

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

CONSOLIDATED FINANCIAL STATEMENTS
With Independent Auditor's Report

Years ended December 31, 2024 and 2023

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING
Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

July 29, 2025

Board of Directors
Community Partners for Affordable Housing
Tigard, Oregon

Report on the Audit of the Consolidated Financial Statements

Opinion

I have audited the accompanying consolidated financial statements of financial position of Community Partners for Affordable Housing (CPAH) (a nonprofit organization) and affiliated entities, which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of CPAH as of December 31, 2024 and 2023, and the changes in its net assets 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

I conducted my audit in accordance with 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of CPAH and its affiliated entities and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CPAH's and affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 CPAH'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 consolidated financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CPAH's and affiliates' ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Supplementary 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 30 to 36 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

Board of Directors
Community Partners for Affordable Housing
July 29, 2025

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, on pages 37 to 38, I have also issued my report dated July 29, 2025 on my consideration of CPAH's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CPAH's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CPAH's internal control over financial reporting and compliance.

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

DECEMBER 31, 2024 and 2023

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>			
Assets		2024	2023
Cash and cash equivalents	\$	4,191,899	\$ 4,148,958
Money market -government obligation fund		8,799,009	-
Cash - restricted		3,141,997	4,957,555
U.S. Treasury Bills - available for sale		-	9,916,560
Receivables - operating		309,398	238,490
Receivables - grants		213,853	150,000
Prepaid expenses		131,416	117,627
Tenant security deposits held in trust		298,755	295,103
Predevelopment costs		3,748,023	985,898
Land held for development		-	759,889
Fixed assets - net (Note 7)		125,326,589	94,573,801
Bond fee		94,250	85,000
Derivative assets		753,084	534,327
Tax credit fees - net		1,111,132	764,168
Total Assets	\$	148,119,405	\$ 117,527,376
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Accounts payable	\$	508,352	\$ 192,397
Accounts payable-construction and project improvements		6,197,802	1,477,918
Accrued liabilities		417,491	230,736
Prepaid rents		48,190	9,152
Refundable security deposits		307,404	298,058
Mortgages and notes payable (Note 8)		95,160,716	76,984,202
Accrued interest		1,357,783	857,665
Deferred revenue		-	28,735
Total Liabilities		103,997,738	80,078,863
Commitments and Contingencies		-	-
Net Assets			
Without donor restriction			
Controlling interests		15,341,318	15,506,174
Board designated		825,000	450,000
Noncontrolling interests		27,643,228	21,068,213
Total without donor restriction		43,809,546	37,024,387
With donor restriction - controlling interests		312,121	424,126
Total Net Assets		44,121,667	37,448,513
Total Liabilities and Net Assets	\$	148,119,405	\$ 117,527,376

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

Years Ended December 31, 2024 and 2023

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	2024	2023
<i>Net Assets Without Donor Restriction:</i>		
Support and Revenues		
Support		
Grants	\$ 2,345,985	\$ 3,127,223
Contributions	58,599	26,136
Total Support	2,404,584	3,153,359
Revenues		
Net rental revenue and related income	6,409,538	5,559,776
Interest income	291,528	309,997
Gain on sale of assets	-	313,245
Loss on casualty event	(312,597)	-
Special events - net of expenses	114,070	108,885
Other income	94,691	110,567
Total Revenues	6,597,230	6,402,470
Net assets released from restrictions	184,056	44,702
Total Support and Revenues	9,185,870	9,600,531
Expenses		
Program Services		
Property operations	5,987,759	5,102,710
Housing education and outreach	175,074	167,912
Resident services	860,309	708,834
Supportive Housing Services	770,578	432,804
Housing development	551,368	534,060
Asset management	247,443	114,616
Total Program Services	8,592,531	7,060,936
Support Services		
Management and general	299,728	333,615
Fundraising	123,730	117,004
Total Support Services	423,458	450,619
Total Expenses before depreciation and amortization	9,015,989	7,511,555
Change in Net Assets Without Donor Restriction before derivatives gain (loss), loan forgiveness and depreciation and amortization	169,881	2,088,976
Unrealized gain (loss) on derivatives	20,756	(106,684)
Loan forgiveness	522,329	-
Depreciation and amortization	(3,191,656)	(2,879,922)
Change in Net Assets Without Donor Restriction	\$ (2,478,690)	\$ (897,630)
<i>Net Assets With Donor Restriction:</i>		
Grants and contributions	\$ 72,051	\$ 241,508
Net assets released from restrictions	(184,056)	(44,702)
Change in Net Assets With Donor Restriction	\$ (112,005)	\$ 196,806
Total Change in Net Assets	\$ (2,590,695)	\$ (700,824)

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

Years Ended December 31, 2024 and 2023

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - CONTINUED

	<u>WITHOUT DONOR RESTRICTION</u>			<u>WITH DONOR RESTRICTION</u>		
	<u>CONTROLLING</u> <u>INTERESTS</u>	<u>NONCONTROLLING</u> <u>INTERESTS</u>	<u>TOTAL</u>	<u>CONTROLLING</u> <u>INTERESTS</u>	<u>TOTAL</u> <u>NET ASSETS</u>	
Net Assets, December 31, 2022	\$ 10,994,511	\$ 27,023,863	\$ 38,018,374	\$ 227,320	\$ 38,245,694	
Change in net assets for the year ended December 31, 2023	860,242	(1,757,872)	(897,630)	196,806	(700,824)	
Assignment of partnership interest	4,101,421	(4,101,421)	-	-	-	
Limited Partners capital contributions	-	165,513	165,513	-	165,513	
Limited Partnership syndication costs	-	(55,000)	(55,000)	-	(55,000)	
Limited Partners distributions		(206,870)	(206,870)	-	(206,870)	
Net Assets, December 31, 2023	15,956,174	21,068,213	37,024,387	424,126	37,448,513	
Change in net assets for the year ended December 31, 2024	210,144	(2,688,834)	(2,478,690)	(112,005)	(2,590,695)	
Limited Partners capital contributions	-	9,345,990	9,345,990	-	9,345,990	
Limited Partnership syndication costs	-	(73,700)	(73,700)	-	(73,700)	
Limited Partners distributions	-	(8,441)	(8,441)	-	(8,441)	
Net Assets, December 31, 2024	\$ 16,166,318	\$ 27,643,228	\$ 43,809,546	\$ 312,121	\$ 44,121,667	

Controlling Interest includes Board designated fund of \$825,000

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

Year Ended December 31, 2024

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	PROGRAM SERVICES							SUPPORT SERVICES			
	PROPERTY OPERATIONS	HOUSING EDUCATION & OUTREACH	RESIDENT SERVICES	SUPPORTIVE HOUSING SERVICES	HOUSING DEVELOPMENT	ASSET MANAGEMENT	TOTAL	MANAGEMENT & GENERAL	FUND- RAISING	TOTAL	GRAND TOTALS
Personnel costs	\$ 1,010,114	\$ 148,682	\$ 527,990	\$ 530,260	\$ 502,445	\$ 132,112	\$ 2,851,603	\$ 259,195	\$ 103,449	\$ 362,644	\$ 3,214,247
Administrative expenses	277,857	946	4,640	3,603	3,608	957	291,611	3,023	4,312	7,335	298,946
Bad debt expense	105,773						105,773			-	105,773
Fees-limited partners	19,132						19,132			-	19,132
Insurance	326,781	1,505	5,827	5,899	5,586	1,543	347,141	2,754	1,157	3,911	351,052
Interest expense	1,380,763	11,584	11,729	11,105	3,069	3,069	1,421,319	5,475	2,300	7,775	1,429,094
Maintenance and repairs	1,243,854						1,243,854			-	1,243,854
Professional fees	243,468	5,097	19,571	19,512	20,525	5,105	313,278	22,808	5,827	28,635	341,913
Program supplies			265,952	176,711	-	98,911	541,574		59	59	541,633
Property management fee	344,315						344,315			-	344,315
Telephone and internet		1,505	14,503	8,645	5,711	1,438	31,802	2,478	3,705	6,183	37,985
Travel, training and meetings	12,471	5,583	9,445	14,183	9,799	4,135	55,616	3,689	2,792	6,481	62,097
Utilities	1,023,231	172	652	660	625	173	1,025,513	306	129	435	1,025,948
Functional Expenses before depreciation and amortization	5,987,759	175,074	860,309	770,578	551,368	247,443	8,592,531	299,728	123,730	423,458	9,015,989
Depreciation	3,057,465	3,219	12,171	12,324	11,669	3,224	3,100,072	52,423	2,417	54,840	3,154,912
Amortization	36,744						36,744	-	-	-	36,744
Total Depreciation and amortization	3,094,209	3,219	12,171	12,324	11,669	3,224	3,136,816	52,423	2,417	54,840	3,191,656
Functional Expenses before fundraising event expenses	9,081,968	178,293	872,480	782,902	563,037	250,667	11,729,347	352,151	126,147	478,298	12,207,645
Fundraising event expenses	-	-	-		-	-	-	-	58,252	58,252	58,252
Total Expenses	\$ 9,081,968	\$ 178,293	\$ 872,480	\$ 782,902	\$ 563,037	\$ 250,667	\$ 11,729,347	\$ 352,151	\$ 184,399	\$ 536,550	\$ 12,265,897

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

Year Ended December 31, 2023

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	PROGRAM SERVICES							SUPPORT SERVICES			
	PROPERTY OPERATIONS	HOUSING EDUCATION & OUTREACH	RESIDENT SERVICES	SUPPORTIVE HOUSING SERVICES	HOUSING DEVELOPMENT	ASSET MANAGEMENT	TOTAL	MANAGEMENT & GENERAL	FUND- RAISING	TOTAL	GRAND TOTALS
Personnel costs	\$ 838,806	\$ 141,620	\$ 474,482	\$ 337,265	\$ 480,200	\$ 99,918	\$ 2,372,291	\$ 204,483	\$ 95,156	\$ 299,639	\$ 2,671,930
Administrative expenses	256,279	1,016	6,883	1,993	(762)	568	265,977	9,296	7,791	17,087	283,064
Bad debt expense	48,219	-	-	-	-	-	48,219	-	-	-	48,219
Fees-limited partners	32,703	-	-	-	-	-	32,703	-	-	-	32,703
Insurance	305,364	1,157	5,886	2,610	3,068	791	318,876	8,883	816	9,699	328,575
Interest expense	1,068,914	2,395	17,660	4,265	1,868	6,532	1,101,634	7,552	2,060	9,612	1,111,246
Maintenance and repairs	1,095,232	-	-	-	-	-	1,095,232	-	-	-	1,095,232
Monitoring fees	18,185	-	-	-	-	-	18,185	-	-	-	18,185
Professional fees	166,103	9,379	37,289	24,799	42,590	5,209	285,369	95,426	6,706	102,132	387,501
Program supplies	-	-	153,484	58,795	326	-	212,605	-	113	113	212,718
Property management fee	312,782	-	-	-	-	-	312,782	-	-	-	312,782
Real property taxes	8,304	-	-	-	-	-	8,304	-	-	-	8,304
Telephone and internet	48,643	1,083	7,457	1,934	3,819	893	63,829	2,037	2,677	4,714	68,543
Travel, training and meetings	5,358	11,102	4,529	936	2,329	565	24,819	5,495	1,545	7,040	31,859
Utilities	897,818	160	1,164	207	622	140	900,111	443	140	583	900,694
Functional Expenses before depreciation and amortization	5,102,710	167,912	708,834	432,804	534,060	114,616	7,060,936	333,615	117,004	450,619	7,511,555
Depreciation	2,744,662	3,405	17,566	4,388	10,431	4,418	2,784,870	59,859	2,243	62,102	2,846,972
Amortization	32,950	-	-	-	-	-	32,950	-	-	-	32,950
Total Depreciation and amortization	2,777,612	3,405	17,566	4,388	10,431	4,418	2,817,820	59,859	2,243	62,102	2,879,922
Functional Expenses before fundraising event expenses	7,880,322	171,317	726,400	437,192	544,491	119,034	9,878,756	393,474	119,247	512,721	10,391,477
Fundraising event expenses	-	-	-	-	-	-	-	-	46,248	46,248	46,248
Total Expenses	\$ 7,880,322	\$ 171,317	\$ 726,400	\$ 437,192	\$ 544,491	\$ 119,034	\$ 9,878,756	\$ 393,474	\$ 165,495	\$ 558,969	\$ 10,437,725

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING
Years Ended December 31, 2024 and 2023

CONSOLIDATED STATEMENTS OF CASH FLOWS

	2024	2023
Cash Flows From Operating Activities		
Change in net assets	\$ (2,590,695)	\$ (700,824)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	3,191,656	2,879,922
Interest-amortized debt issuance costs	67,653	64,678
Loan forgiveness	(522,329)	-
Unrealized (gain) loss on derivative assets	(20,756)	106,684
Loss on casualty event	312,597	-
(Gain) on sale of assets	-	(313,245)
Changes in		
Receivables	(134,761)	(2,667)
Prepaid expenses	(13,789)	18,877
Accounts payable	315,955	100,403
Accrued liabilities	186,755	77,200
Prepaid rents	39,038	(4,629)
Refundable security deposits	9,346	(2,369)
Accrued interest	500,118	85,920
Deferred revenue	(28,735)	28,735
Net Cash Provided (Used) by Operating Activities	1,312,053	2,338,685
Cash Flows From Investing Activities		
(Increase) in predevelopment costs	(2,762,125)	(1,363,247)
Tax credit fees paid	(383,708)	(457,797)
(Increase) Bond fees	(9,250)	(85,000)
Net Proceeds from sale of assets	-	426,383
(Increase) decrease in U.S. Treasury Bills	9,916,560	(9,916,560)
Purchases of fixed assets	(33,460,408)	(21,026,136)
Increase (decrease) in accounts payable related to construction cost and improvements	4,719,884	(1,214,038)
Net Cash Provided (Used) by Investing Activities	(21,979,047)	(33,636,395)
Cash Flows From Financing Activities		
Proceeds from mortgages and notes payable borrowings	30,201,878	40,597,695
Principal payments of mortgages and notes payable	(10,819,368)	(4,892,528)
Financing fees paid	(751,320)	(1,208,343)
Derivative asset purchased	(198,001)	-
Syndication costs Limited Partnerships	(73,700)	(55,000)
Limited Partners distributions	(8,441)	(206,870)
Limited Partners capital contributions	9,345,990	165,513
Net Cash Provided (Used) by Financing Activities	27,697,038	34,400,467
Net Change in Cash and Restricted Cash	7,030,044	3,102,757
Cash and Restricted Cash at Beginning of Year	9,401,616	6,298,859
Cash and Restricted Cash at End of Year	\$ 16,431,660	\$ 9,401,616
Supplemental Cash Flows Disclosures		
Cash paid for interest charged to expense	\$ 1,412,674	\$ 1,241,600
Cash paid for capitalized interest expense	\$ 626,987	\$ 376,619
Total capitalized interest expense	\$ 1,155,070	\$ 603,117

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

(1) The Organization and Nature of Activities

Community Partners for Affordable Housing (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 645 units of affordable rental housing in twelve multi-family communities and three 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 eviction prevention and housing stabilization services, along with community and wellness programming, youth programs, and activities to promote health and wellness for seniors. CPAH also provides services for people who are homeless including housing navigation, case management and rapid rehousing. Additionally, CPAH supports residents in permanent supportive housing.

Supportive Housing Services: CPAH brings its understanding of permanent supportive housing to communities dedicated to serving people who are exiting houselessness. CPAH integrates its experience in Resident Services, partnering with mental health organizations and other service providers to assist people moving into housing and supporting them over the long-term.

Housing Development: CPAH is committed to creating quality, sustainable, affordable housing in the diverse communities it serves. As part of this commitment, CPAH undertakes the development of new units as well as rehabilitation and upgrades of existing units in its portfolio. The Joyce, a substantial historic rehab in downtown Portland, opened in June 2024 adding 66 units to CPAH's portfolio. Plambeck Gardens, a 116 unit affordable housing facility in Tualatin, opened in April, 2025. CPAH has an additional three new construction projects in its pipeline, all of which have been funded with Metro Housing Bonds and will bring 263 new units to the community. CPAH continues to pursue new affordable housing development opportunities as part of its ongoing work.

(1) The Organization and Nature of Activities – continued

Asset Management: CPAH provides asset management for the 645 units in its portfolio, ensuring fiscal and physical compliance with local, state, and federal regulations. It also continuously assesses the physical condition of its properties and creates and executes maintenance and rehabilitation plans to maintain a high quality of life for its residents.

CPAH owns a general partnership interest in each of seven Limited Partnerships as of December 31, 2024 with a total of 420 units. These partnerships own and operate low-income housing facilities developed and managed by CPAH. The Limited Partnerships 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.

CPAH owns The Village at Washington Square Apartments (26 units), Greenburg Oaks Apartments (84 units) formerly Villa La Paz Limited Partnership, Oleson Woods LP (32 units), and as of April 1, 2023, Watershed Apartments (51 units), formerly Bertha Senior Housing Limited Partnership. In addition, it owns 3 single-family low-income rental homes, and CPAH's office space.

Tax Credit Entities

Tax Credit Entities include seven limited partnerships in which CPAH, or a single member LLC formed by CPAH as the general partner, holds controlling general partner interests (of 0.01%). 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:

- Bertha Senior Housing Limited Partnership (Terminated March, 2023-See Note 18)
- The Knoll at Tigard Limited Partnership
- The Barcelona at Beaverton Limited Partnership
- CPAH Cedar Grove Limited Partnership
- Red Rock Creek Commons Limited Partnership
- CPAH Joyce Limited Partnership
- CPAH Plambeck Gardens Limited Partnership
- CPAH Woodland Hearth 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.

(1) The Organization and Nature of Activities – continued

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. CPAH’s general 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.

(2) Summary of Significant Accounting Policies - continued

Basis of Presentation - continued

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.

Revenue Recognition

Rental Revenue and Related Income

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.

Revenue generated by laundry machines represents exchange transactions. Revenue from laundry machines is recognized at a point in time and the amounts earned during the year are reported on the statement of activities. There were no contract assets or liabilities to these revenues at either the beginning or end of the year. There are no obligations for returns or refunds arising from these transactions.

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 are generally treated as with donor restricted amounts until the restrictions have been satisfied, at which time they are released from restriction and treated as without donor restriction amounts. 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.

(2) Summary of Significant Accounting Policies - continued

Revenue Recognition - continued

Development Fees

CPAH earns fees for development of properties and generally recognizes development fees as earned over the period of development in accordance with the terms of Limited Partnership agreements. 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. All fees earned during the years ended December 31, 2024 and 2023 were intercompany revenue and have 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.

Leases

Topic 842 Leases was issued by the Financial Accounting Standard Board and became effective for fiscal years beginning after December 15, 2021. CPAH adopted this standard effective January 1, 2023, which was the date of initial application.

Lessor

CPAH leases apartment units on a month-to-month basis. The leases include services for maintenance to common areas and apartment units on behalf of the lessees. CPAH has elected to apply the practical expedient that allows apartment leases and their associated maintenance services to be accounted for as a single combined lease component. CPAH has determined that the apartment lease is predominant in these leases and is accounting for the combined apartment and maintenance services as an operating lease under Topic 842. As a result CPAH presented apartment leases and maintenance services in the same line item in the statement of activities for the years ended December 31, 2024 and 2023.

(2) Summary of Significant Accounting Policies – continued

Leases - continued

Operating Leases

CPAH records operating leases with a right of use asset and corresponding liability to capture total value of future use and cash outflows, discounted to present value at date of lease inception, and amortized over the life of the lease. The discount rate is based on what is stated in the lease agreement, if known, or the entities average borrowing rates. Operating lease amortization is charged to rent expense over the life of the lease. Operating lease expense is recognized for these leases on a straight-line basis over the lease term. The lease commitments disclosed in Note 14 were not deemed material and the right of use asset and corresponding liability are not recorded in the consolidated financial statements.

Short-term Leases

Operating leases with an initial term of twelve months or less and the lack of a purchase option that the partnership is reasonably certain to exercise, are short-term lease. It is CPAH's policy to not recognize right of use assets and lease liabilities arising from short-term leases for any class of underlying asset. Amount paid towards short-term leases are included in rent expense as payments are made.

Functional Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets and functional expenses. 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.

U.S. Treasury Bills

U.S. Treasury Bills available for sale are owned by CPAH Affiliate, CPAH Plambeck Gardens Limited Partnership and are stated at cost. The difference between cost and fair value is not material in relation to the consolidated financial statements.

(2) Summary of Significant Accounting Policies – continued

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, 2024 and 2023.

Predevelopment Costs

Predevelopment costs related to Plambeck Gardens, Woodland Hearth, Jamii Court, Meadowlark and Sylvania projects in the amount of \$3,748,023 and \$985,898 are capitalized in the Consolidated Statements of Financial Position as of December 31, 2024 and 2023, respectively. Plambeck Gardens was formed as a tax credit Limited Partnership in May, 2023 and is reported as a tax credit entity in the financial statements for the year ended December 31, 2024. The remaining predevelopment projects are also intended to be structured as tax credit limited partnerships.

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 Allowance for Credit Losses

In June 2016, the Financial Accounting Standard Board (FASB) issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by CPAH that are subject to the guidance in FASB ASC 326 are tenant accounts receivable and other operating receivables.

(2) Summary of Significant Accounting Policies - continued

Receivables and Allowance for Credit Losses - continued

We adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Receivables are generally 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.

Operating receivables as of December 31, 2022 were \$175,237.

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 \$276,927 and \$276,164 at December 31, 2024 and 2023, respectively. Amortization expense was \$36,744 and \$32,950 for the years ended December 31, 2024 and 2023, respectively.

Bond Fees

Bond Fees related to construction loan financing of CPAH projects at December 31, 2024 and 2023 are capitalized.

(2) Summary of Significant Accounting Policies - continued

Cash – Restricted

Restricted deposits at December 31 include the following:

	<u>2024</u>	<u>2023</u>
Operating reserves	\$ 1,455,182	\$ 1,056,653
Replacement reserves	1,360,505	1,207,485
Residual receipts reserve	27,756	46,949
Mortgage escrow and earnest money deposits	288,554	296,178
Construction cost reserve	-	2,240,290
Other reserves	<u>10,000</u>	<u>110,000</u>
	<u>\$ 3,141,997</u>	<u>\$ 4,957,555</u>

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.

Construction cost reserve is unspent proceeds from a construction loan used to finish the construction of the CPAH Joyce Limited Partnership project.

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.

(2) Summary of Significant Accounting Policies - continued

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.

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. Derivative assets for the years ended December 31, 2024 and 2023 in the amount of \$753,084 and \$534,327, respectively were recorded based on level 2 inputs..

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, 2021 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, 2024 and 2023.

(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 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, 2023 as previously reported.

(4) Cash and Restricted Cash

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,191,899	\$ 4,148,958
Money market – government obligation fund	<u>8,799,009</u>	<u>-</u>
	<u>12,990,908</u>	<u>4,418,958</u>
Tenant security deposits	298,755	295,103
Cash restricted		
Operating reserves	1,455,182	1,056,653
Replacement reserves	1,360,505	1,207,485
Residual receipts reserve	27,756	46,949
Mortgage escrow deposits	288,554	296,178
Construction loan reserve	-	2,240,290
Other reserves	<u>10,000</u>	<u>110,000</u>
Total tenant security deposit and restricted cash	<u>3,440,752</u>	<u>5,252,658</u>
Total cash and restricted cash	<u>\$ 16,431,660</u>	<u>\$ 9,401,616</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>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 4,191,899	\$ 4,148,958
Money market government obligation fund	8,799,009	-
Receivables - operating	309,398	238,490
Receivables - grants	<u>213,853</u>	<u>150,000</u>
Total financial assets	<u>13,514,159</u>	<u>4,537,448</u>
Less amounts not available to be used within one year:		
Money market fund to be used for project costs	8,799,009	-
With donor restriction	312,121	424,126
Board designated net assets	<u>825,000</u>	<u>450,000</u>
Total amounts not available	<u>9,936,130</u>	<u>874,126</u>
Financial assets available to meet general expenditures within one year:	<u>\$ 3,578,029</u>	<u>\$ 3,663,322</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, supportive housing 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 identify the sources and uses of CPAH's cash flows and shows positive cash provided by operating activities for both 2024 and 2023.

(6) Receivables - Grants

Grants receivable at December 31, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
CareOregon	\$ -	\$ 150,000
Multnomah County	68,340	-
Washington County	<u>145,513</u>	<u>-</u>
	<u>\$ 213,853</u>	<u>\$ 150,000</u>

(7) Fixed Assets

Fixed assets at December 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Land and improvements	\$ 9,366,549	\$ 8,835,744
Site improvements	5,029,253	4,099,976
Building and improvements	87,968,297	86,419,733
Furnishings and equipment	5,007,354	4,967,297
Construction in progress	<u>49,390,133</u>	<u>18,583,534</u>
Total fixed assets	156,761,586	122,906,284
Less accumulated depreciation	<u>31,434,997</u>	<u>28,332,483</u>
Fixed assets – net	<u><u>\$125,326,589</u></u>	<u><u>\$ 94,573,801</u></u>

(8) Mortgages and Notes Payable

Mortgages and notes payable at December 31, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Washington County		
Construction loan payable with a maximum amount of \$14,700,000. Interest at 1% per annum compounding annually. The loan will be converted to a permanent loan maturing 2080	\$ 13,965,000	\$ 13,965,000
Construction loan payable (financed with Metro Bonds) with a maximum amount of \$9,450,000, interest 0%. The loan will be converted to a permanent loan maturing 2082	4,000,000	-
Mortgages payable generally out of project cash flow, interest ranging from 0% to 3%, maturing 2025 - 2080	9,140,810	9,140,810
Oregon Housing and Community Services		
Note payable (financed with OHCS Development Revenue Bonds), interest payable monthly. Principal payments beginning June, 2026, variable interest, maturing 2063	10,200,000	10,200,000
Note payable (financed with 2024 Series S-1 Bonds), interest 6.45%. Monthly interest only payments beginning February 2025, maturing 2064	7,595,000	-
Mortgages payable interest ranging from 0% - 2%, maturing 2036 - 2061	6,663,230	5,004,589
US Bank		
Construction loan payable with a maximum amount of \$24,715,000 interest is variable, interest payments are due monthly, maturing 2025	10,631,032	-

(8) Mortgages and Notes Payable - continued

	<u>2024</u>	<u>2023</u>
Portland Housing Bureau		
Mortgage loan (financed with South Park Blocks Urban renewal Area Tax Increment Bonds), interest 0%, principal payments out of cash flows maturing 2079	8,141,055	7,152,500
Notes payable out of project cash flow, interest ranging 0% - 1%, maturing 2026 - 2058	1,720,511	309,052
Heritage Bank		
Mortgages payable including interest rate swap (mentioned in note 10) aggregate monthly installment of \$25,717, interest ranging from 3.75% to 4.87%, maturing 2032	5,563,910	5,716,865
Network for Oregon Affordable Housing		
Mortgages payable in aggregate monthly installments of \$22,629, interest ranging from 2.75% - 4.75%, maturing 2036 - 2042	4,108,902	3,549,882
JP Morgan Chase Bank		
Mortgage payable monthly installments of \$16,641, interest 3.61%, maturing 2039.	3,777,808	3,837,122
WincoPin Circle, LLLP		
Equity advance note payable, interest 8%, maturing 2025	3,102,200	3,102,300
Umpqua Bank		
Construction loan payable (financed with Private Activity bonds through Oregon Housing and Community services, 2023 Series DD) interest rate adjustable as the SOFR Rate plus 1.97%, with a floor rate of 2.47%. The construction loan was paid and converted to a permanent loan in July, 2024 with interest rate at 3.96%, maturing 2041.	2,232,583	11,150,000
Mortgage payable monthly installment of \$3,626, interest 4.25%, maturing 2026	656,660	678,056
Walker & Dunlop		
Mortgage payable in monthly installments of \$8,276, interest 3.95%, maturing 2053	1,713,134	1,744,003

(8) Mortgages and Notes Payable - continued

	<u>2024</u>	<u>2023</u>
Corporation for Supportive Housing		
Notes payable interest 7%, maturing 2026	1,450,000	-
Banner Bank		
Mortgage payable in aggregate monthly installments of \$6,528, interest 3.25%, maturing 2032	1,040,793	1,084,530
PNC Bank, N.A.		
Mortgage payable in monthly installments of \$9,989, interest 7.31%, maturing 2038	1,030,627	1,073,214
City of Tualatin		
Notes payable interest 0%, maturing 2080	1,000,000	-
Town Center Development Agency of the City of Tigard		
Note payable interest 2.0% maturing 2024	-	500,000
Community Housing Fund		
Predevelopment loan payable, interest 5.5%, Maturing 2025	-	497,072
Walter Aman		
Note payable interest 5.5% maturing 2025	-	168,079
	97,733,255	78,873,074
Less: unamortized debt issuance costs	2,572,539	1,888,872
	<u>\$ 95,160,716</u>	<u>\$ 76,984,202</u>

Debt issuance costs are being amortized to interest expense over the terms of the loans. Amortization expense for debt issuance costs during 2024 and 2023 was \$67,653 and \$64,678, 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, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
CPAH	\$ 13,138,060	\$ 11,229,979
Tax Credit Entities	79,039,636	62,723,407
Single Asset HUD Projects	2,983,020	3,030,816
	<u>\$ 95,160,716</u>	<u>\$ 76,984,202</u>

Annual maturities of mortgages and notes payable for years subsequent to December 31, 2024 are as follows:

(8) Mortgages and Notes Payable - continued

Year ending December 31,

2025	\$ 14,291,536
2026	3,837,157
2027	523,687
2028	545,162
2029	568,451
Thereafter	<u>77,967,262</u>
	<u>\$ 97,733,255</u>

(9) Derivative Financial Instruments

CPAH has entered into an interest rate swap agreement to reduce the impact of changes in interest rates on a floating rate (Prime) long term debt. At December 31, 2024 and 2023, CPAH had an outstanding interest rate swap agreement with Heritage Bank, having unpaid principal balances of \$4,628,655 and \$4,760,501, respectively. The agreement changed CPAH's interest rate exposure on the floating rate loan to a fixed rate of 3.75%. The interest rate swap agreement matures at the time the loan matures on January 1, 2032.

CPAH is exposed to credit loss in the event of nonperformance by the other parties to the interest rate swap agreement. However, CPAH does not anticipate nonperformance by the counterparties.

The SWAP was issued at market terms so that it had no fair value at its inception in December, 2021. For the years ended December 31, 2024 and 2023 the carrying amount of the SWAP has been adjusted to its fair value, because of changes in forecasted levels of SOFR which resulted in reporting an asset for the fair value of the future net payments forecasted under the SWAP.

In addition, an Affiliate of CPAH's CPAH Plambeck Gardens Limited Partnership entered into an interest rate cap agreement with US Bank to potentially reduce the effects of a variable interest rate on long term debt. The Affiliate paid an initial fee of \$198,000.

Fair value of derivative financial instruments at December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Statement of Financial Position		
Derivative Assets	\$ 753,084	\$ 534,327
Statement of Activities		
Unrealized gain or (loss) on derivative	20,756	(106,684)

(10) Board Designated Net Assets

The Board of Directors established an operating reserve fund as follows:

<u>2024</u>	<u>2023</u>
<u>\$ 825,000</u>	<u>\$ 450,000</u>

(11) Casualty Event

During 2024, the Cedar Grove Property sustained damage as a result of a fire. The Partnership anticipates that the majority of the restoration costs will be covered by insurance proceeds. The total loss on disposal of damaged assets was \$459,356, and insurance proceeds received totaled \$146,759. The net amount of \$312,597 is reported as loss on the statement of activities and changes in net assets for the year ended December 31, 2024.

(12) Loan Forgiveness

In 2021 CPAH entered into a loan agreement with Town Center Development Agency an Urban Renewal Agency of the City of Tigard. The total loan amount was \$500,000 with interest at 2%. The loan provided debt forgiveness of principal and interest if CPAH enters into a construction contract for the project mentioned in the agreement and enters into a Low-Income Housing Tax Credit Reservation and extended use agreement with Oregon Housing and Community Services. During the year ended December 31, 2024 CPAH accomplished those requirements and as a result recorded loan forgiveness in the amount \$522,329 in the Statement of Activities and Changes in Net Assets.

(13) Net Assets with Donor Restriction

Net assets with donor restriction at December 31, 2024 and 2023 are available for the following purposes:

	<u>2024</u>	<u>2023</u>
City of Beaverton	\$ 160,000	170,000
Care Oregon	36,772	161,540
Oregon Community Foundation	20,000	-
Marie Lamfrom Foundation	-	8,618
Metro Nature	33,767	-
Umpqua Bank Foundation	20,771	50,000
Others	<u>40,811</u>	<u>33,968</u>
	<u>\$ 312,121</u>	<u>\$ 424,126</u>

For 2024, the amount for City of Beaverton, Care Oregon, Oregon Community Foundation, Metro Nature, Umpqua Bank and others were restricted to resident services and supportive housing services.

For 2023, the amounts for City of Beaverton, Care Oregon, Marie Lamfrom, Umpqua Bank Foundation and others were restricted for resident and nonresident services and Unite Oregon was restricted for housing development.

(14) Commitments and Contingencies

Lease Commitment

A CPAH affiliate, the Barcelona at Beaverton Limited Partnership 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.

A CPAH affiliate, CPAH Joyce Limited Partnership entered into a utility vault lease agreement (the "Utility Vault Lease") with the City of Portland. The term of the Utility Vault Lease shall be for a period of 30 years commencing on the effective date, with an option to renew the lease for two separate successive terms of 30 years each, for a total of 90 years. An annual rent amount of \$2,750 is due and payable in arrears beginning on the commencement date. Effective September 3, 2024 the annual rent was reduced to \$1. As of December 31, 2024, Utility Vault Lease payable was \$-0-. For the year ending December 31, 2024, the Utility Vault Lease expense was \$2,750.

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

A CPAH affiliate has entered into a construction contract for the total amount of \$29,098,964 related to construction at the Woodland Hearth project. As of December 31, 2024 \$675,456 has been completed, leaving an estimated commitment of \$28,423,508.

(14) 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.

(15) 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.

(16) Current Vulnerability Due To Certain Concentrations

CPAH's operations are concentrated in the multifamily real estate market in the Portland, Oregon area. Operations of the projects are 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.

(17) 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 \$82,074 and \$71,412 during the years ended December 31, 2024 and 2023, respectively.

(18) Tax Credit Entity Termination

On March 31, 2023 the Limited Partner of Bertha Senior Housing Limited Partnership agreed to assign its interest in the Partnership to CPAH. As a part of the agreement CPAH will retain all records related to low-income housing tax credits for each year of the compliance period applicable to the Credits. In addition CPAH agreed to hold harmless the Limited Partner from any claims made against the Limited Partner by the Partnership. The assets and liabilities of Bertha Senior Housing Limited Partnership were merged into CPAH at book value.

(18) Tax Credit Entity Termination - continued

Financial activity of Bertha Senior Housing Limited Partnership for the period January 1, 2023 to March 31, 2023 is reported in the tax credit entities grouping in the consolidating financial statements. Financial activity for the period April 1, 2023 to December 31, 2023 is reported in the CPAH grouping (identified as Watershed) in the consolidating financial statements.

(19) Restatement of Financial Statements for the Year Ended December 31, 2023

Syndication costs broadly encompass expenses related to issuing an ownership interest in a Partnership. These costs can include registration fees, accounting and legal fees and other related costs. Syndication costs are recorded as a contra net asset account in the accompanying statement of financial position. During the year ended December 31, 2023 syndication costs in the amount of \$211,314 were recorded for CPAH Plambeck Garden Limited Partnership. The correct amount of syndication costs was \$55,000, as a result the financial statements for the year ended December 31, 2023 have been restated as follows:

	<u>Restated</u>	<u>Original</u>	<u>Change</u>
Statement of Financial Position			
Construction in progress	\$ 18,583,534	\$ 18,427,220	\$ 156,314
Total Assets	117,527,376	117,371,062	156,314
Net Assets non-controlling interest	21,068,213	20,911,899	156,314
Total Net Assets	37,448,513	37,292,199	156,314
Total Liabilities and Net Assets	117,527,376	117,371,062	156,314
Statements of Cash Flows			
Purchases of fixed assets	21,026,136	20,869,822	156,314
Syndication costs Limited Partnership	55,000	211,314	(156,314)

(20) Subsequent Events

Management of CPAH has evaluated events and transactions occurring after December 31, 2024 through July 29, 2025, 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

December 31, 2024

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

ASSETS	CPAH	TAX CREDIT ENTITIES	SINGLE ASSET HUD PROJECTS	ELIMINATIONS	CONSOLIDATED
Cash and cash equivalents	\$ 3,528,121	\$ 630,732	\$ 33,046		\$ 4,191,899
Money market mutual fund	-	8,799,009	-		8,799,009
Cash - restricted	804,898	2,007,498	329,601		3,141,997
U.S. Treasury Bills - available for sale		-	-		-
Receivables - operating	82,436	193,777	33,185		309,398
Receivables - grants	213,853	-			213,853
Prepaid expenses	52,483	74,471	4,462		131,416
Tenant security deposits	125,912	135,567	37,276		298,755
Predevelopment costs	3,748,023	-	-		3,748,023
Land held for development	-	-	-		-
Bond fee	-	94,250	-		94,250
Derivative assets	589,452	163,632	-		753,084
Tax credit fees - net	-	1,111,132	-		1,111,132
Receivables from affiliates	19,067,369	-	-	(19,067,369)	-
Investments in affiliates	3,572,730	-	-	(3,572,730)	-
Subtotal	31,785,277	13,210,068	437,570	(22,640,099)	22,792,816
Fixed assets					
Land and improvements	1,997,436	12,058,324	323,603	(5,012,814)	9,366,549
Site improvements	1,825,121	2,923,122	281,010		5,029,253
Buildings and improvements	30,018,179	59,255,001	8,559,466	(9,864,349)	87,968,297
Furnishings and equipment	837,549	3,870,560	299,245		5,007,354
Construction in progress	396,914	55,562,482	-	(6,569,263)	49,390,133
Total fixed assets	35,075,199	133,669,489	9,463,324	(21,446,426)	156,761,586
Less accumulated depreciation	17,597,204	11,292,118	3,776,845	(1,231,170)	31,434,997
Fixed assets - net	17,477,995	122,377,371	5,686,479	(20,215,256)	125,326,589
Total Assets	\$ 49,263,272	\$ 135,587,439	\$ 6,124,049	\$ (42,855,355)	\$ 148,119,405

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

December 31, 2024

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

LIABILITIES AND NET ASSETS	CPAH	TAX CREDIT ENTITIES	SINGLE ASSET HUD PROJECTS	ELIMINATIONS	CONSOLIDATED
Liabilities					
Accounts payable	261,451	\$ 178,739	\$ 68,162		\$ 508,352
Accounts payable- construction and improvements	130,514	6,067,288	-		6,197,802
Accrued liabilities	220,892	196,599	-		417,491
Prepaid rents	19,081	23,956	5,153		48,190
Refundable security deposits	127,596	142,245	37,563		307,404
Mortgages and notes payable	13,138,060	79,039,636	2,983,020		95,160,716
Accrued interest	369,818	908,893	79,072		1,357,783
Deferred revenue	220,000			(220,000)	-
Payables to affiliates		19,045,295	22,074	(19,067,369)	-
Total Liabilities	14,487,412	105,602,651	3,195,044	(19,287,369)	103,997,738
Net Assets					
Without donor restriction					
Controlling interests	33,638,739	3,572,730	2,929,005	(24,799,156)	15,341,318
Board designated	825,000	-			825,000
Noncontrolling interests		26,412,058		1,231,170	27,643,228
Total Without donor restriction	34,463,739	29,984,788	2,929,005	(23,567,986)	43,809,546
With donor restriction - controlling	312,121	-	-	-	312,121
Total Net Assets	34,775,860	29,984,788	2,929,005	(23,567,986)	44,121,667
Total Liabilities and Net Assets	\$ 49,263,272	\$ 135,587,439	\$ 6,124,049	\$ (42,855,355)	\$ 148,119,405

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING
Year Ended December 31, 2024
CONSOLIDATING STATEMENT OF ACTIVITIES

	CPAH	TAX CREDIT ENTITIES	SINGLE ASSET HUD PROJECTS	ELIMINATIONS	CONSOLIDATED
Support and Revenues					
Support					
Grants	\$ 2,418,036	\$ -	\$ -		\$ 2,418,036
Contributions	58,599	-	-		58,599
Total Support	2,476,635	-	-	-	2,476,635
Revenues					
Net rental revenue	2,373,597	3,067,972	892,211		6,333,780
Laundry and tenant charges	26,308	29,698	19,752		75,758
Fees and losses - affiliates	3,855,335	-	-	(3,855,335)	-
Interest income	33,721	257,807	-		291,528
Interest income - affiliates	613,342	-	-	(613,342)	-
Gain on sale of assets	1,874,985	-	-	(1,874,985)	-
Loss on casualty event-net of insurance	-	(312,597)	-		(312,597)
Special events - net of expenses	114,070	-	-		114,070
Unrealized gain (loss) on derivatives	55,124	(34,368)	-		20,756
Loan forgiveness	522,329	-	-		522,329
Other revenue	34,224	59,955	154	358	94,691
Total Revenues	9,503,035	3,068,467	912,117	(6,343,304)	7,140,315
Total Support and Revenues	11,979,670	3,068,467	912,117	(6,343,304)	9,616,950
Expenses					
Personnel costs	2,562,532	374,083	277,633		3,214,248
Administrative expenses	113,312	142,931	39,425		295,668
Bad Debt expense	46,475	26,476	32,822		105,773
Fees- affiliates		263,101	21,462	(284,563)	-
Fees-limited partners	3,306	19,132	-		22,438
Grant expenditures			-		-
Insurance	155,526	140,321	55,206		351,053
Interest expense	341,913	984,378	102,798		1,429,089
Interest expense - affiliates		310,562	-	(310,562)	-
Maintenance and repairs	438,002	711,564	94,288		1,243,854
Monitoring fees-LIHTC			-		-
Professional fees	117,683	182,961	41,269		341,913
Program supplies	541,634		-		541,634
Property management fee	118,747	174,446	51,122		344,315
Real property taxes			-		-
Telephone and internet	37,955		-		37,955
Travel, training and meetings	57,120	4,977	-		62,097
Utilities	430,896	440,831	154,225		1,025,952
Total Expenses before depreciation and amortization	4,965,101	3,775,763	870,250	(595,125)	9,015,989
Change in Net Assets before depreciation and amortization	7,014,569	(707,296)	41,867	(5,748,179)	600,961
Depreciation and Amortization					
Depreciation	980,997	2,191,666	228,823	(246,574)	3,154,912
Amortization		36,744			36,744
Total Depreciation and Amortization	980,997	2,228,410	228,823	(246,574)	3,191,656
Change in Net Assets	\$ 6,033,572	\$ (2,935,706)	\$ (186,956)	\$ (5,501,605)	\$ (2,590,695)

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

December 31, 2024

CPAH STATEMENT OF FINANCIAL POSITION

ASSETS	CPAH	WATERSHED	SINGLE FAMILY	GREENBURG OAKS	OLESON WOODS	VILLAGE @ WASH SQUARE	ELIMINATIONS	CPAH TOTAL
Cash	\$ 3,077,939	\$ 226,100	\$ 31,139	\$ 174,013	\$ 3,339	\$ 15,591		\$ 3,528,121
Cash - restricted		106,838		319,251	242,466	136,343		804,898
Receivables - operating-net	28,899	894		22,906	19,521	10,216		82,436
Receivables - grants	213,853							213,853
Prepaid expenses	32,687	5,895		11,029	1,446	1,426		52,483
Tenant security deposits		10,800	3,466	68,005	26,847	16,794		125,912
Predevelopment costs	3,748,023							3,748,023
Land held for development								-
Derivative asset				468,614		120,838		589,452
Receivables from affiliates	24,438,518		61,559	1,829,326	132,173		(7,394,207)	19,067,369
Investments in affiliates	3,572,730							3,572,730
Subtotal	35,112,649	350,527	96,164	2,893,144	425,792	301,208	(7,394,207)	31,785,277
Fixed assets								
Land and improvements	11,865	383,598	258,881	406,000	518,475	418,617		1,997,436
Site improvements	700,044	243,674		312,082	569,321			1,825,121
Buildings and improvements	1,592,197	9,314,602	313,431	11,399,840	4,325,195	6,184,063	(3,111,149)	30,018,179
Furnishings and equipment	94,364	215,933		178,243	242,521	106,488		837,549
Construction in progress					396,914			396,914
Total fixed assets	2,398,470	10,157,807	572,312	12,296,165	6,052,426	6,709,168	(3,111,149)	35,075,199
Less accumulated depreciation	1,100,052	4,383,660	116,492	7,656,826	2,849,895	2,687,166	(1,196,887)	17,597,204
Fixed assets - net	1,298,418	5,774,147	455,820	4,639,339	3,202,531	4,022,002	(1,914,262)	17,477,995
Total Assets	\$ 36,411,067	\$ 6,124,674	\$ 551,984	\$ 7,532,483	\$ 3,628,323	\$ 4,323,210	\$ (9,308,469)	\$ 49,263,272

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

December 31, 2024

CPAH STATEMENT OF FINANCIAL POSITION - CONTINUED

LIABILITIES AND NET ASSETS	CPAH	WATERSHED	SINGLE FAMILY	GREENBURG OAKS	OLESON WOODS	VILLAGE @ WASH SQUARE	ELIMINATIONS	CPAH TOTAL
Liabilities								
Accounts payable	\$ 106,674	\$ 48,961	\$ 300	\$ 45,053	\$ 31,751	\$ 28,712		\$ 261,451
Accounts payable- project improvements	130,514							130,514
Accrued liabilities	220,892							220,892
Prepaid rents		5,157	1,601	3,426	963	7,934		19,081
Refundable security deposits		10,800	3,466	69,689	26,847	16,794		127,596
Mortgages and notes payable	3,624,945	1,481,062		4,554,034	2,088,338	1,389,681		13,138,060
Accrued interest	54,522	14,126		185,969		115,201		369,818
Deferred revenue	220,000							220,000
Payables to affiliates		801,445		2,420,006	712,145	3,460,611	(7,394,207)	-
Total Liabilities	4,357,547	2,361,551	5,367	7,278,177	2,860,044	5,018,933	(7,394,207)	14,487,412
Net Assets								
Without donor restriction								
Controlling interests	30,916,399	3,763,123	546,617	254,306	768,279	(695,723)	(1,914,262)	33,638,739
Board designated	825,000							825,000
Noncontrolling interests								-
Total Without donor restriction	31,741,399	3,763,123	546,617	254,306	768,279	(695,723)	(1,914,262)	34,463,739
With donor restriction - controlling	312,121	-						312,121
Total Net Assets	32,053,520	3,763,123	546,617	254,306	768,279	(695,723)	(1,914,262)	34,775,860
Total Liabilities and Net Assets	\$ 36,411,067	\$ 6,124,674	\$ 551,984	\$ 7,532,483	\$ 3,628,323	\$ 4,323,210	\$ (9,308,469)	\$ 49,263,272

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

Year Ended December 31, 2024

CPAH STATEMENT OF ACTIVITIES

	CPAH	WATERSHED	SINGLE FAMILY	GREENBURG OAKS	OLESON WOODS	VILLAGE @ WASH SQUARE	ELIMINATIONS	CPAH TOTAL
Support and Revenues								
Support								
Grants	\$ 2,418,036							\$ 2,418,036
Contributions	58,599							58,599
Total Support	2,476,635	-	-	-	-	-	-	2,476,635
Revenues								
Net rental revenue		687,522	29,164	1,005,833	377,494	273,584		2,373,597
Laundry and tenant charges		3,006	50	19,726	1,080	2,446		26,308
Fees and losses - affiliates	4,382,342						(527,007)	3,855,335
Interest income	31,011			865	841	1,004		33,721
Interest income - affiliates	660,019	60					(46,737)	613,342
Gain (loss) sale of assets	1,874,985							1,874,985
Special events - net of expenses	114,070							114,070
Unrealized income on derivative				43,824		11,300		55,124
Loan Forgiveness	522,329							522,329
Other revenue	726		3	26,856			6,639	34,224
Total Revenues	7,585,482	690,588	29,217	1,097,104	379,415	288,334	(567,105)	9,503,035
Total Support and Revenues	10,062,117	690,588	29,217	1,097,104	379,415	288,334	(567,105)	11,979,670
Expenses								
Personnel costs	2,204,134	90,876	468	148,042	69,843	49,169		2,562,532
Administrative expenses	21,117	28,657	3,493	31,251	14,370	17,730		116,618
Bad Debt expense-net.		1,924		26,029	5,480	13,042		46,475
Fees- affiliates		71,223		49,964		10,928	(132,115)	-
Insurance	24,272	38,584	5,879	50,317	18,064	18,410		155,526
Interest expense	48,326	77,804		141,473	33,889	40,421		341,913
Interest expense - affiliates		27,983			18,754		(46,737)	-
Maintenance and repairs		129,095	658	158,816	76,573	72,860	-	438,002
Professional fees	98,445	2,206		5,664	6,143	5,225		117,683
Program supplies	541,634							541,634
Property management fee		36,128	3,600	49,413	14,093	15,513		118,747
Telephone and internet	37,955							37,955
Travel, training and meetings	49,626	2,043	58	1,530	2,399	1,464		57,120
Utilities	2,721	79,034		178,859	100,006	70,276		430,896
Total Expenses before depreciation and amortization	3,028,230	585,557	14,156	841,358	359,614	315,038	(178,852)	4,965,101
Change in Net Assets before depreciation and amortization	7,033,887	105,031	15,061	255,746	19,801	(26,704)	(388,253)	7,014,569
Depreciation and Amortization								
Depreciation	97,447	243,544	9,481	373,689	113,886	226,489	(83,539)	980,997
Amortization								-
Total Depreciation and Amortization	97,447	243,544	9,481	373,689	113,886	226,489	(83,539)	980,997
Change in Net Assets	\$ 6,936,440	\$ (138,513)	\$ 5,580	\$ (117,943)	\$ (94,085)	\$ (253,193)	\$ (304,714)	\$ 6,033,572

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING
Year Ended December 31, 2024

CPAH STATEMENT OF FUNCTIONAL EXPENSES

	PROGRAM SERVICES							SUPPORT SERVICES			GRAND TOTALS
	PROPERTY OPERATIONS	HOUSING EDUCATION & OUTREACH	RESIDENT SERVICES	SUPPORTIVE HOUSING SERVICES	HOUSING DEVELOPMENT	ASSET MANAGEMENT	TOTAL	MANAGEMENT & GENERAL	FUND-RAISING	TOTAL	
Personnel costs	\$ 358,398	\$ 148,682	\$ 527,990	\$ 530,260	\$ 502,445	\$ 132,112	\$ 2,199,887	\$ 259,195	\$ 103,449	\$ 362,644	\$ 2,562,531
Administrative expenses	95,501	946	4,640	3,603	3,608	957	109,255	3,023	4,312	7,335	116,590
Bad debt expense	46,475	-	-	-	-	-	46,475	-	-	-	46,475
Insurance	131,254	1,505	5,827	5,899	5,586	1,543	151,614	2,754	1,157	3,911	155,525
Interest expense	293,587	11,584	11,729	11,105	3,069	3,069	334,143	5,475	2,300	7,775	341,918
Maintenance and repairs	438,002						438,002			-	438,002
Professional fees	19,238	5,097	19,571	19,512	20,525	5,105	89,048	22,808	5,827	28,635	117,683
Program supplies	-		265,952	176,711		98,911	541,574		59	59	541,633
Property management fee	118,747						118,747			-	118,747
Telephone and internet	-	1,505	14,503	8,645	5,711	1,438	31,802	2,478	3,705	6,183	37,985
Travel, training and meetings	7,494	5,583	9,445	14,183	9,799	4,135	50,639	3,689	2,792	6,481	57,120
Utilities	428,175	172	652	660	625	173	430,457	306	129	435	430,892
Functional Expenses before depreciation	1,936,871	175,074	860,309	770,578	551,368	247,443	4,541,643	299,728	123,730	423,458	4,965,101
Depreciation	883,550	3,219	12,171	12,324	11,669	3,224	926,157	52,423	2,417	54,840	980,997
Totals before fundraising event expenses	2,820,421	178,293	872,480	782,902	563,037	250,667	5,467,800	352,151	126,147	478,298	5,946,098
Fundraising event expenses	-	-	-	-	-	-	-	-	58,252	58,252	58,252
Total Expenses	\$ 2,820,421	\$ 178,293	\$ 872,480	\$ 782,902	\$ 563,037	\$ 250,667	\$ 5,467,800	\$ 352,151	\$ 184,399	\$ 536,550	\$ 6,004,350
Percentage of 2024 Grand Totals	47.0%	3.0%	14.5%	13.0%	9.4%	4.2%	91.1%	5.9%	3.1%	8.9%	100.0%

**INDEPENDENT AUDITOR'S 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**

July 29, 2025

Board of Directors
Community Partners for Affordable Housing
Tigard, Oregon

I 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 consolidated financial statements of Community Partners for Affordable Housing (CPAH) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued my report thereon dated July 29, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the consolidated financial statements, I considered CPAH's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of CPAH's internal control. Accordingly, I do not express an opinion on the effectiveness of CPAH'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.

My 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CPAH's consolidated financial statements are free from material misstatement, I 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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