

YEAR

2006

California Exempt Organization Annual Information Return

628941/12-21-06
FORM

199

For calendar or fiscal year beginning MONTH DAY YEAR and ending MONTH DAY YEAR
 beginning JANUARY 1 2006 and ending DECEMBER 31 2006.

IMPORTANT: Your number is required.

California corporation number: 1799037
 Federal employer identification number (FEIN): 33-0741689

Corporation/Organization name: AOF/PACIFIC AFFORDABLE HOUSING CORP.

Address including Suite, Room, or PMB no.: 7777 CENTER AVE, SUITE 240
 City State ZIP Code: HUNTINGTON BEACH, CA 92647

A Final return? Check applicable box. Yes No
 Dissolved Withdrawn Merged/Reorganized (attach explanation)
 If a box is checked, enter date

B Check forms filed this year: State: 109 100 100S 100W
 Federal: 990 990EZ 990T 990PF 1041 1120H 1120

C If organization is exempt under R&TC Section 23701d and is a school, public charity, religious organization, or is controlled by a religious operation, check box. **See General Instruction F. No filing fee is required.**

D Is this a group filing? See General Instruction N Yes No

E Accounting method used: ACCRUAL

F Type of organization: Exempt under Section 23701 IRC Section 4947(a)(1) trust d (insert letter)

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

Receipts and Revenues <small>(Enclose, but do not staple, any payment.)</small>	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8	1	1,177,286.
	2	Gross dues and assessments from members and affiliates	2	
	3	Gross contributions, gifts, grants, and similar amounts received. See instructions	3	
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$25,000, see General Instruction C	4	1,177,286.
Expenses	5	Cost of goods sold <u>STMT 1</u>	5	528,483.
	6	Cost or other basis, and sales expenses of assets sold	6	
	7	Total costs. Add line 5 and line 6	7	528,483.
	8	Total gross income. Subtract line 7 from line 4	8	648,803.
Filing Fee	9	Total expenses and disbursements. From Side 2, Part II, line 18	9	558,315.
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	10	90,488.
	11	Filing fee \$10 or \$25. See General Instruction F	11	10.
	12	Penalty for failure to file on time. See General Instruction L	12	
	13	Use tax. See "General Instruction M"	13	
	14	Balance due. Add line 11, line 12, and line 13	14	10.

- 15 If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? If "Yes," complete and attach form FTB 3509, Political or Legislative Activities by Section 23701d Organizations Yes No
- 16 Did the organization have any changes in its activities, governing instrument, articles of incorporation, or bylaws that have not been reported to the Franchise Tax Board? If "Yes," complete an explanation and attach copies of revised documents Yes No
- 17 Is the organization exempt under R&TC Section 23701g? Yes No
 If "Yes," enter amount of gross receipts from nonmember sources \$ _____
- 18 Did the organization file Form 100, Form 100S, 100W, or Form 109 to report taxable income? Yes No
 If "Yes," enter amount of total income reported \$ _____
- 19 The financial records are in care of RAMAN NAYAR Daytime telephone 714-799-1339

located at 7777 CENTER AVE, SUITE 240, HUNTINGTON BEACH, CA 92647

Please Sign Here

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

Signature of officer _____ Date _____ Title _____ Daytime telephone _____

Paid Preparer's Use Only

Paid Preparer's signature _____ Date _____ Check if self-employed Paid preparer's SSN or PTIN P00614373

Firm's name (or yours, if self-employed) and address: CARTER & COMPANY CPAS, LLC
P.O. BOX 26119
GREENVILLE, SC 29616
 FEIN 58-2661884
 Daytime telephone 850-650-0125

Part II Organizations with gross receipts of more than \$25,000 and private foundations regardless of amount of gross receipts - complete Part II or furnish substitute information. See Specific Line Instructions.

628951/12-21-06

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions	1	581,500.
	2	Interest	2	30,146.
	3	Dividends	3	
	4	Gross rents	4	
	5	Gross royalties	5	
	6	Gross amount received from sale of assets	6	
	7	Other income SEE STATEMENT 2	7	565,640.
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	8	1,177,286.
Expenses and Disbursements	9	Contributions, gifts, grants, and similar amounts paid	9	
	10	Disbursements to or for members	10	
	11	Compensation of officers, directors, and trustees SEE STATEMENT 3	11	169,125.
	12	Other salaries and wages	12	87,854.
	13	Interest	13	
	14	Taxes	14	14,011.
	15	Rents	15	
	16	Depreciation and depletion	16	7,947.
	17	Other SEE STATEMENT 4	17	279,378.
	18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	18	558,315.

Schedule L Balance Sheets

Assets	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
1 Cash		882,661.		964,546.
2 Net accounts receivable		1,953.		23,498.
3 Net notes receivable STMT 5		4,886,453.		4,882,090.
4 Inventories				
5 Federal and state government obligations				
6 Investments in other bonds				
7 Investments in stock				
8 Mortgage loans (number of loans)				
9 Other investments STMT 6		3,301,125.		6,115,625.
10 a Depreciable assets	46,488.		49,648.	
b Less accumulated depreciation	(18,506.)	27,982.	(26,453.)	23,195.
11 Land				
12 Other assets STMT 7		4,537.		4,537.
13 Total assets		9,104,711.		12,013,491.
Liabilities and net worth				
14 Accounts payable		84,301.		90,616.
15 Contributions, gifts, or grants payable				
16 Bonds and notes payable STMT 8		2,523.		
17 Mortgages payable				
18 Other liabilities				
19 Capital stock or principle fund				
20 Paid-in or capital surplus. Attach reconciliation				
21 Retained earnings or income fund		9,017,887.		11,922,875.
22 Total liabilities and net worth		9,104,711.		12,013,491.

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 \$25,000

1 Net income per books	90,488.	7 Income recorded on books this year not included in this return	
2 Federal income tax		8 Deductions in this return not charged against book income this year	
3 Excess of capital losses over capital gains		9 Total. Add line 7 and line 8	
4 Income not recorded on books this year		10 Net income per return.	
5 Expenses recorded on books this year not deducted in this return		Subtract line 9 from line 6	90,488.
6 Total.			
Add line 1 through line 5	90,488.		

FORM 199

COST OF GOODS SOLD
INCLUDED ON PART I, LINE 5

STATEMENT 1

COST OF GOODS SOLD

1. INVENTORY AT BEGINNING OF YEAR		
2. MERCHANDISE PURCHASED.	528,483	
3. COST OF LABOR.		
4. MATERIALS AND SUPPLIES		
5. OTHER COSTS.		
6. ADD LINES 1 THROUGH 5		528,483
7. INVENTORY AT END OF YEAR		
8. COST OF GOODS SOLD (LINE 6 LESS LINE 7)		528,483

FORM 199	OTHER INCOME	STATEMENT	2
DESCRIPTION		AMOUNT	
MGMT FEES & DEVELOPMENT		565,640.	
TOTAL TO FORM 199, PART II, LINE 7		565,640.	

FORM 199	COMPENSATION OF OFFICERS, DIRECTORS AND TRUSTEES	STATEMENT	3
NAME AND ADDRESS	TITLE AND AVERAGE HRS WORKED/WK	COMPENSATION	
DANIEL DO-KHANH ONE PARK PLAZA, SUITE 600 IRVINE, CA 92614	TRUSTEE 0.00	0.	
STEVE JONES 433 N. CAMDEN DR, SUITE 733 BEVERLY HILLS, CA 90210	TRUSTEE 0.00	0.	
FREDERICK JUNG 7755 CENTER AVE, SUITE 1100 HUNTINGTON BEACH, CA 92647	TRUSTEE 0.00	0.	
PHILIP J. KENNEDY 600 GALLERIA PKWY, SUITE 1660 ATLANTA, GA 30339	VICE PRESIDENT, TRUSTEE 0.00	0.	
RAMAN NAYAR 7777 CENTER AVE, SUITE 240 HUNTINGTON BEACH, CA 92647	PRESIDENT 40.00	169,125.	
KARIN QUIRK 2000 112TH N.E. BELLEVUE, WA 98004	TRUSTEE 0.00	0.	
TOTAL TO FORM 199, PART II, LINE 11		169,125.	

FORM 199	OTHER EXPENSES	STATEMENT	4
DESCRIPTION		AMOUNT	
AUTO EXPENSE		6,559.	
OFFICE RENT		25,353.	
GIFTS		2,517.	
COMPUTER & INTERNET FEES		1,852.	
CONSULTING		33,620.	
INSURANCE		3,323.	
MISCELLANEOUS		10,385.	
ANNUAL OVERHEAD FEE		48,000.	
OTHER EXPENSES		6,888.	
CONTRACT LABOR		2,791.	
PENSION PLAN CONTRIBUTIONS		24,920.	
OTHER EMPLOYEE BENEFITS		46,534.	
ACCOUNTING FEES		20,000.	
LEGAL FEES		4,938.	
SUPPLIES		2,614.	
TELEPHONE		7,280.	
POSTAGE AND SHIPPING		4,149.	
TRAVEL		27,655.	
TOTAL TO FORM 199, PART II, LINE 17		279,378.	

FORM 199	NET NOTES RECEIVABLE	STATEMENT	5
DESCRIPTION	BEG. OF YEAR	END OF YEAR	
OTHER NOTES AND LOANS RECEIVABLE	4,886,453.	4,882,090.	
TOTAL TO FORM 199, SCHEDULE L, LINE 3	4,886,453.	4,882,090.	

FORM 199	OTHER INVESTMENTS	STATEMENT	6
DESCRIPTION	BEG. OF YEAR	END OF YEAR	
OTHER INVESTMENTS	1,125.	1,125.	
DELMAS LP	1,000,000.	2,281,500.	
INVESTMENT IN SAN JOSE ARTIST	2,300,000.	3,833,000.	
TOTAL TO FORM 199, SCHEDULE L, LINE 9	3,301,125.	6,115,625.	

FORM 199	OTHER ASSETS	STATEMENT	7
DESCRIPTION	BEG. OF YEAR	END OF YEAR	
PREPAID EXPENSES AND DEFERRED CHARGES	4,537.	4,537.	
TOTAL TO FORM 199, SCHEDULE L, LINE 12	4,537.	4,537.	

FORM 199	BONDS AND NOTES PAYABLE	STATEMENT	8
DESCRIPTION	BEG. OF YEAR	END OF YEAR	
OTHER NOTES PAYABLE	2,523.	0.	
TOTAL TO FORM 199, SCHEDULE L, LINE 16	2,523.	0.	