

NEW CENTURY CENTER
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
FINANCIAL STATEMENTS,
SUPPLEMENTARY SCHEDULE
AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2022



NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

TABLE OF CONTENTS

JUNE 30, 2022

	<u>Page No.</u>
Independent Auditor's Report	1 – 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities and Change in Net Deficit	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 13
Supplementary Information	14
Statements of Financial Position Data	15 – 16
Statements of Activities Data	17 – 19
Computation of Reserve and Surplus Cash Data	20



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
New Century Center:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of New Century Center (the Organization), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and change in net deficit, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Adjustment

As discussed in Note 8 to the financial statements, certain errors resulting in the understatement of amounts previously reported for notes payable, as of June 30, 2021, were discovered during the current year. Accordingly, an adjustment has been made to net deficit as of June 30, 2021, to correct the error. Our opinion is not modified with respect to that matter.

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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 15 to 20 is presented for the purposes of additional analysis, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Los Angeles, California
May 8, 2023

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30,

2022

Assets

Current Assets

Cash and cash equivalents	\$ 2,954
Rent receivable	17,944
Prepaid expenses	6,747
Tenant security deposits	9,101

Total current assets	36,746
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Noncurrent assets

Restricted deposits	
Reserve for replacements	78,736
Residual receipts	15,622
Property and equipment, net	334,074

Total noncurrent assets	428,432
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Total assets	\$ 465,178
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Liabilities and Net Deficit

Current liabilities

Accounts payable and accrued expenses	\$ 33,089
Due to SHELTER	252,223
Due to lender impounds	1,450
Interest payable	99
Notes payable	15,802
Tenant security deposits	9,101

Total current liabilities	311,764
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Notes payable, net of current portion	725,597
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Total liabilities	1,037,361
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Net deficit without donor restriction	(572,183)
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Total liabilities and net deficit	\$ 465,178
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See accompanying notes to financial statements.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF ACTIVITIES AND CHANGE IN NET DEFICIT

FOR THE YEAR ENDED JUNE 30,

2022

Without Donor Restrictions

Revenue and support

Rental revenue	\$ 114,482
Other income	654
Interest income	477

Total revenue and support	115,613
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Expenses

Program services	157,910
Management and general	30,728

Total expenses	188,638
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Change in net deficit without donor restrictions	(73,025)
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Net deficit, beginning of year, as previously reported	(368,380)
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Prior period adjustment (Note 8)	(130,778)
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Net assets, beginning of year, as restated	(499,158)
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Net deficit, end of year	\$ (572,183)
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See accompanying notes to financial statements.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30,

2022

	Program Services	Management and General Expenses	Total
Salaries, benefits, and taxes	\$ 42,202	\$ -	\$ 42,202
Utilities	14,473	-	14,473
Repairs and maintenance	37,678	-	37,678
Travel and conference cost	86	-	86
Accounting fees	-	16,679	16,679
Other professional fees	11,201	-	11,201
Office expenses	4,159	-	4,159
Property taxes and insurance	15,080	-	15,080
Bad debt expense	-	14,049	14,049
Depreciation	20,162	-	20,162
Interest	12,869	-	12,869
Total expenses	\$ 157,910	\$ 30,728	\$ 188,638

See accompanying notes to financial statements.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30,

2022

Cash flows from operating activities

Change in net assets	\$ (73,025)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	20,162
Provision for bad debt expense	14,049
Changes in operating assets and liabilities	
Rent receivable	(4,561)
Prepaid expenses	(5,417)
Accounts payable and accrued expenses	9,472
Due to lender impounds	1,450

Net cash used in operating activities	(37,870)
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Cash flows from financing activities

Advance from SHELTER, net	44,076
Payment of notes payable	(14,555)

Net cash provided by financing activities	29,521
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Net change in cash, cash equivalents, and unrestricted cash	(8,349)
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Cash, cash equivalents, and unrestricted cash, beginning of year	114,762
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Cash, cash equivalents, and unrestricted cash, end of year	\$ 106,413
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Supplemental disclosure of cash flow information

Cash paid for interest	\$ 12,869
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Supplemental disclosure of cash, cash equivalents, and restricted cash:

Cash and cash equivalents	\$ 2,954
Restricted cash	
Reserve for replacements	78,736
Residual receipts	15,622
Tenant security deposits	9,101

Cash, cash equivalents, and restricted cash	\$ 106,413
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See accompanying notes to financial statements.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

1. ORGANIZATION

Nature of Activities New Century Center, a California nonprofit public benefit corporation (NCC or the Organization), was formed on December 30, 1999 to develop and operate a 12-unit affordable housing complex (the Project) located in Concord, California.

The Project is financed by a mortgage loan insured by the U.S. Department of Housing and Urban Development (HUD) in accordance with Section 223(f) of the National Housing Act. Such projects are subject to compliance with the requirements and regulations of HUD as to rent charges, operating methods, accounting procedures and other matters. The Project also received funds from HUD through the county of Contra Costa (CCC) and is governed by a HOPWA loan agreement.

Members of the board of directors of NCC also serve on the board of directors of SHELTER, Inc. (SHELTER), a nonprofit social service agency and operator of affordable housing. The bylaws of the Organization provide that SHELTER appoints all board members and board members serve without compensation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Classes of Net Assets Net assets of the Organization and changes therein are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes have been classified and are reported as follows:

Net Assets Without Donor Restrictions - Net assets not restricted by donor-imposed stipulations and are available for use at the discretion of the board of directors and/or management for general operating purposes. The only limits on net assets are broad limits resulting from the nature of the Organization and the purposes specified in its articles of incorporation or bylaws and, perhaps, limits resulting from contractual agreements. There were no board-designated net assets as of June 30, 2022.

Net Assets With Donor Restrictions - The part of the net assets of the Organization resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources will be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Contributions for which donor-imposed restrictions are satisfied within the same fiscal year are reflected as without donor restrictions in the accompanying statement of activities and change in net assets. There were no donor-imposed restrictions as of June 30, 2022.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Cash and Cash Equivalents For purposes of the statement of financial position and cash flows, cash consists of cash and cash equivalents and highly liquid unrestricted investments with an original maturity of three months or less when purchased.

Tenant Security Deposits In accordance with HUD regulations, NCC is required to maintain on-deposit funds equal to the related liability for tenant security deposits. Security deposits are held in a separate bank account in the name of NCC.

Functional Allocation of Expenses The costs of providing various programs and other activities are summarized on a functional basis in the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited based on the management estimate. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of NCC. Salaries and related expenses are allocated based on employees' direct time spent on program or support activities or the best estimate of time spent. Expenses, other than salaries and related expense, which are not directly identifiable by program or support services, are allocated based on the best management's best estimate.

Revenue Recognition Rental revenues are recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the organization and its tenants are operating leases. Other income includes income from laundry, vending, pet and parking fees, and miscellaneous charges to tenants. Such other income is recognized when earned. Vacancy loss is shown as a reduction in rental revenue.

NCC rents to people with qualifying levels of income. NCC is subject to business risks associated with the economy and available rental subsidies, which affect occupancy, as well as the tenants' ability to make rental payments. NCC also receives rental subsidies through a Section 8 Tenant-Based Assistance Housing Choice Voucher Program from the Housing Authority of the Contra Costa County. During the year ended June 30, 2022, NCC received \$20,652 in subsidies, which are included in rental revenue in the accompanying statement of activities and change in net deficit. In addition, certain tenants are referred to the Project by SHELTER and SHELTER pays the rent on behalf of these tenants. During the year ended June 30, 2022, NCC received \$48,098 from SHELTER, which is included in rental revenue in the accompanying statement of activities and change in net deficit.

Rent Receivable and Bad Debt Rent receivable is charged against an allowance when deemed to be uncollectible. Management's estimate of the allowance is subject to revisions and based on historical collection experience and a review of the current status of the accounts receivable.

Contributed Goods and Services Contributed goods and services are recorded as contributions at their estimated fair values at the date of donation. Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills, and would typically need to be purchased if not provided by donation. For the year ended June 30, 2022, the Organization had no contributed goods or services.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Property and Equipment Property and equipment are stated at cost if purchased. Donated assets are recorded at fair market value when donated. Depreciation of building, furniture and equipment, is provided over the estimated useful life of the related assets on a straight-line basis.

Estimated useful lives of the related assets are as follows:

Description	Useful Lives
Building	30 to 40 years
Building improvements	10 to 30 years
Furniture and equipment	5 to 10 years

When assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts, and any profit or loss arising from such disposition is recorded as a gain or loss. The Organization capitalizes expenditures or betterments that materially increase asset lives and charges ordinary repairs and maintenance to operations as incurred.

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell. No impairment losses were recognized in 2022.

Income Taxes The Organization is exempt from federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and the corresponding sections of the California Revenue and Taxation Code. In addition, the Organization does not have any income which they believe would subject it to unrelated business income taxes.

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic No. 740, *Uncertainty in Income Taxes* (ASC 740), the Organization recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. To date, the Organization has not recorded any uncertain tax positions. During the year ended June 30, 2022, the Organization performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the financial statements or which may have an effect on its tax-exempt status.

The Organization's income tax returns remain subject to examination for all tax years ended on or after June 30, 2018 with regard to all tax positions and the results reported. No examinations are currently pending.

Concentration of Business and Credit Risk NCC maintains cash in bank accounts, which may exceed federally insured limits. NCC's cash and cash equivalents are maintained in one bank. NCC has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by federal deposit insurance. At June 30, 2022, NCC did not have cash in the bank in excess of federally insured limits.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NCC rents to people with qualifying levels of income. NCC is subject to business risks associated with the economy and level of unemployment in the county, as well as available rental subsidies, which affect occupancy as well as the tenants' ability to make rental payments. In addition, the Organization operates in a heavily regulated environment. The operations of NCC are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD and may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Property Tax Exemption NCC is generally exempt from real property taxes. In the event such exemption is not renewed or no longer available, NCC's cash flow would be negatively impacted.

Use of Estimates The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of Accounting Principle Effective July 1, 2021, the Organization adopted Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities* (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2020-07). The ASU is intended to improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including services, and includes additional disclosure requirements for recognized contributed services. The adoption of ASU 2020-07 did not have a material impact on the Organization's financial statements.

Recently Issued Accounting Pronouncements In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability, measured on a discounted basis, on the statement of financial position for all leases with terms greater than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities and change in net assets. A modified retrospective transition approach is required for capital and operating leases existing at the date of adoption, with certain practical expedients available. The standard is effective for annual reporting periods beginning after December 15, 2021. The use of either the retrospective or cumulative effect transition method is permitted. The Organization is currently evaluating the impact the adoption of ASU 2016-02 on July 1, 2022 will have on its financial statements.

2. RESTRICTED RESERVE

Impounds – Taxes and Insurance NCC makes monthly payments into impound accounts maintained by the lender for the payment of taxes and insurance. The lender had paid property taxes and insurance from the impound account in excess of amounts held in deposit. The amount due to lender as of June 30, 2022 was \$1,450.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Reserve for Replacements NCC is required to maintain a reserve for replacement and repair of property and equipment in accordance with the HUD regulatory agreement. The reserve is required to be funded in the amount of \$300 per month. Withdrawals from the account are subject to the approval by HUD.

Residual Receipts NCC is required to deposit Surplus Cash, as defined by HUD, into a separate bank account in accordance with the HUD regulatory agreement. Withdrawals from the account are subject to approval by HUD.

	Balance 7/1/21	Additions/ Interest	Withdrawals	Balance 6/30/22
Reserve for replacements	\$ 74,659	\$ 4,077	\$ -	\$ 78,736
Residual receipts	15,622	-	-	15,622
Total	\$ 90,281	\$ 4,077	\$ -	\$ 94,358

3. PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

Property and Equipment	Balance 7/1/2021	Additions (Deletions)	Balance 6/30/2022
Land	\$ 193,126	\$ -	\$ 193,126
Building and improvement	730,863	-	730,863
Furniture and equipment	400	-	400
Total property and equipment	924,389	-	924,389
Less: accumulated depreciation	(570,153)	(20,162)	(590,315)
Total property and equipment, net	\$ 354,236	\$ (20,162)	\$ 334,074

4. LIQUIDITY, ACCUMULATED DEFICIT AND RECURRING OPERATING LOSSES

As of June 30, 2022, the Project had net deficit of \$572,183 and recurring operating losses. Management has taken several actions to ensure that the Project will continue to meet its funding requirements over the next year, including utilization of the Project's reserves, deferring payments on related party fees, as needed, and continued funding of the Project's operating deficits by SHELTER. Management believes that continuing these actions will enable the Project to meet its operating and capital needs for the year ended June 30, 2023 and up to one year from the date of the independent auditor's report.

5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

NCC structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

Financial assets available for general expenditures, that is, funds without donor restrictions or other restrictions limiting their use that will pay for operating expenses within one year of the statement of financial position date, comprise the following:

June 30,	2022
Cash and cash equivalents	\$ 2,954
Rent receivable	17,944
Financial assets available to meet cash needs for general expenditures within one year	\$ 20,898

6. RELATED PARTY TRANSACTIONS

Related party transactions include the following fees and charges:

Management Fee In accordance with the Management Agreement, NCC is to pay SHELTER a management fee in connection with the leasing and operation of the Project. For the year ended June 30, 2022, \$9,936 was charged to operations.

Other Fees NCC is required to pay a fee of \$1,080 for the year ended June 30, 2022 to SHELTER for bookkeeping services provided. Additionally, \$42,202 was also paid to SHELTER for maintenance, janitorial, and resident manager's salaries and related expenses on behalf of the Organization for the year ended June 30, 2022.

Due to SHELTER The Organization reimburses SHELTER for payroll and other operating expenses paid by SHELTER on behalf of the Organization. The amounts due to SHELTER are unsecured, noninterest bearing and due on demand.

7. NOTES PAYABLE

Notes payable is secured by the property unless otherwise noted and consist of the following:

June 30,	2022
Note payable to Sun West Mortgage Company, Inc. in the original amount of \$304,200; loan bears interest at 8.25% with monthly principal and interest payments of \$2,285 through August 1, 2029. The note is insured by HUD under the Section 223(f) program and is secured by a Multifamily Deed of Trust, Assignment of Rents and Security Agreement. Interest incurred during the year ended June 30, 2022 was \$12,869 and as of June 30, 2022, accrued interest totaled \$99.	\$ 148,008
Note payable to CCC under the Housing Opportunities for Persons with AIDS (HOPWA Program), in the original amount of \$214,000, secured by a deed of trust on real property, bears no interest, due July 2035. The HOPWA loan is expected to be forgiven at the end of 36-year term provided that NCC complies with the occupancy and rent restrictions set forth in the regulatory agreement.	214,000

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

June 30,	2022
Note payable to City of Concord, in the original amount of \$381,500, secured by a deed of trust on real property, bears no interest with annual principal payments required from residual receipts, as defined, due July 2034.	379,391
Total	741,399
Less: current portion	(15,802)
Long-term portion	\$ 725,597

Future annual principal payments, excluding those for loans expected to be forgiven, as of June 30, 2022 are estimated as follows:

For the year ending June 30,	Amount
2023	\$ 15,802
2024	17,157
2025	18,627
2026	20,223
2027	21,956
Thereafter	647,634
Total	\$ 741,399

8. PRIOR PERIOD ADJUSTMENT

During 2022, the Organization became aware of an error in its previously issued 2021 audited financial statements. NCC recorded debt forgiveness income of \$5,945 annually on the \$214,000 HOPWA loan through the year ended June 30, 2021, as it was incorrectly presumed the loan was forgiven annually throughout the term of the loan. However, the regulatory and loan agreements provide that the Organization must be in compliance with the occupancy and rent restrictions throughout the term of the loan and the loan may be forgiven at maturity. Accordingly, NCC recorded a prior period adjustment that increased notes payable and net deficit by \$130,778.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events that have occurred through the date of the independent auditor's report, which is the date that the financial statements were available to be issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

SUPPLEMENTARY INFORMATION

STATEMENT OF FINANCIAL POSITION DATA

AS OF JUNE 30,

2022

ASSETS

Cash

1120	Cash - Operation	\$	2,954
	Total cash		2,954

Tenant Accounts Receivable

1130	Tenant Accounts Receivable	17,944
1130N	Net Tenant Accounts Receivable	17,944

Other Current Assets

1200	Miscellaneous Prepaid Expenses	6,747
	Total Other Current Assets	6,747

1100	Total Current Assets	27,645
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1191	Tenant/Patient Deposits Held in Trust	9,101
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Deposits

1320	Replacement Reserve	78,736
1340	Residual Receipts Reserve	15,622
1300T	Total Deposits	94,358

Fixed Assets

1410	Land	193,126
1420	Buildings	730,863
1450	Furniture for Project/Tenant Use	400
1400T	Total Fixed Assets	924,389
1495	Accumulated Depreciation	(590,315)
1400N	Net Fixed Assets	334,074

1000T	Total Assets	\$ 465,178
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See independent auditor's report.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

SUPPLEMENTARY INFORMATION

STATEMENT OF FINANCIAL POSITION DATA

AS OF JUNE 30,

2022

LIABILITIES AND NET ASSETS

Current liabilities

2110	Accounts Payable - Operations	\$ 33,089
2131	Accrued Interest Payable - First Mortgage (or Bonds)	99
2170	Mortgage (or Bonds) Payable - First Mortgage (Bonds) (Short Term)	15,802
2190	Miscellaneous Current Liabilities	
	2190-010 Due to SHELTER	252,223
	2190-010 Due to Lender Impounds	1,450
2122T	Total Current Liabilities	302,663
2191	Tenant/Patient Deposits Held In Trust (Contra)	9,101

Long Term Liabilities

2320	Mortgage (or Bonds) Payable - First Mortgage (or Bonds)	132,206
2323	Other Loans and Notes Payable - Surplus Cash	379,391
2324	Other Loans and Notes Payable	214,000
2300T	Total Long Term Liabilities	725,597
2000T	Total Liabilities	1,037,361

Net Assets

3131	Unrestricted Net assets	(572,183)
3130	Total Net Assets	\$ (572,183)

See independent auditor's report.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

SUPPLEMENTARY INFORMATION

STATEMENT OF ACTIVITIES DATA

FOR THE YEAR ENDED JUNE 30,

2022

REVENUE

Gross Rent

5120	Rent Revenue - Gross Potential	\$ 114,482
5100T	Total Rent Revenue	114,482

5152	Net Rental Revenue (Rent Revenue Less Vacancies)	114,482
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Financial Revenue

5440	Revenue from Investments - Replacement Reserve	477
5400T	Total Financial Revenue	477

Other Revenue

5910	Laundry and Vending Revenue	542
5990	Miscellaneous Revenue	112
5900T	Total Other Revenue	654

5000T	Total Revenue	115,613
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OPERATING EXPENSES

Administrative Expenses

6310	Office Salaries	6,538
6311	Office Expenses	4,159
6320	Management Fee	9,936
6330	Manager or Superintended Salaries	12,336
6350	Audit Expense	15,599
6351	Bookkeeping Fees/Accounting Services	1,080
6370	Bad Debts	14,049
6390	Miscellaneous Administrative Expenses	2,261
6263T	Total Administrative Expenses	65,958

Utilities Expenses

6450	Electricity	1,148
6451	Water	3,981
6400T	Total Utilities Expenses	5,129

See independent auditor's report.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

SUPPLEMENTARY INFORMATION

STATEMENT OF ACTIVITIES DATA

FOR THE YEAR ENDED JUNE 30,

2022

Operating and Maintenance Expenses

6510	Payroll	\$ 8,733
6520	Contracts	30,251
6525	Garbage and Trash Removal	9,325
6570	Vehicle and Maintenance Equipment Operation and Repairs	5,812
6590	Miscellaneous Operating and Maintenance Expenses	1,634
6500T	Total Operating and Maintenance Expenses	55,755

Taxes and Insurance

6710	Real Estate Taxes	8,649
6711	Payroll Taxes (Project's Share)	2,569
6720	Property & Liability Insurance (Hazard)	6,336
6723	Health Insurance and Other Employee Benefits	11,116
6790	Miscellaneous Taxes, Licenses, Permits and Insurance	95
6700T	Total Taxes and Insurance	28,765

Financial Expenses

6820	Interest on Mortgage (or Bonds) Payable	12,869
6800T	Total Financial Expenses	12,869

6000T	Total Cost of Operations before Depreciation	168,476
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5060T	Profit (Loss) before Depreciation	(52,863)
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6600	Depreciation Expenses	20,162
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5060N	Operating Profit or (Loss)	(73,025)
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See independent auditor's report.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

SUPPLEMENTARY INFORMATION

STATEMENT OF ACTIVITIES DATA

FOR THE YEAR ENDED JUNE 30,

2022

S1100-060	Previous Year Unrestricted Net Assets Without Donor Restrictions, as Previously Stated	\$ (368,380)
	Prior period adjustment (Note 8)	(130,778)
S1100-060	Previous Year Unrestricted Net Assets Without Donor Restrictions, as Restated	(499,158)
3247	Change in Unrestricted Net Assets from Operations	(73,025)
3131	Net Assets Without Donor Restrictions	(572,183)
S1100-050	Previous Year Total Net Assets	(499,158)
3250	Change in Total Net Assets from Operations	(73,025)
3130	Total Net Assets	\$ (572,183)

See independent auditor's report.

NEW CENTURY CENTER

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)

SUPPLEMENTARY INFORMATION

COMPUTATION OF RESERVE AND SURPLUS CASH DATA

FOR THE YEAR ENDED JUNE 30,

2022

S1000-010	Total mortgage (or bond) principal payments required during the audit year (12 monthly payments). This applies to all direct loans and HUD-held and fully insured mortgages. Any HUD-approved second mortgages should be included in this figure.	\$ 14,555
S1000-020	Total of 12 monthly deposits in the audit year into the replacement reserve account, as required by the regulatory agreement even if payments may be temporarily suspended or reduced.	\$ 3,600
S1000-030	Replacement reserved, or residual receipts and releases which are included as expense items on this profit and loss statement.	\$ -
S1000-040	Project improvement reserve releases under the flexible subsidy program that are included as expense items on this profit and loss statement.	\$ -
Reserve for Replacements		
1320P	Balance at Beginning of Year	\$ 74,659
1320DT	Total Monthly Deposits	3,600
1320INT	Interest on Replacement Reserve Accounts	477
1320	Balance at End of Year, Confirmed by Mortgagee	\$ 78,736
Reserve for Residual Receipts		
1340P	Balance at Beginning of Year	\$ 15,622
1340	Balance at End of Year, Confirmed by Mortgagee	\$ 15,622
Computation of Surplus Cash, Distributions and Residual Receipts		
S1300-010	Cash	\$ 12,055
S1300-040	Total Cash	12,055
S1300-075	Accounts Payable - 30 days	33,089
S1300-090	Deficient Tax Insurance or MIP Escrow Deposits	1,450
2191	Tenant Security Deposits Liability	9,101
S1300-050	Accrued interest	99
S1300-140	Total Current Obligations	43,739
S1300-150	Surplus Cash (Deficiency)	\$ (31,684)

See independent auditor's report.