

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.

SINGLE AUDIT REPORTS
In Conformity with U.S. Office of Management and Budget

Uniform Guidance Related to the
Year ended December 31, 2020

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.
Year Ended December 31, 2020

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COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Expenditures
<u>MAJOR PROGRAMS</u>		
<u>U.S. Department of Housing and Urban Development</u>		
Passed through Washington County of Oregon:		
HOME Investment Partnership Program - Loans	14.239	\$ 1,390,927
HOME Investment Partnership Program - CHDO Grants	14.239	<u>120,996</u>
TOTAL MAJOR FEDERAL AWARDS		<u>1,511,923</u>
<u>NONMAJOR PROGRAMS</u>		
<u>U.S. Department of Housing and Urban Development</u>		
Passed through Washington County of Oregon:		
Community Development Block Grant Loan	14.218	229,900
Community Development Block Grant	14.218	13,913
Passed through City of Beaverton Oregon:		
Community Development Block Grant	14.218	<u>14,488</u>
TOTAL NONMAJOR FEDERAL AWARDS		<u>258,301</u>
TOTAL FEDERAL AWARDS		<u>\$ 1,770,224</u>
Percentage of major awards to total awards		<u>85.4%</u>

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Community Partners for Affordable Housing, Inc. (CPAH, Inc.) under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CPAH, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of CPAH, Inc.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and 2 CFR Part 200, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Expenditures to Subrecipients

There were no expenditures to subrecipients during the year ended December 31, 2020.

(4) Loans Outstanding

CPAH, Inc. had the following loan balances outstanding at December 31, 2020. These loan balances outstanding are also included in the federal expenditures presented in the schedule.

<u>Cluster/Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
HOME Investment Partnership Program - Loans	14.239	\$1,390,929
Community Development Block Grant - Loans	14.218	229,900

(5) Indirect Cost Rate

CPAH, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

**COMMUNITY PARTNERS FOR AFFORDABLE HOUSING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2020**

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>
Is a "going concern" emphasis of matter paragraph included in the auditor's report?	<u>No</u>
Internal control over financial reporting:	
• Material weakness identified?	<u>No</u>
• Significant deficiencies identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

Internal control over major program:	
• Material weakness identified?	<u>No</u>
• Significant deficiencies identified?	<u>None reported</u>

Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	<u>No</u>

Major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.239	HOME Investment Partnership Program

Dollar threshold used to distinguish between type A and B programs:	<u>\$750,000</u>
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Auditee qualified as low-risk auditee?	<u>No</u>
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2. Findings relating to the general purpose financial statements reported in accordance with Government Auditing Standards: None Noted

3. Findings and questioned costs relating to federal awards: None Noted

**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**

October 29, 2021

Board of Directors
Community Partners for Affordable Housing, Inc.
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, Inc. (CPAH, Inc.) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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 October 29, 2021.

Internal Control over Financial Reporting

In planning and performing my audit of the consolidated financial statements, I considered CPAH, Inc.'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, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of CPAH, Inc.'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. 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CPAH, Inc.'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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

October 29, 2021

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

Report on Compliance for Each Major Federal Program

I have audited Community Partners for Affordable Housing, Inc.'s (CPAH, Inc.) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CPAH, Inc.'s major federal programs for the year ended December 31, 2020. CPAH, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of CPAH, Inc.'s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CPAH, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of CPAH, Inc.'s compliance.

Opinion on Each Major Federal Program

In my opinion, CPAH, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of CPAH, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered CPAH, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of CPAH, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

I have audited the consolidated financial statements of CPAH, Inc. as of and for the year ended December 31, 2020, and have issued my report thereon dated October 29, 2021, which contained an unmodified opinion on those consolidated financial statements. My audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated 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 consolidated 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

Community Partners for Affordable Housing, Inc.
Report on Compliance for Each Major Program
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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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report 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