

NEW HORIZONS AFFORDABLE HOUSING AND DEVELOPMENT INC.
AGENDA OF THE BOARD OF DIRECTORS MEETING

February 28, 2024

**New Horizons Board of Directors Meeting will take place immediately following the
Merrill Road Board of Directors Meeting
HOUSING AUTHORITY OFFICES
2160 41st Avenue, Capitola, CA 95010**

1. Roll Call

NEW HORIZONS BOARD OF DIRECTORS:

Chairperson Andy Schiffrin	4 year term expires, March 17, 2027
Vice Chairperson Carol Berg	4 year term expires, May 21, 2025
Director Ligaya Eligio	2 year term expires, October 18, 2024
Director Providence Martinez Alaniz	4 year term expires, February 10, 2027
Director Annette Melendrez	4 year term expires, September 29, 2027
Director Silvia Morales	Expires September 1, 2027
Director Richard Schmale	2 year term expires, May 12, 2025

2. Consideration of Late Additions and Changes to the Agenda

3. Consent Agenda

A. Minutes of the Meeting held September 20, 2023

Motion to Approve as Submitted

B. FY 2022-23 Tax Returns

Receive FY 2022-23 Tax Returns

C. Audited Financial Statements for Fiscal Year Ending June 30, 2023

Approve the Audited Financial Statements for Fiscal Year Ending June 30, 2023 for New Horizons

D. Wilsey Ham – Project Management Contract Amendment #1

Authorize Executive Director to Execute Amended Contract to Increase Maximum Contract Amount.

4. Oral Communications (All oral communications must be directed to an item not listed on this agenda and must be within the jurisdiction of the Board. Presentations must not exceed three minutes in length. The Board will not take action or respond immediately to any Oral Communication presented, but may choose to follow up at a later time or schedule item for a subsequent agenda. The Board may limit the total amount of time allowed for oral communication). Anyone addressing the Board of Directors is asked to complete a card and leave it with the Board secretary so that their names may be accurately recorded in the Minutes.

5. Unfinished Business

6. New Business

7. Adjournment

*New Horizons complies with the Americans with Disabilities Act. If you are a person with disabilities and you require special assistance in order to participate, please contact the Board secretary at 831-454-9455, ext. 201 at least 72 hours in advance of the meeting in order to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format. Spanish language translation is available on an as needed basis. Please make arrangements 72 hours in advance by contacting the Housing Authority at 831-454-9455, ext. 280.

NEW HORIZONS AFFORDABLE HOUSING AND DEVELOPMENT INC MINUTES OF THE MEETING HELD SEPTEMBER 20, 2023 AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

AGENDA ITEM NO. 1

Roll Call

Chairperson Schiffrin called the meeting to order at 12:30 p.m. Members present Chairperson Schiffrin, Vice Chairperson Berg, Directors Eligio, Martinez Alaniz, Melendrez, Morales and Schmale

Members Absent

None.

Staff Present

Jennifer Panetta, Tom Graham, Aaron Pomeroy and Courtney Byrd of the Housing Authority

AGENDA ITEM NO.

Consideration of Late Additions or Changes to the Agenda

None.

AGENDA ITEM NO. 3

Consent Agenda

Chairperson Schiffrin asked for a motion to approve the Consent Agenda unless any Board of Directors or members of the public would like to pull an item from the agenda or have comments/questions on an item.

Director Schmale moved for the approval of the Consent Agenda; Director Martinez Alaniz seconded the motion and it as passed by the following vote:

AYES: Directors Berg, Eligio, Martinez Alaniz, Melendrez, Morales, Schiffrin and Schmale

NOES: None

ABSENT: None

ABSTAIN: None

Agenda Item 3A. Approved the Minutes of the Meeting held August 16, 2023

Agenda Item 3B. Approved: The Board of Directors of New Horizons Affordable Housing and Development to elect the same Chairperson and Vice-Chairperson that was elected at the September 20, 2023 Regular Housing Authority of the County of Santa Cruz Board of Commissioners meeting.

AGENDA ITEM NO. 4

Oral Communications

No emails with comments were submitted and no public members joined the meeting.

AGENDA ITEM NO. 5

Unfinished Business

None.

AGENDA ITEM NO. 6

New Business

None.

NEW HORIZONS AFFORDABLE HOUSING AND DEVELOPMENT INC MINUTES OF THE
MEETING HELD SEPTEMBER 20, 2023 AT THE HOUSING AUTHORITY OF THE COUNTY OF
SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

AGENDA ITEM NO. 7

Adjournment

The Board of Directors meeting was adjourned at 12:31 p.m. I hereby certify that these minutes were approved by the New Horizons Board of Directors, on the Twenty Eighth Day of February, 2024

Chairperson

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: February 28, 2024

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: FY 2022-23 Tax Returns

RECOMMENDATION: Receive FY 2022-23 Tax Returns

BACKGROUND SUMMARY:

New Horizons Affordable Housing & Development Inc is a tax-exempt entity that is required to file state and federal tax returns for informational purposes. The following FY2022-23 tax forms were prepared and filed by Novogradac & Company LLP:

- IRS Form 990
- California Franchise Tax Board Form 199
- Registry of Charitable Trusts Form RRF-1

RECOMMENDATION:

Receive FY 2022-23 Tax Returns.

New Horizons Affordable Housing and Development Inc.

Return of Organization Exempt from Income Tax

For the Year Ended June 30, 2023

Form **8879-TE****IRS e-file Signature Authorization
for a Tax Exempt Entity**

OMB No. 1545-0047

For calendar year 2022, or fiscal year beginning JUL 1, 2022, and ending JUN 30, 2023**2022**Department of the Treasury
Internal Revenue Service

Do not send to the IRS. Keep for your records.

Go to www.irs.gov/Form8879TE for the latest information.Name of filer **NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.**EIN or SSN
****-***7604**Name and title of officer or person subject to tax **AARON POMEROY
FINANCE DIRECTOR****Part I Type of Return and Return Information**

Check the box for the return for which you are using this Form 8879-TE and enter the applicable amount, if any, from the return. Form 8038-CP and Form 5330 filers may enter dollars and cents. For all other forms, enter whole dollars only. If you check the box on line 1a, 2a, 3a, 4a, 5a, 6a, 7a, 8a, 9a, or 10a below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, 5b, 6b, 7b, 8b, 9b, or 10b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a Form 990 check here <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b <u>8,304,261.</u>
2a Form 990-EZ check here <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part V, line 5)	4b _____
5a Form 8868 check here <input type="checkbox"/>	b Balance due (Form 8868, line 3c)	5b _____
6a Form 990-T check here <input type="checkbox"/>	b Total tax (Form 990-T, Part III, line 4)	6b _____
7a Form 4720 check here <input type="checkbox"/>	b Total tax (Form 4720, Part III, line 1)	7b _____
8a Form 5227 check here <input type="checkbox"/>	b FMV of assets at end of tax year (Form 5227, Item D)	8b _____
9a Form 5330 check here <input type="checkbox"/>	b Tax due (Form 5330, Part II, line 19)	9b _____
10a Form 8038-CP check here <input type="checkbox"/>	b Amount of credit payment requested (Form 8038-CP, Part III, line 22)	10b _____

Part II Declaration and Signature Authorization of Officer or Person Subject to Tax

Under penalties of perjury, I declare that ☒ I am an officer of the above entity or ☐ I am a person subject to tax with respect to (name of entity) _____, (EIN) _____ and that I have examined a copy of the 2022 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the electronic return and, if applicable, the consent to electronic funds withdrawal.

PIN: check one box only

☒ I authorize **NOVOGRADAC & COMPANY LLP** to enter my PIN **98415**
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the tax year 2022 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer or person subject to tax with respect to the entity, I will enter my PIN as my signature on the tax year 2022 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Signature of officer or person subject to tax

Date 12/12/2023**Part III Certification and Authentication**

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

94681298415

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2022 electronically filed return indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature

Date December 13, 2023

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8879-TE** (2022)

**Application for Automatic Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-0047

- **File a separate application for each return.**
► **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.	Taxpayer identification number (TIN) ** - *** 7604
	Number, street, and room or suite no. If a P.O. box, see instructions. 2160 41ST AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. CAPITOLA, CA 95010	

Enter the Return Code for the return that this application is for (file a separate application for each return)

0	1
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Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12
Form 990-T (corporation)	07		

AARON POMEROY

- The books are in the care of ► **2160 41ST AVENUE - CAPITOLA, CA 95010**

Telephone No. ► **831-454-5908**

Fax No. ► _____

- If the organization does not have an office or place of business in the United States, check this box ☐ ► ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and TINs of all members the extension is for.

- 1 I request an automatic 6-month extension of time until **MAY 15, 2024**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► ☐ calendar year _____ or
► ☒ tax year beginning **JUL 1, 2022**, and ending **JUN 30, 2023**.

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-TE and Form 8879-TE for payment instructions.

EXTENDED TO MAY 15, 2024

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Form **990**Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.**2022**Open to Public
Inspection**A** For the 2022 calendar year, or tax year beginning **JUL 1, 2022** and ending **JUN 30, 2023****B** Check if applicable:

- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization**NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.**

Doing business as

Number and street (or P.O. box if mail is not delivered to street address)

2160 41ST AVENUE

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

CAPITOLA, CA 95010**F** Name and address of principal officer: **AARON POMEROY****SAME AS C ABOVE****D** Employer identification number**** - ***7604****E** Telephone number**831-454-5908****G** Gross receipts \$**8,304,261.****H(a)** Is this a group returnfor subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. See instructions

H(c) Group exemption number**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: **HACOSANTACRUZ.ORG****K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other**L** Year of formation: **2019****M** State of legal domicile: **CA****Part I Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: TO ACQUIRE, PROVIDE, DEVELOP, FINANCE, REHABILITATE, OWN AND OPERATE DECENT, SAFE AND SANITARY
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	3	Number of voting members of the governing body (Part VI, line 1a) 7
	4	Number of independent voting members of the governing body (Part VI, line 1b) 7
	5	Total number of individuals employed in calendar year 2022 (Part V, line 2a) 0
	6	Total number of volunteers (estimate if necessary) 0
		7a
7b		Net unrelated business taxable income from Form 990-T, Part I, line 11 0.
Revenue	8	Contributions and grants (Part VIII, line 1h) 0.
	9	Program service revenue (Part VIII, line 2g) 8,335,756.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d) 6,569.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 0.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 8,342,325.
	Expenses	13
14		Benefits paid to or for members (Part IX, column (A), line 4) 0.
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 0.
16a		Professional fundraising fees (Part IX, column (A), line 11e) 0.
b		Total fundraising expenses (Part IX, column (D), line 25) 0.
17		Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 2,349,570.
18		Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 2,349,570.
19		Revenue less expenses. Subtract line 18 from line 12 5,992,755.
Net Assets or Fund Balances	20	Total assets (Part X, line 16) 16,155,960.
	21	Total liabilities (Part X, line 26) 759,592.
	22	Net assets or fund balances. Subtract line 21 from line 20 15,396,368.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date		
	AARON POMEROY, FINANCE DIRECTOR				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	RICHARD M. LARSEN	APPROVED			P01233142
Firm's name	Firm's EIN		Phone no.		
	NOVOGRADAC & COMPANY LLP	** - ***8253	732-503-4257		
Firm's address					
1144 HOOPER AVE, SUITE 203					
TOMS RIVER, NJ 08753					

May the IRS discuss this return with the preparer shown above? See instructions

☒ Yes ☐ No

Product: **Exempt**
Name: **New Horizons Affordable Housing & Development Inc.**
FEIN: ******7604**
Bank Info:
Fiscal Year Begin Date: **7/1/2022**
IRS Message:

Category:

Plan Number:

Fiscal Year End Date: **6/30/2023**

IRS Center: **Ogden**
e-Postmark: **12/15/2023 3:30 PM**

Notification:

eSigned:

Return Information

Date	Return ID	Type of Activity	Submission ID	Refund/(Due)	Updated By	eSign Date
12/15/2023	22X:NHZ100:V1	Upload Started	94681220233490349e26 94681220233490329n01		Cavanaugh,Kerry	
12/15/2023	22X:NHZ100:V1	Ready to Release by Customer			Jolene Otte	
12/15/2023	22X:NHZ100:V1	Released for Transmission - Validation in Progress				
12/15/2023	22X:NHZ100:V1	Ready to transmit - Validation Complete				
12/15/2023	22X:NHZ100:V1	Transmitted to FD				
12/15/2023	22X:NHZ100:V1	Transmitted to CA				
12/15/2023	22X:NHZ100:V1	Accepted by FD on 12/15/2023				
12/15/2023	22X:NHZ100:V1	Accepted by CA - on 12/15/2023				

ID	Status Date	Status	State/Other	State Category	FBAR	FBAR BSA ID
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NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.

Form 990 (2022)

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III ☐

1 Briefly describe the organization's mission:

TO ACQUIRE, PROVIDE, DEVELOP, FINANCE, REHABILITATE, OWN AND OPERATE
DECENT, SAFE AND SANITARY HOUSING AFFORDABLE TO PERSONS AND HOUSEHOLDS
OF LOW INCOME.

2 Did the organization undertake any significant program services during the year which were not listed on the
prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.
Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and
revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 1,686,787. including grants of \$) (Revenue \$ 8,272,602.)
TO PROVIDE AFFORDABLE HOUSING TO PERSONS AND HOUSEHOLDS OF LOW INCOME.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe on Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 1,686,787.

Form 990 (2022)

**NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.**

Form 990 (2022)

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Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I. See instructions</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

**NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.**

Form 990 (2022)

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Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b	X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>	26	X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27	X
28 Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>	28a	X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>	28b	X
c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	X
38 Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19? Note: All Form 990 filers are required to complete Schedule O	38	X

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable	1a	0
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable	1b	0
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	

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Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 0		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b		
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note: See the instructions for additional information the organization must report on Schedule O.	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see the instructions and file Form 4720, Schedule N.	15		X
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16		X
17 Section 501(c)(21) organizations. Did the trust, or any disqualified or other person engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953? If "Yes," complete Form 6069.	17		

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Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI ☒ **X**

Section A. Governing Body and Management

		Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	1a	7	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.			
b Enter the number of voting members included on line 1a, above, who are independent	1b	7	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?	3		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6 Did the organization have members or stockholders?	6		X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a The governing body?	8a	X	
b Each committee with authority to act on behalf of the governing body?	8b	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O	9		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a		X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b Describe on Schedule O the process, if any, used by the organization to review this Form 990.			
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done	12c	X	
13 Did the organization have a written whistleblower policy?	13	X	
14 Did the organization have a written document retention and destruction policy?	14	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a The organization's CEO, Executive Director, or top management official	15a		X
b Other officers or key employees of the organization	15b		X
If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.			
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed CA

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain on Schedule O)

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records
AARON POMEROY - 831-454-5908
2160 41ST AVENUE, CAPITOLA, CA 95010

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Check if Schedule O contains a response or note to any line in this Part VII

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

232007 12-13-22

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Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Subtotal								0.	415,446.	0.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								0.	415,446.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 0

	Yes	No
3 Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 0

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Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above ...	1f					
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f						
Program Service Revenue	2 a PROGRAM RENTAL INCOME	Business Code	531110	8,119,186.	8,119,186.		
	b OTHER TENANT INCOME		531390	153,416.	153,416.		
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f				8,272,602.		
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			31,659.		
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
6 a Gross rents		6a	(i) Real	(ii) Personal			
b Less: rental expenses ...		6b					
c Rental income or (loss)		6c					
d Net rental income or (loss)							
7 a Gross amount from sales of assets other than inventory		7a	(i) Securities	(ii) Other			
b Less: cost or other basis and sales expenses		7b					
c Gain or (loss)		7c					
d Net gain or (loss)							
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18		8a					
b Less: direct expenses		8b					
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19		9a					
b Less: direct expenses		9b					
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances		10a					
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a	Business Code					
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d						
	12 Total revenue. See instructions				8,304,261.	8,272,602.	0.

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (nonemployees):				
a Management	794,381.		794,381.	
b Legal	8,301.		8,301.	
c Accounting	20,866.		20,866.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion				
13 Office expenses	70,079.		70,079.	
14 Information technology				
15 Royalties				
16 Occupancy	316,368.	316,368.		
17 Travel	5,435.	4,891.	544.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings				
20 Interest	6,300.	6,300.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	277,788.	277,788.		
23 Insurance	200,795.	180,715.	20,080.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a REPAIRS AND MAINTENANCE	808,268.	808,268.		
b TENANT SERVICES	42,909.	42,909.		
c REAL ESTATE TAXES	35,507.	35,507.		
d BAD DEBT	9,582.	9,582.		
e All other expenses	4,954.	4,459.	495.	
25 Total functional expenses. Add lines 1 through 24e	2,601,533.	1,686,787.	914,746.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	8,895,488.	1	13,216,675.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	24,381.	4	18,081.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	98,388.	9	102,403.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	7,267,241.		
	b Less: accumulated depreciation	462,861.		
		6,929,242.	10c	6,804,380.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11	208,461.	15	2,115,402.	
16 Total assets. Add lines 1 through 15 (must equal line 33)	16,155,960.	16	22,256,941.	
Liabilities	17 Accounts payable and accrued expenses	82,476.	17	482,015.
	18 Grants payable		18	
	19 Deferred revenue	21,961.	19	7,840.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties	210,000.	23	210,000.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	445,155.	25	457,990.
	26 Total liabilities. Add lines 17 through 25	759,592.	26	1,157,845.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	15,396,368.	27	21,099,096.
	28 Net assets with donor restrictions		28	
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	15,396,368.	32	21,099,096.
	33 Total liabilities and net assets/fund balances	16,155,960.	33	22,256,941.

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	8,304,261.
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,601,533.
3	Revenue less expenses. Subtract line 2 from line 1	3	5,702,728.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	15,396,368.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	21,099,096.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII ☒

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2a	X
b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	2b	X
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	2c	X
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F? _____	3a	X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits _____	3b	

Form **990** (2022)

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
Attach to Form 990 or Form 990-EZ.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization **NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.** Employer identification number ****-***7604**

Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990).)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a ☒ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e ☒ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.

f Enter the number of supported organizations 1

g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
HOUSING AUTHORITY OF THE COUNTY OF SA	** - ***9385	7	X		0.	0.
Total					0.	0.

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& DEVELOPMENT INC.**

Schedule A (Form 990) 2022

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Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...						
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions)	12	
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here	<input type="checkbox"/>	

Section C. Computation of Public Support Percentage

14 Public support percentage for 2022 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2021 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2022. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 33 1/3% support test - 2021. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
17a 10% -facts-and-circumstances test - 2022. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 10% -facts-and-circumstances test - 2021. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	<input type="checkbox"/>	

Schedule A (Form 990) 2022

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Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge ...						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ...						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2022 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2021 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2022 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2021 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2022. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests - 2021. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

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Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>	X	
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		X
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		X
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		X
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		X
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		X
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		X
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		X
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		X
b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		X
c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		X
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		X
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

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Part IV Supporting Organizations *(continued)*

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?		X
b A family member of a person described on line 11a above?		X
c A 35% controlled entity of a person described on line 11a or 11b above? <i>If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.</i>		X

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>	X	
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		X

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3 By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).		
2 Activities Test. Answer lines 2a and 2b below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
b Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
3 Parent of Supported Organizations. Answer lines 3a and 3b below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>If "Yes" or "No" provide details in Part VI.</i>		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in Part VI*). See instructions.
All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount		(A) Prior Year	(B) Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

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Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions		Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	1	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	3	
4 Amounts paid to acquire exempt-use assets	4	
5 Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5	
6 Other distributions (<i>describe in Part VI</i>). See instructions.	6	
7 Total annual distributions. Add lines 1 through 6.	7	
8 Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8	
9 Distributable amount for 2022 from Section C, line 6	9	
10 Line 8 amount divided by line 9 amount	10	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2022	(iii) Distributable Amount for 2022
1 Distributable amount for 2022 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2022 (reasonable cause required - <i>explain in Part VI</i>). See instructions.			
3 Excess distributions carryover, if any, to 2022			
a From 2017			
b From 2018			
c From 2019			
d From 2020			
e From 2021			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2022 distributable amount			
i Carryover from 2017 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2022 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2022 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2022, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
6 Remaining underdistributions for 2022. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7 Excess distributions carryover to 2023. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2018			
b Excess from 2019			
c Excess from 2020			
d Excess from 2021			
e Excess from 2022			

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Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.
(See instructions.)

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**Complete if the organization answered "Yes" on Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022Open to Public
InspectionName of the organization **NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.**Employer identification number
****-***7604****Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (for example, recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after July 25, 2006, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year

4 Number of states where property subject to conservation easement is located

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

**NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.**

Schedule D (Form 990) 2022

-*7604 Page **2**

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

- 3** Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- | | |
|---|--|
| a <input type="checkbox"/> Public exhibition | d <input type="checkbox"/> Loan or exchange program |
| b <input type="checkbox"/> Scholarly research | e <input type="checkbox"/> Other _____ |
| c <input type="checkbox"/> Preservation for future generations | |
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment _____ %
- b** Permanent endowment _____ %
- c** Term endowment _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i)** Unrelated organizations
- (ii)** Related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		4,393,506.		4,393,506.
b Buildings		2,873,735.	462,861.	2,410,874.
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				6,804,380.

Schedule D (Form 990) 2022

**NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.**

Schedule D (Form 990) 2022

-*7604 Page **3**

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) RESTRICTED CASH	13,916.
(2) TENANT SECURITY DEPOSITS	189,028.
(3) DUE FROM RELATED PARTIES	5,827.
(4) CONSTRUCTION-IN-PROGRESS	1,906,631.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	2,115,402.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ACCRUED INTEREST	68,962.
(3) TENANT SECURITY DEPOSITS	189,028.
(4) NOTE PAYABLE - SANTA CRUZ HOUSING	
(5) AUTHORITY	200,000.
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	457,990.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ... ☒

Schedule D (Form 990) 2022

**NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.**

Schedule D (Form 990) 2022

-*7604 Page **4**

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	8,304,261.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	8,304,261.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	8,304,261.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	2,601,533.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	2,601,533.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	2,601,533.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

THE ORGANIZATION IS A NOT-FOR-PROFIT CORPORATION WHICH IS EXEMPT FROM INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. THE ORGANIZATION IS NOT TAXED ON INCOME DERIVED FROM ITS EXEMPT FUNCTIONS. HOWEVER, THE ORGANIZATION IS SUBJECT TO TAX ON UNRELATED BUSINESS INCOME, WHICH IS GENERATED FROM THE ORGANIZATION'S INVESTMENT INCOME AND OTHER ACTIVITIES NOT RELATED TO THEIR STATED EXEMPT PURPOSES.

THE PREPARATION OF FINANCIAL STATEMENTS IN CONFORMITY WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA REQUIRES THE ORGANIZATION TO REPORT INFORMATION REGARDING ITS EXPOSURE TO VARIOUS TAX POSITIONS TAKEN BY THE ORGANIZATION, INCLUDING CHANGES TO THE

Part XIII Supplemental Information (continued)

ORGANIZATION'S STATUS AS A NOT-FOR-PROFIT ENTITY. FEDERAL AND STATE TAX AUTHORITIES GENERALLY HAVE THE RIGHT TO EXAMINE AND AUDIT THE PREVIOUS THREE YEARS OF TAX RETURNS FILED. THE ORGANIZATION HAS EVALUATED ITS TAX POSITIONS FOR ALL OPEN TAX YEARS. CURRENTLY, THE TAX YEARS OPEN AND SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE ARE THE 2019, 2020 AND 2021 TAX YEARS.

THE ORGANIZATION HAS DETERMINED WHETHER ANY TAX POSITIONS HAVE MET THE RECOGNITION THRESHOLD AND HAVE MEASURED THE ORGANIZATION'S EXPOSURE TO THOSE TAX POSITIONS. MANAGEMENT BELIEVES THAT THE ORGANIZATION HAS MET THE REQUIREMENTS TO MAINTAIN ITS TAX-EXEMPT STATUS, HAS ADEQUATELY ADDRESSED ALL RELEVANT TAX POSITIONS AND THAT THERE ARE NO UNRECORDED TAX LIABILITIES. ANY INTEREST OR PENALTIES ASSESSED TO THE ORGANIZATION ARE RECORDED IN OPERATING EXPENSES. NO INTEREST OR PENALTIES FROM FEDERAL OR STATE TAX AUTHORITIES WERE RECORDED IN THE ACCOMPANYING FINANCIAL STATEMENTS.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees
Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
Attach to Form 990.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization

**NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.**

Employer identification number

****-***7604**

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|--|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in or receive payment from a supplemental nonqualified retirement plan?
- c** Participate in or receive payment from an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

X

X

X

X

X

X

X

X

X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2022

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

Schedule J (Form 990) 2022

Part III	Supplemental Information
----------	--------------------------

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

[illegible]

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization

NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.

Employer identification number
-*7604

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

HOUSING AFFORDABLE TO PERSONS AND HOUSEHOLDS OF LOW INCOME.

FORM 990, PART VI, SECTION B, LINE 11B:

FORM 990 IS PRESENTED TO THE BOARD OF DIRECTORS PRIOR TO FILING WITH THE
INTERNAL REVENUE SERVICE.

FORM 990, PART VI, SECTION B, LINE 12C:

ANNUAL CONFLICT OF INTEREST STATEMENTS ARE REQUESTED FROM THE BOARD
MEMBERS.

FORM 990, PART VI, SECTION C, LINE 19:

GOVERNING DOCUMENTS ARE MADE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XII, LINE 2C

NO CHANGES IN PROCESSES FROM PRIOR YEAR TO CURRENT YEAR

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
Attach to Form 990.

Name of the organization

NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.

Go to www.irs.gov/Form990 for instructions and the latest information.

Employer identification number
-*7604

OMB No. 1545-0047

2022

Open to Public
Inspection

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ - 94-1699385, 2160 41ST AVENUE, CAPITOLA, CA 95010	HOUSING	CALIFORNIA	EXEMPT				X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2022

Part III

Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

[illegible]

Part IV
Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

[illegible]

Part V

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity

..... related organization(s)

.....

.....

.....

Assets with related organization(s)

.....

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

232163 09-14-22 Schedule R (Form 990) 2022

-7604 Page 4

Part VI

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Provide additional information for responses to questions on Schedule R. See instructions.

TAXABLE YEAR
2022**California e-file Return Authorization for
Exempt Organizations**FORM
8453-EO

Exempt Organization name

Identifying number

**NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.****** - ***7604****Part I Electronic Return Information** (whole dollars only)

1	Total gross receipts (Form 199, line 4)	1	8,304,261
2	Total gross income (Form 199, line 8)	2	8,304,261
3	Total expenses and disbursements (Form 199, line 9)	3	2,601,533

Part II Settle Your Account Electronically for Taxable Year 2022

4	Electronic funds withdrawal	4a	Amount	4b	Withdrawal date (mm/dd/yyyy)
----------	-----------------------------	-----------	--------	-----------	------------------------------

Part III Banking Information (Have you verified the exempt organization's banking information?)

5	Routing number	
6	Account number	
7	Type of account:	Checking Savings

Part IV Declaration of Officer

I authorize the exempt organization's account to be settled as designated in Part II. If I check Part II, box 4, I authorize an electronic funds withdrawal for the amount listed on line 4a.

Under penalties of perjury, I declare that I am an officer of the above exempt organization and that the information I provided to my electronic return originator (ERO), transmitter, or intermediate service provider and the amounts in Part I above agree with the amounts on the corresponding lines of the exempt organization's 2022 California electronic return. To the best of my knowledge and belief, the exempt organization's return is true, correct, and complete. If the exempt organization is filing a balance due return, I understand that if the Franchise Tax Board (FTB) does not receive full and timely payment of the exempt organization's fee liability, the exempt organization will remain liable for the fee liability and all applicable interest and penalties. I authorize the exempt organization return and accompanying schedules and statements be transmitted to the FTB by the ERO, transmitter, or intermediate service provider. **If the processing of the exempt organization's return or refund is delayed, I authorize the FTB to disclose to the ERO or intermediate service provider the reason(s) for the delay.**

**Sign
Here**


Signature of officer

12/12/2023


Date




Title

Part V Declaration of Electronic Return Originator (ERO) and Paid Preparer.

I declare that I have reviewed the above exempt organization's return and that the entries on form FTB 8453-EO are complete and correct to the best of my knowledge. (If I am only an intermediate service provider, I understand that I am not responsible for reviewing the exempt organization's return. I declare, however, that form FTB 8453-EO accurately reflects the data on the return.) I have obtained the organization officer's signature on form FTB 8453-EO before transmitting this return to the FTB; I have provided the organization officer with a copy of all forms and information that I will file with the FTB, and I have followed all other requirements described in FTB Pub. 1345, 2022 Handbook for Authorized e-file Providers. I will keep form FTB 8453-EO on file for **four** years from the due date of the return or **four** years from the date the exempt organization return is filed, whichever is later, and I will make a copy available to the FTB upon request. If I am also the paid preparer, under penalties of perjury, I declare that I have examined the above exempt organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

ERO	ERO's signature		Date	12/13/2023	Check if also paid preparer	Check if self-employed	ERO's PTIN
Must Sign	Firm's name (or yours if self-employed) and address	NOVOGRADAC & COMPANY LLP 3025 NORTH WOOSTER AVENUE DOVER, OH					Firm's FEIN ** - ***8253 ZIP code 44622

Under penalties of perjury, I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

Paid Preparer	Paid preparer's signature		Date	12/13/2023	Check if self-employed	Paid preparer's PTIN	
Must Sign	Firm's name (or yours if self-employed) and address	NOVOGRADAC & COMPANY LLP 1144 HOOPER AVE, SUITE 203 TOMS RIVER, NJ					Firm's FEIN ** - ***8253 ZIP code 08753

2022

California Exempt Organization Annual Information Return

199

Calendar Year 2022 or fiscal year beginning (mm/dd/yyyy) 07/01/2022 , and ending (mm/dd/yyyy) 06/30/2023	
Corporation/Organization name NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.	California corporation number 4327496
Additional information. See instructions.	
FEIN ** - ***7604	
Street address (suite or room) 2160 41ST AVENUE	
City CAPITOLA	State CA
ZIP code 95010	
Foreign country name	Foreign province/state/county
Foreign postal code	

A First return <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No B Amended return <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C IRC Section 4947(a)(1) trust <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D Final information return? <input type="checkbox"/> Dissolved <input type="checkbox"/> Surrendered (Withdrawn) <input type="checkbox"/> Merged/Reorganized Enter date: (mm/dd/yyyy) _____ E Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other F Federal return filed? (1) <input type="checkbox"/> 990T (2) <input type="checkbox"/> 990PF (3) <input type="checkbox"/> Sch H (990) (4) <input checked="" type="checkbox"/> Other 990 series G Is this a group filing? See instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H Is this organization in a group exemption <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," what is the parent's name? _____	I Did the organization have any changes to its guidelines not reported to the FTB? See instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No J If exempt under R&TC Section 23701d, has the organization engaged in political activities? See instructions. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No K Is the organization exempt under R&TC Section 23701g? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," enter the gross receipts from nonmember sources \$ _____ L Is the organization a limited liability company? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M Did the organization file Form 100 or Form 109 to report taxable income? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No N Is the organization under audit by the IRS or has the IRS audited in a prior year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No O Is federal Form 1023/1024 pending? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date filed with IRS _____
--	--

Part I Complete Part I unless not required to file this form. See General Information B and C.

Receipts and Revenues	1 Gross sales or receipts from other sources. From Side 2, Part II, line 8	1	8,304,261	00
	2 Gross dues and assessments from members and affiliates	2		00
	3 Gross contributions, gifts, grants, and similar amounts received	3		00
	4 Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$50,000, see General Information B	4	8,304,261	00
	5 Cost of goods sold	5		00
	6 Cost or other basis, and sales expenses of assets sold	6		00
	7 Total costs. Add line 5 and line 6	7		00
	8 Total gross income. Subtract line 7 from line 4	8	8,304,261	00
Expenses	9 Total expenses and disbursements. From Side 2, Part II, line 18	9	2,601,533	00
	10 Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	10	5,702,728	00
Filing Fee	11 Total payments	11		00
	12 Use tax. See General Information K	12		00
	13 Payments balance. If line 11 is more than line 12, subtract line 12 from line 11	13		00
	14 Use tax balance. If line 12 is more than line 11, subtract line 11 from line 12	14		00
	15 Penalties and interest. See General Information J	15		00
	16 Balance due. Add line 12 and line 15. Then subtract line 11 from the result	16		00
Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of officer	Title FINANCE DIRECT	Date	Telephone 831-454-5908
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN P01233142
	Firm's name (or yours, if self-employed) and address NOVOGRADAC & COMPANY LLP 1144 HOOPER AVE, SUITE 203 TOMS RIVER, NJ 08753			Firm's FEIN ** - ***8253
				Telephone 732-503-4257
	May the FTB discuss this return with the preparer shown above? See instructions <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

**NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.**

-*7604

Part II Organizations with gross receipts of more than \$50,000 and private foundations regardless of amount of gross receipts - complete Part II or furnish substitute information.

228951 01-10-23

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions	•	1		00
	2	Interest	•	2	31,659	00
	3	Dividends	•	3		00
	4	Gross rents	•	4		00
	5	Gross royalties	•	5		00
	6	Gross amount received from sale of assets (See instructions)	•	6		00
	7	Other income	•	7	8,272,602	00
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	•	8	8,304,261	00
	9	Contributions, gifts, grants, and similar amounts paid	•	9		00
	10	Disbursements to or for members	•	10		00
	11	Compensation of officers, directors, and trustees	•	11	0	00
	12	Other salaries and wages	•	12		00
	13	Interest	•	13	6,300	00
	14	Taxes	•	14		00
	15	Rents	•	15	316,368	00
	16	Depreciation and depletion (See instructions)	•	16	277,788	00
	17	Other expenses and disbursements	•	17	2,001,077	00
	18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	•	18	2,601,533	00

Schedule L Balance Sheet

Beginning of taxable year

End of taxable year

Assets	(a)	(b)	(c)	(d)
1 Cash		8,895,488		• 13,216,675
2 Net accounts receivable		24,381		• 18,081
3 Net notes receivable				•
4 Inventories				•
5 Federal and state government obligations				•
6 Investments in other bonds				•
7 Investments in stock				•
8 Mortgage loans				•
9 Other investments				•
10 a Depreciable assets	2,720,808		2,873,735	
b Less accumulated depreciation	(185,073)	2,535,735	(462,861)	2,410,874
11 Land		4,393,507		• 4,393,506
12 Other assets	STMT 4	306,849		• 2,217,805
13 Total assets		16,155,960		22,256,941
Liabilities and net worth				
14 Accounts payable		82,476		• 482,015
15 Contributions, gifts, or grants payable				•
16 Bonds and notes payable				•
17 Mortgages payable		210,000		• 210,000
18 Other liabilities	STMT 5	467,116		465,830
19 Capital stock or principal fund				•
20 Paid-in or capital surplus. Attach reconciliation				•
21 Retained earnings or income fund		15,396,368		• 21,099,096
22 Total liabilities and net worth		16,155,960		22,256,941

Schedule M-1 Reconciliation of income per books with income per return

Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$50,000.

1 Net income per books	• 5,702,728	7 Income recorded on books this year not included in this return. Attach schedule	•
2 Federal income tax	•	8 Deductions in this return not charged against book income this year. Attach schedule	•
3 Excess of capital losses over capital gains	•	9 Total. Add line 7 and line 8	
4 Income not recorded on books this year. Attach schedule	•	10 Net income per return. Subtract line 9 from line 6	5,702,728
5 Expenses recorded on books this year not deducted in this return. Attach schedule	•		
6 Total. Add line 1 through line 5	5,702,728		

CA 199

OTHER INCOME

STATEMENT 1

DESCRIPTION

AMOUNT

PROGRAM RENTAL INCOME

8,119,186.

OTHER TENANT INCOME

153,416.

TOTAL TO FORM 199, PART II, LINE 7

8,272,602.

CA 199 COMPENSATION OF OFFICERS, DIRECTORS AND TRUSTEES STATEMENT 2

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HRS WORKED/WK</u>	<u>COMPENSATION</u>
JENNIFER PANETTA 2160 41ST AVENUE CAPITOLA, CA 95010	EXECUTIVE DIRECTOR 1.00	0.
AARON POMEROY 2160 41ST AVENUE CAPITOLA, CA 95010	FINANCE DIRECTOR 1.00	0.
ANDY SCHIFFRIN 2160 41ST AVENUE CAPITOLA, CA 95010	CHAIRPERSON 1.00	0.
CAROL BERG 2160 41ST AVENUE CAPITOLA, CA 95010	BOARD MEMBER 1.00	0.
ANNETTE MELENDREZ 2160 41ST AVENUE CAPITOLA, CA 95010	BOARD MEMBER 1.00	0.
LIGAYA ELIGIO 2160 41ST AVENUE CAPITOLA, CA 95010	BOARD MEMBER 1.00	0.
RICHARD SCHMALE 2160 41ST AVENUE CAPITOLA, CA 95010	BOARD MEMBER 1.00	0.
PROVIDENCE MARTINEZ ALANIZ 2160 41ST AVENUE CAPITOLA, CA 95010	VICE-CHAIRPERSON 1.00	0.
SILVIA MORALES 2160 41ST AVENUE CAPITOLA, CA 95010	BOARD MEMBER 1.00	0.
TOTAL TO FORM 199, PART II, LINE 11		<hr/> 0. <hr/> <hr/>

CA 199	OTHER EXPENSES	STATEMENT 3
DESCRIPTION		AMOUNT
REPAIRS AND MAINTENANCE		808,268.
TENANT SERVICES		42,909.
REAL ESTATE TAXES		35,507.
BAD DEBT		9,582.
MANAGEMENT FEES		794,381.
LEGAL FEES		8,301.
ACCOUNTING FEES		20,866.
OFFICE EXPENSES		70,079.
TRAVEL		5,435.
INSURANCE		200,795.
ALL OTHER EXPENSES		4,954.
TOTAL TO FORM 199, PART II, LINE 17		2,001,077.

CA 199	OTHER ASSETS	STATEMENT 4
DESCRIPTION	BEG. OF YEAR	END OF YEAR
PREPAID EXPENSES AND DEFERRED CHARGES	98,388.	102,403.
RESTRICTED CASH	11,484.	13,916.
TENANT SECURITY DEPOSITS	182,493.	189,028.
DUE FROM RELATED PARTIES	14,484.	5,827.
CONSTRUCTION-IN-PROGRESS	0.	1,906,631.
TOTAL TO FORM 199, SCHEDULE L, LINE 12	306,849.	2,217,805.

CA 199	OTHER LIABILITIES	STATEMENT 5
DESCRIPTION	BEG. OF YEAR	END OF YEAR
ACCRUED INTEREST	62,662.	68,962.
TENANT SECURITY DEPOSITS	182,493.	189,028.
NOTE PAYABLE - SANTA CRUZ HOUSING AUTHORITY	200,000.	200,000.
DEFERRED REVENUE	21,961.	7,840.
TOTAL TO FORM 199, SCHEDULE L, LINE 18	467,116.	465,830.

TAXABLE YEAR
2022

**Corporation Depreciation
and Amortization**

CALIFORNIA FORM
3885

Attach to Form 100 or Form 100W.

FORM 199

FEIN ** - *7604**

Corporation name

**NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.**

California corporation number

4327496

Part I Election To Expense Certain Property Under IRC Section 179

1	Maximum deduction under IRC Section 179 for California	1	\$25,000
2	Total cost of IRC Section 179 property placed in service	2	
3	Threshold cost of IRC Section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0-	5	
(a) Description of property		(b) Cost (business use only)	(c) Elected cost
6			
7 Listed property (elected IRC Section 179 cost)		7	
8 Total elected cost of IRC Section 179 property. Add amounts in column (c), line 6 and line 7		8	
9 Tentative deduction. Enter the smaller of line 5 or line 8		9	
10 Carryover of disallowed deduction from prior taxable years		10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5		11	
12 IRC Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11		12	
13 Carryover of disallowed deduction to 2023. Add line 9 and line 10, less line 12		13	

Part II Depreciation and Election of Additional First Year Depreciation Deduction Under R&TC Section 24356

(a) Description of property	(b) Date acquired (mm/dd/yyyy)	(c) Cost or other basis	(d) Depreciation allowed or allowable in earlier years	(e) Depreciation method	(f) Life or rate	(g) Depreciation for this year	(h) Additional first year depreciation
14							
SEE STATEMENT	6	9,173,872.	185,074.				
15 Add the amounts in column (g) and column (h). The total of column (h) may not exceed \$2,000. See instructions for line 14, column (h)						15	277,788

Part III Summary

16 Total: If the corporation is electing: IRC Section 179 expense, add the amount on line 12 and line 15, column (g) or Additional first year depreciation under R&TC Section 24356, add the amounts on line 15, columns (g) and (h) or Depreciation (if no election is made), enter the amount from line 15, column (g)	16	277,788
17 Total depreciation claimed for federal purposes from federal Form 4562, line 22	17	277,788
18 Depreciation adjustment. If line 17 is greater than line 16, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 17 is less than line 16, enter the difference here and on Form 100 or Form 100W, Side 2, line 12. (If California depreciation amounts are used to determine net income before state adjustments on Form 100 or Form 100W, no adjustment is necessary.)	18	0

Part IV Amortization

(a) Description of property	(b) Date acquired (mm/dd/yyyy)	(c) Cost or other basis	(d) Amortization allowed or allowable in earlier years	(e) R&TC Section (see instructions)	(f) Period or percentage	(g) Amortization for this year
19						
20 Total. Add the amounts in column (g)						20
21 Total amortization claimed for federal purposes from federal Form 4562, line 44						21
22 Amortization adjustment. If line 21 is greater than line 20, enter the difference here and on Form 100 or Form 100W, Side 1, line 6. If line 21 is less than line 20, enter the difference here and on Form 100 or Form 100W, Side 2, line 12						22

CA 3885		DEPRECIATION				STATEMENT 6	
ASSET NO./ DESCRIPTION	DATE IN SERVICE	COST OR BASIS	PRIOR DEPR	METHOD	LIFE	DEPRE- CIATION	BONUS
1 LAND	10/01/20	289,000.		L		0.	
2 LAND	01/01/21	4,104,507.		L		0.	
3 BUILDINGS	10/01/20	116,902.	9,417.	SL	30.00	10,554.	
4 BUILDINGS	01/01/21	2,263,848.	144,633.	SL	30.00	185,510.	
5 SITE IMPROVEMENTS	03/03/21	5,610.	889.	SL	10.00	1,286.	
6 SITE IMPROVEMENTS	03/04/21	5,610.	889.	SL	10.00	1,286.	
7 SITE IMPROVEMENTS	02/14/21	5,110.	895.	SL	10.00	1,214.	
8 SITE IMPROVEMENTS	03/08/21	16,484.	2,610.	SL	10.00	3,778.	
9 SITE IMPROVEMENTS	03/09/21	5,225.	827.	SL	10.00	1,197.	
10 SITE IMPROVEMENTS	03/15/21	15,500.	2,454.	SL	10.00	3,552.	
11 SITE IMPROVEMENTS	04/08/21	10,307.	1,460.	SL	10.00	2,276.	
12 SITE IMPROVEMENTS	05/14/21	5,395.	674.	SL	10.00	1,146.	
13 SITE IMPROVEMENTS	05/18/21	5,395.	674.	SL	10.00	1,146.	
14 SITE IMPROVEMENTS	05/24/21	17,300.	2,162.	SL	10.00	3,676.	
15 SITE IMPROVEMENTS	06/09/21	16,000.	1,734.	SL	10.00	3,267.	
16 SITE IMPROVEMENTS	06/28/21	16,800.	1,820.	SL	10.00	3,430.	
17 SITE IMPROVEMENTS	03/11/21	5,110.	809.	SL	10.00	1,171.	
18 SITE IMPROVEMENTS	07/01/21	7,515.	720.	SL	10.00	1,472.	
19 SITE IMPROVEMENTS	07/01/21	25,000.	2,396.	SL	10.00	4,896.	
20 SITE IMPROVEMENTS	08/01/21	5,705.	499.	SL	10.00	1,070.	
21 SITE IMPROVEMENTS	08/01/21	5,320.	466.	SL	10.00	998.	
22 SITE IMPROVEMENTS	08/01/21	17,562.	1,537.	SL	10.00	3,293.	
23 SITE IMPROVEMENTS	09/01/21	18,667.	1,478.	SL	10.00	3,344.	
24 SITE IMPROVEMENTS	10/01/21	5,320.	377.	SL	10.00	909.	
25 SITE IMPROVEMENTS	10/01/21	16,498.	1,169.	SL	10.00	2,818.	
26 SITE IMPROVEMENTS	10/01/21	5,610.	397.	SL	10.00	958.	
27 SITE IMPROVEMENTS	10/01/21	15,500.	1,098.	SL	10.00	2,648.	

28 SITE IMPROVEMENTS					
11/01/21	10,984.	687.	SL	10.00	1,785.
29 SITE IMPROVEMENTS					
01/01/22	11,552.	529.	SL	10.00	1,685.
30 SITE IMPROVEMENTS					
02/01/22	7,083.	266.	SL	10.00	974.
31 SITE IMPROVEMENTS					
02/01/22	20,527.	770.	SL	10.00	2,822.
32 SITE IMPROVEMENTS					
03/01/22	5,465.	160.	SL	10.00	706.
33 SITE IMPROVEMENTS					
08/01/21	5,350.	468.	SL	10.00	1,003.
34 SITE IMPROVEMENTS					
06/01/22	5,840.	24.	SL	10.00	608.
35 SITE IMPROVEMENTS					
06/01/22	12,800.	53.	SL	10.00	1,333.
36 SITE IMPROVEMENTS					
06/01/22	7,915.	33.	SL	10.00	825.
37 LAND					
03/16/23	660,519.		L		0.
38 CONSTRUCTION IN PROGRESS					
03/16/23	281,783.		SL	30.00	0.
39 CONSTRUCTION IN PROGRESS					
03/16/23	273,044.		SL	30.00	0.
40 CONSTRUCTION IN PROGRESS					
06/30/23	691,283.		SL	30.00	0.
41 SITE IMPROVEMENTS					
07/15/22	5,864.		SL	10.00	562.
42 SITE IMPROVEMENTS					
08/02/22	10,568.		SL	10.00	925.
43 SITE IMPROVEMENTS					
10/04/22	8,309.		SL	10.00	588.
44 SITE IMPROVEMENTS					
12/07/22	15,947.		SL	10.00	864.
45 SITE IMPROVEMENTS					
02/20/23	6,470.		SL	10.00	243.
46 SITE IMPROVEMENTS					
03/02/23	5,615.		SL	10.00	164.
47 SITE IMPROVEMENTS					
03/06/23	6,000.		SL	10.00	175.
48 SITE IMPROVEMENTS					
03/07/23	18,735.		SL	10.00	546.
49 SITE IMPROVEMENTS					
03/11/23	17,400.		SL	10.00	507.
50 SITE IMPROVEMENTS					
03/11/23	5,436.		SL	10.00	159.
51 SITE IMPROVEMENTS					
05/10/23	7,454.		SL	10.00	93.
52 SITE IMPROVEMENTS					
08/29/22	7,671.		SL	10.00	671.
53 SITE IMPROVEMENTS					
12/02/22	5,755.		SL	10.00	11,822.
54 SITE IMPROVEMENTS					
05/26/23	5,575.		SL	10.00	70.
55 SITE IMPROVEMENTS					
08/06/22	6,035.		SL	10.00	528.
56 SITE IMPROVEMENTS					
08/29/22	13,818.		SL	10.00	1,209.
57 SITE IMPROVEMENTS					
06/07/23	6,275.		SL	10.00	26.

TOTAL TO FORM 3885	9,173,872.	185,074.	277,788.	
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MAIL TO:
Registry of Charitable Trusts
P.O. Box 903447
Sacramento, CA 94203-4470

STREET ADDRESS:
1300 I Street
Sacramento, CA 95814
(916) 210-6400

WEBSITE ADDRESS:
www.oag.ca.gov/charities

**ANNUAL REGISTRATION RENEWAL FEE REPORT
TO ATTORNEY GENERAL OF CALIFORNIA**

**Sections 12586 and 12587, California Government Code
11 Cal. Code Regs. sections 301-306, 309, 311, and 312**

Failure to submit this report annually no later than four months and fifteen days after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$800, plus interest, and/or fines or filing penalties. Revenue & Taxation Code section 23703; Government Code section 12586.1. IRS extensions will be honored.

**NEW HORIZONS AFFORDABLE HOUSING
& DEVELOPMENT INC.**

Name of Organization

List all DBAs and names the organization uses or has used

2160 41ST AVENUE

Address (Number and Street)

CAPITOLA, CA 95010

City or Town, State, and ZIP Code

AARONP@HACOSANTACRUZ.ORG

831-454-5908

Telephone Number

G

E-mail Address

Check if:

- ☐ Change of address
☐ Amended report

State Charity Registration Number **CT0272376**

Corporation or Organization No. **4327496**

Federal Employer ID No. **** - ***7604**

**ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311, and 312)
Make Check Payable to Department of Justice**

Total Revenue	Fee	Total Revenue	Fee	Total Revenue	Fee
Less than \$50,000	\$25	Between \$250,001 and \$1 million	\$100	Between \$20,000,001 and \$100 million	\$800
Between \$50,000 and \$100,000	\$50	Between \$1,000,001 and \$5 million	\$200	Between \$100,000,001 and \$500 million	\$1,000
Between \$100,001 and \$250,000	\$75	Between \$5,000,001 and \$20 million	\$400	Greater than \$500 million	\$1,200

PART A - ACTIVITIES

For your most recent full accounting period (beginning 07/01/2022 ending 06/30/2023) list:

Total Revenue (including noncash contributions) \$ 8,304,261 Noncash Contributions \$ 0 Total Assets \$ 22,256,941
Program Expenses \$ 1,686,787 Total Expenses \$ 2,601,533

PART B - STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT

Note: All questions must be answered. If you answer "yes" to any of the questions below, you must attach a separate page providing an explanation and details for each "yes" response. Please review RRF-1 instructions for information required.

	Yes	No
1. During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof, either directly or with an entity in which any such officer, director or trustee had any financial interest?		X
2. During this reporting period, was there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?		X
3. During this reporting period, were any organization funds used to pay any penalty, fine or judgment?		X
4. During this reporting period, were the services of a commercial fundraiser, fundraising counsel for charitable purposes, or commercial coventurer used?		X
5. During this reporting period, did the organization receive any governmental funding?		X
6. During this reporting period, did the organization hold a raffle for charitable purposes?		X
7. Does the organization conduct a vehicle donation program?		X
8. Did the organization conduct an independent audit and prepare audited financial statements in accordance with generally accepted accounting principles for this reporting period?		X
9. At the end of this reporting period, did the organization hold restricted net assets, while reporting negative unrestricted net assets?		X

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, the content is true, correct and complete, and I am authorized to sign.

AARON POMEROY

FINANCE DIRECTOR

Signature of Authorized Agent

Printed Name

Title

Date

AGENDA ITEM SUMMARY

MEETING DATE: February 28, 2024

ITEM NUMBER: 3C

FROM: Executive Director

SUBJECT: Audited Financial Statements for Fiscal Year Ending June 30, 2023

RECOMMENDATION: Approve the Audited Financial Statements for Fiscal Year Ending June 30, 2023 for New Horizons

BACKGROUND SUMMARY:

The financial statements for the fiscal year ending June 30, 2023 were prepared for New Horizons Affordable Housing & Development Inc in the format prescribed by the requirements of the Government Auditing Standards, issued by the Comptroller General of the United States, and the requirements of the *Audited Financial Statement Handbook for Multifamily Rental Housing* of the California Department of Housing and Community Development and the California Housing Finance Agency (“HCD/CalHFA”).

The Agency’s auditor, Novogradac & Company LLP, has issued an unmodified (clean) opinion for the report after conducting an audit in accordance with Government Auditing Standards. The auditor opined that the financial statements present fairly, in all material respects, the financial position of New Horizons as of June 30, 2023.

RECOMMENDATION:

Approve the Audited Financial Statements for Fiscal Year Ending June 30, 2023 for New Horizons.

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEARS ENDED JUNE 30, 2023 and 2022

**WITH
REPORT OF INDEPENDENT AUDITORS**

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
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FOR THE YEARS ENDED JUNE 30, 2023 and 2022

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
New Horizons Affordable Housing & Development Inc.:

Opinion

We have audited the accompanying financial statements of New Horizons Affordable Housing & Development Inc. (the "Corporation"), a governmental non-profit corporation, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Corporation's financial statements, as listed in the accompanying table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the net position of the Corporation as of June 30, 2023 and 2022, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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*, issued by the Comptroller General of the United States and the requirements of the *Audited Financial Statement Handbook for Multifamily Rental Housing of the California Department of Housing and Community Development and the California Housing Finance Agency ("HCD/CalHFA")*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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, *Government Auditing Standards*, and the requirements of the *HCD/CalHFA* 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 financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the requirements of *HCD/CalHFA*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Corporation'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis report that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Matters (continued)

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Corporation taken as a whole. The accompanying supplementary information is presented for the purposes of additional analysis as required by *HCD/CalHFA* and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Authority's certification has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards* and the requirements of the *HCD/CalHFA*, we have also issued our report dated January 16, 2024 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the requirements of the *HCD/CalHFA*, in considering the Corporation's internal control over financial reporting and compliance.

Norogardac & Company LLP

January 16, 2024
Toms River, New Jersey

FINANCIAL STATEMENTS

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
STATEMENTS OF NET POSITION
AS OF JUNE 30, 2023 and 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 13,216,675	\$ 8,895,488
Tenant security deposits	189,028	182,493
Accounts receivable, net	18,081	24,381
Prepaid expenses	<u>102,403</u>	<u>98,388</u>
Total current assets	<u>13,526,187</u>	<u>9,200,750</u>
Non-current assets:		
Restricted cash	13,916	11,484
Related party receivable	5,827	14,484
Capital assets, net	<u>8,711,011</u>	<u>6,929,242</u>
Total non-current assets	<u>8,730,754</u>	<u>6,955,210</u>
Total assets	<u>\$ 22,256,941</u>	<u>\$ 16,155,960</u>

LIABILITIES

Current liabilities:		
Accounts payable	\$ 482,015	\$ 82,476
Tenant security deposits	189,028	182,493
Prepaid rent	<u>7,840</u>	<u>21,961</u>
Total current liabilities	<u>678,883</u>	<u>286,930</u>
Non-current liabilities:		
Accrued interest	68,962	62,662
Notes payable, non-current	<u>410,000</u>	<u>410,000</u>
Total non-current liabilities	<u>478,962</u>	<u>472,662</u>
Total liabilities	<u>1,157,845</u>	<u>759,592</u>

NET POSITION

Net position:		
Net investment in capital assets	8,301,011	6,519,242
Restricted	13,947	11,484
Unrestricted	<u>12,784,138</u>	<u>8,865,642</u>
Total net position	<u>21,099,096</u>	<u>15,396,368</u>
Total liabilities and net position	<u>\$ 22,256,941</u>	<u>\$ 16,155,960</u>

See accompanying notes to financial statements.

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Tenant revenue	\$ 1,984,485	\$ 1,726,260
Subsidy revenue	6,449,354	6,449,236
Other revenues	<u>153,416</u>	<u>160,260</u>
Total operating revenues	<u>8,587,255</u>	<u>8,335,756</u>
Operating expenses:		
Administrative	948,715	1,032,613
Utilities	316,368	284,659
Ordinary maintenance and operations	851,177	713,177
Taxes and insurance	201,185	167,551
Depreciation	<u>277,788</u>	<u>145,270</u>
Total operating expenses	<u>2,595,233</u>	<u>2,343,270</u>
Operating income	<u>5,992,022</u>	<u>5,992,486</u>
Non-operating revenues (expenses):		
Investment income	31,659	6,569
Interest expense	<u>(6,300)</u>	<u>(6,300)</u>
Total non-operating revenues	<u>25,359</u>	<u>269</u>
Income before special items	6,017,381	5,992,755
Special item - equity transfer	<u>(314,653)</u>	<u>-</u>
Change in net position	5,702,728	5,992,755
Total net position, beginning of year	<u>15,396,368</u>	<u>9,403,613</u>
Total net position, end of year	<u>\$ 21,099,096</u>	<u>\$ 15,396,368</u>

See accompanying notes to financial statements.

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Cash received from tenants and others	\$ 8,585,969	\$ 8,376,869
Cash paid to vendors and suppliers	<u>(1,913,264)</u>	<u>(2,291,466)</u>
Net cash provided by operating activities	<u>6,672,705</u>	<u>6,085,403</u>
Cash Flows from Capital and Related Financing Activities:		
Distributed capital	(314,653)	-
Interest paid on notes payable	<u>-</u>	<u>(34,478)</u>
Net cash used in capital and related financing activities	<u>(314,653)</u>	<u>(34,478)</u>
Cash Flows from Investing Activities:		
Interest income	31,659	6,569
Purchase of capital assets	<u>(2,059,557)</u>	<u>(210,211)</u>
Net cash used in investing activities	<u>(2,027,898)</u>	<u>(203,642)</u>
Net increase in cash, cash equivalents, and restricted cash	4,330,154	5,847,283
Cash, cash equivalents, and restricted cash, beginning of year	<u>9,089,465</u>	<u>3,242,182</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 13,419,619</u>	<u>\$ 9,089,465</u>
A reconciliation of cash, cash equivalents, and restricted cash to the Statements of Net Position is as follows:		
Cash and cash equivalents	\$ 13,216,675	\$ 8,895,488
Tenant security deposits	189,028	182,493
Restricted cash	<u>13,916</u>	<u>11,484</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 13,419,619</u>	<u>\$ 9,089,465</u>

See accompanying notes to financial statements.

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
STATEMENTS OF CASH FLOWS (continued)
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 5,992,022	\$ 5,992,486
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	277,788	145,270
Bad debt expense	9,582	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(3,282)	12,632
Related party receivable	8,657	(14,484)
Prepaid expenses	(4,015)	(73,714)
Accounts payable	399,539	(5,268)
Tenant security deposits	6,535	14,549
Prepaid rent	<u>(14,121)</u>	<u>13,932</u>
Net cash provided by operating activities	<u>\$ 6,672,705</u>	<u>\$ 6,085,403</u>

See accompanying notes to financial statements.

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

New Horizons Affordable Housing & Development Inc. (the "Corporation"), a California nonprofit public benefit corporation, is a blended component unit of the Housing Authority of the County of Santa Cruz (the "Authority"). The Corporation was created as an instrumentality of the Authority to aid in the Authority's mission of acquiring, providing, developing, financing, rehabilitating, owning, and operating decent, safe and sanitary housing affordable to persons and households of low-income; lessening the burdens of government by assisting the Authority in development, ownership, and management of housing targeted to low-income households; assisting the Authority in the administration of affordable housing programs and the provision of related services to low-income households who are seeking or receiving such affordable housing programs; providing benefits, services, or incentives to landlords, owners, or property managers who rent to low-income households; working to eliminate housing discrimination and prejudice; promoting social welfare through community-based activities and services targeted for low-income households; and carrying out such other activities as the board of directors of this Corporation determines will benefit and support the Authority and its programs. The accompanying financial statements present the financial activity of the Corporation and not the Authority as a whole.

The Corporation is governed by a seven member volunteer board of directors. Each director must be a current member of the Board of Commissioners of the Authority.

In October, 2020, the Authority transferred to the Corporation, a six unit housing project and related State of California Department of Housing and Community Development ("HCD") loan. The housing project is known as Brommer Street Transitional Housing ("Brommer") and located in Santa Cruz, California. HCD consented to the assignment and assumption of the regulatory agreement (contract number 99-FMTW-009) and as such the Corporation is regulated by HCD with regard to housing individuals and families that meet certain income, age, and employment standards.

On December 30, 2020, the Authority transferred 234 units from their public housing program utilizing HUD's Section 22, Streamlined Voluntary Conversion Program. Families residing in these units now receive tenant based vouchers from the Authority's Housing Choice Vouchers program.

B. Basis of Accounting/Financial Statement Presentation

The Corporation is considered to be a governmental entity for the purpose of applying accounting and financial reporting standards, that is, the Governmental Accounting Standards Board ("GASB") has jurisdiction over the entity's accounting standards.

The Corporation's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The GASB is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

All transactions are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2023 and 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Use of Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment, and contingencies. Actual results could differ significantly from these estimates.

D. Cash and Cash Equivalents

Cash and cash equivalents consist of all cash balances and highly liquid investments with a maturity of three months or less at the time of purchase. The Corporation places its temporary cash investments with high credit quality financial institutions.

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions for refunds of tenant security deposits and reserves for repairs or improvements to the buildings which extend their useful lives.

E. Accounts Receivable, Net

Rents are due from tenants on the first day of each month. As a result, accounts receivable balances primarily consist of rents past due and vacated units. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts.

F. Allowance for Doubtful Accounts

The Corporation periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Corporation prepares an analysis of such accounts and records an appropriate allowance against such amounts.

G. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

H. Impairment of Long Lived Assets

The Corporation evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Corporation determines that a capital asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Corporation's financial statements. There were no impairment losses recognized during the years ended June 30, 2023 and 2022.

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2023 and 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets, Net

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation is eliminated from the accounts and any related gain or loss is reflected in the Statements of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- | | | |
|---|----------------------------|------------|
| • | Modernization of buildings | 7-10 Years |
| • | Furniture and equipment | 12 Years |
| • | Buildings | 40 Years |

The Corporation has established a capitalization threshold of \$5,000.

J. Accounts Payable and Accrued Liabilities

The Corporation recognizes a liability for goods and services received but not paid for as of year-end. It also recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

K. Prepaid rent

The Corporation's prepaid rent consists of the prepayment of rent by residents applicable to future periods prior to incurring the corresponding expense.

L. Net Position Classifications

Net position is classified in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

M. Use of Restricted Assets

When both restricted and unrestricted resources are available for a particular restricted use, it is the Corporation's policy to use restricted resources first, and then unrestricted resources as needed.

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2023 and 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Operating Revenues and Expenses

The Corporation defines its operating revenues as income derived from charges to residents and others for services provided, as well as government subsidies and grants used for operating purposes. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Corporation classifies all other revenues and expenses as non-operating.

O. Taxes

The Corporation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Corporation to report information regarding its exposure to various tax positions taken by the Corporation. The Corporation has determined whether any tax positions have met the recognition threshold and has measured the Corporation's exposure to those tax positions. Management believes that the Corporation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Corporation are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

P. Regulated Leases

The Corporation is a lessor of residential dwelling units under regulated leases as defined by GASB 87 and as such recognizes rental revenue in accordance with the terms of the lease contract. The leases which are twelve months in length are regulated by HUD as to rent, unit size, household composition and tenant income. For the years ended June 30, 2023 and 2022, rental revenue earned by the Corporation under the aforementioned leases totaled \$1,984,485 and \$1,726,260, respectively.

NOTE 2. CASH AND CASH EQUIVALENTS

As of June 30, 2023 and 2022, the Corporation had funds on deposit in checking accounts. The carrying amount of the Corporation's cash and cash equivalents (including restricted cash) was \$13,419,619 and \$9,089,465, respectively, and the bank balances were \$13,419,618 and \$9,089,427, respectively.

Of the bank balances, \$250,000 was covered by federal depository insurance for both years ended June 30, 2023 and 2022, and the remaining \$13,169,618 and \$8,839,465, respectively, were collateralized with the pledging financial institution.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Corporation does not have a formal policy for custodial credit risk. As of June 30, 2023 and 2022, the Corporation's bank balances were not exposed to custodial credit risk.

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2023 and 2022

NOTE 3. RESTRICTED DEPOSITS

As of June 30, 2023 and 2022, restricted deposits consisted of the following:

<u>Cash Category</u>	<u>2023</u>	<u>2022</u>
Tenant security deposits	\$ 189,028	\$ 182,493
Replacement reserves	<u>13,916</u>	<u>11,484</u>
Total restricted deposits	<u>\$ 202,944</u>	<u>\$ 193,977</u>

Tenant security deposits represent amounts held by the Corporation on behalf of tenants. Upon termination, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

The Regulatory Agreement with the California Department of Housing and Community Development provides that management must establish and maintain replacement reserve funds in separate account. The purpose of such funds is to provide a reserve for the replacement of structural elements of the Corporation and for such other approved expenditures.

NOTE 4. ACCOUNTS RECEIVABLE, NET

As of June 30, 2023 and 2022, accounts receivable net represents amounts owed to the Corporation by tenants for outstanding rent. The balances are shown net of an allowance for doubtful accounts of \$22,872 and \$13,290, respectively.

NOTE 5. CAPITAL ASSETS, NET

The following is a summary of the changes in capital assets for the years ended June 30, 2023 and 2022:

Description	June 30, 2022	Additions	Dispositions	Transfers	June 30, 2023
<u>Non-depreciable:</u>					
Land	\$ 4,393,507	\$ 660,518	\$ -	\$ -	\$ 5,054,025
Construction in progress	<u>-</u>	<u>1,246,112</u>	<u>-</u>	<u>-</u>	<u>1,246,112</u>
Subtotal	4,393,507	1,906,630	-	-	6,300,137
<u>Depreciable:</u>					
Buildings and improvements	<u>2,720,808</u>	<u>152,927</u>	<u>-</u>	<u>-</u>	<u>2,873,735</u>
Less: accumulated depreciation	<u>(185,073)</u>	<u>(277,788)</u>	<u>-</u>	<u>-</u>	<u>(462,861)</u>
Net capital assets	<u>\$ 6,929,242</u>	<u>\$ 1,781,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,711,011</u>

Depreciation expense for the year ended June 30, 2023 amounted to \$277,788.

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2023 and 2022

NOTE 5. CAPITAL ASSETS, NET (continued)

Description	June 30, 2021	Additions	Dispositions	Transfers	June 30, 2022
<u>Non-depreciable:</u>					
Land	\$ <u>4,393,507</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,393,507</u>
<u>Depreciable:</u>					
Buildings and improvements	<u>2,510,596</u>	<u>210,212</u>	<u>-</u>	<u>-</u>	<u>2,720,808</u>
Less: accumulated depreciation	<u>(39,803)</u>	<u>(145,270)</u>	<u>-</u>	<u>-</u>	<u>(185,073)</u>
Net capital assets	\$ <u>6,864,300</u>	\$ <u>64,942</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6,929,242</u>

Depreciation expense for the year ended June 30, 2022 amounted to \$145,270.

NOTE 6. RELATED PARTY TRANSACTIONS

Periodically, the Corporation may pay various expenditures on behalf of the Authority. These advances are non-interest bearing and due on demand. As of June 30, 2023 and 2022, the amounts due from the Authority were \$5,827 and \$14,484, respectively, and are included as related party receivables on the Statements of Net Position.

The Corporation is also indebted to the Authority for a promissory note as more fully described in Note 8.

NOTE 7. ACCOUNTS PAYABLE

As of June 30, 2023 and 2022, accounts payable totaled \$482,015 and \$82,476, respectively. The balances consisted of amounts payable to contractors and vendors for materials received and services rendered.

NOTE 8. NOTES PAYABLE

As of June 30, 2023 and 2022, notes payable consisted of the following:

<u>Description</u>	<u>2023</u>	<u>2022</u>
On September 29, 2020, the Corporation entered into a promissory note with the Authority in the amount of \$200,000 in connection with the acquisition, maintenance, and operation of certain low-income housing developments. The loan does not amortize, is unsecured, interest free, and matures in 2075.	\$ 200,000	\$ 200,000

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2023 and 2022

NOTE 8. NOTES PAYABLE (continued)

On October 31, 2001, the Authority entered into an agreement with the HCD to borrow \$210,000 for the purpose of modernization of property owned by the Authority known as Brommer. The note bears simple interest at a rate of 3% per annum, is due November 30, 2056, and requires annual payments only to the extent that the project has net cash flows as determined by the Regulatory Agreement. On September 1, 2020, the Authority and the Corporation entered into a purchase and sale agreement concerning Brommer in which the Authority transferred Brommer and the related HCD loan to the Corporation. Accrued interest on this note as of June 30, 2023 and 2022 totaled \$68,962 and \$62,662, respectively.

	<u>210,000</u>	<u>210,000</u>
Total notes payable	\$ <u>410,000</u>	\$ <u>410,000</u>

Annual maturities for principal and interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ -	\$ -
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
Thereafter	<u>410,000</u>	<u>346,500</u>	<u>756,500</u>
	\$ <u>410,000</u>	\$ <u>346,500</u>	\$ <u>756,500</u>

NOTE 9. RESTRICTED NET POSITION

As of June 30, 2023 and 2022, restricted net position consisted of the following:

<u>Description</u>	<u>2023</u>	<u>2022</u>
Replacement reserves	\$ <u>13,947</u>	\$ <u>11,484</u>

The Regulatory Agreement with HCD provides that management must establish and maintain replacement reserve funds in separate accounts in a HCD approved depository. The purpose of such funds is to provide a reserve for the replacement of structural elements of the property and for such other project expenditures as approved by HCD.

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2023 and 2022

NOTE 10. RISK MANAGEMENT

The Corporation is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

NOTE 11. SPECIAL ITEM - EQUITY TRANSFER

On March 3, 2023, the Authority sold land and the related building and improvements to the Corporation. The purchase price was \$1,530,000 and the fixed assets purchased totaled \$1,215,347, amounting to a net equity transfer of \$314,653 to the Authority. The amount of \$314,653 is being reported on the Statement of Revenues, Expenses and Changes in Net Position as a special item.

NOTE 12. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Corporation through January 16, 2024 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**INDEPENDENT AUDITORS' REPORT 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**

To the Board of Commissioners
New Horizons Affordable Housing & Development Inc.:

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 financial statements of New Horizons Affordable Housing & Development Inc. (the "Corporation") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's financial statements, and have issued our report thereon dated January 16, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the 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 the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Noraguard & Company LLP

January 16, 2024
Toms River, New Jersey

SUPPLEMENTARY INFORMATION REQUIRED BY HCD

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
CONTRACT NUMBER 99-FMTW-009
SUPPLEMENTARY INFORMATION REQUIRED BY HCD
JUNE 30, 2023 and 2022

<u>Account Number</u>	<u>Schedule of Operating Revenue for year ended</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
	Rent Revenue		
5120	Rent revenue	\$ 35,343	\$ 26,519
5120	Tenant assistance payments	<u>145,052</u>	<u>162,468</u>
5100T	Total rent revenue	<u>180,395</u>	<u>188,987</u>
	Vacancies		
5220	Apartments	-	-
5220T	Total vacancies	<u>-</u>	<u>-</u>
5152	Net Rental Revenue (Rent Revenue Less Vacancies)	<u>180,395</u>	<u>188,987</u>
	Financial Revenue		
5410	Interest on project operations	<u>93</u>	<u>44</u>
	Total financial revenue	<u>93</u>	<u>44</u>
	Other Revenue		
5920	Tenant charges (damages & cleaning fees)	526	1,016
5990	Miscellaneous revenue - other	<u>1,009</u>	<u>155</u>
	Total other revenue	<u>1,535</u>	<u>1,171</u>
5000T	Total revenue	\$ <u>182,023</u>	\$ <u>190,202</u>
	Schedule of Operating Expenses for year ended	June 30, 2023	June 30, 2022
	Administrative Expenses		
6311	Office expenses	\$ 37	\$ 56
6330	Management salaries	5,832	16,747
6350	Audit expense	198	-
6351	Bad debt	369	-
6390	Miscellaneous administrative	<u>72</u>	<u>5,176</u>
6263T	Total administrative expenses	<u>6,508</u>	<u>21,979</u>
	Utilities Expense		
64250	Electricity	862	1,186
6451	Water	2,684	819
6452	Gas	-	20
6453	Sewer	<u>2,428</u>	<u>-</u>
6400T	Total utilities expense	<u>5,974</u>	<u>2,025</u>
	Operating and Maintenance Expenses		
6515	Supplies - general	842	1,663
6520	Contracts	24,339	9,500
6525	Garbage and trash removal	6,640	5,232
6590	Miscellaneous operating and maintenance	<u>238</u>	<u>115</u>
6500T	Total operating and maintenance expenses	<u>32,059</u>	<u>16,510</u>
	Taxes and Insurance		
6720	Property and liability insurance	5,624	4,682
6790	Miscellaneous, taxes, licenses, permits and insurance	<u>3,025</u>	<u>-</u>
6700T	Total taxes and insurance	<u>8,649</u>	<u>4,682</u>

See Report of Independent Auditors

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
CONTRACT NUMBER 99-FMTW-009
SUPPLEMENTARY INFORMATION REQUIRED BY HCD (continued)
JUNE 30, 2023 and 2022

	Financial Expenses	<u>June 30, 2023</u>	<u>June 30, 2022</u>
6820	Interest on mortgage (or bonds) payable	<u>6,300</u>	<u>6,300</u>
6800T	Total financial expenses	<u>6,300</u>	<u>6,300</u>
6000T	Total cost of operations before depreciation	<u>59,490</u>	<u>51,496</u>
5060T	Profit before depreciation	122,533	138,706
	Depreciation and Amortization Expenses		
6600	Depreciation expense	<u>14,702</u>	<u>8,019</u>
5060N	Operating income	<u>107,831</u>	<u>130,687</u>

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
CONTRACT NUMBER 99-FMTW-009
SUPPLEMENTARY INFORMATION REQUIRED BY HCD (continued)
JUNE 30, 2023 and 2022

**Operating Cash Flow/Surplus Cash Computation -
per HCD/CalHFA Regulatory Agreements**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Operating Cash Flow/Surplus Cash will be distributed according to the HCD method:		
Operating income		
Total income	\$ 182,023	\$ 190,202
Interest earned on restricted reserve accounts	<u>-</u>	<u>(6)</u>
Adjusted operating income	182,023	190,196
Operating expenses - excludes financial expenses	<u>(53,190)</u>	<u>(45,196)</u>
Adjusted net income	128,833	145,000
Other Activity:		
Replacement reserve deposits	<u>(2,400)</u>	<u>(2,400)</u>
Operating cash flow/surplus cash	<u>\$ 126,433</u>	<u>\$ 142,600</u>

Distribution of operating cash flow/surplus cash:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
<u>Per the Regulatory Agreement, borrower distribution is the lessor of:</u>		
8% gross rental income (\$9,510 for 2022)	\$ <u>-</u>	\$ <u>-</u>
8% gross rental income (\$26,519 for 2023)	\$ <u>2,827</u>	\$ <u>2,122</u>
\$50 per unit per month (12 months) (6 units)	\$ <u>3,600</u>	\$ <u>3,600</u>
Surplus cash - borrower distribution	\$ 2,827	\$ 2,122
Surplus cash - repayment of interest on HCD loan	<u>123,606</u>	<u>140,484</u>
Distribution of surplus cash	<u>\$ 126,433</u>	<u>\$ 142,606</u>

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
CONTRACT NUMBER 99-FMTW-009
SUPPLEMENTARY INFORMATION REQUIRED BY HCD (continued)
JUNE 30, 2023 and 2022

Cash on Hand and in Banks

See Note 2

Property and Equipment

See Note 5

Debt Service

See Note 8

Taxes

The Corporation is exempt from Federal Income and California Franchise Taxes.

Tenant Security Deposits

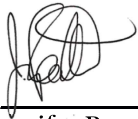
Tenant security deposits were fully funded. The account does not earn interest. See also Note 3.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are being paid on a current basis.

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT INC.
CONTRACT NUMBER 99-FMTW-009
CERTIFICATION OF OFFICERS
FOR THE YEAR ENDED JUNE 30, 2023

We hereby certify that we have examined the accompanying financial statements, notes, and supplementary information of Brommer Street Transitional Housing Enterprise Fund of the Authority, as of and for the year ended June 30, 2023, and, to the best of our knowledge and belief, these financial statements, notes, and supplementary information are complete and accurate.



Jennifer Panetta, Secretary
Brommer Street Transitional Housing
January 16, 2024

AGENDA ITEM SUMMARY

MEETING DATE: February 28, 2024

ITEM NUMBER: 3D

FROM:

SUBJECT: Wilsey Ham – Project Management Contract Amendment #1

RECOMMENDATION: Authorize Executive Director to Execute Amended Contract to Increase Maximum Contract Amount.

BACKGROUND SUMMARY:

In October 2021, the Housing Authority entered a Professional Service Agreement with Critical Solution Inc. to provide project management services for the Natural Bridges Apartment construction project and other repair and renovation consultation services for Housing Authority owned and controlled properties. This agreement set the maximum compensation at \$399,376.

The Housing Authority assigned this contract to New Horizons in February 2023 as part of the transfer of ownership of 415 Natural Bridges Drive. In the summer of 2023, Critical Solutions Inc. was purchased by Wilsey Ham, a firm that specializes in professional civil engineering, land surveying and planning services. New Horizons assigned the agreement to Wilsey Ham effective August 1, 2023, in order to continue services to the Natural Bridges project without interruption which included retaining the assigned Project Manager and support staff.

As of January 2024, the total cost of services received through this agreement was \$323,895. In order to ensure continuity of project management services through completion of the Natural Bridges development project, an amendment to the agreement with Wilsey Ham is required. Staff projected that approximately 925 hours of project management services remain to complete the Natural Bridges Project which includes close out service through November 2024.

Under the existing agreement Wilsey Ham has received an increase to their hourly rate between 2-3% per year. The current rate is \$184 per hour. As part of Amendment #1 to the agreement Wilsey Ham proposed a 4.35% increase to \$192 per hour. New Horizons negotiated a 2.7% increase at \$189 per hour. Based on this rate the amended agreement will have a maximum compensation of \$115,625 which includes a 10% estimate for increase in overage if needed.

New Horizons notified Wilsey Ham that authorization of the Amendment #1 requires authorization from the Board of Directors due to the contract amount exceeding spending authority for the Director of New Horizons.

RECOMMENDATION: Authorize Executive Director to Execute Amended Contract to Increase

Maximum Contract Amount.

NEW HORIZONS AFFORDABLE HOUSING & DEVELOPMENT