

**MERRILL ROAD HOUSING CORPORATION**  
**AGENDA OF THE BOARD OF DIRECTORS MEETING**  
**February 22, 2023**

**Merrill Road Board of Directors Meeting will take place immediately following the  
Housing Authority of the County of Santa Cruz Board of Commissioners Meeting**  
**HOUSING AUTHORITY OFFICES**  
2160 41<sup>st</sup> Avenue, Capitola, CA 95010

- Due to the shelter-in-place directive, in lieu of attending the meeting in person, members of the public are invited to submit their comments via email to [housing@hacosantacruz.org](mailto:housing@hacosantacruz.org) prior to the meeting or join the Zoom Meeting via this link:

Topic: Housing Authority of the County of Santa Cruz Board of Commissioners Meeting  
Time: Feb 22, 2023 11:30 AM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/89965176019?pwd=aXVqN0xUSnRiZWZsa2d3SmZrdzRLdz09>

Meeting ID: 899 6517 6019

Passcode: 900016

One tap mobile

+16699006833,,89965176019#,,,,\*900016# US (San Jose)

+14086380968,,89965176019#,,,,\*900016# US (San Jose)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 408 638 0968 US (San Jose)

Meeting ID: 899 6517 6019

Passcode: 900016

Find your local number: <https://us02web.zoom.us/u/kb4kaOVOB>

1. Roll Call

**MERRILL ROAD BOARD OF DIRECTORS:**

Chairperson Andy Schiffrin	4 year term expires, March 17, 2023
Vice Chairperson Carol Berg	4 year term expires, May 21, 2025
Director Ligaya Eligio	2 year term expires, October 18, 2022
Director Providence Martinez Alaniz	4 year term expires, February 10, 2027
Director Annette Melendrez	4 year term expires, September 29, 2023
Director Silvia Morales	Expires September 1, 2023
Director Richard Schmale	2 year term expires, May 12, 2023

2. Consideration of Late Additions and Changes to the Agenda

3. Consent Agenda

A. Minutes of the August 24, 2022 Meeting

Motion to Approve as submitted

B. FY 2021-22 Tax Returns

Receive FY 2021-22 Tax Returns

C. Audited Financial Statements for Fiscal Year Ending June 30, 2022

Motion to Approve the Audited Financial Statements for Fiscal Year Ending June 30, 2022 for Merrill Road Associates

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

\*Merrill Road 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.

**AGENDA ITEM NO. 1**

Roll Call

Chairperson Schiffrin called the meeting to order at 12:54 p.m. Members present via Zoom meeting  
Chairperson Schiffrin, Vice Chairperson Berg, Directors Eligio, Melendrez and Schmale

**Members Absent**

None.

**Staff Present**

Jennifer Panetta, 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.

Director Berg moved for the approval of the Consent Agenda; Director Melendrez seconded the motion and it as passed by the following vote:

AYES: Directors Berg, Eligio, Melendrez, Schiffrin and Schmale  
NOES: None  
ABSENT: None  
ABSTAIN: None

Agenda Item 3A. Adopted Resolution No. 2022-02 Authorizing the Merrill Road Housing Corporation Board of Directors to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361

Agenda Item 3B. Approved the Minutes of the Meeting held June 22, 2022

Agenda Item 3C. Approved the Board of Directors of the Merrill Road Corporation and elect the same Chairperson and Vice-Chairperson that was elected at the August 24, 2022 Annual Housing Authority of the County of Santa Cruz Board of Commissioners meeting.

Agenda Item 3D. Authorized 10 Year Extension to the Term of the Land Loan with the Housing Authority of the County of Santa Cruz

**AGENDA ITEM NO. 4**

Oral Communications

Due to the shelter-in-place directive, in lieu of attending the meeting in person, members of the public are invited to submit their comments via email to [housing@hacosantacruz.org](mailto:housing@hacosantacruz.org) prior to the meeting or join the Zoom Meeting via this link:

<https://us02web.zoom.us/j/82661581899?pwd=ZkowbmY4Yk1DSkZnSkxySmVoYWxIZz09>

Meeting ID: 826 6158 1899

MERRILL ROAD HOUSING CORPORATION MINUTES OF THE MEETING HELD AUGUST 24, 2022 AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41<sup>ST</sup> AVENUE, CAPITOLA, CA 95010

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Passcode: 910633

One tap mobile

+14086380968,,82661581899#,,,,\*910633# US (San Jose)

+16694449171,,82661581899#,,,,\*910633# US

Meeting ID: 826 6158 1899

Passcode: 910633

Find your local number: <https://us02web.zoom.us/j/kmalcZ4Yb>

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.

**AGENDA ITEM NO. 7**                      Adjournment

The Board of Directors meeting was adjourned at 12:55 p.m.

I hereby certify that these minutes were approved by the Merrill Road Board of Directors, on the Twenty Second Day of February 2023.

\_\_\_\_\_

Chairperson

ATTEST: \_\_\_\_\_

Secretary

## AGENDA ITEM SUMMARY

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**MEETING DATE:** February 22, 2023

**ITEM NUMBER:** 3B

**FROM:** Executive Director

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**SUBJECT:** FY 2021-22 Tax Returns

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**RECOMMENDATION:** Receive FY 2021-22 Tax Returns

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### **BACKGROUND SUMMARY:**

Merrill Road Housing Corporation and the Merrill Road Associates Partnership are tax exempt entities that are required to file state and federal tax returns for informational purposes. The following FY2021-22 tax forms were prepared and filed by Novogradac & Company LLP:

- IRS Form 990-EZ for Merrill Road Housing Corporation
- California Franchise Tax Board Form 199 for Merrill Road Housing Corporation
- Registry of Charitable Trusts Form RRF-1 for Merrill Road Housing Corporation
- IRS Form 1065 with Schedule K-1 for Merrill Road Associates Partnership
- California Franchise Tax Board Form 565 for Merrill Road Associates Partnership

### **RECOMMENDATION:**

Receive FY 2021-22 Tax Returns.

MERRILL ROAD HOUSING CORPORATION



# **Merrill Road Housing Corporation**

**Federal and State Returns of Organization Exempt from Income Tax**

**For the year ended June 30, 2022**

Form **8879-TE**

# IRS e-file Signature Authorization for a Tax Exempt Entity

OMB No. 1545-0047

For calendar year 2021, or fiscal year beginning JUL 1, 2021, and ending JUN 30, 2022

# 2021

Department of the Treasury  
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**  
▶ **Go to [www.irs.gov/Form8879TE](http://www.irs.gov/Form8879TE) for the latest information.**

Name of filer

**MERRILL ROAD HOUSING CORPORATION**

EIN or SSN

**\*\* - \*\*\* 1307**

Name and title of officer or person subject to tax **JENNIFER PANETTA  
SECRETARY**

## 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 type="checkbox"/>	b	Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b	
2a	Form 990-EZ check here	<input checked="" type="checkbox"/>	b	Total revenue, if any (Form 990-EZ, line 9)	2b	<u>12,000.</u>
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 2021 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 **54984**  
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the tax year 2021 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 2021 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 **2/2/2023**

## 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.

**94681254984**

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2021 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 **February 3, 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** (2021)

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

Department of the Treasury  
Internal Revenue Service

▶ **File a separate application for each return.**  
▶ **Go to [www.irs.gov/Form8868](http://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](http://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.

<b>Type or print</b>	Name of exempt organization or other filer, see instructions. <b>MERRILL ROAD HOUSING CORPORATION</b>	Taxpayer identification number (TIN) <b>** - ***1307</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>2160 41ST AVENUE</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>CAPITOLA, CA 95010</b>	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

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		

**SANTA CRUZ CO HOUSING AUTHORITY**

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

Telephone No. ▶ **831-454-9455** 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, 2023**, 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, 2021**, and ending **JUN 30, 2022**.

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

<b>3a</b> If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
<b>b</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.	<b>3b</b>	\$	0.
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	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.



Short Form

Form **990-EZ**

**Return of Organization Exempt From Income Tax**

**2021**

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/Form990EZ](http://www.irs.gov/Form990EZ) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Open to Public  
Inspection

**A** For the 2021 calendar year, or tax year beginning **JUL 1, 2021** and ending **JUN 30, 2022**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>MERRILL ROAD HOUSING CORPORATION</b>		<b>D</b> Employer identification number <b>** - *** 1307</b>
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>2160 41ST AVENUE</b>		<b>E</b> Telephone number <b>831-454-9455</b>
	City or town, state or province, country, and ZIP or foreign postal code <b>CAPITOLA, CA 95010</b>		<b>F</b> Group Exemption Number ▶
	<b>G</b> Accounting Method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other (specify) ▶		<b>H</b> Check <input checked="" type="checkbox"/> if the organization is not required to attach Schedule B (Form 990).
<b>I</b> Website: ▶ <b>WWW.HACOSANTACRUZ.ORG</b>			
<b>J</b> Tax-exempt status (check only one) — <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other			

**L** Add lines 5b, 6c, and 7b to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, column (B)) are \$500,000 or more, file Form 990 instead of Form 990-EZ ▶ \$ **12,000.**

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (see the instructions for Part I)

Check if the organization used Schedule O to respond to any question in this Part I

<b>Revenue</b>	<b>1</b> Contributions, gifts, grants, and similar amounts received	<b>1</b>	
	<b>2</b> Program service revenue including government fees and contracts	<b>2</b>	<b>12,000.</b>
	<b>3</b> Membership dues and assessments	<b>3</b>	
	<b>4</b> Investment income	<b>4</b>	
	<b>5a</b> Gross amount from sale of assets other than inventory	<b>5a</b>	
	<b>b</b> Less: cost or other basis and sales expenses	<b>5b</b>	
	<b>c</b> Gain or (loss) from sale of assets other than inventory (subtract line 5b from line 5a)	<b>5c</b>	
	<b>6</b> Gaming and fundraising events:		
	<b>a</b> Gross income from gaming (attach Schedule G if greater than \$15,000)	<b>6a</b>	
<b>b</b> Gross income from fundraising events (not including \$ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000)	<b>6b</b>		
<b>c</b> Less: direct expenses from gaming and fundraising events	<b>6c</b>		
<b>d</b> Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)	<b>6d</b>		
<b>7a</b> Gross sales of inventory, less returns and allowances	<b>7a</b>		
<b>b</b> Less: cost of goods sold	<b>7b</b>		
<b>c</b> Gross profit or (loss) from sales of inventory (subtract line 7b from line 7a)	<b>7c</b>		
<b>8</b> Other revenue (describe in Schedule O)	<b>8</b>		
<b>9</b> <b>Total revenue.</b> Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8	<b>9</b>	<b>12,000.</b>	
<b>Expenses</b>	<b>10</b> Grants and similar amounts paid (list in Schedule O)	<b>10</b>	
	<b>11</b> Benefits paid to or for members	<b>11</b>	
	<b>12</b> Salaries, other compensation, and employee benefits	<b>12</b>	
	<b>13</b> Professional fees and other payments to independent contractors	<b>13</b>	
	<b>14</b> Occupancy, rent, utilities, and maintenance	<b>14</b>	
	<b>15</b> Printing, publications, postage, and shipping	<b>15</b>	
	<b>16</b> Other expenses (describe in Schedule O) <b>SEE SCHEDULE O</b>	<b>16</b>	<b>12,456.</b>
<b>17</b> <b>Total expenses.</b> Add lines 10 through 16	<b>17</b>	<b>12,456.</b>	
<b>Net Assets</b>	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 9)	<b>18</b>	<b>-456.</b>
	<b>19</b> Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	<b>19</b>	<b>-52,273.</b>
	<b>20</b> Other changes in net assets or fund balances (explain in Schedule O)	<b>20</b>	<b>0.</b>
	<b>21</b> Net assets or fund balances at end of year. Combine lines 18 through 20	<b>21</b>	<b>-52,729.</b>

LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form **990-EZ** (2021)

Product: **Exempt**  
 Name: **MERRILL ROAD HOUSING CORPORATION**  
 FEIN: **\*\*\*\*\*1307**  
 Bank Info:  
 Fiscal Year Begin Date: **7/1/2021**  
 IRS Message:

Category:  
 Plan Number:  
 Fiscal Year End Date: **6/30/2022**

IRS Center: **Ogden**  
 e-Postmark: **2/9/2023 1:47 PM**  
 Notification:  
 eSigned:

**Return Information**

Date	Return ID	Type of Activity	Submission ID	Refund/(Due)	Updated By	eSign Date
02/09/2023	21X:MRH100:V1	Upload Started			Cavanaugh, Kerry	
02/09/2023	21X:MRH100:V1	Ready to Release by Customer				
02/09/2023	21X:MRH100:V1	Released for Transmission - Validation in Progress			Jolene Otte	
02/09/2023	21X:MRH100:V1	Ready to transmit - Validation Complete				
02/09/2023	21X:MRH100:V1	Transmitted to FD	94681220230400333e70			
02/09/2023	21X:MRH100:V1	Transmitted to CA	94681220230400322n00			
02/09/2023	21X:MRH100:V1	Accepted by FD on 2/9/2023				
02/09/2023	21X:MRH100:V1	Accepted by CA - on 2/9/2023				

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ID	Status Date	Status	State/Other	State Category	FBAR	FBAR BSA ID
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Part V Other Information (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V.) Check if the organization used Sch. O to respond to any question in this Part V

X

33 Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O
34 Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O. See instructions
35a Did the organization have unrelated business gross income of \$1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)?
35b If "Yes" to line 35a, has the organization filed a Form 990-T for the year? If "No," provide an explanation in Schedule O
35c Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III
36 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N
37a Enter amount of political expenditures, direct or indirect, as described in the instructions
37b Did the organization file Form 1120-POL for this year?
38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee; or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?
38b If "Yes," complete Schedule L, Part II, and enter the total amount involved
39 Section 501(c)(7) organizations. Enter:
39a Initiation fees and capital contributions included on line 9
39b Gross receipts, included on line 9, for public use of club facilities
40a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under:
40b Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I
40c Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958
40d Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax on line 40c reimbursed by the organization
40e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T
41 List the states with which a copy of this return is filed
42a The organization's books are in care of
42b 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)?
42c At any time during the calendar year, did the organization maintain an office outside the United States?
43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year
44a Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ
44b Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ
44c Did the organization receive any payments for indoor tanning services during the year?
44d If "Yes" to line 44c, has the organization filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O
45a Did the organization have a controlled entity within the meaning of section 512(b)(13)?
45b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 and Schedule R may need to be completed instead of Form 990-EZ. See instructions

46 Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office?
If "Yes," complete Schedule C, Part I

Table with 3 columns: Question, Yes, No. Row 46: Yes (empty), No (X)

Part VI Section 501(c)(3) Organizations Only

All section 501(c)(3) organizations must answer questions 47-49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI

47 Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year?

Table with 3 columns: Question, Yes, No. Row 47: Yes (empty), No (X)

If "Yes," complete Sch. C, Part II

48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

Table with 3 columns: Question, Yes, No. Row 48: Yes (empty), No (X)

49a Did the organization make any transfers to an exempt non-charitable related organization?

Table with 3 columns: Question, Yes, No. Row 49a: Yes (empty), No (X)

b If "Yes," was the related organization a section 527 organization?

Table with 3 columns: Question, Yes, No. Row 49b: Yes (empty), No (X)

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees, and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

Table with 5 columns: (a) Name and title of each employee, (b) Average hours per week devoted to position, (c) Reportable compensation, (d) Health benefits, (e) Estimated amount of other compensation. Row 1: NONE

f Total number of other employees paid over \$100,000

51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None." NONE

Table with 3 columns: (a) Name and business address of each independent contractor, (b) Type of service, (c) Compensation. All rows empty.

d Total number of other independent contractors each receiving over \$100,000

52 Did the organization complete Schedule A? Note: All section 501(c)(3) organizations must attach a completed Schedule A

X Yes No

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: JENNIFER PANETTA, SECRETARY Date

Table for Preparer Information: Print/Type preparer's name (RICHARD M LARSEN), Preparer's signature (APPROVED), Date, Check self-employed, PTIN (P01233142), Firm's name (NOVOGRADAC & COMPANY, LLP), Firm's address (1144 HOOPER AVENUE, SUITE 203 TOMS RIVER, NJ 08753), Firm's EIN (\*\*-\*\*\*8253), Phone no. (732) 503-4257

May the IRS discuss this return with the preparer shown above? See instructions X Yes No

**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](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2021**

Open to Public Inspection

<b>Name of the organization</b> MERRILL ROAD HOUSING CORPORATION	<b>Employer identification number</b> **-***1307
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**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

(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	6		X	0.	0.
<b>Total</b>					0.	0.

**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) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> 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) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First 5 years.</b> 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 <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2021 (line 6, column (f), divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2020 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2021.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2020.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2021.</b> 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 <b>stop here.</b> 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>b 10% -facts-and-circumstances test - 2020.</b> 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 <b>stop here.</b> 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>18 Private foundation.</b> 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"/>

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

Table with 7 columns: (a) 2017, (b) 2018, (c) 2019, (d) 2020, (e) 2021, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 8 Public support.

Section B. Total Support

Table with 7 columns: (a) 2017, (b) 2018, (c) 2019, (d) 2020, (e) 2021, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources; 10b Unrelated business taxable income; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included on line 10b; 12 Other income; 13 Total support.

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

Table with 2 columns: Description, Percentage. Row 15: Public support percentage for 2021; Row 16: Public support percentage from 2020 Schedule A, Part III, line 15.

Section D. Computation of Investment Income Percentage

Table with 2 columns: Description, Percentage. Row 17: Investment income percentage for 2021; Row 18: Investment income percentage from 2020 Schedule A, Part III, line 17.

19a 33 1/3% support tests - 2021. 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.

b 33 1/3% support tests - 2020. 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.

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



**Part IV Supporting Organizations**

(Complete only if you checked a box in line 12 on 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
<b>1</b> 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	
<b>2</b> 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
<b>3a</b> 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>b</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>		
<b>c</b> 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>		
<b>4a</b> 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>b</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>		
<b>c</b> 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>		
<b>5a</b> 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>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> 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
<b>7</b> 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
<b>8</b> 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
<b>9a</b> 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>b</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
<b>c</b> 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
<b>10a</b> 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>b</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>		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> 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>b</b> A family member of a person described on line 11a above?		X
<b>c</b> 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
<b>1</b> 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>		
<b>2</b> 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>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> 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>		
	X	

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> 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?		
<b>2</b> 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>		
<b>3</b> 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**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).		
<b>2</b> Activities Test. Answer lines 2a and 2b below.		
<b>a</b> 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>b</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>		
<b>3</b> Parent of Supported Organizations. Answer lines 3a and 3b below.		
<b>a</b> 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>b</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>		

**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	<b>Adjusted Net Income</b> (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	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> 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	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

Section C - Distributable Amount			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	<b>Distributable Amount.</b> 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).		

**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 - provide details in Part VI)	5
6	Other distributions (describe in Part VI). See instructions.	6
7	<b>Total annual distributions.</b> Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	8
9	Distributable amount for 2021 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-2021	(iii) Distributable Amount for 2021
1	Distributable amount for 2021 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2021 (reasonable cause required - explain in Part VI). See instructions.		
3	Excess distributions carryover, if any, to 2021		
a	From 2016		
b	From 2017		
c	From 2018		
d	From 2019		
e	From 2020		
f	<b>Total</b> of lines 3a through 3e		
g	Applied to underdistributions of prior years		
h	Applied to 2021 distributable amount		
i	Carryover from 2016 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.		
4	Distributions for 2021 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2021 distributable amount		
c	Remainder. Subtract lines 4a and 4b from line 4.		
5	Remaining underdistributions for years prior to 2021, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.		
6	Remaining underdistributions for 2021. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.		
7	<b>Excess distributions carryover to 2022.</b> Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2017		
b	Excess from 2018		
c	Excess from 2019		
d	Excess from 2020		
e	Excess from 2021		



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](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

2021

Open to Public  
Inspection

Name of the organization

MERRILL ROAD HOUSING CORPORATION

Employer identification number

\*\*-\*\*\*1307

FORM 990-EZ, PART I, LINE 16, OTHER EXPENSES:

DESCRIPTION OF OTHER EXPENSES:	AMOUNT:
MANAGEMENT FEE EXPENSE	12,000.
LOSS FROM MERRILL ROAD ASSOCIATES	456.
TOTAL TO FORM 990-EZ, LINE 16	12,456.

FORM 990-EZ, PART II, LINE 24, OTHER ASSETS:

DESCRIPTION	BEG. OF YEAR	END OF YEAR
MANAGEMENT FEES RECEIVABLE	17,550.	12,050.

FORM 990-EZ, PART II, LINE 26, OTHER LIABILITIES:

DESCRIPTION	BEG. OF YEAR	END OF YEAR
MANAGEMENT FEES OWED TO THE HA OF THE CO OF SANTA CRUZ	17,550.	12,050.
INVESTMENT IN MERRILL ROAD ASSOCIATES, A CA LIMITED PARTNERSHIP	52,273.	52,729.
TOTAL TO FORM 990-EZ, LINE 26	69,823.	64,779.

FORM 990-EZ, PART III, PRIMARY EXEMPT PURPOSE - MERRILL ROAD HOUSING

CORPORATION SERVES AS THE GENERAL PARTNER OF MERRILL ROAD ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP. THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ SERVES AS THE LIMITED PARTNER. THE PURPOSE OF THE PARTNERSHIP IS TO PROVIDE AFFORDABLE HOUSING TO LOW AND MODERATE INCOME HOUSEHOLDS IN THE COUNTY OF SANTA CRUZ. THE PARTNERSHIP OWNS A FIFTEEN UNIT AFFORDABLE HOUSING COMPLEX, LOCATED IN APTOS, CA

Name of the organization

MERRILL ROAD HOUSING CORPORATION

Employer identification number

\*\* - \*\*\*1307

FORM 990-EZ, PART V, INFORMATION REGARDING PERSONAL BENEFIT CONTRACTS:

THE ORGANIZATION DID NOT, DURING THE YEAR, RECEIVE ANY FUNDS, DIRECTLY, OR INDIRECTLY, TO PAY PREMIUMS ON A PERSONAL BENEFIT CONTRACT.

THE ORGANIZATION, DID NOT, DURING THE YEAR, PAY ANY PREMIUMS, DIRECTLY, OR INDIRECTLY, ON A PERSONAL BENEFIT CONTRACT.

Multiple horizontal lines for additional text entry.

# California Exempt Organization Annual Information Return

Calendar Year 2021 or fiscal year beginning (mm/dd/yyyy) **07/01/2021**, and ending (mm/dd/yyyy) **06/30/2022**

Corporation/Organization name **MERRILL ROAD HOUSING CORPORATION** California corporation number **1941725**

Additional information. See instructions. FEIN **\*\*\_\*\*\*1307**

Street address (suite or room) **2160 41ST AVENUE** PMB no.

City **CAPITOLA** State **CA** ZIP code **95010**

Foreign country name Foreign province/state/county Foreign postal code

**A** First return  Yes  No  
**B** Amended return  Yes  No  
**C** IRC Section 4947(a)(1) trust  Yes  No  
**D** Final information return?  
 Dissolved  Surrendered (Withdrawn)  Merged/Reorganized  
 Enter date: (mm/dd/yyyy) \_\_\_\_\_  
**E** Check accounting method: (1)  Cash (2)  Accrual (3)  Other  
**F** Federal return filed? (1)  990T (2)  990PF (3)  Sch H (990) (4)  Other 990 series  
**G** Is this a group filing? See instructions  Yes  No  
**H** Is this organization in a group exemption  Yes  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  Yes  No  
**J** If exempt under R&TC Section 23701d, has the organization engaged in political activities? See instructions.  Yes  No  
**K** Is the organization exempt under R&TC Section 23701g?  Yes  No  
 If "Yes," enter the gross receipts from nonmember sources \$ \_\_\_\_\_  
**L** Is the organization a limited liability company?  Yes  No  
**M** Did the organization file Form 100 or Form 109 to report taxable income?  Yes  No  
**N** Is the organization under audit by the IRS or has the IRS audited in a prior year?  Yes  No  
**O** Is federal Form 1023/1024 pending?  Yes  No  
 Date filed with IRS \_\_\_\_\_

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

<b>Receipts and Revenues</b>	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8	12,000	00
	2	Gross dues and assessments from members and affiliates		00
	3	Gross contributions, gifts, grants, and similar amounts received		00
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. <b>This line must be completed.</b> If the result is less than \$50,000, see General Information B	12,000	00
	5	Cost of goods sold		00
	6	Cost or other basis, and sales expenses of assets sold		00
	7	Total costs. Add line 5 and line 6		00
	8	Total gross income. Subtract line 7 from line 4	12,000	00
<b>Expenses</b>	9	Total expenses and disbursements. From Side 2, Part II, line 18	12,456	00
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	-456	00
<b>Filing Fee</b>	11	Total payments		00
	12	Use tax. See General Information K		00
	13	Payments balance. If line 11 is more than line 12, subtract line 12 from line 11		00
	14	Use tax balance. If line 12 is more than line 11, subtract line 11 from line 12		00
	15	Penalties and interest. See General Information J		00
	16	<b>Balance due.</b> Add line 12 and line 15. Then subtract line 11 from the result		00
<b>Sign Here</b>	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 <b>SECRETARY</b>	Date	Telephone <b>813-454-9455</b>
<b>Paid Preparer's Use Only</b>	Preparer's signature	<b>APPROVED</b>	Date	Check if self-employed <input type="checkbox"/> PTIN <b>P01233142</b>
	Firm's name (or yours, if self-employed) and address	<b>NOVOGRADAC &amp; COMPANY, LLP 1144 HOOPER AVENUE, SUITE 203 TOMS RIVER, NJ 08753</b>		Firm's FEIN <b>**_***8253</b>
				Telephone <b>(732) 503-4257</b>
May the FTB discuss this return with the preparer shown above? See instructions <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				



MERRILL ROAD HOUSING CORPORATION

\*\* - \*\*\*1307

**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.**

128951 01-19-22

<b>Receipts from Other Sources</b>	1	Gross sales or receipts from all business activities. See instructions	•	1		00	
	2	Interest	•	2		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	12,000	00	
	8	<b>Total</b> gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	•	8	12,000	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	
	<b>Expenses and Disbursements</b>	13	Interest	•	13		00
		14	Taxes	•	14		00
		15	Rents	•	15		00
		16	Depreciation and depletion (See instructions)	•	16		00
		17	Other expenses and disbursements	•	17	12,456	00
		18	<b>Total</b> expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	•	18	12,456	00

Schedule L Balance Sheet	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash				•
2 Net accounts receivable				•
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				
b Less accumulated depreciation	( )	( )		
11 Land				•
12 Other assets <b>STMT 4</b>		17,550		• 12,050
13 <b>Total assets</b>		17,550		12,050
<b>Liabilities and net worth</b>				
14 Accounts payable				•
15 Contributions, gifts, or grants payable				•
16 Bonds and notes payable				•
17 Mortgages payable				•
18 Other liabilities <b>STMT 5</b>		69,823		• 64,779
19 Capital stock or principal fund				•
20 Paid-in or capital surplus. Attach reconciliation				•
21 Retained earnings or income fund		-52,273		• -52,729
22 <b>Total liabilities and net worth</b>		17,550		12,050

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	•	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 Expenses recorded on books this year not deducted in this return. Attach schedule	•		
6 Total. Add line 1 through line 5			

CA 199	OTHER INCOME	STATEMENT 1
DESCRIPTION		AMOUNT
PROGRAM SERVICE REVENUE		12,000.
TOTAL TO FORM 199, PART II, LINE 7		12,000.

CA 199	COMPENSATION OF OFFICERS, DIRECTORS AND TRUSTEES	STATEMENT 2
NAME AND ADDRESS	TITLE AND AVERAGE HRS WORKED/WK	COMPENSATION
ANDY SCHIFFRIN	CHAIRPERSON 1.00	0.
CAROL BERG	VICE-CHAIRPERSON 1.00	0.
LIGAYA ELIGIO	DIRECTOR 1.00	0.
RICHARD SCHMALE	DIRECTOR 1.00	0.
ANNETTE MELENDREZ	DIRECTOR 1.00	0.
TOTAL TO FORM 199, PART II, LINE 11		0.

CA 199	OTHER EXPENSES	STATEMENT 3
DESCRIPTION		AMOUNT
MANAGEMENT FEE EXPENSE		12,000.
LOSS FROM MERRILL ROAD ASSOCIATES		456.
TOTAL TO FORM 199, PART II, LINE 17		12,456.

CA 199	OTHER ASSETS	STATEMENT 4
DESCRIPTION	BEG. OF YEAR	END OF YEAR
MANAGEMENT FEES RECEIVABLE	17,550.	12,050.
TOTAL TO FORM 199, SCHEDULE L, LINE 12	17,550.	12,050.

CA 199	OTHER LIABILITIES	STATEMENT 5
DESCRIPTION	BEG. OF YEAR	END OF YEAR
MANAGEMENT FEES OWED TO THE HA OF THE CO OF SANTA CRUZ	17,550.	12,050.
INVESTMENT IN MERRILL ROAD ASSOCIATES, A CA LIMITED PARTNERSHIP	52,273.	52,729.
TOTAL TO FORM 199, SCHEDULE L, LINE 18	69,823.	64,779.

TAXABLE YEAR  
**2021**

**California e-file Return Authorization for Exempt Organizations**

FORM  
**8453-EO**

Exempt Organization name	Identifying number
<b>MERRILL ROAD HOUSING CORPORATION</b>	<b>** - ***1307</b>

**Part I Electronic Return Information** (whole dollars only)

<b>1</b> Total gross receipts (Form 199, line 4)	<b>1</b>	<b>12,000</b>
<b>2</b> Total gross income (Form 199, line 8)	<b>2</b>	<b>12,000</b>
<b>3</b> Total expenses and disbursements (Form 199, line 9)	<b>3</b>	<b>12,456</b>

**Part II Settle Your Account Electronically for Taxable Year 2021**

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


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

<b>5</b> Routing number		
<b>6</b> Account number	<b>7</b> 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 2021 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**  **2/2/2023** **SECRETARY**  
Signature of officer 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, 2021 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**  **2/3/2023**   **ERO's PTIN**  
ERO's signature Date Check if also paid preparer Check if self-employed

**Must Sign** Firm's name (or yours if self-employed) and address **NOVOGRADAC & COMPANY, LLP** Firm's FEIN **\*\* - \*\*\*8253**  
**1144 HOOPER AVENUE, SUITE 203**  
**TOMS RIVER, NJ** ZIP code **08753**

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**  **2/3/2023**   **Paid preparer's PTIN**  
Paid preparer's signature Date Check if self-employed

**Must Sign** Firm's name (or yours if self-employed) and address **NOVOGRADAC & COMPANY, LLP** Firm's FEIN **\*\* - \*\*\*8253**  
**1144 HOOPER AVENUE, SUITE 203**  
**TOMS RIVER, NJ** ZIP code **08753**

**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.

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](http://www.oag.ca.gov/charities)

<p><u>MERRILL ROAD HOUSING CORPORATION</u> Name of Organization</p> <hr/> <p>List all DBAs and names the organization uses or has used</p> <p><u>2160 41ST AVENUE</u> Address (Number and Street)</p> <p><u>CAPITOLA, CA 95010</u> City or Town, State, and ZIP Code</p> <p><u>831-454-9455</u>      <u>G</u> Telephone Number      E-mail Address</p>	<p>Check if: <input type="checkbox"/> Change of address <input type="checkbox"/> Amended report</p> <hr/> <p>State Charity Registration Number <u>CT098876</u></p> <p>Corporation or Organization No. <u>1941725</u></p> <p>Federal Employer ID No. <u>77-0411307</u></p>
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**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 07/01/2021 ending 06/30/2022 ) list:

Total Revenue (including noncash contributions) \$ 12,000 Noncash Contributions \$ 0 Total Assets \$ 12,050  
Program Expenses \$ 12,462 Total Expenses \$ 12,456

**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.

<u>JENNIFER PANETTA</u>	<u>SECRETARY</u>		
Signature of Authorized Agent	Printed Name	Title	Date



# **Merrill Road Associates, LLC**

**Federal and State Partnership Returns of Income**

**For the year ended June 30, 2022**

Form **8879-PE**

**E-file Authorization for Form 1065**  
(For return of partnership income or administrative adjustment request)

OMB No. 1545-0123

**2021**

Department of the Treasury  
Internal Revenue Service

▶ **ERO must obtain and retain completed Form 8879-PE.**

▶ **Go to [www.irs.gov/Form8879PE](http://www.irs.gov/Form8879PE) for the latest information.**

For calendar year 2021, or tax year beginning **JUL 1**, 2021, ending **JUN 30**, 20**22**.

Name of partnership **MERRILL ROAD ASSOCIATES C/O HSG  
AUTHORITY OF THE CO OF SANTA CRUZ**

Employer identification number  
**\*\* - \*\*\* 1399**

**Part I Form 1065 Information** (Whole dollars only)

1	Gross receipts or sales less returns and allowances (Form 1065, line 1c)	1	
2	Gross profit (Form 1065, line 3)	2	
3	Ordinary business income (loss) (Form 1065, line 22)	3	
4	Net rental real estate income (loss) (Form 1065, Schedule K, line 2)	4	<b>-46,236.</b>
5	Other net rental income (loss) (Form 1065, Schedule K, line 3c)	5	

**Part II Declaration and Signature Authorization of Partner or Member or Partnership Representative**

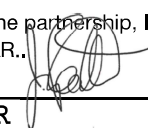
I declare under penalties of perjury that:

- 1a. If the Form 1065 is being transmitted as part of a return of partnership income, I am a partner or member of the named partnership.
- b. If the Form 1065 is being transmitted as part of an administrative adjustment request (AAR), I am the partnership representative (PR) of the named partnership.
2. I have examined a copy of the partnership's electronic Form 1065 (whether used as return or AAR) and accompanying forms, schedules, and statements, and to the best of my knowledge and belief, it/they is/are true, correct, and complete.
3. I am fully authorized to sign the return or AAR on behalf of the partnership.
4. The amounts shown in Part I above are the amounts shown on the electronic copy of the partnership's Form 1065.
5. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to transmit the partnership's return or AAR to the IRS and to receive from the IRS (a) an acknowledgment of receipt or reason for rejection of the transmission and (b) the reason for any delay in processing the return or AAR.
6. I have selected a personal identification number (PIN) as my signature for the partnership's electronic return of partnership income or AAR.

**Partner's or Member or PR PIN: check one box only**

I authorize **NOVOGRADAC & COMPANY LLP** to enter my PIN **98149**  
**ERO firm name** **Don't enter all zeros**  
as my signature on the partnership's 2021 electronically filed return of partnership income or AAR.

As a Partner or Member or PR of the partnership, I will enter my PIN as my signature on the partnership's 2021 electronically filed return of partnership income or AAR.

Partner or Member or PR signature   
Title ▶ **EXECUTIVE DIRECTOR** Date ▶ **2/6/23**

**Part III Certification and Authentication**

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. **94681283467**  
**Don't enter all zeros**

I certify that the above numeric entry is my PIN, which is my signature on the 2021 electronically filed return of partnership income or AAR for the partnership indicated above. I confirm that I am submitting this return or AAR in accordance with the requirements of **Pub. 3112**, IRS *e-file* Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns.

ERO's signature  Date ▶ **February 6, 2023**

**ERO Must Retain This Form - See Instructions**  
**Don't Submit This Form to the IRS Unless Requested To Do So**

For Paperwork Reduction Act Notice, see instructions.

Form **8879-PE** (2021)

**Application for Automatic Extension of Time To File Certain  
 Business Income Tax, Information, and Other Returns**  
 ▶ **File a separate application for each return.**  
 ▶ **Go to [www.irs.gov/Form7004](http://www.irs.gov/Form7004) for instructions and the latest information.**

<b>Print or Type</b>	Name <b>MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ</b>	Identifying number <b>** - *** 1399</b>
	Number, street, and room or suite no. (If P.O. box, see instructions.) <b>2160 41ST AVENUE</b>	
	City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code).) <b>CAPITOLA, CA 95010</b>	

**Note:** File request for extension by the due date of the return. See instructions before completing this form.

**Part I Automatic Extension for Certain Business Income Tax, Information, and Other Returns.** See instructions.

1 Enter the form code for the return listed below that this application is for 09

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041 (estate other than a bankruptcy estate)	04	Form 1120-REIT	23
Form 1041 (trust)	05	Form 1120-RIC	24
Form 1041-N	06	Form 1120S	25
Form 1041-QFT	07	Form 1120-SF	26
Form 1042	08	Form 3520-A	27
Form 1065	09	Form 8612	28
Form 1066	11	Form 8613	29
Form 1120	12	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18	Form 8928	36
Form 1120-ND	19		

**Part II All Filers Must Complete This Part**

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here   
 If checked, attach a statement listing the name, address, and employer identification number (EIN) for each member covered by this application.
- 4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here
- 5a The application is for calendar year       , or tax year beginning JUL 1 2021, and ending JUN 30 2022
- b **Short tax year.** If this tax year is less than 12 months, check the reason:  Initial return  Final return  
 Change in accounting period  Consolidated return to be filed  Other (See instructions - attach explanation.)

6 Tentative total tax	6	0.
7 Total payments and credits. See instructions	7	
8 Balance due. Subtract line 7 from line 6. See instructions	8	

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

DEPARTMENT OF THE TREASURY  
 INTERNAL REVENUE SERVICE CENTER  
 OGDEN, UT 84201-0045



**U.S. Return of Partnership Income**

Department of the Treasury  
Internal Revenue Service

For calendar year 2021, or tax year beginning JUL 1, 2021, ending JUN 30, 2022

**2021**

▶ Go to [www.irs.gov/Form1065](http://www.irs.gov/Form1065) for instructions and the latest information.

<b>A</b> Principal business activity <b>REAL ESTATE</b>	Type or Print	Name of partnership <b>MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ</b>	<b>D</b> Employer identification number <b>**_***1399</b>
<b>B</b> Principal product or service <b>RENTAL</b>		Number, street, and room or suite no. If a P.O. box, see instructions. <b>2160 41ST AVENUE</b>	<b>E</b> Date business started <b>09/01/1996</b>
<b>C</b> Business code number <b>531110</b>		City or town, state or province, country, and ZIP or foreign postal code <b>CAPITOLA CA 95010</b>	<b>F</b> Total assets <b>\$ 2,353,815.</b>

**G** Check applicable boxes: (1)  Initial return (2)  Final return (3)  Name change (4)  Address change (5)  Amended return

**H** Check accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) ▶

**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ **2**

**J** Check if Schedules C and M-3 are attached ▶

**K** Check if partnership: (1)  Aggregated activities for section 465 at-risk purposes (2)  Grouped activities for section 469 passive activity purposes

**Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See instructions for more information.

Income	<b>1 a</b> Gross receipts or sales	<b>1a</b>	
	<b>b</b> Returns and allowances	<b>1b</b>	
	<b>c</b> Balance. Subtract line 1b from line 1a		<b>1c</b>
	<b>2</b> Cost of goods sold (attach Form 1125-A)		<b>2</b>
	<b>3</b> Gross profit. Subtract line 2 from line 1c		<b>3</b>
	<b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)		<b>4</b>
	<b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040))		<b>5</b>
	<b>6</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)		<b>6</b>
<b>7</b> Other income (loss) (attach statement)		<b>7</b>	
<b>8</b> <b>Total income (loss).</b> Combine lines 3 through 7		<b>8</b>	
Deductions (see instructions for limitations)	<b>9</b> Salaries and wages (other than to partners) (less employment credits)		<b>9</b>
	<b>10</b> Guaranteed payments to partners		<b>10</b>
	<b>11</b> Repairs and maintenance		<b>11</b>
	<b>12</b> Bad debts		<b>12</b>
	<b>13</b> Rent		<b>13</b>
	<b>14</b> Taxes and licenses		<b>14</b>
	<b>15</b> Interest (see instructions)		<b>15</b>
	<b>16 a</b> Depreciation (if required, attach Form 4562)	<b>16a</b>	
	<b>b</b> Less depreciation reported on Form 1125-A and elsewhere on return	<b>16b</b>	<b>16c</b>
	<b>17</b> Depletion ( <b>Do not deduct oil and gas depletion.</b> )		<b>17</b>
	<b>18</b> Retirement plans, etc.		<b>18</b>
<b>19</b> Employee benefit programs		<b>19</b>	
<b>20</b> Other deductions (attach statement)		<b>20</b>	
<b>21</b> <b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20		<b>21</b>	
<b>22</b> <b>Ordinary business income (loss).</b> Subtract line 21 from line 8		<b>22</b>	<b>0.</b>
Tax and Payments	<b>23</b> Interest due under the look-back method-completed long-term contracts (attach Form 8697)		<b>23</b>
	<b>24</b> Interest due under the look-back method-income forecast method (attach Form 8866)		<b>24</b>
	<b>25</b> BBA AAR imputed underpayment (see instructions)		<b>25</b>
	<b>26</b> Other taxes (see instructions)		<b>26</b>
	<b>27</b> <b>Total balance due.</b> Add lines 23 through 26		<b>27</b>
	<b>28</b> Payment (see instructions)		<b>28</b>
	<b>29</b> <b>Amount owed.</b> If line 28 is smaller than line 27, enter amount owed		<b>29</b>
	<b>30</b> <b>Overpayment.</b> If line 28 is larger than line 27, enter overpayment		<b>30</b>

**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 partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of partner or limited liability company member: \_\_\_\_\_ Date: \_\_\_\_\_

May the IRS discuss this return with the preparer shown below? See instr.  **Yes**  **No**

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>RICHARD M. LARSEN</b>	Preparer's signature <b>APPROVED</b>	Date	Check <input type="checkbox"/> if self-employed	PTIN <b>P00183253</b>
	Firm's name <b>NOVOGRADAC &amp; COMPANY LLP</b>	Firm's EIN ▶ <b>**_***8253</b>			
	Firm's address <b>▶1144 HOOPER AVE, SUITE 203 TOMS RIVER, NJ 08753</b>	Phone no. <b>732-503-4257</b>			

Product: **Partnership**  
 Name: **Merrill Road Associates c/o HSG**  
**Authority of the CO of Santa Cruz**  
 FEIN: **\*\*\*\*1399**  
 Bank Info:  
 Fiscal Year Begin Date: **7/1/2021**  
 IRS Message:

Category:  
 Plan Number:  
 Fiscal Year End Date: **6/30/2022**

IRS Center: **Ogden**  
 e-Postmark: **2/6/2023 6:02 PM**  
 Notification:  
 eSigned:

**Return Information**

Date	Return ID	Type of Activity	Submission ID	Refund/(Due)	Updated By	eSign Date
02/06/2023	21P:MRA100:V1	Upload Started			Lazzaro,John	
02/06/2023	21P:MRA100:V1	Ready to Release by Customer				
02/06/2023	21P:MRA100:V1	Released for Transmission - Validation in Progress			Jolene Otte	
02/06/2023	21P:MRA100:V1	Ready to transmit - Validation Complete				
02/06/2023	21P:MRA100:V1	Transmitted to FD	94681220230370417c00			
02/06/2023	21P:MRA100:V1	Transmitted to CA	9468122023037032dl00			
02/06/2023	21P:MRA100:V1	Accepted by FD on 2/6/2023				
02/06/2023	21P:MRA100:V1	Accepted by CA - on 2/6/2023				

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ID	Status Date	Status	State/Other	State Category	FBAR	FBAR BSA ID
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**Schedule B Other Information**

<b>1</b> What type of entity is filing this return? Check the applicable box:					
<b>a</b> <input type="checkbox"/> Domestic general partnership	<b>b</b> <input checked="" type="checkbox"/> Domestic limited partnership	<b>c</b> <input type="checkbox"/> Domestic limited liability company	<b>d</b> <input type="checkbox"/> Domestic limited liability partnership		
<b>e</b> <input type="checkbox"/> Foreign partnership	<b>f</b> <input type="checkbox"/> Other ▶				
<b>2</b> At the end of the tax year:					
<b>a</b> Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership .....				X	
<b>b</b> Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership .....					X
<b>3</b> At the end of the tax year, did the partnership:					
<b>a</b> Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below .....					X
(i) Name of Corporation		(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock	
<b>b</b> Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below .....					X
(i) Name of Entity		(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
<b>4</b> Does the partnership satisfy <b>all four</b> of the following conditions?				Yes	No
<b>a</b> The partnership's total receipts for the tax year were less than \$250,000.					
<b>b</b> The partnership's total assets at the end of the tax year were less than \$ 1 million.					
<b>c</b> Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.					
<b>d</b> The partnership is not filing and is not required to file Schedule M-3 ..... If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.					X
<b>5</b> Is this partnership a publicly traded partnership, as defined in section 469(k)(2)? .....					X
<b>6</b> During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? .....					X
<b>7</b> Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? .....					X
<b>8</b> At any time during calendar year 2021, did the partnership 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)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country ▶					X
<b>9</b> At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions .....					X
<b>10 a</b> Is the partnership making, or had it previously made (and not revoked), a section 754 election? ..... See instructions for details regarding a section 754 election.					X
<b>b</b> Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions .....					X

**Schedule B Other Information** (continued)

	Yes	No
<b>c</b> Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
<b>11</b> Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year)		
<b>12</b> At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
<b>13</b> If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions		
<b>14</b> Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership		X
<b>15</b> Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return		
<b>16 a</b> Did you make any payments in 2021 that would require you to file Form(s) 1099? See instructions		X
<b>b</b> If "Yes," did you or will you file required Form(s) 1099?		
<b>17</b> Enter the number of Forms 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return		
<b>18</b> Enter the number of partners that are foreign governments under section 892		
<b>19</b> During the partnership's tax year, did the partnership make any payments that would require it to file Form 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)?		X
<b>20</b> Was the partnership a specified domestic entity required to file Form 8938 for the tax year? See the Instructions for Form 8938		X
<b>21</b> Is the partnership a section 721(c) partnership, as defined in Regulations section 1.721(c)-1(b)(14)?		X
<b>22</b> During the tax year, did the partnership pay or accrue any interest or royalty for which one or more partners are not allowed a deduction under section 267A? See instructions If "Yes," enter the total amount of the disallowed deductions \$		X
<b>23</b> Did the partnership have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		X
<b>24</b> Does the partnership satisfy one or more of the following? See instructions <b>a</b> The partnership owns a pass-through entity with current, or prior year carryover, excess business interest expense. <b>b</b> The partnership's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the partnership has business interest. <b>c</b> The partnership is a tax shelter (see instructions) and the partnership has business interest expense. If "Yes" to any, complete and attach Form 8990.	X	
<b>25</b> Is the partnership attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 15 \$		X
<b>26</b> Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership Complete Schedule K-3 (Form 1065), Part XIII, for each foreign partner subject to section 864(c)(8) on a transfer or distribution.		
<b>27</b> At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		X
<b>28</b> Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties constituting a trade or business of your partnership, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the partners held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions. Percentage: By Vote By Value		X
<b>29</b> Is the partnership electing out of the centralized partnership audit regime under section 6221(b)? See instructions If "Yes," the partnership must complete Schedule B-2 (Form 1065). Enter the total from Schedule B-2, Part III, line 3 If "No," complete Designation of Partnership Representative below.		X

**Designation of Partnership Representative** (see instructions)

Enter below the information for the partnership representative (PR) for the tax year covered by this return.

Name of PR <b>MERRILL ROAD HOUSING CORPORATION</b>	
U.S. address of PR <b>2160 41ST AVENUE CAPITOLA, CA 95010</b>	U.S. phone number of PR <b>831-454-9455</b>
If the PR is an entity, name of the designated individual for the PR <b>JENNIFER PANETTA</b>	
U.S. address of designated individual <b>2160 41ST AVENUE CAPITOLA, CA 95010</b>	U.S. phone number of designated individual <b>831-454-9455</b>

Schedule K Partners' Distributive Share Items		Total amount		
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	0.	
	2 Net rental real estate income (loss) (attach Form 8825) SEE STATEMENT 2	2	-46,236.	
	3a Other gross rental income (loss)	3a		
	b Expenses from other rental activities (attach statement)	3b		
	c Other net rental income (loss). Subtract line 3b from line 3a	3c		
	4 Guaranteed payments: a Services 4a b Capital 4b	4a	4b	
	c Total. Add lines 4a and 4b	4c		
	5 Interest income SEE STATEMENT 3	5	583.	
	6 Dividends and dividend equivalents: a Ordinary dividends	6a		
	b Qualified dividends 6b c Dividend equivalents 6c	6b	6c	
	7 Royalties	7		
8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8			
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a			
b Collectibles (28%) gain (loss)	9b			
c Unrecaptured section 1250 gain (attach statement)	9c			
10 Net section 1231 gain (loss) (attach Form 4797)	10			
11 Other income (loss) (see instructions) Type ▶	11			
Deductions	12 Section 179 deduction (attach Form 4562)	12		
	13a Contributions	13a		
	b Investment interest expense	13b		
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)		
d Other deductions (see instructions) Type ▶ SEE STATEMENT 4	13d	41,352.		
Self-Employment	14a Net earnings (loss) from self-employment	14a		
	b Gross farming or fishing income	14b		
	c Gross nonfarm income	14c		
Credits	15a Low-income housing credit (section 42(j)(5))	15a		
	b Low-income housing credit (other)	15b		
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c		
	d Other rental real estate credits (see instructions) Type ▶	15d		
	e Other rental credits (see instructions) Type ▶	15e		
	f Other credits (see instructions) Type ▶	15f		
International Transactions	16 Attach Schedule K-2 (Form 1065), Partners' Distributive Share Items-International, and check this box to indicate that you are reporting items of international tax relevance <input type="checkbox"/>			
Alternative Tax Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a		
	b Adjusted gain or loss	17b		
	c Depletion (other than oil and gas)	17c		
	d Oil, gas, and geothermal properties - gross income	17d		
	e Oil, gas, and geothermal properties - deductions	17e		
	f Other AMT items (attach statement)	17f		
Other Information	18a Tax-exempt interest income	18a		
	b Other tax-exempt income	18b		
	c Nondeductible expenses	18c		
	19a Distributions of cash and marketable securities	19a		
	b Distributions of other property	19b		
	20a Investment income	20a	583.	
	b Investment expenses	20b		
c Other items and amounts (attach statement) STMT 5				
21 Total foreign taxes paid or accrued	21			

**Analysis of Net Income (Loss)**

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 21					1	-87,005.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt Organization	(vi) Nominee/Other
a General partners					-870.	
b Limited partners					-86,135.	

**Schedule L Balance Sheets per Books**

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		62,600.		13,065.
2a Trade notes and accounts receivable	1,690.		9,819.	
b Less allowance for bad debts		1,690.		9,819.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)	STATEMENT 6	313,084.		318,238.
7a Loans to partners (or persons related to partners)				
b Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other depreciable assets	2,778,909.		2,785,234.	
b Less accumulated depreciation	1,744,110.	1,034,799.	1,812,472.	972,762.
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)		1,039,931.		1,039,931.
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach statement)				
14 Total assets		2,452,104.		2,353,815.
<b>Liabilities and Capital</b>				
15 Accounts payable		4,998.		3,207.
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement)	STATEMENT 7	42,838.		35,507.
18 All nonrecourse loans		2,199,439.		2,199,439.
19a Loans from partners (or persons related to partners)				
b Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach statement)	STATEMENT 8	1,032,448.		1,049,459.
21 Partners' capital accounts		-827,619.		-933,797.
22 Total liabilities and capital		2,452,104.		2,353,815.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note: The partnership may be required to file Schedule M-3. See instructions.

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 21, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 21 (itemize):		a Depreciation \$	
a Depreciation \$		8 Add lines 6 and 7	
b Travel and entertainment \$		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	
5 Add lines 1 through 4			

**Schedule M-2 Analysis of Partners' Capital Accounts**

1 Balance at beginning of year	-679,966.	6 Distributions: a Cash	
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) (see instructions)	-87,005.	8 Add lines 6 and 7	
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	-766,971.
5 Add lines 1 through 4	-766,971.		

# Rental Real Estate Income and Expenses of a Partnership or an S Corporation

OMB No. 1545-0123

▶ Attach to Form 1065 or Form 1120S.  
 ▶ Go to [www.irs.gov/Form8825](http://www.irs.gov/Form8825) for the latest information.

<b>Name</b> MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ	<b>Employer identification number</b> ** ***1399
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<b>1</b>	Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties.			
	Physical address of each property - street, city, state, ZIP code	Type - Enter code 1-8; see page 2 for list	Fair Rental Days	Personal Use Days
<b>A</b>	3201 MERRILL ROAD APTOS, CA 95003	2	365	0
<b>B</b>				
<b>C</b>				
<b>D</b>				

		Properties			
		A	B	C	D
<b>Rental Real Estate Income</b>	<b>2</b>	<b>Gross rents</b> ..... 187,372.			
<b>Rental Real Estate Expenses</b>	<b>3</b>	<b>Advertising</b> .....			
	<b>4</b>	617.			
	<b>5</b>	23,926.			
	<b>6</b>				
	<b>7</b>	8,305.			
	<b>8</b>	10,700.			
	<b>9</b>	2,086.			
	<b>10</b>	37,220.			
	<b>11</b>	1,041.			
	<b>12</b>	22,144.			
	<b>13</b>	49,201.			
	<b>14</b>	48,406.			
	<b>15</b>	29,962.			
	<b>15</b>				
	<b>15</b>				
<b>16</b>	<b>16</b>	233,608.			
<b>17</b>	<b>17</b>	-46,236.			

<b>18a</b> Total gross rents. Add gross rents from line 2, columns A through H .....	<b>18a</b>	187,372.
<b>b</b> Total expenses. Add total expenses from line 16, columns A through H .....	<b>18b</b>	( 233,608.)
<b>19</b> Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities .....	<b>19</b>	
<b>20a</b> Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1) .....	<b>20a</b>	
<b>b</b> Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed:		
(1) Name	(2) Employer identification number	
_____	_____	
_____	_____	
<b>21</b> Net rental real estate income (loss). Combine lines 18a through 20a. Enter the result here and on:	<b>21</b>	-46,236.

<b>1</b>	Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions.			
	Physical address of each property - street, city, state, ZIP code	Type - Enter code 1-8; see below for list	Fair Rental Days	Personal Use Days
<b>E</b>	.....			
<b>F</b>	.....			
<b>G</b>	.....			
<b>H</b>	.....			

		Properties			
		E	F	G	H
<b>Rental Real Estate Income</b>					
<b>2</b> Gross rents .....	<b>2</b>				
<b>Rental Real Estate Expenses</b>					
<b>3</b> Advertising .....	<b>3</b>				
<b>4</b> Auto and travel .....	<b>4</b>				
<b>5</b> Cleaning and maintenance .....	<b>5</b>				
<b>6</b> Commissions .....	<b>6</b>				
<b>7</b> Insurance .....	<b>7</b>				
<b>8</b> Legal and other professional fees ..	<b>8</b>				
<b>9</b> Interest .....	<b>9</b>				
<b>10</b> Repairs .....	<b>10</b>				
<b>11</b> Taxes .....	<b>11</b>				
<b>12</b> Utilities .....	<b>12</b>				
<b>13</b> Wages and salaries .....	<b>13</b>				
<b>14</b> Depreciation (see instructions) .....	<b>14</b>				
<b>15</b> Other (list) ▶ ..... .....	<b>15</b>				
<b>16</b> Total expenses for each property. Add lines 3 through 15 .....	<b>16</b>				
<b>17</b> Income or (Loss) from each property. Subtract line 16 from line 2 .....	<b>17</b>				

**Allowable Codes for Type of Property**

- 1 - Single Family Residence
- 2 - Multi-Family Residence
- 3 - Vacation or Short-Term Rental
- 4 - Commercial
- 5 - Land
- 6 - Royalties
- 7 - Self-Rental
- 8 - Other (include description with the code on Form 8825 or on a separate statement)



**SCHEDULE B-1  
(Form 1065)**

(Rev. August 2019)  
Department of the Treasury  
Internal Revenue Service

**Information on Partners Owning 50% or  
More of the Partnership**

▶ Attach to Form 1065.

OMB No. 1545-0123

▶ Go to [www.irs.gov/Form1065](http://www.irs.gov/Form1065) for the latest information.

Name of partnership <b>MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ</b>	Employer identification number  <b>** - *** 1399</b>
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**Part I Entities Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 2a (Question 3a for 2009 through 2017))

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
HOUSING AUTHORITY OF THE CO OF SANTA CRUZ	** - *** 9385	TAX-EXEMPT	UNITED STATES	99.00

**Part II Individuals or Estates Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 2b (Question 3b for 2009 through 2017))

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

SCHEDULE M-3

(Form 1065)

(Rev. December 2021)
Department of the Treasury
Internal Revenue Service

Net Income (Loss) Reconciliation
for Certain Partnerships

Attach to Form 1065.

OMB No. 1545-0123

Go to www.irs.gov/Form1065 for instructions and the latest information.

Table with 2 columns: Name of partnership (MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ) and Employer identification number (\*\*-\*\*\*1399)

This Schedule M-3 is being filed because (check all that apply):

- A The amount of the partnership's total assets at the end of the tax year is equal to \$10 million or more.
B The amount of the partnership's adjusted total assets for the tax year is equal to \$10 million or more.
C The amount of total receipts for the tax year is equal to \$35 million or more.
D An entity that is a reportable entity partner with respect to the partnership owns or is deemed to own an interest of 50% or more...

Table with 3 columns: Name of Reportable Entity Partner (HOUSING AUTHORITY OF CO OF SANTA CRU), Identifying Number (\*\*-\*\*\*9385), and Maximum Percentage Owned or Deemed Owned (99.0000%)

E [X] Voluntary filer.

Part I Financial Information and Net Income (Loss) Reconciliation

1a Did the partnership file SEC Form 10-K for its income statement period ending with or within this tax year?

- [ ] Yes. Skip lines 1b and 1c and complete lines 2 through 11 with respect to that SEC Form 10-K.
[X] No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the partnership prepare a certified audited non-tax-basis income statement for that period?

- [ ] Yes. Skip line 1c and complete lines 2 through 11 with respect to that income statement.
[X] No. Go to line 1c.

c Did the partnership prepare a non-tax-basis income statement for that period?

- [X] Yes. Complete lines 2 through 11 with respect to that income statement.
[ ] No. Skip lines 2 through 3b and enter the partnership's net income (loss) per its books and records on line 4a.

2 Enter the income statement period: Beginning 07/01/2021 Ending 06/30/2022

3a Has the partnership's income statement been restated for the income statement period on line 2?

- [ ] Yes. (If "Yes," attach a statement and the amount of each item restated.)
[X] No.

b Has the partnership's income statement been restated for any of the 5 income statement periods immediately preceding the period on line 2?

- [ ] Yes. (If "Yes," attach a statement and the amount of each item restated.)
[X] No.

Table with 2 columns: Description (4a Worldwide consolidated net income (loss) from income statement source identified on Part I, line 1) and Amount (-106,178.)

Note: Part I, line 11, must equal Part II, line 26, column (a); or Form 1065, Schedule M-1, line 1. See instructions.

12 Enter the total amount (not just the partnership's share) of the assets and liabilities of all entities included or removed on the following lines.

Table with 2 columns: Total Assets (2,353,815.) and Total Liabilities (3,287,612.)

For Paperwork Reduction Act Notice, see the instructions for your return.

Schedule M-3 (Form 1065) (Rev. 12-2021)

Name of partnership <b>MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ</b>	Employer identification number <b>** - *** 1399</b>
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**Part II Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return**

	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
Attach statements for lines 1 through 10.				
<b>1</b> Income (loss) from equity method foreign corporations				
<b>2</b> Gross foreign dividends not previously taxed				
<b>3</b> Subpart F, QEF, and similar income inclusions				
<b>4</b> Gross foreign distributions previously taxed				
<b>5</b> Income (loss) from equity method U.S. corporations				
<b>6</b> U.S. dividends				
<b>7</b> Income (loss) from U.S. partnerships				
<b>8</b> Income (loss) from foreign partnerships				
<b>9</b> Income (loss) from other pass-through entities				
<b>10</b> Items relating to reportable transactions				
<b>11</b> Interest income (see instructions)	583.			583.
<b>12</b> Total accrual to cash adjustment				
<b>13</b> Hedging transactions				
<b>14</b> Mark-to-market income (loss)				
<b>15</b> Cost of goods sold (see instructions)	( )			( )
<b>16</b> Sale versus lease (for sellers and/or lessors)				
<b>17</b> Section 481(a) adjustments				
<b>18</b> Unearned/deferred revenue				
<b>19</b> Income recognition from long-term contracts				
<b>20</b> Original issue discount and other imputed interest				
<b>21a</b> Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
<b>b</b> Gross capital gains from Schedule D, excluding amounts from pass-through entities				
<b>c</b> Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
<b>d</b> Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
<b>e</b> Abandonment losses				
<b>f</b> Worthless stock losses (attach statement)				
<b>g</b> Other gain/loss on disposition of assets other than inventory				
<b>22</b> Other income (loss) items with differences (attach statement) <b>STMT 12</b>	187,402.	-30.		187,372.
<b>23</b> <b>Total income (loss) items.</b> Combine lines 1 through 22	187,985.	-30.		187,955.
<b>24</b> <b>Total expense/deduction items.</b> (From Part III, line 31) (see instructions)	-111,801.	19,203.		-92,598.
<b>25</b> Other items with no differences <b>STMT 13</b>	-182,362.			-182,362.
<b>26</b> <b>Reconciliation totals.</b> Combine lines 23 through 25	-106,178.	19,173.		-87,005.

**Note:** Line 26, column (a), must equal Part I, line 11, and column (d) must equal Form 1065, Analysis of Net Income (Loss), line 1.

Name of partnership **MERRILL ROAD ASSOCIATES C/O HSG  
AUTHORITY OF THE CO OF SANTA CRUZ** Employer identification number  
**\*\* - \*\*\* 1399**

**Part III Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return - Expense/Deduction Items**

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 State and local current income tax expense .....				
2 State and local deferred income tax expense .....				
3 Foreign current income tax expense (other than foreign withholding taxes) .....				
4 Foreign deferred income tax expense .....				
5 Equity-based compensation .....				
6 Meals and entertainment .....				
7 Fines and penalties .....				
8 Judgments, damages, awards, and similar costs .....				
9 Guaranteed payments .....				
10 Pension and profit-sharing .....				
11 Other post-retirement benefits .....				
12 Deferred compensation .....				
13 Charitable contribution of cash and tangible property .....				
14 Charitable contribution of intangible property .....				
15 Organizational expenses as per Regulations section 1.709-2(a) .....				
16 Syndication expenses as per Regulations section 1.709-2(b) ..				
17 Current year acquisition/reorganization investment banking fees .....				
18 Current year acquisition/reorganization legal and accounting fees .....				
19 Amortization/impairment of goodwill .....				
20 Amortization of acquisition, reorganization, and start-up costs .....				
21 Other amortization or impairment write-offs .....		754.		754.
22 Reserved for future use .....				
23a Depletion - oil & gas .....				
b Depletion - other than oil & gas .....				
24 Intangible drilling and development costs (IDC) .....				
25 Depreciation .....	68,363.	-19,957.		48,406.
26 Bad debt expense .....				
27 Interest expense (see instructions) .....	43,438.	-41,352.		2,086.
28 Purchase versus lease (for purchasers and/or lessees) .....				
29 Research and development costs .....				
30 Other expense/deduction items with differences (attach statement) <b>STMT 14</b> .....		41,352.		41,352.
31 <b>Total expense/deduction items.</b> Combine lines 1 through 30. Enter here and on Part II, line 24, reporting positive amounts as negative and negative amounts as positive .....	111,801.	-19,203.		92,598.

**Depreciation and Amortization**  
(Including Information on Listed Property)

Department of the Treasury  
Internal Revenue Service (99)

▶ **Go to [www.irs.gov/Form4562](http://www.irs.gov/Form4562) for instructions and the latest information.**

▶ **Attach to your tax return.**

Name(s) shown on return <b>MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ</b>	Business or activity to which this form relates <b>MERRILL ROAD ASSOCIATES</b>	Identifying number <b>** - ***1399</b>
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**Part I Election To Expense Certain Property Under Section 179** Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions) .....	<b>1</b>	
2 Total cost of section 179 property placed in service (see instructions) .....	<b>2</b>	
3 Threshold cost of section 179 property before reduction in limitation .....	<b>3</b>	
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- .....	<b>4</b>	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions .....	<b>5</b>	
<b>6</b> (a) Description of property (b) Cost (business use only) (c) Elected cost		
7 Listed property. Enter the amount from line 29 .....	<b>7</b>	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 .....	<b>8</b>	
9 Tentative deduction. Enter the <b>smaller</b> of line 5 or line 8 .....	<b>9</b>	
10 Carryover of disallowed deduction from line 13 of your 2020 Form 4562 .....	<b>10</b>	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 .....	<b>11</b>	
12 Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11 .....	<b>12</b>	
13 Carryover of disallowed deduction to 2022. Add lines 9 and 10, less line 12 .....	<b>13</b>	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property.)**

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year .....	<b>14</b>	
15 Property subject to section 168(f)(1) election .....	<b>15</b>	
16 Other depreciation (including ACRS) .....	<b>16</b>	<b>2,964.</b>

**Part III MACRS Depreciation (Don't include listed property. See instructions.)**

**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2021 .....	<b>17</b>	<b>45,317.</b>
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B - Assets Placed in Service During 2021 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	12 /21	6,325.	27.5 yrs.	MM	S/L	125.
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

**Section C - Assets Placed in Service During 2021 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L
b 12-year			12 yrs.		S/L
c 30-year	/		30 yrs.	MM	S/L
d 40-year	/		40 yrs.	MM	S/L

**Part IV Summary (See instructions.)**

21 Listed property. Enter amount from line 28 .....	<b>21</b>	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr. ....	<b>22</b>	<b>48,406.</b>
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs .....	<b>23</b>	

**Part V Listed Property** (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)  
**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)**

**24a** Do you have evidence to support the business/investment use claimed?  Yes  No **24b** If "Yes," is the evidence written?  Yes  No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
<b>27</b> Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1								<b>29</b>

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>30</b> Total business/investment miles driven during the year (don't include commuting miles)												
<b>31</b> Total commuting miles driven during the year												
<b>32</b> Total other personal (noncommuting) miles driven												
<b>33</b> Total miles driven during the year. Add lines 30 through 32												
<b>34</b> Was the vehicle available for personal use during off-duty hours?												
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person?												
<b>36</b> Is another vehicle available for personal use?												

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 5% owners or related persons.

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
<b>38</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
<b>39</b> Do you treat all use of vehicles by employees as personal use?		
<b>40</b> Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use?		

**Note:** If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
<b>42</b> Amortization of costs that begins during your 2021 tax year:					
<b>43</b> Amortization of costs that began before your 2021 tax year					<b>43</b> 754.
<b>44 Total.</b> Add amounts in column (f). See the instructions for where to report					<b>44</b> 754.

2021 DEPRECIATION AND AMORTIZATION REPORT

MERRILL ROAD ASSOCIATES

R- 1

Asset No.	Description	Date Acquired	Method	Life	Conv	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec. 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
1	LAND	08/31/96	L				1,039,931.				1,039,931.			0.	
2	SITE IMPROVEMENTS	10/01/11	SL	20.00		16	47,853.				47,853.	23,331.		2,393.	25,724.
3	SITE IMPROVEMENTS	10/01/11	SL	27.50		16	10,742.				10,742.	3,812.		391.	4,203.
4	SITE IMPROVEMENTS	10/01/11	SL	27.50		16	4,949.				4,949.	1,755.		180.	1,935.
5	BUILDING	10/01/11	SL	27.50	MM	17	522,692.				522,692.	184,526.		19,007.	203,533.
6	BUILDING	10/01/11	SL	27.50	MM	17	723,537.				723,537.	255,426.		26,310.	281,736.
7	LOAN FEES	10/01/11		183M		43	11,494.				11,494.	7,351.		754.	8,105.
8	SITE IMPROVEMENTS	12/01/21	SL	27.50	MM	19H	6,325.				6,325.			125.	125.
	* TOTAL RENTAL DEPRECIATION & AMORT						2,367,523.				2,367,523.	476,201.		49,160.	525,361.
	CURRENT YEAR ACTIVITY														
	BEGINNING BALANCE						2,361,198.		0.	0.	2,361,198.	476,201.			525,236.
	ACQUISITIONS						6,325.		0.	0.	6,325.	0.			125.
	DISPOSITIONS/RETIRED						0.		0.	0.	0.	0.			0.
	ENDING BALANCE						2,367,523.		0.	0.	2,367,523.	476,201.			525,361.

(D) - Asset disposed

\* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

**Supplemental Attachment to Schedule M-3**

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120-S.  
 ▶ Go to [www.irs.gov/Form1120](http://www.irs.gov/Form1120) for the latest information.

OMB No. 1545-0123

Name of common parent <b>MERRILL ROAD ASSOCIATES C/O HSG AUTHORIT</b>	Employer identification number <b>** - *** 1399</b>
Name of subsidiary	Employer identification number

**Part I Cost of Goods Sold**

Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
<b>1</b> Amounts attributable to cost flow assumptions				
<b>2</b> Amounts attributable to:				
<b>a</b> Stock option expense .....				
<b>b</b> Other equity-based compensation .....				
<b>c</b> Meals and entertainment .....				
<b>d</b> Parachute payments .....				
<b>e</b> Compensation with section 162(m) limitation				
<b>f</b> Pension and profit sharing .....				
<b>g</b> Other post-retirement benefits .....				
<b>h</b> Deferred compensation .....				
<b>i</b> Reserved .....				
<b>j</b> Amortization .....				
<b>k</b> Depletion .....				
<b>l</b> Depreciation .....				
<b>m</b> Corporate-owned life insurance premiums ...				
<b>n</b> Other section 263A costs .....				
<b>3</b> Inventory shrinkage accruals .....				
<b>4</b> Excess inventory and obsolescence reserves				
<b>5</b> Lower of cost or market write-downs .....				
<b>6</b> Other items with differences (attach statement)				
<b>7</b> Other items with no differences .....				
<b>8 Total cost of goods sold.</b> Add lines 1 through 7 in columns a, b, c, and d. Enter totals on the applicable Schedule M-3. See instructions ...				



**Part II Interest Income**

	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income				
2	Interest income from hybrid securities				
3	Sale/lease interest income				
4a	Intercompany interest income - From outside tax affiliated group				
4b	Intercompany interest income - From tax affiliated group				
5	Other interest income <b>STMT 16</b>	<b>583.</b>			<b>583.</b>
6	Total interest income. Add lines 1 through 5 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	<b>583.</b>			<b>583.</b>

**Part III Interest Expense**

	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities				
2	Lease/purchase interest expense				
3a	Intercompany interest expense - Paid to outside tax affiliated group				
3b	Intercompany interest expense - Paid to tax affiliated group				
4	Other interest expense <b>STMT 17</b>	<b>43,438.</b>	<b>-41,352.</b>		<b>2,086.</b>
5	Total interest expense. Add lines 1 through 4 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	<b>43,438.</b>	<b>-41,352.</b>		<b>2,086.</b>

## Limitation on Business Interest Expense Under Section 163(j)

▶ Attach to your tax return.

▶ Go to [www.irs.gov/Form8990](http://www.irs.gov/Form8990) for instructions and the latest information.

Taxpayer name(s) shown on tax return <b>MERRILL ROAD ASSOCIATES C/O HSG AUTHORIT</b>	Identification number <b>** - ***1399</b>
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If Form 8990 relates to an information return for a foreign entity (for example, Form 5471), enter:

Name of foreign entity ▶ \_\_\_\_\_

Employer identification number, if any ▶ \_\_\_\_\_

Reference ID number ▶ \_\_\_\_\_

**Part I Computation of Allowable Business Interest Expense**

*Part I is completed by all taxpayers subject to section 163(j). Schedule A and Schedule B need to be completed before Part I when the taxpayer is a partner or shareholder of a pass-through entity subject to section 163(j).*

**Section I - Business Interest Expense**

1 Current year business interest expense (not including floor plan financing interest expense), before the section 163(j) limitation .....	1	43,438.		
2 Disallowed business interest expense carryforwards from prior years. (Does not apply to a partnership) .....	2			
3 Partner's excess business interest expense treated as paid or accrued in current year (Schedule A, line 44, column (h)) .....	3			
4 Floor plan financing interest expense. See instructions .....	4			
5 <b>Total business interest expense.</b> Add lines 1 through 4 .....	5			43,438.

**Section II - Adjusted Taxable Income**

**Taxable Income**

6 <b>Taxable income.</b> See instructions .....	6			-87,005.
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**Additions** (adjustments to be made if amounts are taken into account on line 6)

7 Any item of loss or deduction that is not properly allocable to a trade or business of the taxpayer. See instructions .....	7			
8 Any business interest expense not from a pass-through entity. See instructions .....	8	43,438.		
9 Amount of any net operating loss deduction under section 172 .....	9			
10 Amount of any qualified business income deduction allowed under section 199A .....	10			
11 Deduction allowable for depreciation, amortization, or depletion attributable to a trade or business. See instructions .....	11	49,160.		
12 Amount of any loss or deduction items from a pass-through entity. See instructions .....	12			
13 Other additions. See instructions .....	13			
14 Total current year partner's excess taxable income (Schedule A, line 44, column (f)) .....	14			
15 Total current year S corporation shareholder's excess taxable income (Schedule B, line 46, column (c)) .....	15			
16 <b>Total.</b> Add lines 7 through 15 .....	16			92,598.

**Reductions** (adjustments to be made if amounts are taken into account on line 6)

17 Any item of income or gain that is not properly allocable to a trade or business of the taxpayer. See instructions .....	17			
18 Any business interest income not from a pass-through entity. See instructions .....	18	583.		
19 Amount of any income or gain items from a pass-through entity. See instructions .....	19			
20 Other reductions. See instructions .....	20			
21 <b>Total.</b> Combine lines 17 through 20 .....	21			583.
22 <b>Adjusted taxable income.</b> Combine lines 6, 16, and 21. (If zero or less, enter -0-.) .....	22			5,010.

LHA For Paperwork Reduction Act Notice, see the instructions.

**Section III - Business Interest Income**

<b>23</b>	Current year business interest income. See instructions .....	<b>23</b>	<b>583.</b>		
<b>24</b>	Excess business interest income from pass-through entities (total of Schedule A, line 44, column (g), and Schedule B, line 46, column (d)) .....	<b>24</b>			
<b>25</b>	<b>Total.</b> Add lines 23 and 24 .....			<b>25</b>	<b>583.</b>

**Section IV - Section 163(j) Limitation Calculations**

**Limitation on Business Interest Expense**

<b>26</b>	Multiply adjusted taxable income (line 22) by the applicable percentage. See instructions .....	<b>26</b>	<b>1,503.</b>		
<b>27</b>	Business interest income (line 25) .....	<b>27</b>	<b>583.</b>		
<b>28</b>	Floor plan financing interest expense (line 4) .....	<b>28</b>			
<b>29</b>	<b>Total.</b> Add lines 26, 27, and 28 .....			<b>29</b>	<b>2,086.</b>

**Allowable Business Interest Expense**

<b>30</b>	<b>Total current year business interest expense deduction.</b> See instructions .....	<b>30</b>			<b>2,086.</b>
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**Carryforward**

<b>31</b>	<b>Disallowed business interest expense.</b> Subtract line 29 from line 5. (If zero or less, enter -0-.) .....	<b>31</b>			<b>41,352.</b>
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**Part II Partnership Pass-Through Items**

*Part II is only completed by a partnership that is subject to section 163(j). The partnership items below are allocated to the partners and are not carried forward by the partnership. See the instructions for more information.*

**Excess Business Interest Expense**

<b>32</b>	<b>Excess business interest expense.</b> Enter amount from line 31 .....	<b>32</b>			<b>41,352.</b>
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**Excess Taxable Income** (If you entered an amount on line 32, skip lines 33 through 37.)

<b>33</b>	Subtract the sum of lines 4 and 25 from line 5. (If zero or less, enter -0-.) .....	<b>33</b>			
<b>34</b>	Subtract line 33 from line 26. (If zero or less, enter -0-.) .....	<b>34</b>			
<b>35</b>	Divide line 34 by line 26. Enter the result as a decimal. (If line 26 is zero, enter -0-.) .....	<b>35</b>			
<b>36</b>	<b>Excess taxable income.</b> Multiply line 35 by line 22 .....	<b>36</b>			

**Excess Business Interest Income**

<b>37</b>	<b>Excess business interest income.</b> Subtract the sum of lines 1, 2, and 3 from line 25. (If zero or less, enter -0-.) .....	<b>37</b>			
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**Part III S Corporation Pass-Through Items**

*Part III is only completed by S corporations that are subject to section 163(j). The S corporation items below are allocated to the shareholders. See the instructions for more information.*

**Excess Taxable Income**

<b>38</b>	Subtract the sum of lines 4 and 25 from line 5. (If zero or less, enter -0-.) .....	<b>38</b>			
<b>39</b>	Subtract line 38 from line 26. (If zero or less, enter -0-.) .....	<b>39</b>			
<b>40</b>	Divide line 39 by line 26. Enter the result as a decimal. (If line 26 is zero, enter -0-.) .....	<b>40</b>			
<b>41</b>	<b>Excess taxable income.</b> Multiply line 40 by line 22 .....	<b>41</b>			

**Excess Business Interest Income**

<b>42</b>	<b>Excess business interest income.</b> Subtract the sum of lines 1, 2, and 3 from line 25. (If zero or less, enter -0-.) .....	<b>42</b>			
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Section 1.263(a)-1(f) De Minimis Safe Harbor Election

Merrill Road Associates c/o HSG  
Authority of the CO of Santa Cruz  
2160 41st Avenue  
Capitola, CA 95010

Employer Identification Number: \*\*-\*\*\*1399

For the Year Ending June 30, 2022

Merrill Road Associates c/o HSG Authority of the CO of Santa Cruz is making the de minimis safe harbor election under Reg. Sec. 1.263(a)-1(f).

Section 1.263(a)-3(n) Election

Merrill Road Associates c/o HSG  
Authority of the CO of Santa Cruz  
2160 41st Avenue  
Capitola, CA 95010

Employer Identification Number: \*\*-\*\*\*1399

For the Year Ending June 30, 2022

Merrill Road Associates c/o HSG Authority of the CO of Santa Cruz is electing to capitalize repair and maintenance costs under Reg. Sec. 1.263(a)-3(n).

## FOOTNOTES

## STATEMENT 1

## SCHEDULE B-1 STATEMENT

TAXPAYER HAS PROVIDED THE INFORMATION REQUIRED IN FORM 1065, SCHEDULE B-1, BASED ON ALL INFORMATION AVAILABLE TO THE TAXPAYER AT THE TIME THE RETURN WAS FILED. TAXPAYER HAS MADE ITS BEST EFFORTS IN OBTAINING ALL REQUIRED INFORMATION FOR SCHEDULE B AS REQUIRED BY APPLICABLE IRS REGULATIONS AND THE INSTRUCTIONS TO THE FORM.

## RECONCILIATION OF TOTAL LIABILITIES:

TOTAL LIABILITIES PER SCHEDULE L	3,287,612.
PREPAID RENT	-12.

TOTAL LIABILITIES PER SCHEDULE K-1	3,287,600.
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SCHEDULE K	NET INCOME (LOSS) FROM RENTAL REAL ESTATE	STATEMENT 2
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DESCRIPTION	AMOUNT
MULTI-FAMILY RESIDENCE - MERRILL ROAD ASSOCIATES	-46,236.
TOTAL TO SCHEDULE K, LINE 2	-46,236.

SCHEDULE K	INTEREST INCOME	STATEMENT 3
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DESCRIPTION	U.S. BONDS	OTHER
INTEREST INCOME		583.
TOTAL TO SCHEDULE K, LINE 5		583.

SCHEDULE K	OTHER DEDUCTIONS	STATEMENT 4
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DESCRIPTION	AMOUNT
EXCESS BUSINESS INTEREST EXPENSE	41,352.
TOTAL INCLUDED IN SCHEDULE K, LINE 13D	41,352.

SCHEDULE K	OTHER ITEMS	STATEMENT 5
DESCRIPTION		AMOUNT
BUSINESS INTEREST EXPENSE		2,086.

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT 6
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
PREPAID EXPENSES	766.	5,010.
RESTRICTED CASH	296,967.	297,453.
TENANT SECURITY DEPOSITS	15,351.	15,775.
TOTAL TO SCHEDULE L, LINE 6	313,084.	318,238.

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT 7
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
ACCRUED EXPENSES	9,895.	7,670.
DUE TO RELATED PARTIES	17,550.	12,050.
PREPAID RENT	42.	12.
TENANT SECURITY DEPOSIT LIABILITY	15,351.	15,775.
TOTAL TO SCHEDULE L, LINE 17	42,838.	35,507.

SCHEDULE L	OTHER LIABILITIES	STATEMENT 8
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
ACCRUED INTEREST	1,032,448.	1,049,459.
TOTAL TO SCHEDULE L, LINE 20	1,032,448.	1,049,459.

FORM 1065

PARTNERS' CAPITAL ACCOUNT SUMMARY

STATEMENT 9

PARTNER NUMBER	BEGINNING CAPITAL	CAPITAL CONTRIBUTED	SCHEDULE M-2 LNS 3, 4 & 7	WITH-DRAWALS	ENDING CAPITAL
1	142,218.		-870.		141,348.
2	-822,184.		-86,135.		-908,319.
TOTAL	-679,966.		-87,005.		-766,971.

OTHER RENTAL EXPENSES

STATEMENT 10

MULTI-FAMILY RESIDENCE

PROPERTY: MERRILL ROAD ASSOCIATES  
 LOCATION: 3201 MERRILL ROAD, APTOS, CA 95003

DESCRIPTION	AMOUNT
GENERAL AND ADMINISTRATIVE MANAGEMENT FEE	164.
PARTNERSHIP MANAGEMENT FEE	11,190.
BAD DEBT - TENANT RENTS	12,000.
OTHER ADMIN	1,553.
RELOCATION COSTS	446.
AMORTIZATION	3,855.
TOTAL TO RENTAL SCHEDULE, LINE 15	754.
	29,962.

GROSS RENTAL INCOME

STATEMENT 11

MULTI-FAMILY RESIDENCE

PROPERTY: MERRILL ROAD ASSOCIATES  
 LOCATION: 3201 MERRILL ROAD, APTOS, CA 95003

DESCRIPTION	AMOUNT
GROSS RENTAL INCOME	185,048.
OTHER	2,324.
TOTAL TO RENTAL SCHEDULE, LINE 2	187,372.



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SCHEDULE M-3                    OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES                    STATEMENT 12

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DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	INCOME (LOSS) PER TAX RETURN
RENTAL INCOME FROM MERRILL ROAD ASSOCIATES	187,402.	-30.	0.	187,372.
TOTAL TO M-3, PART II, LINE 22	187,402.	-30.	0.	187,372.

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SCHEDULE M-3                    OTHER INCOME (LOSS) AND EXPENSE / DEDUCTION                    STATEMENT 13  
ITEMS WITH NO DIFFERENCES

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DESCRIPTION	PER INCOME STATEMENT	PER TAX RETURN
OTHER EXPENSE / DEDUCTION - SEE STATEMENT	-182,362.	-182,362.
TOTAL TO SCHEDULE M-3, PART II, LINE 25	-182,362.	-182,362.

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SCHEDULE M-3                    OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES                    STATEMENT 14

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DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	EXPENSE/ DEDUCTION PER TAX RETURN
EXCESS BUSINESS INTEREST EXPENSE	0.	41,352.	0.	41,352.
TOTAL TO M-3, PART III, LINE 30	0.	41,352.	0.	41,352.

## SCHEDULE M-3

OTHER EXPENSE/DEDUCTION ITEMS  
WITH NO DIFFERENCES

## STATEMENT 15

DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	EXPENSE/ DEDUCTION PER TAX RETURN
RENTAL EXPENSES FROM MERRILL ROAD ASSOCIATES	182,362.	182,362.
TOTAL TO SCHEDULE M-3, PART II, LINE 25	182,362.	182,362.

## FORM 8916-A

## OTHER INTEREST INCOME

## STATEMENT 16

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	PER TAX RETURN
INTEREST INCOME	583.	0.	0.	583.
TOTAL TO PART II, LINE 5	583.	0.	0.	583.

## FORM 8916-A

## OTHER INTEREST EXPENSE

## STATEMENT 17

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	PER TAX RETURN
INTEREST EXPENSE FROM RENTS AND ROYALTIES	43,438.	-41,352.	0.	2,086.
TOTAL TO PART III, LINE 4	43,438.	-41,352.	0.	2,086.

2021 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	LAND	083196L				1039931.			1039931.			0.
2	SITE IMPROVEMENTS	100111SL		20.00	16	47,853.			47,853.	23,331.		2,393.
3	SITE IMPROVEMENTS	100111SL		27.50	16	10,742.			10,742.	3,812.		391.
4	SITE IMPROVEMENTS	100111SL		27.50	16	4,949.			4,949.	1,755.		180.
5	BUILDING	100111SL		27.50	17	522,692.			522,692.	184,526.		19,007.
6	BUILDING	100111SL		27.50	17	723,537.			723,537.	255,426.		26,310.
7	LOAN FEES	100111		183M	43	11,494.			11,494.	7,351.		754.
8	SITE IMPROVEMENTS	120121SL		27.50	19H	6,325.			6,325.			125.
	* TOTAL RENTAL DEPRECIATION & AMOR					2367523.			2367523.	476,201.		49,160.
	CURRENT YEAR ACTIVITY											
	BEGINNING BALANCE					2361198.		0.	2361198.	476,201.		
	ACQUISITIONS					6,325.		0.	6,325.	0.		
	DISPOSITIONS					0.		0.	0.	0.		
	ENDING BALANCE					2367523.		0.	2367523.	476,201.		

Schedule K-1 (Form 1065)

2021

Final K-1 Amended K-1 OMB No. 1545-0123

Department of the Treasury Internal Revenue Service

For calendar year 2021, or tax year

beginning 07/01/2021 ending 06/30/2022

Partner's Share of Income, Deductions, Credits, etc. See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number \*\* - \*\*\* 1399
B Partnership's name, address, city, state, and ZIP code MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ 2160 41ST AVENUE CAPITOLA, CA 95010
C IRS center where partnership filed return E-FILE
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.) \*\* - \*\*\* 1307
F Name, address, city, state, and ZIP code for partner entered in E. See instructions. MERRILL ROAD HOUSING CORPORATION 2160 41ST AVENUE CAPITOLA, CA 95010
G General partner or LLC member-manager Limited partner or other LLC member
H1 Domestic partner Foreign partner
H2 If the partner is a disregarded entity (DE), enter the partner's: TIN Name

I1 What type of entity is this partner? EXEMPT ORGANIZATION
I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here
J Partner's share of profit, loss, and capital:
Beginning Ending
Profit 1.0000000% 1.0000000%
Loss 1.0000000% 1.0000000%
Capital 1.0000000% 1.0000000%
Check if decrease is due to sale or exchange of partnership interest

K Partner's share of liabilities:
Beginning Ending
Nonrecourse \$ \$
Qualified nonrecourse financing \$ 21,994. \$ 21,994.
Recourse \$ 1,062,692. \$ 1,088,161.
Check this box if Item K includes liability amounts from lower tier partnerships

L Partner's Capital Account Analysis
Beginning capital account \$ 142,218.
Capital contributed during the year \$
Current year net income (loss) \$ -870.
Other increase (decrease) (attach explanation) \$
Withdrawals & distributions \$( )
Ending capital account \$ 141,348.

M Did the partner contribute property with a built-in gain (loss)?
Yes No X No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)
Beginning \$
Ending \$

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1 Ordinary business income (loss) 0.
2 Net rental real estate income (loss) -462.
3 Other net rental income (loss)
4a Guaranteed payments for services
4b Guaranteed payments for capital
4c Total guaranteed payments
5 Interest income 6.
6a Ordinary dividends
6b Qualified dividends
6c Dividend equivalents
7 Royalties
8 Net short-term capital gain (loss) N \* 21.
9a Net long-term capital gain (loss)
9b Collectibles (28%) gain (loss)
9c Unrecaptured section 1250 gain
10 Net section 1231 gain (loss)
11 Other income (loss)
12 Section 179 deduction
13 Other deductions K 414.
14 Self-employment earnings (loss)
15 Credits
16 Schedule K-3 is attached if checked
17 Alternative min tax (AMT) items
18 Tax-exempt income and nondeductible expenses
19 Distributions
20 Other information A 6.
21 Foreign taxes paid or accrued

22 More than one activity for at-risk purposes\*
23 More than one activity for passive activity purposes\*
\*See attached statement for additional information.

For IRS Use Only

SCHEDULE K-1 BUSINESS INTEREST EXPENSE, BOX 20, CODE N

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
BUSINESS INTEREST EXPENSE - (INCLUDED IN RENTAL REAL ESTATE INCOME (LOSS))	SEE PARTNERS INSTRUCTIONS	21.
TOTAL TO SCHEDULE K-1, BOX 20, CODE N		21.

SCHEDULE K-1 CURRENT YEAR NET INCOME (LOSS) AND  
OTHER INCREASES(DECREASES)

DESCRIPTION	AMOUNT	TOTALS
RENTAL REAL ESTATE INCOME (LOSS)	-462.	
INTEREST INCOME	6.	
SCHEDULE K-1 INCOME SUBTOTAL		-456.
OTHER DEDUCTIONS	-414.	
SCHEDULE K-1 DEDUCTIONS SUBTOTAL		-414.
NET INCOME (LOSS) PER SCHEDULE K-1		-870.
GAAP TO TAX ADJUSTMENT - GP		0.
TOTAL OTHER INCREASES OR DECREASES		0.

**Schedule K-1  
(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**2021**

For calendar year 2021, or tax year

Final K-1

Amended K-1

OMB No. 1545-0123

beginning **07/01/2021**

ending **06/30/2022**

**Partner's Share of Income, Deductions, Credits, etc.**

▶ See separate instructions.

**Part I Information About the Partnership**

**A** Partnership's employer identification number  
\*\*-\*\*\*1399

**B** Partnership's name, address, city, state, and ZIP code  
**MERRILL ROAD ASSOCIATES C/O HSG  
AUTHORITY OF THE CO OF SANTA CRUZ  
2160 41ST AVENUE  
CAPITOLA, CA 95010**

**C** IRS center where partnership filed return ▶  
**E-FILE**

**D**  Check if this is a publicly traded partnership (PTP)

**Part II Information About the Partner**

**E** Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)  
\*\*-\*\*\*9385

**F** Name, address, city, state, and ZIP code for partner entered in E. See instructions.  
**HOUSING AUTHORITY OF THE COUNTY OF  
SANTA CRUZ  
2160 41ST AVENUE  
CAPITOLA, CA 95010**

**G**  General partner or LLC member-manager  Limited partner or other LLC member

**H1**  Domestic partner  Foreign partner

**H2**  If the partner is a disregarded entity (DE), enter the partner's:  
TIN \_\_\_\_\_ Name \_\_\_\_\_

**I1** What type of entity is this partner? **EXEMPT ORGANIZATION**

**I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

**J** Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	99.0000000%	99.0000000%
Loss	99.0000000%	99.0000000%
Capital	99.0000000%	99.0000000%

Check if decrease is due to sale or exchange of partnership interest

**K** Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$ 2,177,445.	\$ 2,177,445.
Recourse	\$ 17,550.	\$ 0.

Check this box if Item K includes liability amounts from lower tier partnerships

**L Partner's Capital Account Analysis**

Beginning capital account	\$ -822,184.
Capital contributed during the year	\$
Current year net income (loss)	\$ -86,135.
Other increase (decrease) (attach explanation)	\$
Withdrawals & distributions	\$( )
Ending capital account	\$ -908,319.

**M** Did the partner contribute property with a built-in gain (loss)?  
 Yes  No If "Yes," attach statement. See instructions.

**N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)**

Beginning	\$
Ending	\$

**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

<b>1</b> Ordinary business income (loss)	0.	<b>14</b> Self-employment earnings (loss)	
<b>2</b> Net rental real estate income (loss)	-45,774.	<b>15</b> Credits	
<b>3</b> Other net rental income (loss)		<b>16</b> Schedule K-3 is attached if checked <input type="checkbox"/>	
<b>4a</b> Guaranteed payments for services		<b>17</b> Alternative min tax (AMT) items	
<b>4b</b> Guaranteed payments for capital		<b>18</b> Tax-exempt income and nondeductible expenses	
<b>4c</b> Total guaranteed payments		<b>19</b> Distributions	
<b>5</b> Interest income	577.	<b>20</b> Other information	
<b>6a</b> Ordinary dividends		<b>A</b>	577.
<b>6b</b> Qualified dividends		<b>N</b>	* 2,065.
<b>6c</b> Dividend equivalents			
<b>7</b> Royalties			
<b>8</b> Net short-term capital gain (loss)			
<b>9a</b> Net long-term capital gain (loss)			
<b>9b</b> Collectibles (28%) gain (loss)			
<b>9c</b> Unrecaptured section 1250 gain			
<b>10</b> Net section 1231 gain (loss)			
<b>11</b> Other income (loss)			
<b>12</b> Section 179 deduction		<b>21</b> Foreign taxes paid or accrued	
<b>13</b> Other deductions	40,938.		
<b>K</b>			
<b>22</b> <input type="checkbox"/> More than one activity for at-risk purposes*			
<b>23</b> <input type="checkbox"/> More than one activity for passive activity purposes*			
*See attached statement for additional information.			

For IRS Use Only

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SCHEDULE K-1 BUSINESS INTEREST EXPENSE, BOX 20, CODE N

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DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
BUSINESS INTEREST EXPENSE - (INCLUDED IN RENTAL REAL ESTATE INCOME (LOSS))	SEE PARTNERS INSTRUCTIONS	2,065.
TOTAL TO SCHEDULE K-1, BOX 20, CODE N		2,065.

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SCHEDULE K-1 CURRENT YEAR NET INCOME (LOSS) AND  
OTHER INCREASES(DECREASES)

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DESCRIPTION	AMOUNT	TOTALS
RENTAL REAL ESTATE INCOME (LOSS)	-45,774.	
INTEREST INCOME	577.	
SCHEDULE K-1 INCOME SUBTOTAL		-45,197.
OTHER DEDUCTIONS	-40,938.	
SCHEDULE K-1 DEDUCTIONS SUBTOTAL		-40,938.
NET INCOME (LOSS) PER SCHEDULE K-1		-86,135.
GAAP TO TAX ADJUSTMENT - LP		0.
TOTAL OTHER INCREASES OR DECREASES		0.

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TAXABLE YEAR  
**2021**

# California e-file Return Authorization for Partnerships

FORM  
**8453-P**

Partnership name

**MERRILL ROAD ASSOCIATES C/O HSG  
AUTHORITY OF THE CO OF SANTA CRUZ**

California Secretary of State (SOS) file number  
or FEIN

**\*\* - \*\*\*1399**

**Part I Tax Return Information** (whole dollars only)

<b>1</b> Total income (Form 565, line 12)	<b>1</b>
<b>2</b> Ordinary income (Form 565, line 23)	<b>2</b>
<b>3</b> Tax due (Form 565, line 35)	<b>3</b>
<b>4</b> Refund (Form 565, line 36)	<b>4</b>

**Part II Settle Your Account Electronically**

**5**  Electronic funds withdrawal    **5a** Amount    **5b** Withdrawal date (mm/dd/yyyy)

**Part III Banking Information** (Have you verified the partnership's banking information?)

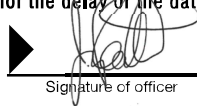
**6** Routing number \_\_\_\_\_  
**7** Account number \_\_\_\_\_    **8** Type of account:  Checking     Savings

**Part IV Declaration of Officer**


I authorize the partnership's account to be settled as designated in Part II. If I check Part II, box 5, I authorize an electronic funds withdrawal for the amount listed on line 5a from the bank account specified in Part III.

Under penalties of perjury, I declare that I am an officer of the above partnership 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 partnership's 2021 California income tax return. To the best of my knowledge and belief, the partnership's return is true, correct, and complete. If the partnership is filing a balance due return, I understand that if the Franchise Tax Board (FTB) does not receive full and timely payment of the partnership's tax liability, the partnership will remain liable for the tax liability and all applicable interest and penalties. I authorize the partnership return and accompanying schedules and statements be transmitted to the FTB by my ERO, transmitter, or intermediate service provider. **If the processing of the partnership's return or refund is delayed, I authorize the FTB to disclose to my ERO or intermediate service provider the reason(s) for the delay of the date when the refund was sent.**

Sign Here


  
Signature of officer

2/3/23  
Date


 **EXECUTIVE DIRECTOR**  
Title

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

I declare that I have reviewed the above partnership's return and that the entries on form FTB 8453-P 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 partnership's return. I declare, however, that form FTB 8453-P accurately reflects the data on the return.) I have obtained the partnership officer's signature on form FTB 8453-P before transmitting this return to the FTB; I have provided the partnership 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, 2021 Handbook for Authorized e-file Providers. I will keep form FTB 8453-P on file for **four** years from the due date of the return or **four** years from the date the partnership 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 partnership'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.

<b>ERO</b>	ERO's signature 	Date <u>2/6/2023</u>	Check if also paid preparer <input checked="" type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's PTIN <u>P00183253</u>
<b>Must Sign</b>	Firm's name (or yours if self-employed) and address <u>NOVOGRADAC &amp; COMPANY LLP 1144 HOOPER AVE, SUITE 203 TOMS RIVER, NJ</u>	Firm's FEIN <u>** - ***8253</u>	ZIP code <u>08753</u>		

Under penalties of perjury, I declare that I have examined the above partnership'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.

<b>Paid Preparer</b>	Paid preparer's signature 	Date _____	Check if self-employed <input type="checkbox"/>	Paid preparer's PTIN _____
<b>Must Sign</b>	Firm's name (or yours if self-employed) and address _____	Firm's FEIN _____	ZIP code _____	



TAXABLE YEAR **2021** **California Payment Authorization**  
**for Business Entities**

FORM  
**8453-BE (PMT)**

Name of business entity (corporation, limited liability company, or partnership) **MERRILL ROAD ASSOCIATES C/O HSG  
AUTHORITY OF THE CO OF SANTA CRUZ**  
California Corporation No., CA SOS file no., or FEIN **\*\*\_\*\*\*1399**

**Part I Extension Payment Information for Taxable Year 2021**

1 Electronic Funds Withdrawal (EFW) Amount **800** 2 Withdrawal Date (mm/dd/yyyy) **07/20/2022**

**Part II Schedule of Estimated Tax Payments for Taxable Year 2022**

(These are **not** installment payments for the current amount the corporation owes.)

	First Payment	Second Payment	Third Payment	Fourth Payment
3 Amount				
4 Withdrawal date (mm/dd/yyyy)				

**Part III Annual Tax or Estimated Fee Payment for Taxable Year 2022**

(This is **not** an installment payment for the current amount the LLC owes.)

	Annual Tax Payment	Estimated Fee Payment
5 Amount		
6 Withdrawal date (mm/dd/yyyy)		

**Part IV Pass-Through Entity (PTE) Elective Tax Payments for Taxable Years 2021 and 2022**

	2021 Payment	2022 First Payment	2022 Second Payment
7 Amount			
8 Withdrawal date (mm/dd/yyyy)			

**Part V Banking Information for Electronic Funds Withdrawal**

9 Routing number **121143736** 10 Account number **\*\*\*\*\***  
11 Type of account:  Checking  Savings

**Payment Authorization**

I authorize the business entity account to be settled as designated in Parts I, II, III and IV. The above electronic funds withdrawals are to be made from the bank account indicated on Part V, lines 9, 10, and 11. This authorization will remain in effect unless I contact the Franchise Tax Board (FTB) to cancel the request. I request that the payment(s) above be deducted from the bank account on the date(s) specified above. If a date falls on a Saturday, Sunday, or holiday, the transfer is authorized for the next business day. If the FTB cannot deduct the payment from the account because of insufficient funds or because the bank account is closed, the FTB may charge a dishonored payment penalty. I will be responsible for any overdraft fees charged by the bank. Under penalties of perjury under the laws of the State of California, I declare that I have completed this payment authorization to the best of my knowledge and belief; it is true, correct, and complete.

<b>Sign Here</b>	Signature of business entity's representative ▶	Date
	Title ▶ <b>EXECUTIVE DIRECTOR</b>	

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

Under penalties of perjury, I declare that I have reviewed the entries on form FTB 8453-BE (PMT) and they are complete and correct to the best of my knowledge. (If I am only an intermediate service provider, I declare that form FTB 8453-BE (PMT) accurately reflects the data on the EFW request.) I have obtained the taxpayer's signature on form FTB 8453-BE (PMT) before transmitting the EFW to the FTB. I have provided the taxpayer 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, 2021 Handbook for Authorized e-file Providers. I will keep form FTB 8453-BE (PMT) for the statute of limitations period, and I will make a copy available to FTB upon request.

<b>Sign Here</b>	ERO's signature	Date	Check if also paid preparer <input checked="" type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's PTIN <b>P00183253</b>
	Paid preparer's signature	Date		Check if self-employed <input type="checkbox"/>	Paid preparer's PTIN
	Firm's name (or yours if self-employed) and address ▶ <b>1144 HOOPER AVE, SUITE 203 TOMS RIVER, NJ</b>			Firm's FEIN <b>**_***8253</b> ZIP code <b>08753</b>	

**KEEP THIS FORM FOR YOUR RECORDS - DO NOT MAIL TO THE FTB**

**Partnership Return of Income**

199526300009 MERR \*\*-\*\*\*1399 21  
 TYB 07-01-2021 TYE 06-30-2022  
 MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ  
 2160 41ST AVENUE  
 CAPITOLA CA 95010

ACCTMETHOD 2 09-01-1996 ASSETS 2353815.  
 INITIAL 0 FINAL 0 AMENDED 0 PROTECTIVE 0

- I (1) During this taxable year, did another person or legal entity acquire control or majority ownership (more than a 50% interest) of this partnership or any legal entity in which the partnership holds a controlling or majority interest that owned California real property (i.e., land, buildings), leased such property for a term of 35 years or more, or leased such property from a government agency for any term?  Yes  No
- (2) During this taxable year, did this partnership acquire control or majority ownership (more than a 50% interest) in another legal entity that owned California real property (i.e., land, buildings), leased such property for a term of 35 years or more, or leased such property from a government agency for any term?  Yes  No
- (3) During this taxable year, has more than 50% of the partnership's ownership interests cumulatively transferred in one or more transactions after an interest in California real property (i.e., land, buildings) was transferred to it that was excluded from property tax reassessment under Revenue and Taxation Code Section 62(a)(2) and it was not reported on a previous year's tax return?  Yes  No

**(Yes requires filing of statement, penalties may apply - see instructions.)**

**Caution:** Include **only** trade or business income and expenses on line 1a through line 22. See the instructions for more information.

<b>Income</b>	<b>1 a</b>	Gross receipts or sales \$ _____	<b>b</b>	Less returns and allowances \$ _____	<b>c</b>	<b>Balance</b>				
		<b>1c</b>							00	
	<b>2</b>	Cost of goods sold (Schedule A, line 8) .....								00
	<b>3</b>	GROSS PROFIT. Subtract line 2 from line 1c .....								00
	<b>4</b>	Total ordinary income from other partnerships and fiduciaries. Attach schedule .....								00
	<b>5</b>	Total ordinary loss from other partnerships and fiduciaries. Attach schedule .....								00
	<b>6</b>	Total farm profit. Attach federal Schedule F (Form 1040) .....								00
	<b>7</b>	Total farm loss. Attach federal Schedule F (Form 1040) .....								00
	<b>8</b>	Total gains included on Schedule D-1, Part II, line 17 (gain only) .....								00
	<b>9</b>	Total losses included on Schedule D-1, Part II, line 17 (loss only) .....								00
	<b>10</b>	Other income. Attach schedule .....								00
	<b>11</b>	Other loss. Attach schedule .....								00
<b>12</b>	<b>Total income (loss).</b> Combine line 3 through line 11 .....								00	
<b>Deductions Enclose, but do not staple, any payment</b>	<b>13</b>	Salaries and wages (other than to partners) .....								00
	<b>14</b>	Guaranteed payments to partners .....								00
	<b>15</b>	Bad debts .....								00
	<b>16</b>	Deductible interest expense not claimed elsewhere on return .....								00
	<b>17 a</b>	Depreciation and amortization. Att form FTB 3885P \$ _____								
	<b>b</b>	Less depreciation reported on Sch A and elsewhere on return \$ _____								
	<b>c</b>	<b>Balance</b> .....								00
	<b>17c</b>									00

Deductions (cont.)	18 Depletion. Do not deduct oil and gas depletion .....	18		00
	19 Retirement plans, etc. ....	19		00
	20 Employee benefit programs .....	20		00
	21 Other deductions. Attach schedule .....	21		00
	22 <b>Total deductions.</b> Add line 13 through line 21 .....	22		00
Payments	23 Ordinary income (loss) from trade or business activities. Subtract line 22 from line 12 .....	23	0	00
	24 <b>Tax - \$800.00 (LPs, LLPs, and REMICs only).</b> See instructions .....	24	800	00
	25 Pass-through entity elective tax. See instructions .....	25	0	00
	26 Partnership level tax. If IRS concluded a centralized audit for this year, see instructions. If not, leave blank .....	26		00
	27 <b>Total tax.</b> Add line 24, line 25, and line 26 .....	27	800	00
	28 Withholding (Form 592-B and/or 593) .....	28		00
	29 Amount paid with extension of time to file return (form FTB 3538) .....	29	800	00
	30 Amount paid with form FTB 3893 .....	30		00
	31 <b>Total payments.</b> Add line 28, line 29, and line 30 .....	31	800	00
	Amount Due or Refund	32 <b>Use tax. This is not a total line.</b> See instructions .....	32	
33 Payments balance. If line 31 is more than line 32, subtract line 32 from line 31 .....		33	800	00
34 <b>Use tax balance.</b> If line 32 is more than line 31, subtract line 31 from line 32 .....		34		00
35 Tax due. If line 27 is more than line 33, subtract line 33 from line 27 .....		35		00
36 <b>Refund.</b> If line 33 is more than line 27, subtract line 27 from line 33 .....		36		.00
37 Penalties and interest. See instructions .....		37		00
38 <b>Total amount due.</b> Add line 34, line 35, and line 37. Make the check or money order payable to the Franchise Tax Board .....		38		0.00

- J** What type of entity is filing this return? Check one only:
- 1  General partnership
  - 2  LP required to pay annual tax (is doing business in CA, is registered with SOS, or is organized in CA)
  - 3  LP, LLC, or other entity NOT required to pay annual tax (is not doing business in CA, is not registered with SOS, and is not organized in CA)
  - 4  REMIC
  - 5  LLP
  - 6  Other (See instructions)
- K** Principal business activity code (Do not leave blank) ..... **531110**  
 Business activity **REAL ESTATE** Product or service **RENTAL**
- L** Enter the maximum number of partners in this partnership at any time during the year. Attach a CA Sch. K-1 (565) for each partner ..... **2**
- M** Is any partner of the partnership related (as defined in IRC Section 267(c)(4)) to any other partner? .....  Yes  No
- N** Is any partner of the partnership a trust for the benefit of any person related (as defined in IRC Section 267(c)(4)) to any other partner? .....  Yes  No
- O** Are any partners in this partnership also partnerships or LLCs? If "Yes," complete Schedule K-1, Table 3 for each .....  Yes  No
- P** Does the partnership meet all the requirements shown in the instructions for Question P? .....  Yes  No
- Q** Is this partnership a partner in another partnership or multiple member LLC? If "Yes," complete Schedule EO, Part I ...  Yes  No
- R** Was there a distribution of property or transfer (for example by sale or death) of a partnership interest during the taxable year? .....  Yes  No  
 If "Yes," see the federal instructions concerning an election to adjust the basis of the partnership's assets under IRC Section 754
- S** Is this partnership a publicly traded partnership as defined in IRC Section 469(k)(2)? .....  Yes  No
- T** Is this partnership under audit by the IRS or has it been audited in a prior year? .....  Yes  No
- U** (1) Does the partnership have any foreign (non U.S.) nonresident partners? .....  Yes  No  
 (2) Does the partnership have any domestic (non-foreign) nonresident partners? .....  Yes  No  
 (3) Were Form 592, Form 592-A, Form 592-B, Form 592-F, and Form 592-PTE filed for these partners? .....  Yes  No
- V** Is this an investment partnership? See General Information O, Investment Partnerships, in the instructions .....  Yes  No



- W** Is the partnership apportioning or allocating income to California using Schedule R? .....  Yes  No
- X** Has the partnership included a Reportable Transaction or Listed Transaction within this return? .....  Yes  No  
(See instructions for definitions.) If "Yes," complete and attach federal Form 8886 for each transaction.
- Y** Did this partnership file the Federal Schedule M-3 (Form 1065)? .....  Yes  No
- Z** Is this partnership a direct owner of an entity that filed a federal Schedule M-3? .....  Yes  No
- AA** Does this partnership have a beneficial interest in a trust or is it a grantor of a trust? Attach name, address, and FEIN .....  Yes  No
- BB** Does this partnership own an interest in a business entity disregarded for tax purposes? If "Yes," complete Schedule E0, Part II .....  Yes  No
- CC (1)** Is the partnership deferring any income from the disposition of assets? .....  Yes  No
- (2)** If "Yes," enter the year of asset disposition .....
- DD** Is the partnership reporting previously deferred income from:  Installment Sale  IRC §1031  IRC §1033  Other
- EE** "Doing business as" name. See instructions: • \_\_\_\_\_
- FF (1)** Has this partnership operated as another entity type such as a Corporation, S Corporation, General Partnership, Limited Partnership, LLC or Sole Proprietorship in the previous five (5) years? .....  Yes  No
- (2)** If "Yes", provide prior FEIN(s) if different, business name(s), and entity type(s) for prior returns filed with the FTB and/or IRS: \_\_\_\_\_
- GG (1)** Has this partnership previously operated outside California? .....  Yes  No
- (2)** Is this the first year of doing business in California? .....  Yes  No
- HH** Is the partnership a section 721(c) partnership, as defined in Treasury Regulations Section 1.721(c)-1T(b)(14)? .....  Yes  No
- II** At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8? .....  Yes  No
- JJ** Check if the partnership: **(1)**  Aggregated activities for IRC Section 465 at-risk purposes
- (2)**  Grouped activities for IRC Section 469 passive activity purposes
- KK (1)** Has this business entity previously filed an unclaimed property Holder Remit Report with the State Controller's Office? .....  Yes  No
- (2)** If "Yes," when was the last report filed? (mm/dd/yyyy) • \_\_\_\_\_ **(3)** Amount last remitted ■ \$ \_\_\_\_\_

<b>Sign Here</b>	Our privacy notice can be found in annual tax booklets or online. Go to <a href="http://ftb.ca.gov/privacy">ftb.ca.gov/privacy</a> to learn about our privacy policy statement, or go to <a href="http://ftb.ca.gov/forms">ftb.ca.gov/forms</a> and search for 1131 to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection. To request this notice by mail, call 800.338.0505 and enter form code 948 when instructed.			
	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.			
<b>Paid Preparer's Use Only</b>	Signature of general partner	Date	Telephone	
	General Partner's email address (optional)		•	
	Paid Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
Firm's name (or yours if self-employed) and address		Telephone	FEIN	
NOVOGRADAC & COMPANY LLP 1144 HOOPER AVE, SUI TOMS RIVER, NJ 08753		• 732-503-4257	• ** - *** 8253	
May the FTB discuss this return with the preparer shown above (see instructions)? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				

**Schedule K Partners' Shares of Income, Deductions, Credits, etc.**

	(a) Distributive share items	(b) Amounts from federal K (1065)	(c) California adjustments	(d) Total amounts using California law		
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	•	•		
	2 Net income (loss) from rental real estate activities. Attach federal Form 8825	2	-46,236	-40,552	• -86,788	
	3 a Gross income (loss) from other rental activities	3a			•	
	b Less expenses. Attach schedule	3b			•	
	c Net income (loss) from other rental activities. Subtract ln 3b from ln 3a	3c			•	
	4 Guaranteed payments a Services	4a				
	b Capital	4b				
	c Total	4c			•	
	5 Interest income STMT 1	5	583		• 583	
	6 Dividends	6			•	
	7 Royalties	7			•	
8 Net short-term capital gain (loss). Attach Schedule D (565)	8			•		
9 Net long-term capital gain (loss). Attach Schedule D (565)	9			•		
10 a Total gain under IRC Section 1231 (other than due to casualty or theft)	10a			•		
b Total loss under IRC Section 1231 (other than due to casualty or theft)	10b			•		
11 a Other portfolio income (loss). Attach schedule	11a			•		
b Total other income. Attach schedule	11b			•		
c Total other loss. Attach schedule	11c			•		
Deductions	12 Expense deduction for recovery property (IRC Section 179). Attach schedule	12		•		
	13 a Charitable contributions. Attach schedule	13a		•		
	b Investment interest expense	13b		•		
	c 1 Total expenditures to which IRC Section 59(e) election may apply	13c1		•		
	2 Type of expenditures	13c2				
d Deductions related to portfolio income	13d			•		
e Other deductions. Attach schedule	13e	41,352	-41,352	•		
Credits	15 a Withholding on partnership allocated to all partners	15a		•		
	b Low-income housing credit	15b		•		
	c Credits other than the credit shown on line 15b related to rental real estate activities	15c		•		
	d Credits related to other rental activities	15d		•		
	e Nonconsenting nonresident members' tax allocated to all partners	15e		•		
	f Other credits	15f		•		
Alternative Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986	17a		•		
	b Adjusted gain or loss	17b		•		
	c Depletion (other than oil and gas)	17c		•		
	d Gross income from oil, gas, and geothermal properties	17d		•		
	e Deductions allocable to oil, gas, and geothermal properties	17e		•		
	f Other alternative minimum tax items	17f		•		
Other Information	18 a Tax-exempt interest income	18a		•		
	b Other tax-exempt income	18b		•		
	c Nondeductible expenses	18c		800	• 800	
	19 a Distributions of money (cash and marketable securities)	19a			•	
	b Distribution of property other than money	19b			•	
	20 a Investment income	20a	583		• 583	
b Investment expenses	20b			•		
c Other information. See instructions STMT 2	20c			•		
Analysis	21 a Total distributive income/payment items. Combine lines 1, 2, 3c and 4c through 11c. From the result, subtract the sum of lines 12 through 13e.	21a	-87,005	800	• -86,205	
	b Analysis by type of partner:	(a) Corporate	(b) Individual	(c) Partnership	(d) Exempt Organization	(e) Nominee/Other
	(1) General partners	•	i. Active • ii. Passive •	•	• -862	•
(2) Limited partners	•	•	•	• -85,343	•	

**Schedule A**

**Cost of Goods Sold**

1 Inventory at beginning of year	1	00
2 Purchases less cost of items withdrawn for personal use	2	00
3 Cost of labor	3	00
4 Additional IRC Section 263A costs. Attach schedule	4	00
5 Other costs. Attach schedule	5	00
6 <b>Total.</b> Add line 1 through line 5	6	00
7 Inventory at end of year	7	00
8 <b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Side 1, line 2	8	00

- 9 a Check all methods used for valuing closing inventory:
- (1)  Cost (2)  Lower of cost or market as described in Treas. Reg. Section 1.471-4 (3)  Write down of "subnormal" goods as described in Treas. Reg. Section 1.471-2(c) (4)  Other. Specify method used and attach explanation \_\_\_\_\_
- b Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970  Yes
- c Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the partnership?  Yes  No
- d Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation  Yes  No

**Schedule L Balance Sheets.** See the instructions for Question P before completing Schedules L, M-1, and M-2.

Assets	Beginning of income year		End of income year	
	(a)	(b)	(c)	(d)
1 Cash		62,600		13,065
2 a Trade notes and accounts receivable	1,690		9,819	
b Less allowance for bad debts	( )	1,690	( )	9,819
3 Inventories				•
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets. Attach schedule	STATEMENT 3	313,084		• 318,238
7 a Loans to partners				
b Mortgage and real estate loans				
8 Other investments. Attach schedule				•
9 a Buildings and other depreciable assets	2,778,909		2,785,234	
b Less accumulated depreciation	( 1,744,110 )	1,034,799	( 1,812,472 )	• 972,762
10 a Depletable assets				
b Less accumulated depletion	( )		( )	
11 Land (net of any amortization)		1,039,931		• 1,039,931
12 a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
13 Other assets. Attach schedule				•
14 <b>Total</b> assets		2,452,104		2,353,815
<b>Liabilities and Capital</b>				
15 Accounts payable		4,998		• 3,207
16 Mortgages, notes, bonds payable in less than 1 year				•
17 Other current liabilities. Attach schedule	STATEMENT 4	42,838		35,507
18 All nonrecourse loans		2,199,439		• 2,199,439
19 a Loans from partners				
b Mortgages, notes, bonds payable in 1 year or more				•
20 Other liabilities. Attach schedule	STATEMENT 5	1,032,448		• 1,049,459
21 Partners' capital accounts		-827,619		• -933,797
22 <b>Total</b> liabilities and capital		2,452,104		2,353,815

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return.** Use total amount under California law.  
If the partnership completed federal Schedule M-3 (Form 1065), see instructions.

<p><b>1</b> Net income (loss) per books <input checked="" type="radio"/> <u>-106,178</u></p> <p><b>2</b> Income included on Schedule K, line 1 through line 11c, not recorded on books this year. Itemize <input type="radio"/></p> <p><b>3</b> Guaranteed payments (other than health insurance) <input checked="" type="radio"/></p> <p><b>4</b> Expenses recorded on books this year not included on Schedule K, line 1 through line 13e. Itemize:</p> <p><b>a</b> Depreciation <input checked="" type="radio"/> \$ <u>19,957</u></p> <p><b>b</b> Travel and entertainment <input checked="" type="radio"/> \$ _____</p> <p><b>c</b> Limited partnership tax <input checked="" type="radio"/> \$ _____</p> <p><b>d</b> Other <input checked="" type="radio"/> \$ <u>41,352</u></p> <p><b>e</b> Total. Add line 4a through line 4d <input type="radio"/> <u>61,309</u></p> <p><b>5</b> Total of line 1 through line 4e <input type="radio"/> <u>-44,869</u></p>	<p><b>6</b> Income recorded on books this year not included on Schedule K, line 1 through line 11c. Itemize:</p> <p><b>a</b> Tax-exempt interest <input checked="" type="radio"/> \$ _____</p> <p><b>b</b> Other <input checked="" type="radio"/> \$ <u>30</u></p> <p><b>c</b> Total. Add line 6a and line 6b <input type="radio"/> <u>30</u></p> <p><b>7</b> Deductions included on Schedule K, line 1 through line 13e, not charged against book income this year. Itemize:</p> <p><b>a</b> Depreciation <input checked="" type="radio"/> \$ _____</p> <p><b>b</b> Other <input checked="" type="radio"/> \$ <u>42,106</u></p> <p><b>c</b> Total. Add line 7a and line 7b <input type="radio"/> <u>42,106</u></p> <p><b>8</b> Total. Add line 6c and line 7c <input type="radio"/> <u>42,136</u></p> <p><b>9</b> Income (loss) (Schedule K, line 21a). Subtract line 8 from line 5 <input checked="" type="radio"/> <u>-87,005</u></p>
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**Schedule M-2 Analysis of Partners' Capital Accounts.** Use California amounts.

<p><b>1</b> Balance at beginning of year <input checked="" type="radio"/> <u>-679,966</u></p> <p><b>2</b> Capital contributed during year:</p> <p><b>a</b> Cash <input type="radio"/></p> <p><b>b</b> Property <input type="radio"/></p> <p><b>3</b> Net income (loss) per books <input checked="" type="radio"/> <u>-87,005</u></p> <p><b>4</b> Other increases. Itemize <input type="radio"/></p>	<p><b>5</b> Total of line 1 through line 4 <input type="radio"/> <u>-766,971</u></p> <p><b>6</b> Distributions: <b>a</b> Cash <input type="radio"/></p> <p style="padding-left: 20px;"><b>b</b> Property <input type="radio"/></p> <p><b>7</b> Other decreases. Itemize <input type="radio"/></p> <p><b>8</b> Total of line 6 and line 7 <input type="radio"/></p> <p><b>9</b> Balance at end of year. Subtract line 8 from line 5 <input checked="" type="radio"/> <u>-766,971</u></p>
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CA SCHEDULE K	INTEREST INCOME	STATEMENT 1
DESCRIPTION		AMOUNT
INTEREST INCOME		583.
TOTAL TO SCHEDULE K, LINE 5		583.

CA SCHEDULE K	AGGREGATE GROSS RECEIPTS FOR AMT EXCLUSION	STATEMENT 2
DESCRIPTION		AMOUNT
RENTAL REAL ESTATE INTEREST		187,372.
		583.
TOTAL		187,955.

CA SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT 3
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
PREPAID EXPENSES	766.	5,010.
RESTRICTED CASH	296,967.	297,453.
TENANT SECURITY DEPOSITS	15,351.	15,775.
TOTAL TO SCHEDULE L, LINE 6	313,084.	318,238.

CA SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT 4
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
ACCRUED EXPENSES	9,895.	7,670.
DUE TO RELATED PARTIES	17,550.	12,050.
PREPAID RENT	42.	12.
TENANT SECURITY DEPOSIT LIABILITY	15,351.	15,775.
TOTAL TO SCHEDULE L, LINE 17	42,838.	35,507.



## CA SCHEDULE L

## OTHER LIABILITIES

## STATEMENT 5

<u>DESCRIPTION</u>	<u>BEGINNING OF TAX YEAR</u>	<u>END OF TAX YEAR</u>
ACCRUED INTEREST	1,032,448.	1,049,459.
TOTAL TO SCHEDULE L, OTHER LIABILITIES	1,032,448.	1,049,459.

**SCHEDULE M-3**

(Form 1065)

(Rev. December 2021)  
Department of the Treasury  
Internal Revenue Service

**Net Income (Loss) Reconciliation  
for Certain Partnerships**

▶ Attach to Form 1065.

▶ Go to [www.irs.gov/Form1065](http://www.irs.gov/Form1065) for instructions and the latest information.

OMB No. 1545-0123

Name of partnership <b>MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ</b>	Employer identification number <b>** - *** 1399</b>
---	--

**This Schedule M-3 is being filed because (check all that apply):**

- A  The amount of the partnership's total assets at the end of the tax year is equal to \$10 million or more.
- B  The amount of the partnership's adjusted total assets for the tax year is equal to \$10 million or more. If box B is checked, enter the amount of adjusted total assets for the tax year \_\_\_\_\_.
- C  The amount of total receipts for the tax year is equal to \$35 million or more. If box C is checked, enter the total receipts for the tax year \_\_\_\_\_.
- D  An entity that is a reportable entity partner with respect to the partnership owns or is deemed to own an interest of 50% or more in the partnership's capital, profit, or loss on any day during the tax year of the partnership.

Name of Reportable Entity Partner	Identifying Number	Maximum Percentage Owned or Deemed Owned
<b>HOUSING AUTHORITY OF CO OF SANTA CRU</b>	<b>** - *** 9385</b>	<b>99.0000%</b>

E  Voluntary filer.

**Part I Financial Information and Net Income (Loss) Reconciliation**

1a Did the partnership file SEC Form 10-K for its income statement period ending with or within this tax year?

- Yes. Skip lines 1b and 1c and complete lines 2 through 11 with respect to that SEC Form 10-K.
- No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.

b Did the partnership prepare a certified audited non-tax-basis income statement for that period?

- Yes. Skip line 1c and complete lines 2 through 11 with respect to that income statement.
- No. Go to line 1c.

c Did the partnership prepare a non-tax-basis income statement for that period?

- Yes. Complete lines 2 through 11 with respect to that income statement.
- No. Skip lines 2 through 3b and enter the partnership's net income (loss) per its books and records on line 4a.

2 Enter the income statement period: Beginning 07/01/2021 Ending 06/30/2022

3a Has the partnership's income statement been restated for the income statement period on line 2?

- Yes. (If "Yes," attach a statement and the amount of each item restated.)
- No.

b Has the partnership's income statement been restated for any of the 5 income statement periods immediately preceding the period on line 2?

- Yes. (If "Yes," attach a statement and the amount of each item restated.)
- No.

4a Worldwide consolidated net income (loss) from income statement source identified on Part I, line 1 .....	<b>4a</b>	<b>-106,178.</b>
b Indicate accounting standard used for line 4a. See instructions.		
1 <input checked="" type="checkbox"/> GAAP    2 <input type="checkbox"/> IFRS    3 <input type="checkbox"/> Section 704(b)		
4 <input type="checkbox"/> Tax-basis    5 <input type="checkbox"/> Other (specify) ▶ _____		
5a Net income from nonincludible foreign entities (attach statement) .....	<b>5a</b>	( )
b Net loss from nonincludible foreign entities (attach statement and enter as a positive amount) .....	<b>5b</b>	
6a Net income from nonincludible U.S. entities (attach statement) .....	<b>6a</b>	( )
b Net loss from nonincludible U.S. entities (attach statement and enter as a positive amount) .....	<b>6b</b>	
7a Net income (loss) of other foreign disregarded entities (attach statement) .....	<b>7a</b>	
b Net income (loss) of other U.S. disregarded entities (attach statement) .....	<b>7b</b>	
8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach stmt.) .....	<b>8</b>	
9 Adjustment to reconcile income statement period to tax year (attach statement) .....	<b>9</b>	
10 Other adjustments to reconcile to amount on line 11 (attach statement) .....	<b>10</b>	
11 <b>Net income (loss) per income statement of the partnership.</b> Combine lines 4a through 10 .....	<b>11</b>	<b>-106,178.</b>

**Note:** Part I, line 11, must equal Part II, line 26, column (a); or Form 1065, Schedule M-1, line 1. See instructions.

12 Enter the total amount (not just the partnership's share) of the assets and liabilities of all entities included or removed on the following lines.

	Total Assets	Total Liabilities
a Included on Part I, line 4	<b>2,353,815.</b>	<b>3,287,612.</b>
b Removed on Part I, line 5		
c Removed on Part I, line 6		
d Included on Part I, line 7		

For Paperwork Reduction Act Notice, see the instructions for your return.

Schedule M-3 (Form 1065) (Rev. 12-2021)

Name of partnership **MERRILL ROAD ASSOCIATES C/O HSG  
AUTHORITY OF THE CO OF SANTA CRUZ** Employer identification number  
**\*\* - \*\*\* 1399**

**Part II Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return**

Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
Attach statements for lines 1 through 10.				
<b>1</b> Income (loss) from equity method foreign corporations				
<b>2</b> Gross foreign dividends not previously taxed				
<b>3</b> Subpart F, QEF, and similar income inclusions				
<b>4</b> Gross foreign distributions previously taxed				
<b>5</b> Income (loss) from equity method U.S. corporations				
<b>6</b> U.S. dividends				
<b>7</b> Income (loss) from U.S. partnerships				
<b>8</b> Income (loss) from foreign partnerships				
<b>9</b> Income (loss) from other pass-through entities				
<b>10</b> Items relating to reportable transactions				
<b>11</b> Interest income (see instructions)	583.			583.
<b>12</b> Total accrual to cash adjustment				
<b>13</b> Hedging transactions				
<b>14</b> Mark-to-market income (loss)				
<b>15</b> Cost of goods sold (see instructions)	( )			( )
<b>16</b> Sale versus lease (for sellers and/or lessors)				
<b>17</b> Section 481(a) adjustments				
<b>18</b> Unearned/deferred revenue				
<b>19</b> Income recognition from long-term contracts				
<b>20</b> Original issue discount and other imputed interest				
<b>21a</b> Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities				
<b>b</b> Gross capital gains from Schedule D, excluding amounts from pass-through entities				
<b>c</b> Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
<b>d</b> Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
<b>e</b> Abandonment losses				
<b>f</b> Worthless stock losses (attach statement)				
<b>g</b> Other gain/loss on disposition of assets other than inventory				
<b>22</b> Other income (loss) items with differences (attach statement) <b>STMT 6</b>	187,402.	-30.		187,372.
<b>23</b> <b>Total income (loss) items.</b> Combine lines 1 through 22	187,985.	-30.		187,955.
<b>24</b> <b>Total expense/deduction items.</b> (From Part III, line 31) (see instructions)	-111,801.	19,203.		-92,598.
<b>25</b> Other items with no differences <b>STMT 7</b>	-182,362.			-182,362.
<b>26</b> <b>Reconciliation totals.</b> Combine lines 23 through 25	-106,178.	19,173.		-87,005.

**Note:** Line 26, column (a), must equal Part I, line 11, and column (d) must equal Form 1065, Analysis of Net Income (Loss), line 1.

Name of partnership **MERRILL ROAD ASSOCIATES C/O HSG  
AUTHORITY OF THE CO OF SANTA CRUZ** Employer identification number  
**\*\* - \*\*\* 1399**

**Part III Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return - Expense/Deduction Items**

Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1 State and local current income tax expense .....				
2 State and local deferred income tax expense .....				
3 Foreign current income tax expense (other than foreign withholding taxes) .....				
4 Foreign deferred income tax expense .....				
5 Equity-based compensation .....				
6 Meals and entertainment .....				
7 Fines and penalties .....				
8 Judgments, damages, awards, and similar costs .....				
9 Guaranteed payments .....				
10 Pension and profit-sharing .....				
11 Other post-retirement benefits .....				
12 Deferred compensation .....				
13 Charitable contribution of cash and tangible property .....				
14 Charitable contribution of intangible property .....				
15 Organizational expenses as per Regulations section 1.709-2(a) .....				
16 Syndication expenses as per Regulations section 1.709-2(b) ..				
17 Current year acquisition/reorganization investment banking fees .....				
18 Current year acquisition/reorganization legal and accounting fees .....				
19 Amortization/impairment of goodwill .....				
20 Amortization of acquisition, reorganization, and start-up costs .....				
21 Other amortization or impairment write-offs .....		754.		754.
22 Reserved for future use .....				
23a Depletion - oil & gas .....				
b Depletion - other than oil & gas .....				
24 Intangible drilling and development costs (IDC) .....				
25 Depreciation .....	68,363.	-19,957.		48,406.
26 Bad debt expense .....				
27 Interest expense (see instructions) .....	43,438.	-41,352.		2,086.
28 Purchase versus lease (for purchasers and/or lessees) .....				
29 Research and development costs .....				
30 Other expense/deduction items with differences (attach statement) <b>STMT 8</b> .....		41,352.		41,352.
31 <b>Total expense/deduction items.</b> Combine lines 1 through 30. Enter here and on Part II, line 24, reporting positive amounts as negative and negative amounts as positive .....	111,801.	-19,203.		92,598.

**Supplemental Attachment to Schedule M-3**

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120-S.  
 ▶ Go to [www.irs.gov/Form1120](http://www.irs.gov/Form1120) for the latest information.

OMB No. 1545-0123

Name of common parent <b>MERRILL ROAD ASSOCIATES C/O HSG AUTHORIT</b>	Employer identification number <b>** - *** 1399</b>
Name of subsidiary	Employer identification number

**Part I Cost of Goods Sold**

Cost of Goods Sold Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
<b>1</b> Amounts attributable to cost flow assumptions				
<b>2</b> Amounts attributable to:				
<b>a</b> Stock option expense .....				
<b>b</b> Other equity-based compensation .....				
<b>c</b> Meals and entertainment .....				
<b>d</b> Parachute payments .....				
<b>e</b> Compensation with section 162(m) limitation				
<b>f</b> Pension and profit sharing .....				
<b>g</b> Other post-retirement benefits .....				
<b>h</b> Deferred compensation .....				
<b>i</b> Reserved .....				
<b>j</b> Amortization .....				
<b>k</b> Depletion .....				
<b>l</b> Depreciation .....				
<b>m</b> Corporate-owned life insurance premiums ...				
<b>n</b> Other section 263A costs .....				
<b>3</b> Inventory shrinkage accruals .....				
<b>4</b> Excess inventory and obsolescence reserves				
<b>5</b> Lower of cost or market write-downs .....				
<b>6</b> Other items with differences (attach statement)				
<b>7</b> Other items with no differences .....				
<b>8 Total cost of goods sold.</b> Add lines 1 through 7 in columns a, b, c, and d. Enter totals on the applicable Schedule M-3. See instructions ...				

**Part II Interest Income**

	Interest Income Item	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
1	Tax-exempt interest income				
2	Interest income from hybrid securities				
3	Sale/lease interest income				
4a	Intercompany interest income - From outside tax affiliated group				
4b	Intercompany interest income - From tax affiliated group				
5	Other interest income <b>STMT 10</b>	<b>583.</b>			<b>583.</b>
6	Total interest income. Add lines 1 through 5 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	<b>583.</b>			<b>583.</b>

**Part III Interest Expense**

	Interest Expense Item	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	Interest expense from hybrid securities				
2	Lease/purchase interest expense				
3a	Intercompany interest expense - Paid to outside tax affiliated group				
3b	Intercompany interest expense - Paid to tax affiliated group				
4	Other interest expense <b>STMT 11</b>	<b>43,438.</b>	<b>-41,352.</b>		<b>2,086.</b>
5	Total interest expense. Add lines 1 through 4 in columns a, b, c, and d. Enter total on the applicable Schedule M-3. See instructions.	<b>43,438.</b>	<b>-41,352.</b>		<b>2,086.</b>

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SCHEDULE M-3                    OTHER INCOME (LOSS) ITEMS WITH DIFFERENCES                    STATEMENT 6

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DESCRIPTION	INCOME (LOSS) PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	INCOME (LOSS) PER TAX RETURN
RENTAL INCOME FROM MERRILL ROAD ASSOCIATES	187,402.	-30.	0.	187,372.
TOTAL TO M-3, PART II, LINE 22	187,402.	-30.	0.	187,372.

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SCHEDULE M-3                    OTHER INCOME (LOSS) AND EXPENSE / DEDUCTION                    STATEMENT 7  
ITEMS WITH NO DIFFERENCES

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DESCRIPTION	PER INCOME STATEMENT	PER TAX RETURN
OTHER EXPENSE / DEDUCTION - SEE STATEMENT	-182,362.	-182,362.
TOTAL TO SCHEDULE M-3, PART II, LINE 25	-182,362.	-182,362.

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SCHEDULE M-3                    OTHER EXPENSE/DEDUCTION ITEMS WITH DIFFERENCES                    STATEMENT 8

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DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	EXPENSE/ DEDUCTION PER TAX RETURN
EXCESS BUSINESS INTEREST EXPENSE	0.	41,352.	0.	41,352.
TOTAL TO M-3, PART III, LINE 30	0.	41,352.	0.	41,352.

SCHEDULE M-3 OTHER EXPENSE/DEDUCTION ITEMS STATEMENT 9  
WITH NO DIFFERENCES

DESCRIPTION	EXPENSE/ DEDUCTION PER INCOME STATEMENT	EXPENSE/ DEDUCTION PER TAX RETURN
RENTAL EXPENSES FROM MERRILL ROAD ASSOCIATES	182,362.	182,362.
TOTAL TO SCHEDULE M-3, PART II, LINE 25	182,362.	182,362.

FORM 8916-A OTHER INTEREST INCOME STATEMENT 10

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	PER TAX RETURN
INTEREST INCOME	583.	0.	0.	583.
TOTAL TO PART II, LINE 5	583.	0.	0.	583.

FORM 8916-A OTHER INTEREST EXPENSE STATEMENT 11

DESCRIPTION	PER INCOME STATEMENT	TEMPORARY DIFFERENCE	PERMANENT DIFFERENCE	PER TAX RETURN
INTEREST EXPENSE FROM RENTS AND ROYALTIES	43,438.	-41,352.	0.	2,086.
TOTAL TO PART III, LINE 4	43,438.	-41,352.	0.	2,086.



Depreciation and Amortization

Name as shown on return

FEIN

\*\* - \*\*\*1399

MERRILL ROAD ASSOCIATES C/O HSG
AUTHORITY OF THE CO OF SANTA CRUZ

California Secretary of State (SOS) file no.

199526300009

Table with 9 columns: (a) Description of property, (b) Date placed in service, (c) Cost or other basis, (d) Method of figuring depreciation, (e) Life or rate, (f) Depreciation for this year, (g) Code section, (h) Period or percentage, (i) Amortization for this year. Row 1: 8 SITE IMPROVEMENTS, 12/01/2021, 6,325, SL, 27.50, 125.

1 Enter line 1, column (f) and column (i) totals 1 125

Depreciation

Be sure to make adjustments for any basis differences when calculating depreciation.

2 California depreciation for assets placed in service beginning before the 2021 taxable year 2 48,281
3 Total California depreciation. Add line 1(f) totals and line 2 3 48,406

Amortization

Be sure to make adjustments for any basis differences when calculating amortization.

4 California amortization for intangibles placed in service beginning before the 2021 taxable year 4 754
5 Total California amortization. Add line 1(i) totals and line 4 5 754
6 Total depreciation and amortization. Add line 3 and line 5. Enter the total here and on Form 565, Side 1, line 17a, if from a trade or business, or on federal Form 8825, line 14, if from rental real estate activities 6 49,160
7 IRC Section 179 expense deduction from line 12 of the worksheet in the instructions 7
8 Carryover of disallowed deduction to 2022 from line 13 of the worksheet in the instructions 8

# Rental Real Estate Income and Expenses of a Partnership or an S Corporation

▶ Attach to Form 1065 or Form 1120S.  
 ▶ Go to [www.irs.gov/Form8825](http://www.irs.gov/Form8825) for the latest information.

**CALIFORNIA**  
**VERSION**

OMB No. 1545-0123

Name **MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ** Employer identification number **\*\* \*\*\*1399**

1 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties.				
	Physical address of each property - street, city, state, ZIP code	Type - Enter code 1-8; see page 2 for list	Fair Rental Days	Personal Use Days
<b>A</b>	<b>3201 MERRILL ROAD APTOS, CA 95003</b>	<b>2</b>	<b>365</b>	
<b>B</b>				
<b>C</b>				
<b>D</b>				

	Properties			
	A	B	C	D
<b>2</b> Gross rents	<b>187,372</b>			
<b>Rental Real Estate Expenses</b>				
<b>3</b> Advertising				
<b>4</b> Auto and travel	<b>617</b>			
<b>5</b> Cleaning and maintenance	<b>23,926</b>			
<b>6</b> Commissions				
<b>7</b> Insurance	<b>8,305</b>			
<b>8</b> Legal and other professional fees	<b>10,700</b>			
<b>9</b> Interest	<b>43,438</b>			
<b>10</b> Repairs	<b>37,220</b>			
<b>11</b> Taxes	<b>1,041</b>			
<b>12</b> Utilities	<b>22,144</b>			
<b>13</b> Wages and salaries	<b>49,201</b>			
<b>14</b> Depreciation (see instructions)	<b>49,160</b>			
<b>15</b> Other (list) ▶ <b>STMT 12</b>	<b>29,208</b>			
<b>16</b> Total expenses for each property. Add lines 3 through 15	<b>274,960</b>			
<b>17</b> Income or (Loss) from each property. Subtract line 16 from line 2	<b>&lt;87,588&gt;</b>			

<b>18a</b> Total gross rents. Add gross rents from line 2, columns A through H	<b>18a</b>	<b>187,372</b>
<b>b</b> Total expenses. Add total expenses from line 16, columns A through H	<b>18b</b>	<b>( 274,960)</b>
<b>19</b> Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real estate activities	<b>19</b>	
<b>20a</b> Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)	<b>20a</b>	
<b>b</b> Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed:		
(1) Name	(2) Employer identification number	
_____	_____	
_____	_____	
<b>21</b> Net rental real estate income (loss). Combine lines 18a through 20a. Enter the result here and on:	<b>21</b>	<b>&lt;87,588&gt;</b>

<b>1</b>	Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions.			
	Physical address of each property - street, city, state, ZIP code	Type - Enter code 1-8; see below for list	Fair Rental Days	Personal Use Days
<b>E</b>	.....			
<b>F</b>	.....			
<b>G</b>	.....			
<b>H</b>	.....			

		Properties			
		E	F	G	H
<b>Rental Real Estate Income</b>					
<b>2</b> Gross rents .....	<b>2</b>				
<b>Rental Real Estate Expenses</b>					
<b>3</b> Advertising .....	<b>3</b>				
<b>4</b> Auto and travel .....	<b>4</b>				
<b>5</b> Cleaning and maintenance .....	<b>5</b>				
<b>6</b> Commissions .....	<b>6</b>				
<b>7</b> Insurance .....	<b>7</b>				
<b>8</b> Legal and other professional fees .....	<b>8</b>				
<b>9</b> Interest .....	<b>9</b>				
<b>10</b> Repairs .....	<b>10</b>				
<b>11</b> Taxes .....	<b>11</b>				
<b>12</b> Utilities .....	<b>12</b>				
<b>13</b> Wages and salaries .....	<b>13</b>				
<b>14</b> Depreciation (see instructions) .....	<b>14</b>				
<b>15</b> Other (list) ▶ ..... .....	<b>15</b>				
<b>16</b> Total expenses for each property. Add lines 3 through 15 .....	<b>16</b>				
<b>17</b> Income or (Loss) from each property. Subtract line 16 from line 2 .....	<b>17</b>				

**Allowable Codes for Type of Property**

- 1 - Single Family Residence
- 2 - Multi-Family Residence
- 3 - Vacation or Short-Term Rental
- 4 - Commercial
- 5 - Land
- 6 - Royalties
- 7 - Self-Rental
- 8 - Other (include description with the code on Form 8825 or on a separate statement)

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CA	OTHER RENTAL EXPENSES	STATEMENT 12
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MULTI-FAMILY RESIDENCE

PROPERTY: MERRILL ROAD ASSOCIATES  
 LOCATION: 3201 MERRILL ROAD  
           APTOS, CA 95003

DESCRIPTION	AMOUNT
GENERAL AND ADMINISTRATIVE MANAGEMENT FEE	164.
PARTNERSHIP MANAGEMENT FEE	11,190.
BAD DEBT - TENANT RENTS	12,000.
OTHER ADMIN	1,553.
RELOCATION COSTS	446.
	3,855.
TOTAL TO RENTAL SCHEDULE, LINE 15	29,208.

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CA	OTHER RENTAL INCOME	STATEMENT 13
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MULTI-FAMILY RESIDENCE

PROPERTY: MERRILL ROAD ASSOCIATES  
 LOCATION: 3201 MERRILL ROAD  
           APTOS, CA 95003

DESCRIPTION	AMOUNT
OTHER	2,324.
GROSS RENTS	185,048.
TOTAL TO RENTAL SCHEDULE, LINE 2	187,372.

2021

Partner's Share of Income, Deductions, Credits, etc.

K-1 (565)

TYB 07-01-2021 TYE 06-30-2022
\*\*-\*\*\*1307

MERRILL ROAD HOUSING CORPORATION

2160 41ST AVENUE
CAPITOLA CA 95010

\*\* - \*\*\*1399 199526300009
MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ

2160 41ST AVENUE
CAPITOLA CA 95010

A Is this partner a: (1) [X] general partner; or (2) [ ] limited partner?

B What type of entity is this partner? See instructions.

(1) [ ] Individual (4) [ ] C Corporation (7) [ ] LLP (10) [X] Exempt Organization

(2) [ ] S Corporation (5) [ ] General Partnership (8) [ ] LLC (11a) [ ] Disregarded Entity (DE)

(3) [ ] Estate/Trust (6) [ ] Limited Partnership (9) [ ] IRA/Keogh/SEP (11b) DE owner's name (11c) DE owner's TIN

C Is this partner a foreign partner? [ ] Yes [X] No

Table with 2 columns: (i) Beginning, (ii) Ending. Rows: Profit, Loss, Capital. Values: 1.0000 %

Check the box if decrease is due to sale or exchange of partnership interest [ ]

Table with 2 columns: (i) Beginning, (ii) Ending. Rows: Nonrecourse, Qualified nonrecourse financing, Recourse. Values: \$ 21,994.00, \$ 1,062,692.00

Check the box if Item E includes liability amounts from lower tier partnerships [ ]

F Reportable transaction or tax shelter registration number(s) [X] 96276000278

G (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2) [ ]
(2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1) [ ]

Partner's name **MERRILL ROAD HOUSING CORPORATION** Partner's identifying number **\*\*\_\*\*\*1307**

H Check here if this is: (1)  A final Schedule K-1 (565) (2)  An amended Schedule K-1 (565)  
 I Is this partner a resident of California?  Yes  No  
 J Did this partner contribute property with a built-in gain or loss? If "Yes" attach statement. See instructions  Yes  No  
 K Partner's share of net unrecognized IRC Section 704(c) gain or (loss) (i) Beginning (ii) Ending

L Analysis of partner's tax basis capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Current year net income (loss)	(d) Other increase (decrease) (attach explanation)	(e) Withdrawals and distributions	(f) Capital account at end of year, combine column (a) through column (e)
• 142,218 •		• STMT -870 •		• ( ) •	• 141,348 •

Caution: Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Sched. K-1 (Form 1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Income (Loss)	1 Ordinary income (loss) from trade or business activities			•	▶
	2 Net income (loss) from rental real estate activities	-462	-406	• -868	▶ -868
	3 Net income (loss) from other rental activities			⊙	⊙
	4a Guaranteed payments to partners				
	4b Guaranteed payments for capital				
	4c Total guaranteed payments			•	▶
	5 Interest income	6		• 6	▶
	6 Dividends			•	▶
	7 Royalties			•	▶
	8 Net short-term capital gain (loss)			•	▶
	9 Net long-term capital gain (loss)			•	▶
	10 a Total gain under IRC Section 1231 (other than due to casualty or theft)			•	▶
	b Total loss under IRC Section 1231 (other than due to casualty or theft)			•	▶
	11 a Other portfolio income (loss). Attach schedule			•	▶
	b Total other income			•	▶
c Total other loss			•	▶	

Partner's name

MERRILL ROAD HOUSING CORPORATION

Partner's identifying number

\*\* - \*\*\*1307

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (Form 1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179) .....				
	13 a Charitable contributions .....				
	b Investment interest expense .....				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply .....				
	2 Type of expenditures .....				
	d Deductions related to portfolio income .....				
	e Other deductions .....	414	-414		
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership) ...			•	▶
	b Low-income housing credit .....				
	c Credits other than line 15b related to rental real estate activities .....				
	d Credits related to other rental activities .....				
	e Nonconsenting nonresident members' tax allocated to partner .....				
	f Other credits - Attach required schedules or statements .....				
Alternative Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986 .....			●	●
	b Adjusted gain or loss .....				
	c Depletion (other than oil & gas) .....				
	d Gross income from oil, gas, and geothermal properties .....				
	e Deductions allocable to oil, gas, and geothermal properties .....				
	f Other alternative minimum tax items .....				
Tax-Exempt Income and Nondeductible Expenses	18 a Tax-exempt interest income .....				
	b Other tax-exempt income .....				
	c Nondeductible expenses .....			8	8
Distributions	19 a Distributions of money (cash and marketable securities) .....			●	
	b Distributions of property other than money			●	
Other Information	20 a Investment income .....	6		6	
	b Investment expenses .....				
	c Other information. See instructions .....				
21	<input type="checkbox"/> More than one activity for at-risk purposes*				
22	<input type="checkbox"/> More than one activity for passive activity purposes*				

**Partner's name**  
**MERRILL ROAD HOUSING CORPORATION**

**Partner's identifying number**  
**\*\* - \*\*\* 1307**

**Other Partner Information**

**Table 1 - Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partner):**

Interest ...	\$	<input type="text" value="6"/>	Sec. 1231 Gains/Losses	\$	<input type="text"/>	Capital Gains/Losses	\$	<input type="text"/>
Dividends	\$	<input type="text"/>	Royalties .....	\$	<input type="text"/>	Other .....	\$	<input type="text"/>

FOR USE BY PARTNERS ONLY - See instructions.

**Table 2 - Partner's share of distributive items.**

- A. Partner's share of the partnership's business income. See instructions. \$
- B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses ...	\$	<input type="text"/>	Rents/Royalties	\$	<input type="text"/>
Sec. 1231 Gains/Losses	\$	<input type="text"/>	Other .....	\$	<input type="text"/>

- C. Partner's distributive share of the partnership's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning .....	\$ <input type="text"/>	\$ <input type="text"/>
Property: Ending .....	\$ <input type="text"/>	\$ <input type="text"/>
Property: Annual rent expense .....	\$ <input type="text"/>	\$ <input type="text"/>
Payroll .....	\$ <input type="text"/>	\$ <input type="text"/>
Sales .....	\$ <input type="text"/>	\$ <input type="text"/>

**Table 3 - Partner's share of cost of goods sold, deductions, and rental income.**

Enter only amounts used to determine income (loss) derived from and attributable to California sources. All amounts entered on this table are first multiplied by the appropriate percentage in Item D (ii) end of year partner's profit and loss percentage on Side 1. See the partnership Schedule K-1 instructions for information on how to obtain the amounts below.

1. Schedule K, line 1, column (d), Ordinary income (loss) from trade or business activities:
  - a. Enter as a positive amount the cost of goods sold used to determine the amount on Schedule K, line 1, column (d), plus the total amounts on line 1a of Table 3 from all Schedule K-1s (565) this partnership received .....
  - b. Enter as a positive amount the total deductions used to determine the amount on Schedule K, line 1, column (d), plus the total amounts on line 1b of Table 3 from all Schedule K-1s (565) this partnership received .....
2. Enter the total gross rents from line 18a of federal Form 8825 as adjusted for California law differences, plus the total amounts on line 2 of Table 3 from all Schedule K-1s (565) this partnership received .....
3. Enter the gross income (loss) from other rental activities from Schedule K, line 3a, column (d), plus the total amounts on line 3 of Table 3 from all Schedule K-1s (565) this partnership received .....



CA SCHEDULE K-1

COLUMN C RECONCILIATION

<u>DESCRIPTION</u>	<u>AMOUNT</u>
RENTAL REAL ESTATE INCOME (LOSS)	<462.>
INTEREST INCOME	6.
OTHER DEDUCTIONS	<414.>
GAAP TO TAX ADJUSTMENT - GP	0.
TOTAL TO SCHEDULE K-1 ANALYSIS OF CAPITAL ACCOUNT, COLUMN C	<870.>

Partner's Share of Income, Deductions, Credits, etc.

TYB 07-01-2021 TYE 06-30-2022
\*\*-\*\*\*9385

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

2160 41ST AVENUE
CAPITOLA CA 95010

\*\* - \*\*\*1399 199526300009
MERRILL ROAD ASSOCIATES C/O HSG AUTHORITY OF THE CO OF SANTA CRUZ

2160 41ST AVENUE
CAPITOLA CA 95010

A Is this partner at: (1) general partner; or (2) X limited partner?

B What type of entity is this partner? See instructions.

(1) Individual (4) C Corporation (7) LLP (10) X Exempt Organization

(2) S Corporation (5) General Partnership (8) LLC (11a) Disregarded Entity (DE)

(3) Estate/Trust (6) Limited Partnership (9) IRA/Keogh/SEP (11b) DE owner's name (11c) DE owner's TIN

C Is this partner a foreign partner? Yes No X

D Enter partner's percentage (without regard to special allocations) of:

Table with columns (i) Beginning and (ii) Ending, rows Profit, Loss, Capital. Values are 99.0000%.

Check the box if decrease is due to sale or exchange of partnership interest

E Partner's share of liabilities:

Table with columns (i) Beginning and (ii) Ending, rows Nonrecourse, Qualified nonrecourse financing, Recourse. Values include 2,177,445.00 and 17,550.00.

Check the box if Item E includes liability amounts from lower tier partnerships

F Reportable transaction or tax shelter registration number(s) 96276000278

G (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2)

(2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)

Partner's name

HOUSING AUTHORITY OF THE COUNTY OF SA

Partner's identifying number

\*\*\_\*\*\*9385

H Check here if this is: (1)  A final Schedule K-1 (565) (2)  An amended Schedule K-1 (565)

I Is this partner a resident of California?  Yes  No

J Did this partner contribute property with a built-in gain or loss? If "Yes" attach statement. See instructions  Yes  No

K Partner's share of net unrecognized IRC Section 704(c) gain or (loss) (i) Beginning (ii) Ending

L Analysis of partner's tax basis capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Current year net income (loss)	(d) Other increase (decrease) (attach explanation)	(e) Withdrawals and distributions	(f) Capital account at end of year, combine column (a) through column (e)
• -822,184 •		• STMT -86,135 •		• ( ) •	• -908,319 •

Caution: Refer to Partner's Instructions for Schedule K-1 (565) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Sched. K-1 (Form 1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Income (Loss)	1 Ordinary income (loss) from trade or business activities			•	▶
	2 Net income (loss) from rental real estate activities	-45,774	-40,146	• -85,920	▶ -85,920
	3 Net income (loss) from other rental activities			⊙	⊙
	4a Guaranteed payments to partners				
	4b Guaranteed payments for capital				
	4c Total guaranteed payments			•	▶
	5 Interest income	577		• 577	▶
	6 Dividends			•	▶
	7 Royalties			•	▶
	8 Net short-term capital gain (loss)			•	▶
	9 Net long-term capital gain (loss)			•	▶
	10 a Total gain under IRC Section 1231 (other than due to casualty or theft)			•	▶
	b Total loss under IRC Section 1231 (other than due to casualty or theft)			•	▶
	11 a Other portfolio income (loss). Attach schedule			•	▶
	b Total other income			•	▶
	c Total other loss			•	▶

Partner's name

HOUSING AUTHORITY OF THE COUNTY OF SA

Partner's identifying number

\*\* - \*\*\*9385

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (Form 1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deductions	12 Expense deduction for recovery property (IRC Section 179) .....				
	13 a Charitable contributions .....				
	b Investment interest expense .....				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply .....				
	2 Type of expenditures .....				
	d Deductions related to portfolio income .....				
	e Other deductions .....	40,938	-40,938		
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year partnership) ...			•	▶
	b Low-income housing credit .....				
	c Credits other than line 15b related to rental real estate activities .....				
	d Credits related to other rental activities .....				
	e Nonconsenting nonresident members' tax allocated to partner .....				
	f Other credits - Attach required schedules or statements .....				
Alternative Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986 .....			⊙	⊙
	b Adjusted gain or loss .....				
	c Depletion (other than oil & gas) .....				
	d Gross income from oil, gas, and geothermal properties .....				
	e Deductions allocable to oil, gas, and geothermal properties .....				
	f Other alternative minimum tax items .....				
Tax-Exempt Income and Nondeductible Expenses	18 a Tax-exempt interest income .....				
	b Other tax-exempt income .....				
	c Nondeductible expenses .....		792	792	792
Distributions	19 a Distributions of money (cash and marketable securities) .....			⊙	
	b Distributions of property other than money .....			⊙	
Other Information	20 a Investment income .....	577		577	
	b Investment expenses .....				
	c Other information. See instructions .....				
21	<input type="checkbox"/> More than one activity for at-risk purposes*				
22	<input type="checkbox"/> More than one activity for passive activity purposes*				

Partner's name **HOUSING AUTHORITY OF THE COUNTY OF SA** Partner's identifying number **\*\* - \*\*\*9385**

**Other Partner Information**

**Table 1 - Partner's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the partner):**

Interest ... \$	<input type="text" value="577"/>	Sec. 1231 Gains/Losses \$	<input type="text"/>	Capital Gains/Losses \$	<input type="text"/>
Dividends \$	<input type="text"/>	Royalties .....	<input type="text"/>	Other .....	<input type="text"/>

FOR USE BY PARTNERS ONLY - See instructions.

**Table 2 - Partner's share of distributive items.**

- A. Partner's share of the partnership's business income. See instructions. \$
- B. Partner's share of nonbusiness income from real and tangible personal property sourced or allocable to California.

Capital Gains/Losses ... \$	<input type="text"/>	Rents/Royalties \$	<input type="text"/>
Sec. 1231 Gains/Losses \$	<input type="text"/>	Other .....	<input type="text"/>

- C. Partner's distributive share of the partnership's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning .....	\$ <input type="text"/>	\$ <input type="text"/>
Property: Ending .....	\$ <input type="text"/>	\$ <input type="text"/>
Property: Annual rent expense .....	\$ <input type="text"/>	\$ <input type="text"/>
Payroll .....	\$ <input type="text"/>	\$ <input type="text"/>
Sales .....	\$ <input type="text"/>	\$ <input type="text"/>

**Table 3 - Partner's share of cost of goods sold, deductions, and rental income.**

Enter only amounts used to determine income (loss) derived from and attributable to California sources. All amounts entered on this table are first multiplied by the appropriate percentage in Item D (ii) end of year partner's profit and loss percentage on Side 1. See the partnership Schedule K-1 instructions for information on how to obtain the amounts below.

1. Schedule K, line 1, column (d), Ordinary income (loss) from trade or business activities:
  - a. Enter as a positive amount the cost of goods sold used to determine the amount on Schedule K, line 1, column (d), plus the total amounts on line 1a of Table 3 from all Schedule K-1s (565) this partnership received .....
  - b. Enter as a positive amount the total deductions used to determine the amount on Schedule K, line 1, column (d), plus the total amounts on line 1b of Table 3 from all Schedule K-1s (565) this partnership received .....
2. Enter the total gross rents from line 18a of federal Form 8825 as adjusted for California law differences, plus the total amounts on line 2 of Table 3 from all Schedule K-1s (565) this partnership received .....
3. Enter the gross income (loss) from other rental activities from Schedule K, line 3a, column (d), plus the total amounts on line 3 of Table 3 from all Schedule K-1s (565) this partnership received .....

CA SCHEDULE K-1

COLUMN C RECONCILIATION

<u>DESCRIPTION</u>	<u>AMOUNT</u>
RENTAL REAL ESTATE INCOME (LOSS)	<45,774.>
INTEREST INCOME	577.
OTHER DEDUCTIONS	<40,938.>
GAAP TO TAX ADJUSTMENT - LP	0.
TOTAL TO SCHEDULE K-1 ANALYSIS OF CAPITAL ACCOUNT, COLUMN C	<86,135.>

## AGENDA ITEM SUMMARY

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**MEETING DATE:** February 22, 2023

**ITEM NUMBER:** 3C

**FROM:** Executive Director

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**SUBJECT:** Audited Financial Statements for Fiscal Year Ending June 30, 2022

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**RECOMMENDATION:** Approve the Audited Financial Statements for Fiscal Year Ending June 30, 2022 for Merrill Road Associates

---

### **BACKGROUND SUMMARY:**

The financial statements for the fiscal year ending June 30, 2022 were prepared for Merrill Road Associates 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 new 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 Merrill Road Associates as of June 30, 2022.

### **RECOMMENDATION:**

Approve the Audited Financial Statements for Fiscal Year Ending June 30, 2022 for Merrill Road Associates.

**MERRILL ROAD ASSOCIATES  
LOAN NUMBER 91-RHCP-087**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED JUNE 30, 2022 and 2021**

**WITH  
REPORT OF INDEPENDENT AUDITORS**



**MERRILL ROAD ASSOCIATES**  
**LOAN NUMBER 91-RHCP-087**  
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**FOR THE YEARS ENDED JUNE 30, 2022 and 2021**

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**REPORT OF INDEPENDENT AUDITORS**

To the Board of Directors of the  
Merrill Road Housing Corporation:

***Opinion***

We have audited the accompanying financial statements of Merrill Road Associates (the "Partnership"), a limited partnership controlled by the Housing Authority of the County of Santa Cruz as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Partnership's basic 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 Partnership as of June 30, 2022 and 2021, 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 Partnership 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 Partnership'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 Partnership'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 Partnership'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 Partnership 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 Management Agent's Certification and the Certification of Officers have 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 them.

***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 19, 2023 on our consideration of the Partnership'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 Partnership's internal control over financial reporting and compliance.

*Novogradac & Company LLP*

January 19, 2023  
Toms River, New Jersey

## **FINANCIAL STATEMENTS**

**MERRILL ROAD ASSOCIATES  
STATEMENTS OF NET POSITION  
AS OF JUNE 30, 2022 AND 2021**

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 13,065	\$ 62,600
Tenant security deposits	15,775	15,351
Accounts receivable	9,819	1,690
Prepaid expenses	<u>5,010</u>	<u>766</u>
Total current assets	<u>43,669</u>	<u>80,407</u>
Non-current assets:		
Restricted cash	297,453	296,967
Capital assets, net	<u>2,012,693</u>	<u>2,074,730</u>
Total non-current assets	<u>2,310,146</u>	<u>2,371,697</u>
Total assets	<u>\$ 2,353,815</u>	<u>\$ 2,452,104</u>

LIABILITIES

Current liabilities:		
Accounts payable	\$ 3,207	\$ 4,998
Accrued expenses	2,595	2,460
Tenant security deposits	15,775	15,351
Accrued compensated absences, current	907	929
Prepaid rent	12	42
Related party payable	<u>12,050</u>	<u>17,550</u>
Total current liabilities	<u>34,546</u>	<u>41,330</u>
Non-current liabilities:		
Loans payable, non-current	2,199,439	2,199,439
Accrued interest, non-current	1,049,459	1,032,448
Accrued compensated absences, non-current	<u>4,168</u>	<u>6,506</u>
Total non-current liabilities	<u>3,253,066</u>	<u>3,238,393</u>
Total liabilities	<u>3,287,612</u>	<u>3,279,723</u>

NET POSITION

Net investment (deficit) in capital assets	(186,746)	(124,709)
Restricted net position	297,453	296,967
Unrestricted net position	<u>(1,044,504)</u>	<u>(999,877)</u>
Total net position	<u>(933,797)</u>	<u>(827,619)</u>
Total liabilities and net position	<u>\$ 2,353,815</u>	<u>\$ 2,452,104</u>

See accompanying notes to financial statements.

**MERRILL ROAD ASSOCIATES**  
**STATEMENTS OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Tenant revenue	\$ <u>187,402</u>	\$ <u>187,065</u>
Total operating revenues	<u>187,402</u>	<u>187,065</u>
Operating expenses:		
Administrative	49,544	41,172
Management fees	11,190	10,436
Partnership fees	12,000	12,000
Utilities	22,144	19,514
Ordinary maintenance and operations	74,104	61,513
Taxes and insurance	13,380	10,593
Depreciation	<u>68,363</u>	<u>68,402</u>
Total operating expenses	<u>250,725</u>	<u>223,630</u>
Operating loss	<u>(63,323)</u>	<u>(36,565)</u>
Non-operating revenues (expenses):		
Investment income	583	634
Interest expense	<u>(43,438)</u>	<u>(43,438)</u>
Total non-operating expenses	<u>(42,855)</u>	<u>(42,804)</u>
Net loss	(106,178)	(79,369)
Total net position, beginning of year	<u>(827,619)</u>	<u>(748,250)</u>
Total net position, end of year	\$ <u><u>(933,797)</u></u>	\$ <u><u>(827,619)</u></u>

See accompanying notes to financial statements.

**MERRILL ROAD ASSOCIATES  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Cash received from tenants and others	\$ 179,667	\$ 187,170
Cash paid to vendors and suppliers	(139,486)	(118,447)
Cash paid to employees	<u>(56,636)</u>	<u>(36,909)</u>
Net cash (used in) provided by operating activities	<u>(16,455)</u>	<u>31,814</u>
Cash Flows from Financing Activities:		
Interest paid on loan payable	(26,427)	-
Purchase of capital assets	<u>(6,326)</u>	<u>-</u>
Net cash used in non-capital and related financing activities	<u>(32,753)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest received on investments	<u>583</u>	<u>634</u>
Net cash provided by investing activities	<u>583</u>	<u>634</u>
Net (decrease) increase in cash, cash equivalents, and restricted cash	(48,625)	32,448
Cash, cash equivalents, and restricted cash, beginning of year	<u>374,918</u>	<u>342,470</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 326,293</u>	<u>\$ 374,918</u>
A reconciliation of cash, cash equivalents, and restricted cash to the Statements of Net Position is as follows:		
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 13,065	\$ 62,600
Tenant security deposits	15,775	15,351
Restricted cash	<u>297,453</u>	<u>296,967</u>
Total cash, cash equivalents, and restricted cash, end of year	<u>\$ 326,293</u>	<u>\$ 374,918</u>

See accompanying notes to financial statements.



**MERRILL ROAD ASSOCIATES**  
**STATEMENTS OF CASH FLOWS (continued)**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Reconciliation of operating loss to net cash (used in) provided by operating activities:		
Operating loss	\$ (63,323)	\$ (36,565)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:		
Depreciation	68,363	68,402
Changes in operating assets and liabilities:		
Accounts receivable, net	(8,129)	213
Prepaid expenses	(4,244)	(97)
Accounts payable	(1,791)	(384)
Accrued expenses	135	1,660
Tenant security deposits	424	16
Accrued compensated absences	(2,360)	1,789
Prepaid rent	(30)	(124)
Related party payable	<u>(5,500)</u>	<u>(3,096)</u>
Net cash (used in) provided by operating activities	<u>\$ (16,455)</u>	<u>\$ 31,814</u>

See accompanying notes to financial statements.

**MERRILL ROAD ASSOCIATES**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

Merrill Road Associates (the "Partnership" or "Project") was formed as a limited partnership on September 15, 1995. Merrill Road Housing Corporation ("MRHC"), a California nonprofit public benefit corporation, is the managing general partner. In September, 2011, the Housing Authority of the County of Santa Cruz (the "Authority"), a California public body, corporate and politic, was admitted as the new limited partner, replacing the original investor limited partner.

The Partnership was formed for the purpose of acquiring, constructing, owning, holding for investment, operating, managing, leasing or selling Partnership property for low and very low income persons. The Partnership property consists of a 15-unit affordable housing complex (the project) in the unincorporated area in Santa Cruz County known as Aptos, California. The project qualified for federal low income tax credits under section 42 of the Internal Revenue Code. Such projects are regulated under terms of a regulatory agreement including rent charges, operating methods and other matters. The project is in the extended use period.

The officers and directors of Merrill Road Housing Corporation are the same as the members of the Authority's Board of Commissioners and as such, the Authority considers the Partnership to be a blended component unit of the Authority for financial reporting purposes.

The Partnership has executed a management agreement with the Authority to manage the property.

**B. Basis of Accounting / Financial Statement Presentation**

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

The Project's funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities are recognized when the exchange takes place.

On July 1, 2021, the Authority adopted GASB 87, *Leases* ("GASB 87"). GASB 87 increases the transparency and comparability among governmental organizations by requiring the recognition of lease assets and lease liabilities on the statement of net position by lessees and lessors and the disclosure of key information about leasing arrangements. For the year ended June 30, 2022, the adoption of GASB 87 did not have a material effect on the financial statements of the Project.

**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.

**MERRILL ROAD ASSOCIATES**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Cash and Cash Equivalents**

The Department of Housing and Urban Development ("HUD") requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Project or with an unaffiliated bank or trust company for the account of the Project.

For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase.

It is the Authority's policy to maintain collateralization for the Project in accordance with HUD requirements.

**E. Accounts Receivable**

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated tenants. 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 Project 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 Project 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. 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 are 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 Project has established a capitalization threshold of \$5,000.

**MERRILL ROAD ASSOCIATES**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Impairment of Long Lived Assets**

The Project evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Project 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 Project's financial statements. There were no impairment losses recognized during the years ended June 30, 2022 and 2021.

**J. Accounts Payable and Accrued Liabilities**

The Project recognizes a liability for goods and services received but not paid for as of year-end. The Project 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. Compensated Absences**

Compensated absences represent amounts to which employees are entitled based on accumulated leave earned in accordance with the Authority's Personnel Policy. Employees are provided with ten vacation days after one year of service, and 20 days after 15 years of service. Annual vacation time may be accumulated and rolled over up to a maximum of ten days. Employees may be compensated for accumulated vacation leave in the event of retirement or termination from service at the current salary for a maximum of ten days. Employees are provided with up to 15 days per year of sick time. Employees may not be compensated for accrued unused sick leave.

**L. Prepaid Rent**

The Project's prepaid rent primarily consists of the prepayment of rent by residents applicable to future periods.

**M. Equity Classifications**

Equity is classified as net position and displayed in three components:

Net investment (deficit) 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 (deficit) in capital assets."

**MERRILL ROAD ASSOCIATES**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**N. Operating Revenues and Expenses**

The Project 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 Project classifies all other revenues and expenses as non-operating.

**O. Taxes**

Income taxes on Partnership income are levied on the partners at the partner level. Accordingly, all profits and losses of the Partnership are recognized by each member on its respective tax return.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Partnership to report information regarding its exposure to various tax positions taken by the Partnership. Management has determined whether any tax positions have met the recognition threshold and has measured the Partnership's exposure to those tax positions. Management believes that the Partnership 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 Partnership are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

**P. Regulatory Agreement**

On September 29, 1995, the Partnership entered into a Rental Housing Construction Program ("RHCP") Regulatory Agreement, Loan Number 91-RHCP-087. Under this agreement, the State of California, Department of Housing and Community Development ("HCD") provided funding for the development of 15 residential housing units, all of which were to be occupied by very-low income households, located in Aptos, California. The Partnership is required to maintain cash reserves for operations and for replacements. All rent increases must be approved by HCD. The project's annual budget must be approved by HCD. This agreement expires September 1, 2036.

**NOTE 2. CASH AND CASH EQUIVALENTS**

The Project had funds on deposit in checking, savings, and money market accounts. As of June 30, 2022 and 2021, the carrying amount of the Project's cash and cash equivalents (including restricted cash) was \$326,293 and \$374,918, respectively, and the bank balances were \$326,293 and \$374,918, respectively.

The bank balances of \$250,000 and \$250,000, respectively, were covered by federal depository insurance as of June 30, 2022 and 2021 and the remaining \$76,293 and \$124,918, 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 Project does not have a formal policy for custodial credit risk. As of June 30, 2022 and 2021, the Project's bank balances were not exposed to custodial credit risk.

**MERRILL ROAD ASSOCIATES**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2022 AND 2021**

**NOTE 3. ACCOUNTS RECEIVABLE**

As of June 30, 2022 and 2021, accounts receivable consisted of tenant accounts receivable totaling \$9,819 and \$1,690, respectively. Tenant accounts receivable represents amounts owed to the Project by tenants for outstanding rent. The Project considers these amounts fully collectable and accordingly, has made no allowance for doubtful accounts.

**NOTE 4. RESTRICTED DEPOSITS**

As of June 30, 2022 and 2021, restricted deposits consisted of the following:

<u>Description</u>	<u>2022</u>	<u>2021</u>
Tenant security deposits	\$ 15,775	\$ 15,351
Reserve for replacements	200,344	199,984
Operating reserves	<u>97,109</u>	<u>96,983</u>
Total restricted deposits	<u>\$ 313,228</u>	<u>\$ 312,318</u>

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

Reserve for replacements represents funds that are restricted for repairs and replacements of buildings and equipment as required by the HCD.

Operating reserves represent funds that are restricted in the case that the Project encounters an operating deficit as required by the HCD.

**NOTE 5. CAPITAL ASSETS, NET**

The following is a summary of the changes in capital assets during the years ended June 30, 2022 and 2021:

<u>Description</u>	<u>June 30, 2021</u>	<u>Additions</u>	<u>Dispositions</u>	<u>June 31, 2022</u>
<u>Non-depreciable capital assets:</u>				
Land	\$ <u>1,039,931</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,039,931</u>
<u>Depreciable capital assets:</u>				
Buildings	2,752,709	6,326	-	2,759,035
Furniture and equipment	<u>26,200</u>	<u>-</u>	<u>-</u>	<u>26,200</u>
Subtotal	<u>2,778,909</u>	<u>6,326</u>	<u>-</u>	<u>2,785,235</u>
Less: accumulated depreciation	<u>1,744,110</u>	<u>68,363</u>	<u>-</u>	<u>1,812,473</u>
Net capital assets	<u>\$ 2,074,730</u>	<u>\$ (62,037)</u>	<u>\$ -</u>	<u>\$ 2,012,693</u>

Depreciation expense for the years ended June 30, 2022 amounted to \$68,363.

**MERRILL ROAD ASSOCIATES**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2022 AND 2021**

**NOTE 5. CAPITAL ASSETS, NET (continued)**

Description	June 30, 2020	Additions	Dispositions	June 31, 2021
<u>Non-depreciable capital assets:</u>				
Land	\$ <u>1,039,931</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,039,931</u>
<u>Depreciable capital assets:</u>				
Buildings	2,752,708	-	-	2,752,708
Furniture and equipment	<u>26,200</u>	<u>-</u>	<u>-</u>	<u>26,200</u>
Subtotal	<u>2,778,908</u>	<u>-</u>	<u>-</u>	<u>2,778,908</u>
Less: accumulated depreciation	<u>1,675,707</u>	<u>68,402</u>	<u>-</u>	<u>1,744,109</u>
Net capital assets	\$ <u>2,143,132</u>	\$ <u>(68,402)</u>	\$ <u>-</u>	\$ <u>2,074,730</u>

Depreciation expense for the year ended June 30, 2021 amounted to \$68,402.

**NOTE 6. RELATED PARTY TRANSACTIONS**

The Partnership has executed a management agreement with the general partner to manage the property for a flat fee of \$1,000 per month. For both years ended June 30, 2022 and 2021, partnership fees totaled \$12,000.

The Partnership also pays the general partner a Per Unit Per Month Fee ("PUPM") of \$57.97 per month as approved by the State of California Department of Housing and Community Development. For the years ended June 30, 2022 and 2021, the PUPM management fee totaled \$11,190 and \$10,436, respectively.

Related party payable represents unpaid Partnership fees owed to the general partner. The fees are paid in arrears to the extent of surplus cash generated by the Project. As of June 30, 2022 and 2021, \$12,050 and \$17,550, respectively, remain payable.

**NOTE 7. LOANS PAYABLE**

Loans payable consisted of the following as of June 30, 2022 and 2021:

<u>Description</u>	<u>2022</u>	<u>2021</u>
On September 15, 1995, the Partnership entered into a promissory note with the State of California, Department of Housing and Community Development, Rental Housing Construction Program ("RHCP"). The note, for \$1,195,167, is secured by a deed of trust on the property, bears simple interest at a rate of 3% per annum, and is due September 1, 2036. Payments are due annually on this loan only to the extent of surplus cash earned by the Project. Accrued interest on this note as of June 30, 2022 and 2021 totaled \$894,874 and \$885,446, respectively. Management does not consider any portion of this loan, nor the interest accrued on this loan, to be current.	\$ 1,195,167	\$ 1,195,167

**MERRILL ROAD ASSOCIATES**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2022 AND 2021**

**NOTE 7. LOANS PAYABLE (continued)**

<u>Description</u>	<u>2022</u>	<u>2021</u>
<p>In September 1996, the Partnership received a \$300,000 loan from the Santa Cruz County Redevelopment Agency ("RDA"). This loan is unsecured, bears simple interest at a rate of 8% per annum, and was intended to be forgiven if the Authority exercised the option to purchase the property after 20 years and maintained the units according to the RHCP loan provisions for an additional 20 years. The option to purchase was exercised in 2011. The loan will remain in good standing and no interest will accrue as long as the Partnership maintains compliance with RHCP loan provisions.</p>	300,000	300,000
<p>During the development of the property, the Authority provided gap funding in the amount of \$451,509. The loan bears no interest, and is due September 15, 2035. Principal payments are due annually, but only to the extent of surplus cash generated by the project.</p>	451,509	451,509
<p>During the development of the property, the Authority transferred land to the Partnership with a value in the amount of \$252,763. The land loan bears simple interest at a rate of 3% per annum. The loan was due on September 15, 2022 but was subsequently extended until September 15, 2032. Principal and interest payments are due annually, but only to the extent of surplus cash generated by the project. Accrued interest on this loan as of June 30, 2022 and 2021 totaled \$154,585 and \$147,002, respectively. Management does not consider any portion of this loan, nor the interest accrued on this loan, to be current.</p>	<u>252,763</u>	<u>252,763</u>
<p>Total loans payable</p>	<u>\$ 2,199,439</u>	<u>\$ 2,199,439</u>

Future annual debt service over the next five years and in five year increments is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 35,855	\$ 35,855
2024	-	35,855	35,855
2025	-	35,855	35,855
2026	-	35,855	35,855
2027	-	35,855	35,855
2028 - 2032	252,763	179,275	432,038
2033 - 2036	<u>1,946,676</u>	<u>143,420</u>	<u>2,090,096</u>
	<u>\$ 2,199,439</u>	<u>\$ 501,970</u>	<u>\$ 2,701,409</u>



**MERRILL ROAD ASSOCIATES**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2022 AND 2021**

**NOTE 8. RESTRICTED NET POSITION**

Restricted net position consisted of the following as of June 30, 2022 and 2021:

<u>Description</u>	<u>2022</u>	<u>2021</u>
Replacement Reserves	\$ 200,344	\$ 199,585
Operating reserves	<u>97,109</u>	<u>96,838</u>
Total restricted net position	<u>\$ 297,453</u>	<u>\$ 296,423</u>

Reserve for replacements represents funds that are restricted for repairs and replacements of buildings and equipment as required by the HCD.

Operating reserves represent funds that are restricted in the case that the Project encounters an operating deficit as required by the HCD.

**NOTE 9. RISK MANAGEMENT**

The Project 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 10. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The Project's major asset is a fifteen (15) unit housing complex. The Project operates in a heavily regulated environment. The operations of the Project are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD and HCD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD or HCD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

**NOTE 11. COMMITMENTS AND CONTINGENCIES**

In connection with the financing received from HCD through its Rental Housing Construction Program, limits are placed on the occupancy of the Project's 15 units. Only individuals and families that meet various income and age standards may be aided.

The project qualified for a federal-low income housing tax credit under Section 42 of the Internal Revenue Code. The ten year tax credit period ended in 2006 and the fifteen year tax credit compliance period ended 2011. The project continues to operate under restrictions and compliance requirements of the HCD, RHCP loan and regulatory agreement.

**MERRILL ROAD ASSOCIATES**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**JUNE 30, 2022 AND 2021**

**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 Project through January 19, 2023 (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 Directors of  
Merrill Road Housing Corporation

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 Merrill Road Associates (the "Project") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Project's financial statements, and have issued our report thereon dated January 19, 2023.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Project'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 Project's internal control. Accordingly, we do not express an opinion on the effectiveness of the Project'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 audits 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 Project'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 Project'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 Project's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Novogradac & Company LLP*

January 19, 2023  
Toms River, New Jersey

**SUPPORTING INFORMATION REQUIRED BY HCD**

**MERRILL ROAD ASSOCIATES**  
**LOAN NUMBER 91-RHCP-087**  
**SUPPLEMENTARY INFORMATION REQUIRED BY HCD**

Account Number	<u>Schedule of Operating Revenue for year ended</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	<b>Rent Revenue</b>		
5120	Rent revenue	\$ 185,078	\$ 187,065
5100T	Total rent revenue	<u>185,078</u>	<u>187,065</u>
	<b>Vacancies</b>		
5220	Apartments	-	-
5220T	Total vacancies	<u>-</u>	<u>-</u>
5152	Net Rental Revenue (Rent Revenue Less Vacancies)	<u>185,078</u>	<u>187,065</u>
	<b>Financial Revenue</b>		
5410	Interest on project operations	97	90
5440	Interest on replacement reserves	360	399
5490	Interest on operating reserves	126	145
	Total financial revenue	<u>583</u>	<u>634</u>
	<b>Other Revenue</b>		
5920	Tenant charges (damages & cleaning fees)	2,324	-
	Total other revenue	<u>2,324</u>	<u>-</u>
5000T	Total revenue	<u>\$ 187,985</u>	<u>\$ 187,699</u>
	<b><u>Schedule of Operating Expenses for year ended</u></b>	<b><u>June 30, 2022</u></b>	<b><u>June 30, 2021</u></b>
	<b>Administrative Expenses</b>		
6203	Advertising and marketing	\$ -	\$ 11
6210	Office salaries	36,561	33,135
6250	Office expenses	164	430
6310	Management fees	11,190	10,436
6340	Audit expense	9,500	6,000
6350	Accounting fees	1,200	1,500
6351	Bad debt	1,553	-
6390	Miscellaneous administrative	566	96
6263T	Total administrative expenses	<u>60,734</u>	<u>51,608</u>
	<b>Utilities Expense</b>		
6420	Electricity	901	1,026
6450	Water	9,070	7,504
6452	Gas	-	8
6453	Sewer	12,173	10,976
6400T	Total utilities expense	<u>22,144</u>	<u>19,514</u>

**MERRILL ROAD ASSOCIATES**  
**LOAN NUMBER 91-RHCP-087**  
**SUPPLEMENTARY INFORMATION REQUIRED BY HCD (continued)**

		<u>June 30, 2022</u>	<u>June 30, 2021</u>
	<b>Operating and Maintenance Expenses</b>		
6510	Payroll	6,566	7,142
6515	Supplies - general	4,670	2,491
6520	Contracts	34,590	28,325
6525	Garbage and trash removal	23,926	23,170
6590	Miscellaneous operating and maintenance - tenant relocation	3,855	-
6590	Miscellaneous operating and maintenance - maintenance travel & training	<u>497</u>	<u>385</u>
6500T	Total operating and maintenance expenses	<u>74,104</u>	<u>61,513</u>
	<b>Taxes and Insurance</b>		
6720	Property and liability insurance	8,305	4,498
6722	Workmen's compensation	1,480	1,095
6723	Health insurance and other benefits	2,554	3,938
6790	Miscellaneous, taxes, licenses, permits and insurance	<u>1,041</u>	<u>1,062</u>
6700T	Total taxes and insurance	<u>13,380</u>	<u>10,593</u>
	<b>Financial Expenses</b>		
6820	Interest on mortgage (or bonds) payable	<u>43,438</u>	<u>43,438</u>
6800T	Total financial expenses	<u>43,438</u>	<u>43,438</u>
6000	Total cost of operations before depreciation	<u>213,800</u>	<u>186,666</u>
5060T	Profit (loss) before depreciation	(25,815)	1,033
	<b>Depreciation and Amortization Expenses</b>		
6600	Depreciation expense	<u>68,363</u>	<u>68,402</u>
5060N	Operating loss	<u>(94,178)</u>	<u>(67,369)</u>
	<b>Net Entity Expenses</b>		
7190	Partnership management fee	<u>12,000</u>	<u>12,000</u>
7100T	Change in total net assets from operations	<u>12,000</u>	<u>12,000</u>
3250	Change in total net assets from operations	<u>\$ (106,178)</u>	<u>\$ (79,369)</u>

**MERRILL ROAD ASSOCIATES**  
**LOAN NUMBER 91-RHCP-087**  
**SUPPLEMENTARY INFORMATION REQUIRED BY HCD (continued)**

<b>Operating Cash Flow/Surplus Cash Computation - per HCD/ CalHFA Regulatory Agreements</b>	<b><u>June 30, 2022</u></b>	<b><u>June 30, 2021</u></b>
Operating Cash Flow/Surplus Cash will be distributed according to the HCD method:		
Operating income		
Total income	\$ 187,985	\$ 187,699
Interest earned on restricted reserve accounts	<u>(486)</u>	<u>(544)</u>
Adjusted operating income	187,499	187,155
Operating expenses - excludes financial expenses	<u>(170,362)</u>	<u>(143,228)</u>
Adjusted net income	<u>\$ 17,137</u>	<u>\$ 43,927</u>
Operating cash flow/surplus cash	<u>\$ 17,137</u>	<u>\$ 43,927</u>
<b><u>Distribution of operating cash flow/surplus cash:</u></b>	<b><u>June 30, 2022</u></b>	<b><u>June 30, 2021</u></b>
Borrower distributions (up to a maximum amount of \$17,137 and \$43,927, respectively)		
Partnership management fees	\$ 12,050	\$ 17,500
Housing Authority of the County of Santa Cruz:		
Land loan	<u>5,087</u>	<u>26,169</u>
Total cash available for distributions (net cash flow)	<u>\$ 17,137</u>	<u>\$ 43,669</u>
Residual Receipt Lenders:		
RHCP-B	<u>\$ -</u>	<u>\$ 258</u>



**MERRILL ROAD ASSOCIATES**  
**LOAN NUMBER 91-RHCP-087**  
**SUPPLEMENTARY INFORMATION REQUIRED BY HCD (continued)**

**Cash on Hand and in Banks**

See Note 2

<b><u>Reserve for Replacements and Operating Expenses</u></b>	<b><u>Replacement Reserves</u></b>	<b><u>Operating Reserves</u></b>
Balance at June 30, 2020	\$ 199,585	\$ 96,838
Interest	<u>399</u>	<u>145</u>
Balance at June 30, 2021	199,984	96,983
Interest income	<u>360</u>	<u>126</u>
Balance at June 30, 2022	<u>\$ 200,344</u>	<u>\$ 97,109</u>

**Property and Equipment**

See Note 5

<b><u>Accounts Payable and Accrued Expenses</u></b>	<b><u>June 30, 2022</u></b>	<b><u>June 30, 2021</u></b>
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Accounts payable and accrued expenses are being paid on a current bases. Details are as follows:

Accounts payable - trade	\$ 3,207	\$ 4,998
Accrued liabilities salaries	1,795	1,660
Accrued liabilities short-term and compensated absences	<u>1,707</u>	<u>1,729</u>
Total accounts payable and accrued expenses	<u>\$ 6,709</u>	<u>\$ 8,387</u>

**Tenant Security Deposits**

Tenant security deposits were fully funded as of June 30, 2022 and 2021.

<b><u>Gross Potential Rents</u></b>	<b><u>June 30, 2022</u></b>	<b><u>June 30, 2021</u></b>
Tenant rental payments	\$ 185,078	\$ 187,065
Vacancy Loss	<u>-</u>	<u>-</u>
	<u>\$ 185,078</u>	<u>\$ 187,065</u>

**Management Fee**

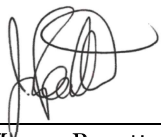
For the years ended June 30, 2022 and 2021, property management fees of \$11,190 and \$10,436, respectively, were incurred for property management services provided by the Authority.

**MERRILL ROAD ASSOCIATES  
LOAN NUMBER 91-RHCP-087  
STATUS OF PRIOR YEAR AUDIT FINDINGS  
JUNE 30, 2022**

The audit report for the year ended June 30, 2021, contained no audit findings.

**MERRILL ROAD ASSOCIATES  
LOAN NUMBER 91-RHCP-087  
MANAGEMENT AGENT'S CERTIFICATION  
FOR THE YEAR ENDED JUNE 30, 2022**

I hereby certify that we have examined the accompanying financial statements, notes, and supplementary information of Merrill Road Associates as of and for the year ended June 30, 2022, and, to the best of my knowledge and belief, these financial statements, notes, and supplementary information are complete and accurate.



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Jenny Panetta, Secretary  
Merrill Road Associates  
January 19, 2023

**MERRILL ROAD ASSOCIATES  
LOAN NUMBER 91-RHCP-087  
CERTIFICATION OF OFFICERS  
FOR THE YEAR ENDED JUNE 30, 2022**

We, as officers of Merrill Road Housing Corporation, the managing general partner of Merrill Road Associated (A California limited partnership), hereby certify that we have examined the accompanying financial statements, notes, and supplementary information of Merrill Road Associates as of and for the year ended June 30, 2022, and to the best of our knowledge and belief, these financial statements, notes, and supplementary information are complete and accurate.

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Andy Schiffrin, Chairperson  
Merrill Road Associates  
January 19, 2023