

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

CONSOLIDATED FINANCIAL STATEMENTS
With Independent Auditor's Report

Years ended December 31, 2019 and 2018

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.
Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

June 30, 2020

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 as of December 31, 2019 and 2018, 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.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Board of Directors
Community Partners for Affordable Housing, Inc.
June 30, 2020

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

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, 2019 and 2018, 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.

Report on 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 25 to 28 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 30, 2020 on my consideration of CPAH, Inc.'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, Inc.'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, Inc.'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, INC.

DECEMBER 31, 2019 and 2018

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

Assets	2019	2018
Cash	\$ 2,311,442	\$ 1,842,047
Time certificate of deposit	-	100,348
Cash - restricted	6,489,016	2,437,946
Receivables - operating	12,196	16,164
Receivables - grants	140,718	175,728
Prepaid expenses	66,166	110,865
Tenant security deposits held in trust	216,434	208,278
Predevelopment costs	120,044	1,584,216
Fixed assets - net	42,919,661	38,186,738
Tax credit fees - net	210,138	160,844
Total Assets	\$ 52,485,815	\$ 44,823,174

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 85,426	\$ 74,684
Accounts payable-construction and project improvements	714,213	451,448
Accrued liabilities	70,836	69,458
Prepaid rents	10,246	2,081
Refundable security deposits	216,434	215,715
Mortgages and notes payable	19,747,112	19,315,459
Accrued interest	728,433	668,244
Total Liabilities	21,572,700	20,797,089
Commitments and Contingencies	-	-
Net Assets		
Without donor restriction		
Controlling interests	7,493,142	6,106,553
Noncontrolling interests	22,921,526	17,741,371
Total without donor restriction	30,414,668	23,847,924
With donor restriction - controlling interests	498,447	178,161
Total Net Assets	30,913,115	24,026,085
Total Liabilities and Net Assets	\$ 52,485,815	\$ 44,823,174

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

Years Ended December 31, 2019 and 2018

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	2019	2018
<i>Net Assets Without Donor Restriction:</i>		
Support and Revenues		
Support		
Grants	\$ 1,299,199	\$ 176,134
In-Kind Contributions	900,000	-
Contributions	32,821	41,645
Total Support	2,232,020	217,779
Revenues		
Net rental revenue	3,623,809	3,512,994
Laundry and tenant charges	68,607	75,587
Interest income	16,132	7,375
Special events - net of expenses	94,217	87,054
Other income	3,223	10,008
Total Revenues	3,805,988	3,693,018
Net assets released from restrictions	140,580	122,844
Total Support and Revenues	6,178,588	4,033,641
Expenses		
Program Services		
Property operations	2,913,660	2,718,830
Housing education and outreach	128,293	126,719
Resident services	217,462	181,627
Housing development	427,348	185,770
Asset management	139,542	146,955
Total Program Services	3,826,305	3,359,901
Support Services		
Management and general	102,834	113,563
Fundraising	18,776	20,693
Total Support Services	121,610	134,256
Total Expenses before depreciation and amortization	3,947,915	3,494,157
Change in Net Assets Without Donor Restriction before depreciation and amortization	2,230,673	539,484
Less depreciation and amortization	1,609,799	1,597,620
Change in Net Assets Without Donor Restriction	\$ 620,874	\$ (1,058,136)
<i>Net Assets With Donor Restriction:</i>		
Grants and contributions	\$ 460,866	\$ 178,161
Net assets released from restrictions	(140,580)	(122,844)
Change in Net Assets With Donor Restriction	\$ 320,286	\$ 55,317
<i>Total Change in Net Assets</i>	\$ 941,160	\$ (1,002,819)

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

Years Ended December 31, 2019 and 2018

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, 2017	\$ 6,529,841	\$ 18,376,219	\$ 24,906,060	\$ 122,844	\$ 25,028,904
Change in net assets for the year ended December 31, 2018	(423,288)	(634,848)	(1,058,136)	55,317	(1,002,819)
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

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.

Year Ended December 31, 2018

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	\$ 475,035	\$ 100,000	\$ 100,996	\$ 123,556	\$ 97,203	\$ 896,790	\$ 48,359	\$ 17,002	\$ 65,361	\$ 962,151	
Administrative expenses	66,920	5,434	510	399	297	73,560	4,739	1,674	6,413	79,973	
Bad debt expense	18,085	-	-	-	-	18,085	-	-	-	18,085	
Fees-limited partners	21,639	-	-	-	-	21,639	-	-	-	21,639	
Insurance	137,714	1,169	1,850	1,300	1,128	143,161	1,467	233	1,700	144,861	
Interest expense	587,319	4,693	7,251	42,313	4,444	646,020	2,108	938	3,046	649,066	
Maintenance and repairs	567,390	539	854	512	525	569,820	253	103	356	570,176	
Monitoring fees-LIHTC	15,441	-	-	-	-	15,441	-	-	-	15,441	
Professional fees	102,400	645	51,821	8,819	39,855	203,540	51,486	141	51,627	255,167	
Program supplies	-	-	9,664	-	-	9,664	(31)	-	(31)	9,633	
Property management fee	192,628	-	-	-	50	192,678	-	-	-	192,678	
Real property taxes	8,821	-	-	5,558	-	14,379	-	-	-	14,379	
Telephone and internet	31,135	2,558	5,639	2,335	2,512	44,179	1,226	515	1,741	45,920	
Travel, training and meetings	3,628	11,203	2,284	527	478	18,120	3,732	-	3,732	21,852	
Utilities	490,675	478	758	451	463	492,825	224	87	311	493,136	
Functional Expenses before depreciation and amortization	2,718,830	126,719	181,627	185,770	146,955	3,359,901	113,563	20,693	134,256	3,494,157	
Depreciation	1,500,095	5,463	8,617	5,138	51,939	1,571,252	2,910	1,190	4,100	1,575,352	
Amortization	22,268	-	-	-	-	22,268	-	-	-	22,268	
Total Depreciation and amortization	1,522,363	5,463	8,617	5,138	51,939	1,593,520	2,910	1,190	4,100	1,597,620	
Functional Expenses before fundraising event expenses	4,241,193	132,182	190,244	190,908	198,894	4,953,421	116,473	21,883	138,356	5,091,777	
Fundraising event expenses	-	-	-	-	-	-	-	27,302	27,302	27,302	
Total Expenses	\$ 4,241,193	\$ 132,182	\$ 190,244	\$ 190,908	\$ 198,894	\$ 4,953,421	\$ 116,473	\$ 49,185	\$ 165,658	\$ 5,119,079	

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.
Years Ended December 31, 2019 and 2018

CONSOLIDATED STATEMENTS OF CASH FLOWS

	2019	2018
Cash Flows From Operating Activities		
Change in net assets	\$ 941,160	\$ (1,002,819)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,609,799	1,597,620
Interest-amortized debt issuance costs	43,043	40,964
(Increase) decrease in		
Receivables	38,978	(81,233)
Prepaid expenses	44,699	(72,120)
Increase (decrease) in		
Accounts payable	10,742	6,876
Accrued liabilities	1,378	26,039
Prepaid rents	8,165	(5,715)
Refundable security deposits	719	5,900
Accrued interest	60,189	69,627
Net Cash Provided by Operating Activities	2,758,872	585,139
Cash Flows From Investing Activities		
(Increase) decrease in time certificate of deposit	100,348	(100,348)
(Increase) decrease in predevelopment costs-net of payable	1,464,172	(536,033)
Tax credit fees paid	(72,765)	-
Purchases of fixed assets	(6,319,251)	(224,268)
Increase in accounts payable related to construction cost and improvements	262,765	198,826
Net Cash Used by Investing Activities	(4,564,731)	(661,823)
Cash Flows From Financing Activities		
Proceeds from mortgages and notes payable borrowings	2,525,766	424,084
Principal payments of mortgages and notes payable	(2,137,156)	(389,254)
Financing fees paid	-	(6,109)
Syndication costs Limited Partnership	(30,000)	-
Limited Partners capital contributions	5,975,870	-
Net Cash Provided (Used) by Financing Activities	6,334,480	28,721
Net Change in Cash and Restricted Cash	4,528,621	(47,963)
Cash and Restricted Cash at Beginning of Year	4,488,271	4,536,234
Cash and Restricted Cash at End of Year	\$ 9,016,892	\$ 4,488,271
Supplemental Cash Flows Disclosures		
Cash paid for interest charged to expense	\$ 677,128	\$ 650,408

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019 and 2018

(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 372 units of affordable rental housing in eight multi-family communities, and four 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 began construction in 2019 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 Basalt Creek projects.

Asset Management: CPAH provides asset management for the 372 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 four Limited Partnerships with a total of 178 units. These partnerships own and operate low-income housing facilities developed and managed by CPAH. In addition, there are two new projects under construction in 2019. The Limited Partnership companies have been included in the accompanying consolidated financial statements.

(1) The Organization and Nature of Activities – continued

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.

In addition, CPAH owns The Village at Washington Square Apartments (26 units), effective July 31, 2019 Greenburg Oaks Apartments (84 units) formerly Villa La Paz Limited Partnership, four single-family low-income rental homes, and its own office space.

Tax Credit Entities

Tax Credit Entities include six 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
- Bertha Senior Housing Limited Partnership
- The Knoll at Tigard Limited Partnership
- The Barcelona at Beaverton Limited Partnership
- Cedar Grove Limited Partnership (Under construction)
- Red Rock Creek Commons Limited Partnership (Under construction)

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 other 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.

Revenue Recognition

Rental Income

Rental income, principally short-term leases on apartment units and commercial space, is recognized as the rentals become due.

(2) Summary of Significant Accounting Policies – continued

Revenue Recognition – continued

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. CPAH provides asset management and tenant 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.

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.

(2) Summary of Significant Accounting Policies – continued

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, 2019 and 2018.

Predevelopment Costs

Predevelopment costs in the amount of \$120,044 and \$1,584,216 are capitalized in the Consolidated Statements of Financial Position as of December 31, 2019 and 2018, respectively. 2019 includes the Joyce Hotel, Basalt Creek, and Village at Washington Square projects. In October 2019 CPAH received notification from the Portland Housing Bureau that it would help fund 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. These projects are intended to be structured as tax credit limited partnerships. 2018 includes predevelopment costs for Red Rock Creek Commons and Cedar Grove, both of which became limited partnerships in 2019, and the Village at Washington Square Apartments.

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.

(2) Summary of Significant Accounting Policies – continued

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 \$196,622 and \$173,151 at December 31, 2019 and 2018, respectively. Amortization expense was \$23,471 and \$22,268 for the years ended December 31, 2019 and 2018, respectively.

Cash – Restricted

Restricted deposits at December 31 include the following:

	<u>2019</u>	<u>2018</u>
Construction reserve	\$ 4,029,750	\$ -
Operating reserves	847,411	845,067
Replacement reserves	1,183,260	1,067,995
Residual receipts reserve	75,901	75,857
Mortgage escrow and earnest money deposits	242,694	156,769
Insurance proceeds reserve	-	182,258
Other reserves	<u>110,000</u>	<u>110,000</u>
	<u>\$ 6,489,016</u>	<u>\$ 2,437,946</u>

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, 2019 \$4,029,750 of these funds have not been spent and are restricted to help fund the completion of the project.

(2) Summary of Significant Accounting Policies – continued

Cash – Restricted – continued

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.

Insurance proceeds reserve. During the year ended December 31, 2018 fire caused substantial damage to a HUD project building. Casualty insurance policy provided \$362,542 for building repairs and \$16,334 for loss of rental income. The building repair portion of the settlement was deposited into an insurance proceeds reserve account. Expenditures incurred to repair the building to its condition prior to the fire were authorized by the mortgage lender and then disbursed from the reserve account. The reserve account balance as of December 31, 2018 was \$182,258 and was used to complete the repairs in 2019.

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. The

(2) Summary of Significant Accounting Policies – continued

Fair Value of Financial Instruments - continued

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 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, 2016 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, 2019 and 2018.

Compensated Absences

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

(2) Summary of Significant Accounting Policies – continued

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, 2018 as previously reported.

(4) Cash and Restricted Cash

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

	<u>2019</u>	<u>2018</u>
Cash	<u>\$ 2,311,442</u>	<u>\$ 1,842,047</u>
Tenant security deposits	216,434	208,278
Cash restricted		
Construction reserve	4,029,750	-
Operating reserves	847,411	845,067
Replacement reserves	1,183,260	1,067,995
Residual receipts reserve	75,901	75,857
Mortgage escrow deposits	242,694	156,769
Insurance proceeds reserve	-	182,258
Other reserves	<u>110,000</u>	<u>110,000</u>
Total restricted cash	<u>6,705,450</u>	<u>2,646,224</u>
Total cash and restricted cash	<u>\$ 9,016,892</u>	<u>\$ 4,488,271</u>

In addition, certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

(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>2019</u>	<u>2018</u>
Financial assets:		
Cash	\$ 2,311,442	\$ 1,842,047
Time certificate of deposit	-	100,348
Receivables - operating	12,196	16,164
Receivables - grants	<u>140,718</u>	<u>175,728</u>
Total financial assets	2,464,356	2,134,287
Less amounts not available to be used within one year:		
Grants receivable – restricted	<u>498,447</u>	<u>175,728</u>
Financial assets available to meet general expenditures within one year:	<u>\$ 1,965,909</u>	<u>\$ 1,958,559</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 2019 and 2018.

(6) Receivables – Grants

Grants receivable at December 31, 2019 and 2018 consists of the following:

	<u>2019</u>	<u>2018</u>
Washington County		
Community Development Block Grant	\$ 21,636	\$ 12,383
Community Housing Development Organization	39,698	42,375
City of Beaverton		
Community Development Block Grant	10,030	8,970
Metro Regional Government		
Equitable Development Strategy Grant	10,854	30,000

(6) Receivables – Grants – continued

	<u>2019</u>	<u>2018</u>
Meyer Memorial Trust		
Resident Services Grant	40,000	82,000
Joseph Weston Foundation		
General Operating	<u>18,500</u>	<u>-</u>
	<u><u>\$ 140,718</u></u>	<u><u>\$ 175,728</u></u>

(7) Fixed Assets

Fixed assets at December 31, 2019 and 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
Land and improvements	\$ 4,930,131	\$ 3,367,633
Site improvements	2,967,649	2,911,267
Building and improvements	47,908,481	47,914,018
Furnishings and equipment	1,504,898	1,471,849
Construction in progress	<u>4,673,629</u>	<u>-</u>
Total fixed assets	61,984,788	55,664,767
Less accumulated depreciation	<u>19,065,127</u>	<u>17,478,029</u>
Fixed assets – net	<u><u>\$ 42,919,661</u></u>	<u><u>\$ 38,186,738</u></u>

(8) Mortgages and Notes Payable

Mortgages and notes payable at December 31, 2019 and 2018 consist of the following:

	<u>2019</u>	<u>2018</u>
Washington County		
Mortgages payable generally out of project cash flow, interest ranging from 0% to 3%, maturing 2019-2053	\$ 6,052,561	\$ 6,052,561
Oregon Housing and Community Services		
Mortgages payable in aggregate monthly installments of \$21,874, interest ranging from 0% to 6.0%, maturing 2028-2061	4,552,587	3,514,478
Network for Oregon Affordable Housing		
Mortgages payable in monthly installments of \$12,718, interest ranging from 3.5% to 4.6%, maturing 2036	2,025,737	2,097,719
Walker & Dunlop		
Mortgage payable in monthly installments of \$8,276, interest 3.95%, maturing 2053	1,856,398	1,881,834

(8) Mortgages and Notes Payable – continued

	<u>2019</u>	<u>2018</u>
Banner Bank		
Mortgages payable in aggregate monthly installments of \$7,048, interest ranging from 3.25% to 4.5%, maturing 2028-2032	1,288,545	1,329,954
PNC Bank, N.A.		
Mortgage payable in monthly installments of \$9,989, interest 7.31%, maturing 2038	1,216,462	1,246,209
Umpqua Bank		
Mortgage payable in monthly installments of \$3,626, interest 4.5%, maturing 2026	747,293	765,696
Portland Housing Bureau		
Mortgage payable out of project cash flow, interest 0.5%, maturing 2058	710,713	804,682
Heritage Bank		
Construction loan payable, total loan commitment \$9.5 million, interest adjustable LIBOR plus 2.0%, current rate 3.72%, due 2021	617,352	-
US National Bank		
Mortgage payable in monthly installments of \$4,759, interest 3.76%, maturing 2023	583,586	618,043
Bank of the West		
Mortgages payable in aggregate monthly installments of \$3,314, interest 4.94%, maturing 2022	456,506	472,957
JP Morgan Chase Bank		
Construction loan payable, total loan commitment \$7.6 million, interest adjustable LIBOR plus 1.25%, Current rate 3.31%, due 2021	50,416	-
Enterprise Community Loan Fund		
Note payable, interest 5.75%, maturing 2019	-	458,250
Community Housing Fund		
Notes payable, interest ranging from 3% to 4.5%, maturing 2019-21, unsecured	-	527,163
	<u>20,158,156</u>	<u>19,769,546</u>
Less: unamortized debt issuance costs	<u>411,044</u>	<u>454,087</u>
	<u><u>\$ 19,747,112</u></u>	<u><u>\$ 19,315,459</u></u>

(8) Mortgages and Notes Payable – continued

Debt issuance costs are being amortized to interest expense over the terms of the loans. Amortization expense for debt issuance costs during 2019 and 2018 was \$43,043 and \$40,964, 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, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
CPAH	\$ 4,355,258	\$ 2,515,387
Tax Credit Entities	12,196,920	13,565,768
Single Asset HUD Projects	<u>3,194,934</u>	<u>3,234,304</u>
	<u>\$ 19,747,112</u>	<u>\$ 19,315,459</u>

Annual maturities of mortgages and notes payable for years subsequent to December 31, 2019 are as follows:

Year ending December 31,	
2020	\$ 458,978
2021	2,288,488
2022	855,133
2023	887,711
2024	437,452
Thereafter	<u>15,230,394</u>
	<u>\$ 20,158,156</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.

(10) Commitments and Contingencies – continued

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

Two tax credit properties under construction entered into construction contract agreements in 2019 for the total amount of \$18,466,600. As of December 31, 2019 \$1,722,817 had been completed leaving estimated commitments of \$16,743,783.

In addition CPAH entered into a contract agreement with a contractor to provide construction services for one of its owned properties. CPAH estimates that approximately \$82,000 of the commitment remains as of December 31, 2019.

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

Most 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 \$16,384 and \$19,137 during the years ended December 31, 2019 and 2018, respectively.

(14) Tax Credit Entity Termination

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 may be 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 should not be significantly affected.

(16) Subsequent Events

Management of CPAH has evaluated events and transactions occurring after December 31, 2019 through June 30, 2020, 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, 2019

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

ASSETS	CPAH	TAX CREDIT ENTITIES	SINGLE ASSET HUD PROJECTS	ELIMINATIONS	CONSOLIDATED
Cash	\$ 1,577,567	\$ 701,120	\$ 32,755	\$ -	\$ 2,311,442
Time certificate of deposit	-	-	-	-	-
Cash - restricted	448,584	5,600,534	439,898	-	6,489,016
Receivables - operating	5,402	2,454	4,340	-	12,196
Receivables - grants	140,718	-	-	-	140,718
Prepaid expenses	31,727	14,196	20,243	-	66,166
Tenant security deposits	90,497	93,023	32,914	-	216,434
Predevelopment costs	120,044	-	-	-	120,044
Tax credit fees - net	-	210,138	-	-	210,138
Receivables from affiliates	4,595,282	-	-	(4,595,282)	-
Investments in affiliates	560,012	-	-	(560,012)	-
Subtotal	7,569,833	6,621,465	530,150	(5,155,294)	9,566,154
Fixed assets					
Land and improvements	1,145,859	4,134,021	323,603	(673,352)	4,930,131
Site improvements	899,086	1,794,105	274,458	-	2,967,649
Buildings and improvements	12,076,958	30,768,539	8,440,706	(3,377,722)	47,908,481
Furnishings and equipment	273,257	1,016,259	215,382	-	1,504,898
Construction in progress	-	5,222,936	-	(549,307)	4,673,629
Total fixed assets	14,395,160	42,935,860	9,254,149	(4,600,381)	61,984,788
Less accumulated depreciation	8,092,095	9,043,172	2,654,375	(724,515)	19,065,127
Fixed assets - net	6,303,065	33,892,688	6,599,774	(3,875,866)	42,919,661
Total Assets	\$ 13,872,898	\$ 40,514,153	\$ 7,129,924	\$ (9,031,160)	\$ 52,485,815

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

December 31, 2019

CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED

LIABILITIES AND NET ASSETS	CPAH	TAX CREDIT ENTITIES	SINGLE ASSET HUD PROJECTS	ELIMINATIONS	CONSOLIDATED
Liabilities					
Accounts payable	\$ 60,882	\$ 15,801	\$ 8,743	\$ -	\$ 85,426
Accounts payable- construction and improvements	-	714,213	-	-	714,213
Accrued liabilities	51,834	18,501	501	-	70,836
Prepaid rents	8,284	608	1,354	-	10,246
Refundable security deposits	90,497	93,023	32,914	-	216,434
Mortgages and notes payable	4,355,258	12,196,920	3,194,934	-	19,747,112
Accrued interest	514,213	122,781	91,439	-	728,433
Deferred revenue	220,000	-	-	(220,000)	-
Payables to affiliates	-	4,595,282	-	(4,595,282)	-
Total Liabilities	5,300,968	17,757,129	3,329,885	(4,815,282)	21,572,700
Net Assets					
Without donor restriction					
Controlling interests	8,073,483	560,013	3,800,039	(4,940,393)	7,493,142
Noncontrolling interests	-	22,197,011	-	724,515	22,921,526
Total Without donor restriction	8,073,483	22,757,024	3,800,039	(4,215,878)	30,414,668
With donor restriction - controlling	498,447	-	-	-	498,447
Total Net Assets	8,571,930	22,757,024	3,800,039	(4,215,878)	30,913,115
Total Liabilities and Net Assets	\$ 13,872,898	\$ 40,514,153	\$ 7,129,924	\$ (9,031,160)	\$ 52,485,815

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

Year Ended December 31, 2019

CONSOLIDATING STATEMENT OF ACTIVITIES

	CPAH	TAX CREDIT ENTITIES	SINGLE ASSET HUD PROJECTS	ELIMINATIONS	CONSOLIDATED
Support and Revenues					
Support					
Grants	\$ 1,760,065	\$ -	\$ -	\$ -	\$ 1,760,065
In-Kind Contributions	900,000				900,000
Contributions	32,821	-	-	-	32,821
Total Support	2,692,886	-	-	-	2,692,886
Revenues					
Net rental revenue	652,301	2,276,319	695,189	-	3,623,809
Laundry and tenant charges	16,161	42,466	9,980	-	68,607
Fees and losses - affiliates	640,215	-	-	(640,215)	-
Interest income	5,318	10,617	197	-	16,132
Interest income - affiliates	90,292	-	-	(90,292)	-
Special events - net of expenses	94,217	-	-	-	94,217
Gain on sale of assets	453,352			(453,352)	-
Other revenue	386	-	2,796	41	3,223
Total Revenues	1,952,242	2,329,402	708,162	(1,183,818)	3,805,988
Total Support and Revenues	4,645,128	2,329,402	708,162	(1,183,818)	6,498,874
Expenses					
Personnel costs	630,891	343,356	143,010	-	1,117,257
Administrative expenses	44,136	41,096	15,192	-	100,424
Bad Debt expense	-	4,095	5,649	-	9,744
Fees- affiliates	-	95,509	12,440	(107,949)	-
Fees-limited partners	-	18,504	-	-	18,504
Insurance	32,825	79,002	45,877	-	157,704
Interest expense	160,116	336,895	131,673	-	628,684
Interest expense - affiliates	-	73,320	-	(73,320)	-
Maintenance and repairs	122,668	359,205	145,579	-	627,452
Monitoring fees-LIHTC	-	18,935	-	-	18,935
Professional fees	355,622	82,621	23,583	-	461,826
Program supplies	13,977	-	-	-	13,977
Property management fee	34,532	119,596	43,946	-	198,074
Real property taxes	11,819	-	-	-	11,819
Telephone and internet	9,439	27,129	6,472	-	43,040
Travel, training and meetings	22,069	361	1,568	-	23,998
Utilities	98,524	323,558	94,395	-	516,477
Total Expenses before depreciation and amortization	1,536,618	1,923,182	669,384	(181,269)	3,947,915
Change in Net Assets before depreciation and amortization	3,108,510	406,220	38,778	(1,002,549)	2,550,959
Depreciation and Amortization					
Depreciation	308,542	1,166,730	220,462	(109,406)	1,586,328
Amortization	-	23,471	-	-	23,471
Total Depreciation and Amortization	308,542	1,190,201	220,462	(109,406)	1,609,799
Change in Net Assets	\$ 2,799,968	\$ (783,981)	\$ (181,684)	\$ (893,143)	\$ 941,160

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC. - Operations

Year Ended December 31, 2019

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	\$ 72,823	\$ 103,979	\$ 157,918	\$ 137,261	\$ 101,330	\$ 573,311	\$ 41,755	\$ 15,825	\$ 57,580	\$ 630,891
Administrative expenses	26,119	5,381	3,184	1,256	1,952	37,892	4,864	1,380	6,244	44,136
Insurance	24,942	1,051	2,506	1,115	1,112	30,726	1,922	177	2,099	32,825
Interest expense	102,529	3,853	9,122	38,335	4,077	157,916	1,569	631	2,200	160,116
Maintenance and repairs	118,600	654	1,545	692	793	122,284	277	107	384	122,668
Professional fees	20,739	430	21,510	240,317	24,127	307,123	48,463	36	48,499	355,622
Program supplies	-	-	12,887	-	1,090	13,977	-	-	-	13,977
Property management fee	34,532	-	-	-	-	34,532	-	-	-	34,532
Real property taxes	6,026	-	-	5,793	-	11,819	-	-	-	11,819
Telephone and internet	-	1,371	4,640	1,441	1,405	8,857	366	216	582	9,439
Travel, training and meetings	-	11,161	3,217	703	3,215	18,296	3,443	330	3,773	22,069
Utilities	96,053	413	933	435	441	98,275	175	74	249	98,524
Functional Expenses before depreciation	502,363	128,293	217,462	427,348	139,542	1,415,008	102,834	18,776	121,610	1,536,618
Depreciation	234,502	3,399	10,861	3,559	52,282	304,603	2,562	1,377	3,939	308,542
Totals before fundraising event expenses	736,865	131,692	228,323	430,907	191,824	1,719,611	105,396	20,153	125,549	1,845,160
Fundraising event expenses	-	-	-	-	-	-	-	25,609	25,609	25,609
Total Expenses	736,865	131,692	228,323	430,907	191,824	1,719,611	105,396	45,762	151,158	1,870,769
Percentage of 2019 Grand Totals	39.4%	7.0%	12.2%	23.0%	10.3%	91.9%	5.6%	2.4%	8.1%	100.0%