

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

**CONSOLIDATED FINANCIAL STATEMENTS
With Independent Auditor's Report**

Years ended December 31, 2020 and 2019

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.
Years Ended December 31, 2020 and 2019

TABLE OF CONTENTS

Independent Auditor's Report	1-2
------------------------------	-----

Consolidated Financial Statements:

Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4-5
Consolidated Statements of Functional Expenses	6-7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9-24

Audited Supplementary Information:

Consolidating Statement of Financial Position	25-26
Consolidating Statement of Activities	27
Statement of Functional Expenses for Community Partners for Affordable Housing, Inc. – CPAH Operations	28

INDEPENDENT AUDITOR'S REPORT

July 9, 2021

Board of Directors
Community Partners for Affordable Housing, Inc.
Tigard, Oregon

Report on the Financial Statements

I have audited the accompanying consolidated financial statements of financial position of Community Partners for Affordable Housing, Inc. (CPAH, Inc.) (a nonprofit organization) and affiliated entities, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Board of Directors
Community Partners for Affordable Housing, Inc.
July 9, 2021

Opinion

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CPAH, Inc. and affiliates as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplemental Information

My audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Audited Supplementary Information on pages 26 to 29 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "Mark Schwing CPA PC". The signature is written in a cursive, flowing style.

Mark Schwing CPA PC

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.
DECEMBER 31, 2020 and 2019

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

Assets	2020	2019
Cash	\$ 2,213,002	\$ 2,311,442
Cash - restricted	6,480,573	6,489,016
Receivables - operating	139,565	12,196
Receivables - grants	1,604,179	140,718
Prepaid expenses	34,038	66,166
Tenant security deposits held in trust	238,569	216,434
Predevelopment costs	593,991	120,044
Land held for development	2,003,616	-
Fixed assets - net	62,165,391	42,919,661
Tax credit fees - net	188,989	210,138
Total Assets	\$ 75,661,913	\$ 52,485,815

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 46,036	\$ 85,426
Accounts payable-construction and project improvements	2,736,189	714,213
Accrued liabilities	135,997	70,836
Prepaid rents	8,747	10,246
Refundable security deposits	238,569	216,434
Mortgages and notes payable	39,553,498	19,747,112
Accrued interest	639,625	728,433
Total Liabilities	43,358,661	21,572,700
Commitments and Contingencies	-	-
Net Assets		
Without donor restriction		
Controlling interests	9,959,709	7,493,142
Noncontrolling interests	20,849,822	22,921,526
Total without donor restriction	30,809,531	30,414,668
With donor restriction - controlling interests	1,493,721	498,447
Total Net Assets	32,303,252	30,913,115
Total Liabilities and Net Assets	\$ 75,661,913	\$ 52,485,815

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

Years Ended December 31, 2020 and 2019

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	2020	2019
<i>Net Assets Without Donor Restriction:</i>		
Support and Revenues		
Support		
Grants	\$ 1,305,109	\$ 1,299,199
In-Kind Contributions	-	900,000
Contributions	37,193	32,821
Total Support	1,342,302	2,232,020
Revenues		
Net rental revenue	3,792,913	3,623,809
Laundry and tenant charges	92,975	68,607
Interest income	2,698	16,132
Special events - net of expenses	83,150	94,217
Debt forgiveness	169,912	-
Other income	43,256	3,223
Total Revenues	4,184,904	3,805,988
Net assets released from restrictions	498,447	140,580
Total Support and Revenues	6,025,653	6,178,588
Expenses		
Program Services		
Property operations	3,190,548	2,913,660
Housing education and outreach	123,938	128,293
Resident services	289,387	217,462
Housing development	521,624	427,348
Asset management	101,014	139,542
Total Program Services	4,226,511	3,826,305
Support Services		
Management and general	173,930	102,834
Fundraising	22,554	18,776
Total Support Services	196,484	121,610
Total Expenses before depreciation and amortization	4,422,995	3,947,915
 Change in Net Assets Without Donor Restriction before depreciation and amortization	 1,602,658	 2,230,673
Less depreciation and amortization	1,666,242	1,609,799
 Change in Net Assets Without Donor Restriction	 \$ (63,584)	 \$ 620,874
 <i>Net Assets With Donor Restriction:</i>		
Grants and contributions	\$ 1,992,168	\$ 460,866
Net assets released from restrictions	(498,447)	(140,580)
Change in Net Assets With Donor Restriction	\$ 1,493,721	\$ 320,286
<i>Total Change in Net Assets</i>	\$ 1,430,137	\$ 941,160

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

Years Ended December 31, 2020 and 2019

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED

	WITHOUT DONOR RESTRICTION			WITH DONOR RESTRICTION	
	CONTROLLING INTERESTS	NONCONTROLLING INTERESTS	TOTAL	CONTROLLING INTERESTS	TOTAL NET ASSETS
Net Assets, December 31, 2018	\$ 6,106,553	\$ 17,741,371	\$ 23,847,924	\$ 178,161	\$ 24,026,085
Change in net assets for the year ended December 31, 2019	1,386,589	(765,715)	620,874	320,286	941,160
Limited Partners capital contributions	-	5,975,870	5,975,870	-	5,975,870
Limited Partnership syndication costs	-	(30,000)	(30,000)	-	(30,000)
Net Assets, December 31, 2019	7,493,142	22,921,526	30,414,668	498,447	30,913,115
Change in net assets for the year ended December 31, 2020	2,466,567	(2,031,704)	434,863	995,274	1,430,137
Limited Partnership syndication costs	-	(40,000)	(40,000)	-	(40,000)
Net Assets, December 31, 2020	\$ 9,959,709	\$ 20,849,822	\$ 30,809,531	\$ 1,493,721	\$ 32,303,252

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

Year Ended December 31, 2020

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	PROGRAM SERVICES						SUPPORT SERVICES			
	PROPERTY OPERATIONS	HOUSING EDUCATION & OUTREACH	RESIDENT SERVICES	HOUSING DEVELOPMENT	ASSET MANAGEMENT	TOTAL	MANAGEMENT & GENERAL	FUND- RAISING	TOTAL	GRAND TOTALS
Personnel costs	\$ 611,021	\$ 110,988	\$ 237,931	\$ 216,994	\$ 89,973	\$ 1,266,907	\$ 62,820	\$ 19,211	\$ 82,031	\$ 1,348,938
Administrative expenses	129,345	1,020	3,595	10,157	762	144,879	8,908	1,297	10,205	155,084
Bad debt expense	7,055	-	-	-	-	7,055	-	-	-	7,055
Fees-limited partners	17,139	-	-	-	-	17,139	-	-	-	17,139
Insurance	171,396	724	2,249	1,292	1,861	177,522	2,602	146	2,748	180,270
Interest expense	640,882	3,086	9,601	75,415	3,240	732,224	4,155	619	4,774	736,998
Maintenance and repairs	589,669	-	-	-	-	589,669	-	-	-	589,669
Monitoring fees-LIHTC	18,392	-	-	-	-	18,392	-	-	-	18,392
Professional fees	169,938	6,589	9,119	215,009	1,344	401,999	87,942	894	88,836	490,835
Program supplies	44,979	-	21,642	45	-	66,666	-	56	56	66,722
Property management fee	174,550	-	-	-	-	174,550	-	-	-	174,550
Real property taxes	14,571	-	-	-	2,560	17,131	-	-	-	17,131
Telephone and internet	43,252	1,039	2,997	1,830	836	49,954	2,769	269	3,038	52,992
Travel, training and meetings	4,638	210	1,363	332	202	6,745	4,534	-	4,534	11,279
Utilities	553,721	282	890	550	236	555,679	200	62	262	555,941
Functional Expenses before depreciation and amortization	3,190,548	123,938	289,387	521,624	101,014	4,226,511	173,930	22,554	196,484	4,422,995
Depreciation	1,561,252	4,017	12,569	7,215	9,910	1,594,963	49,308	822	50,130	1,645,093
Amortization	21,149	-	-	-	-	21,149	-	-	-	21,149
Total Depreciation and amortization	1,582,401	4,017	12,569	7,215	9,910	1,616,112	49,308	822	50,130	1,666,242
Functional Expenses before fundraising event expenses	4,772,949	127,955	301,956	528,839	110,924	5,842,623	223,238	23,376	246,614	6,089,237
Fundraising event expenses	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 4,772,949	\$ 127,955	\$ 301,956	\$ 528,839	\$ 110,924	\$ 5,842,623	\$ 223,238	\$ 23,376	\$ 246,614	\$ 6,089,237

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

Year Ended December 31, 2019

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	PROGRAM SERVICES							SUPPORT SERVICES			
	PROPERTY OPERATIONS	HOUSING EDUCATION & OUTREACH	RESIDENT SERVICES	HOUSING DEVELOPMENT	ASSET MANAGEMENT	TOTAL	MANAGEMENT & GENERAL	FUND- RAISING	TOTAL	GRAND TOTALS	
Personnel costs	\$ 559,189	\$ 103,979	\$ 157,918	\$ 137,261	\$ 101,330	\$ 1,059,677	\$ 41,755	\$ 15,825	\$ 57,580	\$ 1,117,257	
Administrative expenses	82,407	5,381	3,184	1,256	1,952	94,180	4,864	1,380	6,244	100,424	
Bad debt expense	9,744	-	-	-	-	9,744	-	-	-	9,744	
Fees-limited partners	18,504	-	-	-	-	18,504	-	-	-	18,504	
Insurance	149,821	1,051	2,506	1,115	1,112	155,605	1,922	177	2,099	157,704	
Interest expense	571,097	3,853	9,122	38,335	4,077	626,484	1,569	631	2,200	628,684	
Maintenance and repairs	623,384	654	1,545	692	793	627,068	277	107	384	627,452	
Monitoring fees-LIHTC	18,935	-	-	-	-	18,935	-	-	-	18,935	
Professional fees	126,943	430	21,510	240,317	24,127	413,327	48,463	36	48,499	461,826	
Program supplies	-	-	12,887	-	1,090	13,977	-	-	-	13,977	
Property management fee	198,074	-	-	-	-	198,074	-	-	-	198,074	
Real property taxes	6,026	-	-	5,793	-	11,819	-	-	-	11,819	
Telephone and internet	33,601	1,371	4,640	1,441	1,405	42,458	366	216	582	43,040	
Travel, training and meetings	1,929	11,161	3,217	703	3,215	20,225	3,443	330	3,773	23,998	
Utilities	514,006	413	933	435	441	516,228	175	74	249	516,477	
Functional Expenses before depreciation and amortization	2,913,660	128,293	217,462	427,348	139,542	3,826,305	102,834	18,776	121,610	3,947,915	
Depreciation	1,512,288	3,399	10,861	3,559	52,282	1,582,389	2,562	1,377	3,939	1,586,328	
Amortization	23,471	-	-	-	-	23,471	-	-	-	23,471	
Total Depreciation and amortization	1,535,759	3,399	10,861	3,559	52,282	1,605,860	2,562	1,377	3,939	1,609,799	
Functional Expenses before fundraising event expenses	4,449,419	131,692	228,323	430,907	191,824	5,432,165	105,396	20,153	125,549	5,557,714	
Fundraising event expenses	-	-	-	-	-	-	-	25,609	25,609	25,609	
Total Expenses	\$ 4,449,419	\$ 131,692	\$ 228,323	\$ 430,907	\$ 191,824	\$ 5,432,165	\$ 105,396	\$ 45,762	\$ 151,158	\$ 5,583,323	

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.
Years Ended December 31, 2020 and 2019

CONSOLIDATED STATEMENTS OF CASH FLOWS

	2020	2019
Cash Flows From Operating Activities		
Change in net assets	\$ 1,430,137	\$ 941,160
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,666,242	1,609,799
Interest-amortized debt issuance costs	152,804	43,043
(Increase) decrease in		
Receivables	(1,590,830)	38,978
Prepaid expenses	32,128	44,699
Increase (decrease) in		
Accounts payable	(39,390)	10,742
Accrued liabilities	65,161	1,378
Prepaid rents	(1,499)	8,165
Refundable security deposits	22,135	719
Accrued interest	(88,808)	60,189
Net Cash Provided by Operating Activities	1,648,080	2,758,872
Cash Flows From Investing Activities		
(Increase) decrease in time certificate of deposit	-	100,348
(Increase) decrease in predevelopment costs	(473,947)	1,464,172
Tax credit fees paid	-	(72,765)
Purchases of fixed assets	(22,792,607)	(6,319,251)
Increase in accounts payable related to construction cost and improvements	2,021,976	262,765
Net Cash Used by Investing Activities	(21,244,578)	(4,564,731)
Cash Flows From Financing Activities		
Proceeds from mortgages and notes payable borrowings	22,732,846	2,525,766
Principal payments of mortgages and notes payable	(3,079,264)	(2,137,156)
Financing fees paid	(101,832)	-
Syndication costs Limited Partnership	(40,000)	(30,000)
Limited Partners capital contributions	-	5,975,870
Net Cash Provided (Used) by Financing Activities	19,511,750	6,334,480
Net Change in Cash and Restricted Cash	(84,748)	4,528,621
Cash and Restricted Cash at Beginning of Year	9,016,892	4,488,271
Cash and Restricted Cash at End of Year	\$ 8,932,144	\$ 9,016,892
Supplemental Cash Flows Disclosures		
Cash paid for interest charged to expense	\$ 841,111	\$ 677,128
Cash paid for capitalized interest expense	\$ 119,956	\$ -

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020 and 2019

(1) The Organization and Nature of Activities

Community Partners for Affordable Housing, Inc. (CPAH) is a nonprofit Corporation, incorporated under the laws of the State of Oregon. CPAH is focused on the development of permanent affordable housing for low-income individuals, families and seniors in Washington and Multnomah Counties. CPAH also supports CPAH residents with resident services, community building, and skill building activities to promote housing and life success.

Property Operations: CPAH and Affiliates own 466 units of affordable rental housing in ten multi-family communities, and six single family homes, rented to households with income below specified limits.

Housing Education and Outreach: CPAH provides information to the community related to the role affordable housing plays in building and maintaining vibrant and resilient communities. CPAH also provides opportunities for volunteers to connect with CPAH projects and programs.

Resident Services: In order to support CPAH residents, CPAH provides skill-building and support programs, assists residents in maintaining their housing, and partners with a variety of community service providers.

Housing Development: CPAH is committed to adding affordable housing units in the communities it serves. In 2015, CPAH completed the rehabilitation of Metzger Park Apartments (32 units) and the construction of The Barcelona at Beaverton Apartments (47 units). CPAH completed construction in 2020 on the Red Rock Creek Commons and Cedar Grove developments. CPAH began pre-development work in 2018 on rehabilitation of the Village at Washington Square Apartments, and in 2019 began pre-development work on the Joyce Hotel and Plambeck Gardens projects, which continues into 2021.

Asset Management: CPAH provides asset management for the 466 units in its portfolio, ensuring fiscal and physical compliance and a high quality of life for its residents.

CPAH owns a general partnership interest in each of five Limited Partnerships with a total of 238 units. These partnerships own and operate low-income housing facilities developed and managed by CPAH. The Limited Partnership companies have been included in the accompanying consolidated financial statements.

CPAH is affiliated with two single-asset not-for-profit Corporations with a total of 80 units. These corporations own and operate low-income housing facilities managed by CPAH. The single asset not-for-profit Corporations have been included in the accompanying consolidated financial statements.

(1) The Organization and Nature of Activities – continued

CPAH owns The Village at Washington Square Apartments (26 units). Effective July 31, 2019, CPAH owns Greenburg Oaks Apartments (84 units) formerly Villa La Paz Limited Partnership, and as of July 31, 2020, it owns Oleson Woods LP (32 units). In addition, it owns six single-family low-income rental homes, and its own office space.

Tax Credit Entities

Tax Credit Entities include five limited partnerships in which CPAH or a single member LLC formed by CPAH as the general partner hold controlling general partner interests (ranging from 0.01% to 0.1%). In accordance with accounting principles generally accepted in the United States of America, the Limited Partnerships have been included in the consolidated financial statements because CPAH, as the general partner, is deemed to control the Limited Partnerships. The Tax Credit Entities are as follows:

- Villa La Paz Limited Partnership (Terminated July 31, 2019 – See Note 14)
- Oleson Woods Limited Partnership (Terminated July 31, 2020 – See Note 14)
- Bertha Senior Housing Limited Partnership
- The Knoll at Tigard Limited Partnership
- The Barcelona at Beaverton Limited Partnership
- CPAH Cedar Grove Limited Partnership
- Red Rock Creek Commons Limited Partnership

CPAH has the option to purchase 100% of the ownership interest in each of the Limited Partnerships at the end of their respective 15-year compliance periods.

Single Asset HUD Projects

Single Asset Housing and Urban Development (HUD) Projects include two not-for-profit corporations, each of which owns a HUD Sections 220 and 236 multi-family housing complex designed to serve low-income persons, with a total of 80 units. CPAH was approved as the HUD-designated “Project Sponsor.” These entities have been included in the consolidated financial statements of CPAH because CPAH is deemed to control these entities through common board members. These entities are as follows:

- Metzger Park Apartments, Inc.
- Preserve Spencer House, Inc.

(2) Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of CPAH and its single member LLCs, Tax Credit Entities and Single Asset HUD Projects that are controlled by CPAH. The limited partnership interests are 0.01% with the remainder of the partnerships' equity generally held by a limited partner and shown as non-controlling interest in the accompanying consolidated financial statements. All significant intercompany balances and transactions have been eliminated in consolidation. The Tax Credit Entities and the Single Asset HUD Projects included in the consolidated financial statements are collectively referred to as "Affiliated Entities" in these financial statements.

Non-controlling Interests

The amounts shown as non-controlling interests represent the aggregate balance of limited partner equity interests in the non-wholly owned limited partnerships that are included in the consolidated financial statements.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restriction – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. CPAH reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

(2) Summary of Significant Accounting Policies – continued

Revenue Recognition

Rental Revenue, Laundry, and Tenant Charges

Rental revenues are recognized in the month in which the services are provided and are presented net of rent concessions and vacancy loss. Other income is recognized as the related services are provided and include laundry, application fees, late fees, and other tenant charges. Rental payments received in advance are deferred until earned.

Special Events Revenue

Special events revenue is recognized upon completion of the event.

Grants and Contributions

CPAH receives grants and contributions from private foundations and government sources. Government grants, which generally reflect cost reimbursement agreements, are recognized when earned. Contributions, which include unconditional promises to give, are recorded as revenue at estimated net realizable value in the period CPAH is notified of the commitment. Conditional promises to give are not included as revenue until the conditions are substantially met. Grants and contributions whose restrictions, if any, are met in the same reporting period are reported as unrestricted revenue in the period of receipt.

Development Fees

CPAH earns fees for development of properties and generally recognizes development fees as earned over the period of development. Development fees earned by CPAH, which are included in development costs of consolidated low-income housing projects, have been eliminated in consolidation. In addition, CPAH provides asset management and resident services directly to the Affiliated Entities. Income is earned in accordance with the terms of the agreements and recorded as revenue when earned. Such intercompany revenue has been eliminated in the consolidated financial statements.

Donated Goods and Services

Donated goods and services are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the use of donated goods to a specific purpose. CPAH recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No amounts have been reflected in the statements for donated services by the Board members involved in Board activities or from unpaid volunteers unless the criteria for recognition have been met.

(2) Summary of Significant Accounting Policies – continued

Functional Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the program services and supporting services based on an allocation of employees' time incurred and on usage of resources. Costs allocated to the property operations and other program services include an allocation of operating costs of CPAH and all of the expenses of the Affiliated Entities that have been included in the consolidated financial statements. Amounts allocated to support services represent allocations of the operating costs of CPAH.

The Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fixed Assets

Fixed assets are recorded at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets, which are as follows: 27.5 to 45 years for buildings, 15 years for site and land improvements and 5 to 15 years for furnishings and equipment. Maintenance, repairs and minor replacements are charged to expense when incurred. Major replacements and betterments in excess of \$1,000 are capitalized. Management reviews fixed assets for financial impairment and will continue to evaluate assets if events or circumstances indicate the carrying amount of an asset may not be fully recoverable. Management believes there was no impairment of assets at December 31, 2020 and 2019.

Predevelopment Costs

Predevelopment costs in the amount of \$593,991 and \$120,044 are capitalized in the Consolidated Statements of Financial Position as of December 31, 2020 and 2019, respectively. 2020 includes the Joyce Hotel, Plambeck Gardens, Village at Washington Square and Woodland Hearth projects. In October 2019 CPAH received notification from the Portland Housing Bureau that it would assist in providing fund for the Joyce Hotel project. The funding includes \$2.2 million of Portland Housing Bond funds and \$3.5 million of South Park Blocks Urban Renewal Tax Increment financing and a 99-year lease and redevelopment right to the property for \$1. The projects, Joyce Hotel and Plambeck Gardens are intended to be structured as tax credit limited partnerships.

(2) Summary of Significant Accounting Policies – continued

Cash and Equivalents

Cash and cash equivalents include cash-on-hand, cash deposited with banks and financial institutions, and money market funds with maturities of three months or less. Cash equivalents are recorded at cost, which approximates market value.

Receivables and Bad Debts

Receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Tax Credit Fees

Certain of the Tax Credit Entities have received an allocation of Low-Income Housing Tax Credits ("LIHTC") for their qualifying rental property. The benefits of the LIHTC are provided to the Tax Credit Entities' owners through the Tax Credit Entities' annual federal income tax return filing and are not reflected in the accompanying consolidated financial statements.

The LIHTC is a 15-year credit that is generally claimed by the Tax Credit Entities over a 10-year period. The credit is a certain percentage (as determined by the Internal Revenue Service) of the qualified basis of the property. The Tax Credit Entities may only lease qualified units to tenants who meet certain income limits and whose rent payments also are restricted under guidelines set by the Internal Revenue Service.

Tax Credit Fees are recorded at cost and are amortized over a 15-year period. Accumulated amortization was \$217,771 and \$196,622 at December 31, 2020 and 2019, respectively. Amortization expense was \$21,149 and \$23,471 for the years ended December 31, 2020 and 2019, respectively.

Cash – Restricted

Restricted deposits at December 31 include the following:

	<u>2020</u>	<u>2019</u>
Construction reserve	\$ 4,038,915	\$ 4,029,750
Operating reserves	848,374	847,411
Replacement reserves	1,188,879	1,183,260
Residual receipts reserve	83,682	75,901
Mortgage escrow and earnest money deposits	210,723	242,694
Other reserves	<u>110,000</u>	<u>110,000</u>
	<u>\$ 6,480,573</u>	<u>\$ 6,489,016</u>

(2) Summary of Significant Accounting Policies – continued

Cash – Restricted – continued

Construction reserve. During the year ended December 31, 2019 Red Rock Creek Commons Limited Partnership received a capital contribution from its Limited Partner in the amount of \$5,029,000. The capital contribution is to be used for construction costs. At December 31, 2020 and 2019 \$4,038,915 and \$4,029,750, respectively of these funds have not been spent and are restricted to assist in funding the closing of the project's permanent loan.

Operating reserves are required by certain limited partnership agreements. Such funds are available to pay operating expenses to the extent that collected gross revenues are insufficient for such purposes. Withdrawals from operating reserves generally require the approval and consent of the Investor Limited Partner.

Replacement reserves are required by various loan and regulatory agreements and are to be used for the replacement or repair of capital assets.

Residual receipts reserve is the accumulation of surplus cash, which is calculated annually and transferred to the account from operating cash after the year end for the two single-asset HUD projects. Disbursements from the reserve require approval of HUD.

Mortgage escrow deposits, sufficient to pay annual property taxes and insurance when due, are required by certain loan and regulatory agreements. Included is an earnest money deposit for the purchase of land.

Other reserves include funds set aside by tax credit entities in anticipation of required future secondary debt payments and also for any potential revenue deficits.

Concentration of Credit Risk

CPAH and Affiliated Entities maintain cash balances with banks and other financial institutions which may exceed federal depository insurance limits. CPAH and Affiliated Entities have not experienced any losses from these accounts and do not believe that they are exposed to significant credit risk.

Fair Value of Financial Instruments

Generally accepted accounting principles require disclosure of fair value information about financial instruments when it is practicable to estimate that value. The operations generated by the investment in real estate are subject to various government rules, regulations, and restrictions which make it impractical to estimate the fair value of the notes payable and related accrued interest. The carrying amount of other assets and liabilities reported on the statement of financial position that requires such disclosure approximates fair value.

(2) Summary of Significant Accounting Policies – continued

Fair Value of Financial Instruments - continued

The Financial Accounting Standards Board (FASB) Accounting Standards Codification established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Valuation is based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

The carrying amounts for cash, receivables, prepaid expenses, restricted cash, accounts payable and other accrued liabilities approximate their fair value due to their short maturities. It is impractical to estimate the fair value of financing fees, tax credit fees, and mortgages and notes payable because there are no quoted market prices for transactions that are similar in nature. In-kind donation of land during the year ended December 31, 2019 in the amount of \$900,000 was recorded at its appraised value, which is Level 3.

Federal and State Taxes

No provision for income taxes has been provided because CPAH is exempt from paying income taxes under Internal Revenue Code 501(c)(3) and is not classified as a private foundation. The income or loss from Limited Partnerships is reported by the partners on their income tax returns.

CPAH and its affiliates file returns in the U.S. federal jurisdiction as well as the state of Oregon jurisdiction. Generally, tax filings are subject to federal and state examination for three years after they are filed. The returns filed for periods prior to December 31, 2017 are considered closed and management believes those returns are no longer subject to income tax examination. In the event penalties and interest are assessed by income taxing authorities, it is CPAH's policy to include these in operating expenses. No penalties and interest were assessed for the years ended December 31, 2020 and 2019.

(2) Summary of Significant Accounting Policies – continued

Compensated Absences

Compensated absences for vacation pay are charged to expense when earned by the employee.

Advertising Expenses

Advertising costs are charged to expense as they are incurred.

(3) Reclassifications

Certain accounts in the prior year's financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. These reclassifications did not change the total in net assets for the year ended December 31, 2019 as previously reported.

(4) Cash and Restricted Cash

Cash and restricted cash in the Statement of Cash Flows consist of the following:

	<u>2020</u>	<u>2019</u>
Cash	<u>\$ 2,213,002</u>	<u>\$ 2,311,442</u>
Tenant security deposits	238,569	216,434
Cash restricted		
Construction reserve	4,038,915	4,029,750
Operating reserves	848,374	847,411
Replacement reserves	1,188,879	1,183,260
Residual receipts reserve	83,682	75,901
Mortgage escrow deposits	210,723	242,694
Other reserves	<u>110,000</u>	<u>110,000</u>
Total tenant security deposit and restricted cash	<u>6,719,142</u>	<u>6,705,450</u>
Total cash and restricted cash	<u>\$ 8,932,144</u>	<u>\$ 9,016,892</u>

(5) Liquidity and Availability of Financial Assets

Financial assets available for general expenditures, that is without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash	\$ 2,213,002	\$ 2,311,442
Receivables - operating	139,565	12,196
Receivables - grants	<u>1,604,179</u>	<u>140,718</u>
Total financial assets	3,956,746	2,464,356
Less amounts not available to be used within one year:		
Grants receivable – restricted	<u>1,493,721</u>	<u>498,447</u>
Financial assets available to meet general expenditures within one year:	<u>\$ 2,463,025</u>	<u>\$ 1,965,909</u>

CPAH regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period CPAH considers all expenditures related to its ongoing activities of property operations, housing education and outreach, resident services, housing development and asset management, as well as the conduct of services undertaken to support those activities, to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, CPAH budgets expenses considering available cash flow to cover them. Due to the multi-year developer fee cycle, earned income varies widely from year to year, and CPAH uses the cash received in one year to cover operating deficits in following years. Refer to the statements of cash flows which identifies the sources and uses of CPAH's cash flows and shows positive cash provided by operating activities for both 2020 and 2019.

(6) Receivables – Grants

Grants receivable at December 31, 2020 and 2019 consists of the following:

	<u>2020</u>	<u>2019</u>
Oregon Housing Community Services		
Village Washington Square improvements	\$ 1,404,071	\$ -
Cedar Grove Limited Partnership (CG) construction	60,324	-
Renewable Development Fund		
Red Rock Creek Common Limited Partnership (RRC)		
Solar Equipment	56,390	-
Energy Trust of Oregon		
CG and RRC solar equipment	17,993	-

(6) Receivables – Grants – continued

	<u>2020</u>	<u>2019</u>
Washington County		
Community Development Block Grant	8,135	21,636
Community Housing Development Organization	51,070	39,698
City of Beaverton		
Community Development Block Grant	6,196	10,030
Metro Regional Government		
Equitable Development Strategy Grant	-	10,854
Meyer Memorial Trust		
Resident Services Grant	-	40,000
Joseph Weston Foundation		
General Operating	-	18,500
	<u>\$ 1,604,179</u>	<u>\$ 140,718</u>

(7) Fixed Assets

Fixed assets at December 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Land and improvements	\$ 4,937,631	\$ 4,930,131
Site improvements	4,945,074	2,967,649
Building and improvements	69,905,150	47,908,481
Furnishings and equipment	2,076,525	1,504,898
Construction in progress	<u>938,670</u>	<u>4,673,629</u>
Total fixed assets	82,803,050	61,984,788
Less accumulated depreciation	<u>20,637,659</u>	<u>19,065,127</u>
Fixed assets – net	<u>\$ 62,165,391</u>	<u>\$ 42,919,661</u>

(8) Mortgages and Notes Payable

Mortgages and notes payable at December 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Heritage Bank		
Construction and predevelopment loans payable, interest adjustable ranging from 3.75% - 5.25%, Expected to be refinanced as permanent loans, maturing 2021 - 2023	\$ 10,846,382	\$ 617,352
Washington County		
Mortgages payable generally out of project cash flow, interest ranging from 0% to 3%, maturing 2021 - 2053	7,949,209	6,052,561

(8) Mortgages and Notes Payable – continued

	<u>2020</u>	<u>2019</u>
JP Morgan Chase Bank		
Construction loan payable, interest adjustable LIBOR plus 1.25%, current rate 3.31%, expected to be refinanced as permanent loan, maturing 2021	\$ 7,275,078	\$ 50,416
Network for Oregon Affordable Housing		
Mortgages payable in monthly installments of \$12,718, interest ranging from 4.6% - 5.25%, maturing 2023 - 2036	3,733,329	2,025,737
Oregon Housing and Community Services		
Mortgages payable 0% interest, maturing 2051 - 2061	3,548,790	4,552,587
Walker & Dunlop		
Mortgage payable in monthly installments of \$8,276, interest 3.95%, maturing 2053	1,829,939	1,856,398
Banner Bank		
Mortgages payable in aggregate monthly installments of \$7,048, interest ranging from 3.25% to 4.5%, maturing 2028-2032	1,245,718	1,288,545
PNC Bank, N.A.		
Mortgage payable in monthly installments of \$9,989, interest 7.31%, maturing 2038	1,184,465	1,216,462
Portland Housing Bureau		
Mortgage payable out of project cash flow, interest ranging 0% - 0.5%, maturing 2022 - 2058	951,847	710,713
Umpqua Bank		
Mortgage payable in monthly installments of \$3,626, interest 4.5%, maturing 2026	731,544	747,293
Bank of the West		
Mortgages payable in aggregate monthly installments of \$3,314, interest 4.94%, maturing 2022	439,275	456,506
SBA Loan		
Note payable, interest 2.75%, monthly installments of \$641, maturing 2050	150,000	-

(8) Mortgages and Notes Payable – continued

	<u>2020</u>	<u>2019</u>
Cares Act – PPP Loan		
Payroll protection note payable, interest 1%, forgivable if spent on eligible costs. The note was forgiven in spring 2021 upon CPAH's approved application	\$ 106,071	-
US National Bank		
Mortgage payable in monthly installments of \$4,759, interest 3.76%, maturing 2023	-	583,586
	<u>39,991,647</u>	<u>20,158,156</u>
Less: unamortized debt issuance costs	<u>438,149</u>	<u>411,044</u>
	<u>\$ 39,553,498</u>	<u>\$ 19,747,112</u>

Debt issuance costs are being amortized to interest expense over the terms of the loans. Amortization expense for debt issuance costs during 2020 and 2019 was \$152,804 and \$43,043, respectively.

The above mortgages and notes payable are substantially collateralized by investments in real estate. A summary of mortgages and notes payable, net of unamortized debt issuance costs, by group of entities at December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
CPAH	\$ 8,593,905	\$ 4,355,258
Tax Credit Entities	27,802,760	12,196,920
Single Asset HUD Projects	<u>3,156,833</u>	<u>3,194,934</u>
	<u>\$ 39,553,498</u>	<u>\$ 19,747,112</u>

Annual maturities of mortgages and notes payable for years subsequent to December 31, 2020 are as follows:

Year ending December 31,	
2021	\$ 18,480,817
2022	990,889
2023	2,008,144
2024	235,755
2025	246,401
Thereafter	<u>18,029,641</u>
	<u>\$ 39,991,647</u>

(9) In-Kind Contribution

In November 2019 CPAH received land donated by Washington County. The land was recorded at its appraised value of \$900,000. The land was sold in November 2019 to Cedar Grove Limited Partnership, of which CPAH is the General Partner, for \$900,000.

(10) Commitments and Contingencies

Lease Commitment

The Barcelona at Beaverton project leases land and parking under the terms of a non-cancellable operating lease. The term of the lease is seventy-five years beginning October 2014 and ending October 2089. There is an option to extend for an additional twenty-four years. The lease calls for annual payments of \$30. If at any time the land ceases to be used as multifamily housing, primarily for persons of lower income, the minimum rent shall increase to \$12,000 per year in 2015 dollars adjusted annually to reflect changes in the Portland consumer price index, increasing 3% per year for the remainder of the lease term.

Grant and Property Use Restrictions

Certain of the properties operated by CPAH and Affiliated Entities were developed using funds provided by grants and low-interest rate loans. The terms of these grants and loans restrict the use of the property and generally require the property to be rented to low-income qualified tenants for the period of the grant or related loan term. Failure to comply with the terms of the grants or the loans may result in a requirement to repay a portion or all of the proceeds received.

Rental Assistance Contracts

Certain of the properties have entered into rental assistance contracts with HUD. The rental assistance contracts require that the property be operated as low-income housing and that any rent increases be approved by HUD.

Construction Commitments

CPAH entered into a construction contract in 2020 for the total amount of \$2,207,519 for improvement on the Village at Washington Square property. As of December 31, 2020 \$344,318 has been completed leaving an estimated commitment of \$1,863,201.

(10) Commitments and Contingencies - continued

Other

As the general partner in various Limited Partnerships, CPAH may be subject to other liabilities should an affected partnership's assets become insufficient to meet its obligations. This includes guarantees to fund future operating deficits of certain Tax Credit Entities over the periods as defined under the limited partnership agreements. The operating deficit guarantee periods typically require the Limited Partnerships to meet certain conditions based on the operational results. CPAH has not been required to fund any amounts associated with the operating deficit guarantees to date.

(11) Property Tax Exemption

All of the affiliates' low-income housing projects have been granted exemption from real property taxes. Property tax exemptions are generally granted annually and there is no assurance the exemption will continue in future years. The savings from the property tax exemptions has not been determined. In the opinion of management, the projects will continue to be granted exemption from real property taxes.

(12) Current Vulnerability Due To Certain Concentrations

CPAH's operations are concentrated in the multifamily real estate market. In addition, the projects operate in a heavily regulated environment. The operations of the projects are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change. 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.

(13) Retirement Plan

CPAH established a 403(b) retirement plan covering substantially all employees. Under the plan, CPAH's employees can elect to defer compensation up to limits established by the Internal Revenue Code. CPAH contributes 5% of an employee's salary to the plan. Contributions made by CPAH amounted to \$29,052 and \$16,384 during the years ended December 31, 2020 and 2019, respectively.

(14) Tax Credit Entity Termination

On July 31, 2020 the Limited Partner of Oleson Woods LP exited the partnership and CPAH became the sole owner. The assets and liabilities of Oleson Woods LP were merged into CPAH at book value.

On July 31, 2019 the Limited Partner of Villa La Paz Limited Partnership exited the Partnership and CPAH became the sole owner. The assets and liabilities of Villa La Paz Limited Partnership were merged into CPAH at book value.

(15) COVID-19

CPAH's operations have been affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on CPAH's financial position, activities, and cash flows. Possible effects may include, but are not limited to, loss of funding and absenteeism in CPAH's staff. However, management of CPAH believes it has taken necessary precautions to minimize the effects of COVID-19 on its operations.

(16) Subsequent Events

Management of CPAH has evaluated events and transactions occurring after December 31, 2020 through July 9, 2021, the date the consolidated financial statements were available for issuance, for potential recognition or disclosure in the consolidated financial statements and has concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

AUDITED SUPPLEMENTARY INFORMATION

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

December 31, 2020

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

ASSETS	CPAH	TAX CREDIT ENTITIES	SINGLE ASSET HUD PROJECTS	ELIMINATIONS	CONSOLIDATED
Cash	\$ 1,474,695	\$ 697,498	\$ 40,809	\$ -	\$ 2,213,002
Cash - restricted	541,705	5,517,093	421,775	-	6,480,573
Receivables - operating	84,479	13,454	41,632	-	139,565
Receivables - grants	1,604,179	-	-	-	1,604,179
Prepaid expenses	15,344	10,572	8,122	-	34,038
Tenant security deposits	117,575	85,670	35,324	-	238,569
Predevelopment costs	593,991	-	-	-	593,991
Land held for development	2,003,616	-	-	-	2,003,616
Tax credit fees - net	-	188,989	-	-	188,989
Receivables from affiliates	8,057,668	-	-	(8,057,668)	-
Investments in affiliates	554,041	-	-	(554,041)	-
Subtotal	15,047,293	6,513,276	547,662	(8,611,709)	13,496,522
Fixed assets					
Land and improvements	1,664,334	3,623,046	323,603	(673,352)	4,937,631
Site improvements	1,569,057	3,101,559	274,458	-	4,945,074
Buildings and improvements	16,725,248	51,939,168	8,446,185	(7,205,451)	69,905,150
Furnishings and equipment	501,734	1,337,764	237,027	-	2,076,525
Construction in progress	938,670	-	-	-	938,670
Total fixed assets	21,399,043	60,001,537	9,281,273	(7,878,803)	82,803,050
Less accumulated depreciation	10,738,058	7,740,128	2,877,138	(717,665)	20,637,659
Fixed assets - net	10,660,985	52,261,409	6,404,135	(7,161,138)	62,165,391
Total Assets	\$ 25,708,278	\$ 58,774,685	\$ 6,951,797	\$ (15,772,847)	\$ 75,661,913

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

December 31, 2020

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

LIABILITIES AND NET ASSETS	CPAH	TAX CREDIT ENTITIES	SINGLE ASSET HUD PROJECTS	ELIMINATIONS	CONSOLIDATED
Liabilities					
Accounts payable	25,210	\$ 13,238	\$ 7,588	\$ -	\$ 46,036
Accounts payable- construction and improvements	812,815	1,923,374	-	-	2,736,189
Accrued liabilities	78,421	57,576	-	-	135,997
Prepaid rents	2,977	2,277	3,493	-	8,747
Refundable security deposits	117,575	85,670	35,324	-	238,569
Mortgages and notes payable	8,593,905	27,802,760	3,156,833	-	39,553,498
Accrued interest	389,116	165,124	85,385	-	639,625
Deferred revenue	220,000	-	-	(220,000)	-
Payables to affiliates	-	8,038,468	19,200	(8,057,668)	-
Total Liabilities	10,240,019	38,088,487	3,307,823	(8,277,668)	43,358,661
Net Assets					
Without donor restriction					
Controlling interests	13,974,538	554,041	3,643,974	(8,212,844)	9,959,709
Noncontrolling interests	-	20,132,157	-	717,665	20,849,822
Total Without donor restriction	13,974,538	20,686,198	3,643,974	(7,495,179)	30,809,531
With donor restriction - controlling	1,493,721	-	-	-	1,493,721
Total Net Assets	15,468,259	20,686,198	3,643,974	(7,495,179)	32,303,252
Total Liabilities and Net Assets	\$ 25,708,278	\$ 58,774,685	\$ 6,951,797	\$ (15,772,847)	\$ 75,661,913

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

Year Ended December 31, 2020

CONSOLIDATING STATEMENT OF ACTIVITIES

	CPAH	TAX CREDIT ENTITIES	SINGLE ASSET HUD PROJECTS	ELIMINATIONS	CONSOLIDATED
Support and Revenues					
Support					
Grants	\$ 3,297,277	\$ -	\$ -	\$ -	\$ 3,297,277
In-Kind Contributions	-	-	-	-	-
Contributions	37,193	-	-	-	37,193
Total Support	3,334,470	-	-	-	3,334,470
Revenues					
Net rental revenue	1,343,030	1,710,190	739,693	-	3,792,913
Laundry and tenant charges	59,576	20,927	12,472	-	92,975
Fees and losses - affiliates	3,290,540	225	-	(3,290,765)	-
Interest income	2,353	-	110	-	2,463
Interest income - affiliates	221,568	-	-	(221,333)	235
Special events - net of expenses	83,150	-	-	-	83,150
Gain on sale of assets	-	-	-	-	-
Debt forgiveness	152,075	7,500	10,337	-	169,912
Other revenue	618	36,282	6,356	-	43,256
Total Revenues	5,152,910	1,775,124	768,968	(3,512,098)	4,184,904
Total Support and Revenues	8,487,380	1,775,124	768,968	(3,512,098)	7,519,374
Expenses					
Personnel costs	899,261	273,615	176,062	-	1,348,938
Administrative expenses	90,240	42,688	22,156	-	155,084
Bad Debt expense	5,445	1,213	397	-	7,055
Fees- affiliates	-	103,808	31,640	(135,448)	-
Fees-limited partners	-	17,139	-	-	17,139
Insurance	60,903	73,046	46,321	-	180,270
Interest expense	416,997	209,960	110,041	-	736,998
Interest expense - affiliates	-	98,100	-	(98,100)	-
Maintenance and repairs	244,680	263,577	144,200	(62,888)	589,569
Monitoring fees-LIHTC	6,940	11,452	-	-	18,392
Professional fees	367,630	101,174	22,031	-	490,835
Program supplies	21,743	-	44,979	-	66,722
Property management fee	67,260	107,290	-	-	174,550
Real property taxes	17,131	-	-	-	17,131
Telephone and internet	19,891	25,584	7,517	-	52,992
Travel, training and meetings	7,516	2,195	1,568	-	11,279
Utilities	222,128	238,555	95,358	-	556,041
Total Expenses before depreciation and amortization	2,447,765	1,569,396	702,270	(296,436)	4,422,995
Change in Net Assets before depreciation and amortization	6,039,615	205,728	66,698	(3,215,662)	3,096,379
Depreciation and Amortization					
Depreciation	523,544	1,040,486	222,763	(141,700)	1,645,093
Amortization	-	21,149	-	-	21,149
Total Depreciation and Amortization	523,544	1,061,635	222,763	(141,700)	1,666,242
Change in Net Assets	\$ 5,516,071	\$ (855,907)	\$ (156,065)	\$ (3,073,962)	\$ 1,430,137

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC. - CPAH OPERATIONS

Year Ended December 31, 2020

STATEMENT OF FUNCTIONAL EXPENSES

	PROGRAM SERVICES						SUPPORT SERVICES			
	PROPERTY OPERATIONS	HOUSING EDUCATION & OUTREACH	RESIDENT SERVICES	HOUSING DEVELOPMENT	ASSET MANAGEMENT	TOTAL	MANAGEMENT & GENERAL	FUND- RAISING	TOTAL	GRAND TOTALS
Personnel costs	\$ 161,344	\$ 110,988	\$ 237,931	\$ 216,994	\$ 89,973	\$ 817,230	\$ 62,820	\$ 19,211	\$ 82,031	\$ 899,261
Administrative expenses	64,501	1,020	3,595	10,157	762	80,035	8,908	1,297	10,205	90,240
Bad debt expense	5,445	-	-	-	-	5,445	-	-	-	5,445
Insurance	52,029	724	2,249	1,292	1,861	58,155	2,602	146	2,748	60,903
Interest expense	320,881	3,086	9,601	75,415	3,240	412,223	4,155	619	4,774	416,997
Maintenance and repairs	244,680	-	-	-	-	244,680	-	-	-	244,680
Monitoring fees	6,940	-	-	-	-	6,940	-	-	-	6,940
Professional fees	46,733	6,589	9,119	215,009	1,344	278,794	87,942	894	88,836	367,630
Program supplies	-	-	21,642	45	-	21,687	-	56	56	21,743
Property management fee	67,260	-	-	-	-	67,260	-	-	-	67,260
Real property taxes	14,571	-	-	-	2,560	17,131	-	-	-	17,131
Telephone and internet	10,151	1,039	2,997	1,830	836	16,853	2,769	269	3,038	19,891
Travel, training and meetings	875	210	1,363	332	202	2,982	4,534	-	4,534	7,516
Utilities	219,908	282	890	550	236	221,866	200	62	262	222,128
Functional Expenses before depreciation	1,215,318	123,938	289,387	521,624	101,014	2,251,281	173,930	22,554	196,484	2,447,765
Depreciation	439,703	4,017	12,569	7,215	9,910	473,414	49,308	822	50,130	523,544
Totals before fundraising event expenses	1,655,021	127,955	301,956	528,839	110,924	2,724,695	223,238	23,376	246,614	2,971,309
Fundraising event expenses	-	-	-	-	-	-	-	-	-	-
Total Expenses	1,655,021	127,955	301,956	528,839	110,924	2,724,695	223,238	23,376	246,614	2,971,309
Percentage of 2020 Grand Totals	55.7%	4.3%	10.2%	17.8%	3.7%	91.7%	7.5%	0.8%	8.3%	100.0%