963	-	-	-	651,917
Property management	65,432	29,699	-	-	(559,642)	553,205
Property taxes	29,247	17,095	-	-	-	368,237
Repairs and maintenance	34,210	42,921	-	-	-	1,629,401
Social services	70,022	70,311	-	-	(46,000)	641,905
Training	1,411	873	-	-	-	21,232
Travel	-	144	-	-	-	19,380
Telephone and utilities	25,968	40,314	-	-	-	1,033,306
Operating transfers, net	-	-	-	-	(2,254,815)	-
Total other expenses	637,193	565,584	-	-	(3,548,182)	12,794,962
Total expenses	714,765	629,829	-	-	(3,548,182)	16,881,672
<b>CHANGE IN NET ASSETS</b>	(109,101)	13,769	-	-	(2,823,444)	(5,679,314)
Net assets and partners' capital - beginning of year	7,805,563	(429,888)	-	-	(14,827,257)	83,569,714
Capital contributions	-	166,583	643,254	1,402,056	-	16,802,448
Distributions	-	(54,284)	-	-	183,019	(492,038)
<b>NET ASSETS AND PARTNERS' CAPITAL - END OF YEAR</b>	<u>\$ 7,696,462</u>	<u>\$ (303,820)</u>	<u>\$ 643,254</u>	<u>\$ 1,402,056</u>	<u>\$(17,467,682)</u>	<u>\$ 94,200,810</u>



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

The Board of Directors  
YES Housing, Inc. and Affiliates

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of Yes Housing, Inc. and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 26, 2024. Our report includes a reference to other auditors who audited the financial statements of Wildewood Apartments LP, Montana Meadows Apartments LP, Gallup Sunset Hills Apartments, LLLP, Apple Ridge Apartments LP, YES Deming Mountain View Apartments LP, LLLP, and Nuevo Atrisco Apartments LP, LLLP (the Partnerships), as described in our report on YES Housing, Inc. and Affiliates' financial statements. The financial statements of Bella Vista Townhomes, LP, Brentwood Gardens Apartments, LP, Copper Terrace Limited Partnership LP, LLLP, UR 205 Silver, LLC (Imperial), Mesa Del Norte Apartments LP, LLLP, New Frontier Family Living, LLC, New Leaf Community LP, LLLP, Skyview Terrace LP, LLLP, and Solar Villa Apartments LP, LLLP were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Bella Vista Townhomes, LP, Brentwood Gardens Apartments, LP, Copper Terrace Limited Partnership LP, LLLP, UR 205 Silver, LLC (Imperial), Mesa Del Norte Apartments LP, LLLP, New Frontier Family Living, LLC, New Leaf Community LP, LLLP, Skyview Terrace, LP, LLLP, and Solar Villa Apartments, LP, LLLP, or that are reported on separately by those auditors who audited the financial statements of Wildewood Apartments LP, Montana Meadows Apartments LP, Gallup Sunset Hills Apartments, LLLP, Apple Ridge Apartments LP, YES Deming Mountain View Apartments LP, LLLP, and Nuevo Atrisco Apartments LP, LLLP.

### **Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Albuquerque, New Mexico  
August 26, 2024

