HUMANGOOD AFFORDABLE HOUSING AND AFFILIATES
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

REPORT ON AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2020 AND 2019

HUMANGOOD AFFORDABLE HOUSING AND AFFILIATES
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

TABLE OF CONTENTS

Dauby O'Connor & Zaleski, LLC
A Limited Liability Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
HumanGood Affordable Housing and Affiliates
(A California Non-Profit Public Benefit Corporation)

Report on the Financial Statements

We have audited the accompanying financial statements of HumanGood Affordable Housing and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, changes in net assets (deficit), 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 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

Our responsibility is to express an opinion on these financial statements based on our audits. During the year ended December 31, 2019, we did not audit the financial statements of 7 of the low-income housing tax credit partnerships, of which the activity on these partnerships represents 24.77% of the total assets of the Corporation at December 31, 2019, and 13.19% of the total net loss of the Corporation for the year ended December 31, 2019. Those statements were audited by component auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those partnerships, is based solely on the reports of the component auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to HumanGood Affordable Housing and Affiliates' preparation and fair presentation of the 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 HumanGood Affordable Housing and Affiliates' internal control. Accordingly, we 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, based on our audit and the reports of the component auditors, the financial statements referred to above present fairly, in all material respects, the financial position of HumanGood Affordable Housing and Affiliates as of December 31, 2020 and 2019, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise HumanGood Affordable Housing and Affiliates' basic financial statements. The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dauby O'Connor & Zaleski, LLC

May 21, 2021
Carmel, Indiana

Dauby O'Connor & Zaleski, LLC
Certified Public Accountants

HUMANGOOD AFFORDABLE HOUSING AND AFFILIATES
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS

	2020	2019
Current assets		
Cash and cash equivalents	$ 20,909,636	$ 16,863,085
Investments - cash equivalents	211,713	34,882
Restricted cash	27,976,845	33,745,644
Total cash and investments	**49,098,194**	**50,643,611**
Resident and subsidy accounts receivable	865,764	1,437,801
Management and development accounts receivable	1,026,317	1,390,090
Development and operating advances receivable, net	339,014	2,804,563
Investments	8,380,672	6,149,487
Prepaid expenses, deposits, and other assets	101,855	145,121
Total current assets	**59,811,816**	**62,570,673**
Land, building, and equipment, net	**579,138,414**	**515,012,910**
Long term and other assets		
Development and operating advances receivable, net, long term	436,612	1,120,179
Unamortized costs, net	866,661	876,724
Goodwill	4,355,202	4,355,202
Total long term and other assets	**5,658,475**	**6,352,105**
	$ 644,608,705	**$ 583,935,688**

HUMANGOOD AFFORDABLE HOUSING AND AFFILIATES
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2020 AND 2019

LIABILITIES AND NET ASSETS

	2020	2019
Current liabilities		
Accounts payable and accrued expenses	$ 4,326,077	$ 3,469,400
Accrued interest - servicing debt	535,306	369,822
Accounts payable - construction	23,223,152	15,062,139
Due to affiliates - NorCal	1,655,166	3,676,750
Due to affiliates - SoCal	870,155	2,198,293
Notes and bonds payable - current portion	2,303,145	2,146,615
Notes payable, affiliates - current portion	112,000	112,000
Prepaid and deferred revenue	133,377	112,432
Total current liabilities	**33,158,378**	**27,147,451**
Deposits	**1,523,960**	**1,466,053**
Long term liabilities		
Notes and bonds payable - net of current portion	176,800,377	155,410,677
Notes payable, affiliates - net of current portion	2,895,913	3,007,913
Notes and bonds payable - non-servicing debt	326,288,259	302,088,167
Less: unamortized debt issuance costs	(4,537,687)	(4,289,634)
Accrued interest - non-servicing debt	17,392,116	15,650,143
Fair market value of interest rate swap	1,950,016	1,650,805
Total long term liabilities	**520,788,994**	**473,518,071**
Total liabilities	**555,471,332**	**502,131,575**
Net assets without donor restrictions of the controlling interest	**(25,522,387)**	**(26,367,342)**
Net assets with donor restrictions of the controlling interest	**1,477,753**	**1,697,626**
Net assets without donor restrictions of the non-controlling interest	**113,182,007**	**106,473,829**
	$ 644,608,705	**$ 583,935,688**

HUMANGOOD AFFORDABLE HOUSING AND AFFILIATES
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Revenue		
Affordable housing fees and rents	$ 52,869,745	$ 47,847,034
Affordable housing development	447,511	875,000
Contributions without donor restrictions	357,568	1,036,092
Other operating revenue	251,904	333,638
Total revenue	**53,926,728**	**50,091,764**
Operating expenses		
Salaries and wages	13,548,164	12,839,181
Employee benefits	3,833,503	3,269,266
Supplies	1,492,758	1,103,057
Repairs and maintenance	3,447,553	3,461,604
Marketing and advertising	155,015	197,635
Purchased services	4,190,539	3,895,478
Utilities	4,346,076	4,026,240
Travel and related expenses	358,202	978,350
Leases and rents	344,082	347,782
Insurance	1,199,430	947,975
Other operating expenses	2,634,529	2,262,837
Total operating expenses	**35,549,851**	**33,329,405**
Income from operations	**18,376,877**	**16,762,359**
Other income (expenses)		
Interest	(6,361,155)	(6,571,922)
Interest - deferred	(3,061,002)	(3,043,186)
Interest attributable to amortization of debt issuance costs	(200,988)	(147,880)
Depreciation and amortization	(21,193,524)	(20,227,903)
Interest and investment income, net	343,847	191,838
Income (loss) before other changes in net assets	**(12,095,945)**	**(13,036,694)**
Other changes in net assets without donor restrictions		
Change in fair market value of interest rate swap	(299,211)	(383,268)
Unrealized gain on investments	187,818	202,342
Change in net assets	**(12,207,338)**	**(13,217,620)**
Change in net assets without donor restrictions of the non-controlling interest	**(13,052,293)**	**(14,041,592)**
Change in net assets without donor restrictions of the controlling interest	**$ 844,955**	**$ 823,972**

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (DEFICIT)
YEARS ENDED DECEMBER 31, 2020 AND 2019

	Net assets without donor restrictions - controlling interest	Net assets with donor restrictions - controlling interest	Net assets without donor restrictions - non-controlling interest	Total
Balance, January 1, 2019	**$ (27,191,314)**	**$ 2,709,844**	**$ 77,814,386**	**$ 53,332,916**
Contributions	-	-	42,879,098	42,879,098
Distributions	-	-	(178,063)	(178,063)
Release of net assets with donor restrictions	-	(1,012,218)	-	(1,012,218)
Change in net assets without donor restrictions	823,972	-	(14,041,592)	(13,217,620)
Balance, December 31, 2019	**(26,367,342)**	**1,697,626**	**106,473,829**	**81,804,113**
Contributions	-	-	19,966,073	19,966,073
Distributions	-	-	(205,602)	(205,602)
Release of net assets with donor restrictions	-	(219,873)	-	(219,873)
Change in net assets without donor restrictions	844,955	-	(13,052,293)	(12,207,338)
Balance, December 31, 2020	**$ (25,522,387)**	**$ 1,477,753**	**$ 113,182,007**	**$ 89,137,373**

See notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flow from operating activities		
Revenue:		
Affordable housing fees and rents	$ 53,826,500	$ 47,675,356
Affordable housing development	447,511	875,000
Unrestricted contributions	137,695	23,874
Other operating revenue	251,904	333,638
	54,663,610	**48,907,868**
Expenditures:		
Salaries and wages	(13,439,762)	(12,557,695)
Employee benefits	(3,833,503)	(3,269,266)
Vendors	(20,726,365)	(17,860,571)
Interest	(7,514,700)	(9,989,065)
	(45,514,330)	**(43,676,597)**
Net cash provided by operating activities	**9,149,280**	**5,231,271**
Cash flows from investing activities		
Interest and investment gains	300,480	394,180
Investment purchases	(2,000,000)	(5,013,226)
Net change in deposits	57,907	116,384
Net repayment (advances) to properties	3,149,116	(2,242,486)
Acquisition of land, building, and equipment	(77,037,797)	(19,352,822)
Net cash used in investing activities	**(75,530,294)**	**(26,097,970)**
Cash flows from financing activities		
Proceeds from notes and bonds payable	64,566,185	14,637,485
Payments on notes and bonds payable	(18,931,863)	(42,097,227)
Contributions from non-controlling interest	19,966,073	42,879,098
Distributions to non-controlling interest	(205,602)	(178,063)
Payments for debt issuance costs	(457,727)	(787,253)
Payments for unamortized costs	(101,469)	(234,513)
Net cash provided by financing activities	**64,835,597**	**14,219,527**
Net change in cash and investments	**(1,545,417)**	**(6,647,172)**
Cash and investments, beginning	**50,643,611**	**57,290,783**
Cash and investments, ending	**$ 49,098,194**	**$ 50,643,611**

Cash flow from investing activities related to the acquisition of land, building, and equipment excludes $23,223,152 and includes $15,062,139, which are included in accounts payable - construction at December 31, 2020 and 2019, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Reconciliation of change in net assets without donor restrictions to net cash provided by operating activities		
Change in net assets	**$ (12,207,338)**	**$ (13,217,620)**
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in fair market value of interest rate swap	299,211	383,268
Depreciation and amortization	21,193,524	20,227,903
Amortization of debt issuance costs	200,988	147,880
Interest and investment gains	(531,665)	(394,180)
Release of net assets with donor restrictions	(219,873)	(1,012,218)
Changes in:		
Resident and subsidy accounts receivable	572,037	(287,080)
Management and development accounts receivable	363,773	120,092
Prepaid expenses, deposits, and other assets	43,266	5,110
Accounts payable and accrued expenses	856,677	832,221
Accrued interest	1,907,457	(373,957)
Due to affiliates	(3,349,722)	(1,195,458)
Prepaid and deferred revenue	20,945	(4,690)
Net cash provided by operating activities	**$ 9,149,280**	**$ 5,231,271**

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PARENT ORGANIZATION

HumanGood ("Parent Organization"), is a California nonprofit public benefit tax-exempt corporation providing housing, health care and supportive services for the elderly through its Life Plan Communities (LPC's) and affordable housing communities owned by its subsidiaries. HumanGood is the sole member of HumanGood NorCal ("NorCal"), HumanGood SoCal ("SoCal"), HumanGood Fresno (dba Terraces at San Joaquin Gardens, "TSJG"), and HumanGood Cornerstone ("Cornerstone"). NorCal is the sole member of HumanGood Foundation West ("Foundation West") and SoCal is the sole member of HumanGood Foundation South ("Foundation South"). NorCal, SoCal, and TSJG, which collectively form the HumanGood California Obligated Group, share the common parent entity of HumanGood, and together with Foundation West and Foundation South, constitute the HumanGood California Obligated Group & Foundation Affiliates.

HumanGood Cornerstone, an affiliate of the Parent Organization, is a California nonprofit public benefit tax-exempt corporation and, as the sole member, exercises its direction and control through the appointment of the Board of Directors of HumanGood Arizona (dba Terraces of Phoenix, TOP), HumanGood Washington (dba Judson Park, JP), HumanGood Nevada (dba Las Ventanas), HumanGood Idaho (dba The Terraces of Boise, Boise), Seniority Properties (dba HumanGood Properties), and in conjunction with an affiliation effective June 30, 2019, HumanGood East (formerly Philadelphia Presbytery Homes and Services for the Aging, dba Presby's Inspired Life). In conjunction with finalizing transfer agreements in 2019, Cornerstone is the sole member and exercises its direction and control through the appointment of the Board of Directors of HumanGood Affordable Housing (the "Corporation") and the managers of Beacon Development Group, LLC ("Beacon Development"). HumanGood and HumanGood Cornerstone's Boards are composed of the same seven directors.

ORGANIZATION

The Corporation is a California non-profit public benefit tax-exempt corporation formed in December 1988. The Corporation was known as Carmel Senior Housing, Inc. ("Carmel") prior to January 29, 2015. The Corporation provides quality housing and services for older adults and people with limited resources or disabilities in the states of California, Oregon, and Washington.

On January 1, 2015, NorCal purchased all outstanding membership interests in Beacon Development and assigned its rights to the Corporation. NorCal then entered into an inter-affiliate note with Beacon Development to assign the cost of purchase to the acquired entity. Effective January 1, 2019, the Parent Organization assigned the member interest in Beacon Development to HumanGood Cornerstone, removing it as a consolidating subsidiary of the Corporation. In March 2021, HumanGood Cornerstone approved a resolution to transfer Beacon Development back to the Corporation as its sole member.

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ORGANIZATION (continued)

Also on January 1, 2015, the Corporation entered into a master transfer agreement with NorCal where NorCal affordable housing employees became employees of the Corporation and all operational activities, assets and liabilities associated with NorCal's affordable housing line of business were also transferred to the Corporation. The master transfer agreement details the form of two non-interest bearing inter-affiliate notes. See Note 9.

In late fiscal year 2015, following United States Department of Housing and Urban Development (HUD) approval, NorCal transferred its sole memberships in all of NorCal's owned affordable housing communities as well as the management agreements for all of its owned and managed communities to the Corporation.

SoCal is a California nonprofit public benefit tax-exempt corporation which owns, operates and manages LPC's and rental housing communities, primarily in Southern California, in which housing, health care, and supportive services are provided for the elderly. SoCal served as the majority general partner and controlling organization for 8 low-income senior housing tax credit communities and as the sole corporate member of 19 wholly owned subsidiaries.

SoCal had provided non-interest-bearing advances to partially finance the construction of their low-income senior housing tax credit communities. Pursuant to a master transfer agreement dated December 31, 2018 between the Corporation and SoCal, these advances along with other assets and liabilities related to SoCal's affordable housing business line were all transferred from SoCal to the Corporation in 2018. Effective January 1, 2019, SoCal's community ownership interests and management contracts were also transferred to the Corporation.

The consolidated financial statements include the transactions and accounts of HumanGood Affordable Housing, 28 wholly owned affiliates, and 25 low-income housing tax credit partnerships in which the Corporation has the only or majority general partner interest:

Wholly owned subsidiaries

- Andres Duarte Terrace (d.b.a. Andres Duarte Terrace)
- Bandera Senior Housing Corporation (d.b.a. George McDonald Court)
- Beacon Senior Housing Corporation (d.b.a. Rosewood Court)
- Canterbury Village Retirement Corporation (d.b.a. Canterbury Village)
- Castle Argyle Retirement Corporation (d.b.a. Castle Argyle) - sold its affordable housing property on August 13, 2020 to Castle Argyle, LP (see below)
- Good Shepherd Senior Housing (d.b.a. Shepherd's Garden)
- Hillcrest Senior Housing Corporation (d.b.a. Hillcrest Gardens)
- Judson Terrace Lodge, Inc. (d.b.a. Judson Terrace Lodge)
- L.C. Hotchkiss Terrace (d.b.a. L.C. Hotchkiss Terrace)
- Lil Jackson Senior Community (d.b.a. Lil Jackson Senior Community)
- Mountain Park Terrace, Inc. (d.b.a. Clark Terrace)
- Oak Knolls Haven Corporation (d.b.a. Oak Knolls Haven)
- Redding Mountain Vistas II (d.b.a. Mountain Vistas II)

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ORGANIZATION (continued)

Wholly owned subsidiaries (continued)

- Redlands Senior Housing, Inc. (d.b.a. Casa de la Vista)
- Redlands Senior Housing Two (d.b.a. Fern Lodge)
- Rose View Terrace (d.b.a. Rose View Terrace)
- Salishan Senior Housing, Inc. (d.b.a. Salishan Gardens)
- San Leandro Senior Housing, Inc. (d.b.a. Broadmoor Plaza)
- Senior Affordable Housing Corporation No. 1 (d.b.a. The Otto Gruber House)
- Senior Affordable Housing Corporation No. 2 (d.b.a. Clark Terrace II)
- Senior Affordable Housing Corporation No. 3 (d.b.a. Hadley Villas)
- Senior Affordable Housing Corporation No. 4 (d.b.a. Mountain Vistas)
- Senior Affordable Housing Corporation No. 6 (d.b.a. William C. Arthur Terrace)
- Sierra Gateway Senior Residence (d.b.a. Sierra Gateway Senior Residence)
- Sierra Gateway Senior Residence II (d.b.a. Sierra Gateway Senior Residence II)
- Soroptimist Gardens Housing Corporation (d.b.a. The Gardens)
- Tahoe Senior Plaza, Inc. (d.b.a. Tahoe Senior Plaza)
- Venice Senior Housing Corporation (d.b.a. Adda & Paul Safran Senior Housing)

Low-income housing tax credit partnerships

- Andres Duarte Terrace II, LP (d.b.a. Andres Duarte Terrace II)
- Bay Vista Partners LLLP (d.b.a. The Pearl on Oyster Bay)
- Casa de la Paloma, LP (d.b.a. Casa de la Paloma)
- Castle Argyle, LP (d.b.a. Castle Argyle)
- Covenant Manor, LP (d.b.a. Covenant Manor)
- FD Haynes Apartments, LP (d.b.a. FD Haynes Apartments)
- Filipino Community Village LLLP (d.b.a. Filipino Community Village)
- Harborview Manor LLLP (d.b.a. Harborview Manor)
- Judson Terrace Homes Senior Housing, L.P. (d.b.a. Judson Terrace Homes)
- Miller Avenue Senior Housing LP (d.b.a. Miller Avenue Senior Housing)
- Morgan Hill Senior Housing, L.P. (d.b.a. Morgan Hill)
- Mt. Rubidoux Manor, L.P. (d.b.a. Mt. Rubidoux Manor)
- Northaven Three Northgate Limited Partnership (d.b.a. Northaven Three)
- Pacific Meadows Senior Housing, L.P. (d.b.a. Pacific Meadows)
- Palmer House, LP (d.b.a. Palmer House)
- Park Paseo, LP (d.b.a. Park Paseo)
- Rotary Plaza, LP (d.b.a. Rotary Plaza)
- Royal Vista Terrace Apartments, LP (d.b.a. Royal Vista Terrace)
- Sun Tower Partners, LLLP (d.b.a. Sun Tower)
- Sunnyvale Life, LP (d.b.a. Life's Garden)
- Sycamore Terrace Upland, LP (d.b.a. Sycamore Terrace)
- Tahoe Senior Housing II, L.P. (d.b.a. Kelly Ridge)
- Three Rivers Senior Housing LLLP (d.b.a. Three Rivers Village)
- Valley Vista Senior Housing, L.P. (d.b.a. Valley Vista)
- Westminster Court LP (d.b.a. Westminster Court)

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ORGANIZATION (continued)

The wholly owned affiliates are separately incorporated affordable housing entities in California and Washington. The affordable housing entities received HUD direct loans or grants to fund construction and receive HUD rental assistance to subsidize the residents' rents, and therefore, their operations are regulated by HUD.

The Corporation owns the only or majority general partner interests in the low-income housing tax credit partnerships noted above. Generally, the low-income housing tax credit is provided pursuant to Section 42 of the Internal Revenue Code and is computed as a percentage of the qualified basis of the property and is allowed annually during a period of ten years commencing with the year the buildings are placed in service. Capital contributed to the partnership from limited partners (as a result of the low-income housing tax credit) allows for the property to be developed and funded with lower debt service, which in turn, allows the owner to provide housing to low-income residents at below market rents. Each low-income housing tax credit partnership has executed regulatory agreements with state and/or local agencies which govern the operation of the properties.

Collectively, the wholly owned affordable housing entities and the low-income housing tax credit partnerships are referred to as "Properties". The Corporation currently provides affordable housing management services to 11 properties owned or sponsored by unaffiliated organizations in addition to the affordable housing management services provided to the Properties.

In addition to the above, the Corporation also provides oversight to the HumanGood East affordable housing portfolio. HumanGood East is the sponsor and sole corporate member of 11 wholly owned affordable housing communities, a joint venture sponsor and the majority corporate member in one affordable housing community, and has five affiliate general partners and one affiliate limited partner with controlling interest in 5 low-income senior housing tax credit communities. HumanGood East is also the sole corporate member of HumanGood Pennsylvania. HumanGood Pennsylvania is the management agent for the 17 HumanGood East affordable housing communities as well as the 19 affordable housing communities owned or sponsored by unaffiliated organizations.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the consolidated financial statements

The consolidated financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America, and are in conformity with the provisions required by the Not-for-Profit Entities Presentation of Financial Statements topic of the Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 958-205. This topic established standards for external financial reporting for Not-for-Profit Organizations.

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation of the consolidated financial statements (continued)

The Not-for-Profit Entities Presentation of Financial Statements topic primarily affects the display of the consolidated financial statements and requires that the amounts for each of the classes of net assets - with or without donor restrictions - be displayed in the Consolidated Statements of Financial Position and the amounts of the change in each of those classes of net assets be displayed in the Consolidated Statements of Changes in Net Assets (Deficit). Net assets with donor restrictions primarily consists of grants awarded to the Properties. The grants are being released to net assets without donor restrictions on a straight-line basis over the compliance period of the applicable grant.

FASB issued ASC Topic 958-810, Consolidation of Not-for-Profit Entities, which requires that a recognized non-controlling interest in another entity, whether a business or a not-for-profit entity, be measured at its fair value at the acquisition date. In addition, this statement also provides guidance on the presentation of non-controlling interest in a not-for-profit entity's financial statements. Non-controlling interest in net assets of consolidated subsidiaries are reported as a separate component of the appropriate class of net assets in the Consolidated Statements of Activities and Changes in Net Assets (Deficit).

New accounting pronouncements

The Corporation is subject to the provisions of the Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made topic of the FASB *Accounting Standards Update* (ASU) 2018-08. The new standard amended the existing accounting standards for nonreciprocal transactions (contributions). The new standard (i) provides guidance for whether transactions should be accounted for as contribution or as an exchange transaction subject to other guidance and (ii) determining whether a contribution is conditional. The Corporation adopted the FASB ASU 2018-08 on January 1, 2020, and there was no cumulative effect recognized.

In February 2016, the FASB issued ASU 2016-02, Leases, which once implemented will result in lessees recognizing most leased assets and corresponding lease liabilities on the Statements of Financial Position. The standard is effective for year-ends beginning after December 15, 2021 and early adoption is permitted. The lease standard is not expected to have a material impact on the financial statements.

Consolidation

In accordance with FASB ASC 810, the consolidated financial statements include the accounts of the Corporation and its wholly owned operating entities, after elimination of all material intercompany accounts, transactions, and profits.

The financial statements also consolidate the assets, liabilities, and activities of the various low-income housing tax credit limited partnerships for which the Corporation, as a general partner, is the primary beneficiary. All material intercompany accounts and transactions have been eliminated in consolidation.

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidation (continued)

In accordance with FASB ASC 805, any net asset or equity interest transfers to or from the Corporation have been reported in the accompanying consolidated financial statements as if the transfer occurred at the beginning of the reporting period, or January 1, 2019, since all entities are deemed to be under common control of the Parent Company.

Cash

For the Statements of Cash Flows, all unrestricted investments with original maturities of three months or less are cash equivalents. At December 31, 2020 and 2019, cash consists of unrestricted checking and savings accounts held at numerous banks.

Accounts receivable and bad debt policy

Accounts receivable consists of amounts due to the Properties from resident rents and amounts due to the Corporation from unaffiliated affordable housing properties for property management fees and reimbursable management services such as payroll. Rental income and property management fee income are typically due the first of the month. The Corporation and the Properties do not accrue interest on accounts receivable balances.

Accounts receivable 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 material to the financial statements for the years ended December 31, 2020 and 2019. Bad debts expense totaled $288,358 and $64,164 for the years ended December 31, 2020 and 2019, respectively.

Other receivables and bad debt policy

Other receivables are amounts due to the Corporation from the Properties and are stated at unpaid balances less any applicable allowance for doubtful accounts. Other receivables due from the Properties consist of revenues from management fees, reimbursable management services such as payroll, development advances, and operating advances. The Corporation does not accrue interest on the intercompany receivable balances.

Management periodically reviews intercompany receivables and uses an allowance for doubtful accounts to recognize bad debts. There was no bad debts expense for the years ended December 31, 2020 and 2019. The allowance for doubtful accounts totaled $92,031 as of December 31, 2020 and 2019.

Notes receivable

The Corporation has reflected the receivables and payables in place with the majority of the low-income housing tax credit partnerships in notes receivable, net and notes and bonds payable, respectively, on the Statements of Financial Position, however, these amounts are eliminated in consolidation. See Notes 4 and 10.

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

The Properties' land, buildings and improvements, and equipment and furnishings are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives which are estimated to be between 3 and 40 years using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred.

The Properties are subject to the provisions of the Impairment or Disposal of Long-Lived Assets topic of the FASB ASC 360-10. Impairment or Disposal of Long-Lived Assets has no retroactive impact on the Corporation’s financial statements. The standard requires impairment losses to be recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair value and assets held for sale are adjusted to their estimated fair value less selling expenses. No impairment loss was recognized during the years ended December 31, 2020 and 2019.

The Corporation is also subject to the provisions of FASB ASC 360-20-40 which addresses accounting for sales with gains with entities under common control. Accordingly, the Corporation eliminates the value of the Properties' land, buildings and equipment and the corresponding gain recognized in prior years. See Note 5.

Unamortized costs

Certain Properties incurred tax credit monitoring fees, which are being amortized over the 15 year compliance period using the straight-line method.

Goodwill

Under ASC 350 Intangibles - Goodwill and Other, an intangible asset with an indefinite useful life shall not be amortized. The intangible asset is evaluated for impairment annually and on an interim basis as events and circumstances warrant by comparing the fair value of the intangible asset with its carrying amount. No impairment loss was recognized during the years ended December 31, 2020 and 2019.

Investments in Properties, equity method

The Corporation does not consolidate the accounts and activities of Tower Park LP because the Corporation does not consider its variable interest to be the primary beneficiary under ASC 810-10 Consolidation. The Corporation accounts for the investment in accordance with the equity method of accounting, under which the investment is carried at cost and is adjusted for the Corporation’s share of net income or loss and by cash distributions received. The Corporation’s equity investment balance represents the maximum exposure to loss in connection with such investments.

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt issuance costs

The Corporation is subject to the provisions of the Interest-Imputation of Interest topic of the FASB ASC 835-30 which requires unamortized debt issuance costs to be presented as a reduction of the outstanding debt and the amortization of the debt issuance costs to be presented as a component of interest expense. Generally accepted accounting principles require that the effective yield method be used to amortize debt issuance costs; however, the effect of using the straight-line method is not material to the financial statements for the years ended December 31, 2020 and 2019.

Equity transfers

Under ASU 2016-14, equity transfers are required to be reported separately in the Statements of Activities as changes in net assets. Equity transfers are included in contribution income on the Statements of Activities.

Affordable housing fees and rents

The Properties' affordable housing rents are recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Properties and the residents are operating leases under ASC 840 and are not within the scope of ASU 2014-09.

The Corporation's management fee income is earned based on the terms as outlined in the management agreements with the Properties and the unaffiliated affordable housing properties. Management fees are typically received monthly and based on previous month's collections. Management fees earned by the Corporation in management of consolidated Properties are eliminated in consolidation.

Affordable housing development

The Corporation earns developer fees primarily for facilitating the financing and construction of affordable housing. Fees are recognized based on completion of various phases of the development, as specified in the respective agreements. Certain fees are deferred and payable from the Properties' available operating cash flow.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon direct expenditures incurred or based upon time spent in the activities. See Note 13.

Advertising costs

Advertising costs incurred by the Properties are expensed as incurred and are included in marketing and advertising expenses in the Statements of Activities.

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes

The Properties are exempt from some, but not all real property taxes. For those Properties that are required to pay property taxes, property taxes are expensed in the year of the lien on the property such that twelve months of expense are charged to operations each year.

Derivatives

One of the Properties, Pacific Meadows Senior Housing L.P. entered into an interest rate swap agreement as a free standing derivative as allowed under the applicable accounting standard to appropriately reflect the prospective intentions of holding the interest rate swap. The fair value of the interest rate swap is reported on the Statements of Financial Position. Changes in fair value are included in change in fair market value of interest rate swap in the Statements of Activities. The valuation technique is classified as Level 2 (see below) under the fair value measurements fair value hierarchy.

Accounting for uncertainty in income taxes

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and state income tax and has been classified as an other than private foundation. Accordingly, no provision for federal and state taxes on revenue and income has been recognized in the accompanying financial statements.

Even though the Corporation is recognized as tax exempt, it still may be liable for tax on its unrelated business income (UBI). The Corporation evaluates uncertain tax positions through its review of the sources of income to identify UBI and certain other matters, including those which may affect its tax exempt status. The effect of the uncertainty would be recorded if the outcome was considered probable and reasonably estimable. As of December 31, 2020 and 2019, the Corporation had no uncertain tax positions requiring accrual.

Generally, the Federal and State tax filings were subject to examinations from the three years after the later of the original or extended due date or the date filed with the applicable tax authority.

Concentration of credit risk

The Corporation maintains various cash balances with various regional and national financial institutions. The balances in the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2020, the cash balances held at some of these financial institutions exceeded the FDIC insurance limit. The Corporation has not experienced any losses in such accounts. Management believes that the Corporation is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of credit risk (continued)

The Corporation's operations are concentrated in the multifamily real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation, specifically, the Properties, are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, if any, to comply with a change.

Use of estimates in the preparation of consolidated financial statements

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

Fair value

The Corporation is subject to the provisions of the Fair Value Measurement topic of the FASB ASC 820-10 which provides guidance for assets and liabilities which are required to be measured at fair value and requires expanded disclosure for fair value measurement. The standard applies whenever other standards require or permit assets or liabilities to be measured at fair value and does not require any new fair value measurements. The standard establishes a fair value hierarchy based on three levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities
Level 2 - Quoted prices for similar assets or liabilities in active markets
Level 3 - Unobservable inputs for the asset or liability based on the best available information

For instances in which the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety. See Note 6.

Subsequent events

Management performed an evaluation of the Corporation's activity through May 21, 2021, the audit report date, and has concluded that there are no significant subsequent events requiring disclosure through the date these consolidated financial statements were available to be issued, except as described in Note 16.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year financial statement presentation. These reclassifications had no effect on the reported net income (loss) of the Corporation.

NOTE 2-RESTRICTED CASH

The Properties have various cash balances which are segregated and restricted and consist of resident security deposits, tax and insurance escrow deposits, replacement reserves, and operating reserves which are required to be maintained by various operating, regulatory, or lending agreements.

The Properties' designated restricted cash balances held as of December 31, 2020 and 2019, consisted of the following:

	2020	2019
Resident security deposits	$ 1,643,889	$ 1,555,434
Tax and insurance escrow deposits	570,007	573,262
Replacement reserves	12,238,425	11,629,381
Operating reserves	10,139,063	8,663,246
Restricted construction escrow	973,391	8,267,847
Other reserves	2,412,070	3,056,474
	$ 27,976,845	**$33,745,644**

NOTE 3-LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Corporation manages its liquidity by completing annual operating budgets that provide sufficient funds for general expenditures, which includes operating expenses, capital replacements, and required debt service, in meeting liabilities and other obligations as they become due and maintains cash and cash equivalents that may be drawn upon as needed during the year to manage cash flow and make necessary expenditures. The Corporation's cash and cash equivalents is available within one year of the Statements of Financial Position date to meet cash needs for general expenditures. There are restricted funds that may be drawn upon in the event of certain capital replacements, financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities with ownership approval.

The following reflects the Corporation's financial assets as of December 31, 2020, reduced by amounts not available for general use within one year of December 31, 2020 because of internal designations. Amounts not available include amounts set aside as collateral and investments designated by the Board of Directors as reserved for additional investments into the Properties. These amounts could be drawn upon if needed with approval from the Board of Directors.

Cash and cash equivalents	$ 20,909,636
Accounts receivable and other receivables, net	2,231,095
Investments	8,592,385
Total	**$31,733,116**

NOTE 4-NOTES RECEIVABLE

The Corporation, as general partner in Bay Vista Partners LLLP and Valley Vista Senior Housing, L.P. entered into capital advance agreements with HUD under Section 202 of the Housing Act of 1959 to assist in financing the affordable housing properties. As required by the capital advance program agreements, the Corporation loaned the proceeds from the capital advances to Bay Vista Partners LLLP and Valley Vista Senior Housing, L.P. Bay Vista Partners LLLP was loaned $9,769,000, and Valley Vista Senior Housing, L.P. was loaned $12,282,400. The notes bear no interest and mature on October 1, 2069 (Bay Vista) and March 1, 2067 (Valley Vista).

The Corporation also has outstanding notes receivable from various other Properties which were typically necessary to fund development costs. Principal and interest payments on these notes are made from available net cash flows from these Properties annually, based on the individual partnerships' agreements on distribution of these cash flows. The Corporation's notes and interest receivable from these tax credit partnerships at December 31, 2020 and 2019 totaled $107,662,852 and $82,864,726, respectively. The notes receivable balances by Property are as follows at December 31, 2020:

Property	Outstanding Principal	Outstanding Interest	Current Year Payments
Harborview Manor LLLP	$ 7,966,759	$ 1,598,205	$ 211,679
Judson Terrace Homes Senior Housing, L.P.	17,774,593	691,155	663,174
Pacific Meadows Senior Housing L.P.	6,731,109	2,098,526	-
Tahoe Senior Housing II, L.P.	500,348	-	-
Three Rivers Senior Housing LLLP	353,953	127,709	103,928
Casa de la Paloma, LP	18,674,552	905,330	1,699,473
Castle Argyle, LP	25,138,224	98,039	-
Covenant Manor, LP	3,433,835	536,304	209,500
Park Paseo, LP	8,243,565	1,470,254	-
Royal Vista Terrace Apartments, LP	3,587,059	225,824	255,000
Sycamore Terrace Upland, LP	4,138,568	531,420	161,500
Westminster Court, LP	2,683,961	153,560	-
	$ 99,226,526	**$ 8,436,326**	**$ 3,304,254**

All notes receivable and interest balances eliminate in consolidation.

NOTE 5-PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost and as of December 31, 2020 and 2019, consisted of the following:

	2020	2019
Land	$ 76,678,471	$ 72,692,727
Land improvements	19,266,228	19,097,065
Building and improvements	525,257,891	499,146,502
Furnishings and equipment	44,262,908	46,185,692
Construction in progress	65,523,152	12,121,555
Total	730,988,650	649,243,541
Less: accumulated depreciation	(151,850,236)	(134,230,631)
Balance	**$579,138,414**	**$515,012,910**

Depreciation expense for the years ended December 31, 2020 and 2019 totaled $21,098,451 and $20,158,530, respectively.

During the years ended December 31, 2020 and 2019, property and equipment of $93,245,123 and $70,825,000, net of accumulated depreciation of $9,358,454 and $7,532,000, all respectively, was eliminated against intercompany gains recognized in 2020 and prior years. During the year ended December 31, 2020, property and equipment was eliminated against an intercompany gain of $24,211,778 related to Castle Argyle Retirement Corporation selling the Castle Argyle property to Castle Argyle, LP on August 13, 2020. The gains were generated by asset sales between entities under common control associated with the syndication of low-income housing tax credits.

As of December 31, 2020, construction contracts and commitments of approximately $113,900,000 exist with various counterparties for the redevelopment of Castle Argyle, Filipino Community Village, FD Haynes Apartments, and Northaven Three of which approximately $82,300,000 remains unspent as of December 31, 2020.

At December 31, 2020 and 2019, accounts payable - construction totaled $23,223,152 and $15,062,139, respectively.

NOTE 6-FAIR VALUE

FASB ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

NOTE 6-FAIR VALUE (CONTINUED)

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or net asset value per share (or its equivalent) with the ability to redeem the investments in the near term.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated financial statements, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Investments - Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include cash and cash equivalents held for investment, commercial paper, mutual funds, and equity securities. Level 2 securities include corporate debt securities and U.S. government securities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with identical characteristics, discounted cash flows, or net asset value as described below. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Interest Rate Swap Agreements - The fair value is estimated by a third party using inputs that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

The following tables present the fair value measurements of assets recognized in the accompanying Statements of Financial Position measured at fair value on a recurring basis and the level within the FASB ASC Topic 820 fair value hierarchy in which the fair value measurements fall at December 31, 2020 and 2019:

	Level 1	Level 2	Level 3	Fair Value at December 31, 2020
Investments				
Cash	$ 161,462	$ -	$ -	$ 161,462
Mutual funds	-	-	-	-
Commodities and structure products	-	-	-	-
Domestic equities	-	-	-	-
Municipal bonds	-	1,615,639	-	1,615,639
Domestic corporate debt	-	3,774,230	-	3,774,230
U.S. government securities	-	3,041,054	-	3,041,054
Total investments	$ 161,462	$ 8,430,923	$ -	$ 8,592,385
Interest rate swaps	$ -	$ (1,950,016)	$ -	$ (1,950,016)

NOTE 6-FAIR VALUE (CONTINUED)

	Level 1	Level 2	Level 3	Fair Value at December 31, 2019
Investments				
Cash	$ 34,882	$ -	$ -	$ 34,882
Mutual funds	-	-	-	-
Commodities and structure products	-	-	-	-
Domestic equities	-	-	-	-
Municipal bonds	-	1,231,752	-	1,231,752
Domestic corporate debt	-	2,453,134	-	2,453,134
U.S. government securities	-	2,464,601	-	2,464,601
Total investments	$ 34,882	$ 6,149,487	$ -	$ 6,184,369
Interest rate swaps	$ -	$ (1,650,805)	$ -	$ (1,650,805)

NOTE 7-INVESTMENTS

Investments below with maturities of three months or less are cash equivalents. Investments at December 31, 2020 and 2019, consisted of the following at fair value:

	2020	2019
Cash	$ 161,462	$ 34,882
Mutual funds	-	-
Commodities and structure products	-	-
Domestic equities	-	-
Municipal bonds	1,615,639	1,231,752
Domestic corporate debt	3,774,230	2,453,134
U.S. government securities	3,041,054	2,464,601
Total	**$ 8,592,385**	**$ 6,184,369**

Investment income, excluding any investment income of the Properties, for the years ended December 31, 2020 and 2019, is as follows:

	2020	2019
Dividend, interest, and other investment income	$ 153,221	$ 123,988
Net realized gain on investments	66,977	4,053
Net unrealized gain on investments	187,818	202,342
Total investment income - net	**$ 408,016**	**$ 330,383**

Investment income is net of investment expenses of $11,373 and $-0- for the years ended December 31, 2020 and 2019, respectively.

NOTE 8-OTHER ASSETS

Investments in Properties, equity method

The Corporation holds a 0.0049% ownership interest in Tower Park LP. Tower Park owns a 50 unit affordable housing community for seniors known as Tower Park in Modesto, California. The balance of the equity investment at December 31, 2020 and 2019 totaled $-0-.

Unamortized costs

Certain Properties incurred tax credit monitoring fees and other fees of $1,281,705 as of December 31, 2020 in connection with the development of the affordable housing properties. Amortization expense for the years ended December 31, 2020 and 2019 totaled $95,073 and $69,373, respectively. Accumulated amortization at December 31, 2020 and 2019 totaled $415,044 and $328,525, respectively.

Estimated amortization expense for each of the next five years and thereafter is as follows:

2021	$ 83,533
2022	77,617
2023	77,617
2024	77,617
2025	77,617
Thereafter	472,660
	$ 866,661

Goodwill

Pacific Meadows Senior Housing, L.P. recognized goodwill totaling $4,355,202 in connection with the acquisition of the property and equipment in 2010. Through December 31, 2020, the Corporation has not identified any impairment losses in the carrying value of goodwill. As of December 31, 2020 and 2019, the goodwill value totaled $4,355,202.

NOTE 9-CORPORATION NOTES PAYABLE AND OTHER OBLIGATIONS

NorCal - Master Transfer Agreement

The Corporation entered into a master transfer agreement dated January 1, 2015 with NorCal in exchange for the transfer of affordable housing related assets and liabilities.

The master transfer agreement details the form of two non-interest bearing interaffiliate notes:

The first note payable to NorCal totaled $2,242,486 and calls for quarterly payments of $28,000 until September 30, 2034 and a final quarterly payment of $30,486 upon maturity on December 31, 2034.

The second note payable to NorCal totaled $1,364,447 and calls for payments annually contingent upon the Corporation’s ability to achieve certain levels of cash flow and operating margin. The second note payable to NorCal does not have a stated maturity date.

NOTE 9-CORPORATION NOTES PAYABLE AND OTHER OBLIGATIONS (CONTINUED)

NorCal - Master Transfer Agreement (continued)

Outstanding principal at December 31, 2020 and 2019 totaled $1,654,486 and $1,766,486 for the first note payable and $1,353,427 for the second note payable, all respectively.

Housing Authority of the County of Monterey

The Corporation entered into a development fee sharing agreement with the Housing Authority of the County of Monterey (HACM) in connection with the development of Pacific Meadows Senior Housing, L.P. The Corporation is required to pay HACM 50% of each deferred fee payment received from Pacific Meadows Senior Housing, L.P. for further consideration of HACM's lease of the property to Pacific Meadows Senior Housing, L.P. Deferred development fees due to the Corporation from Pacific Meadows Senior Housing, L.P. at December 31, 2020 and 2019 totaled $1,661,810, however, only $935,002 is covered by the development fee sharing agreement. Deferred development fees payable to HACM from the Corporation at December 31, 2020 and 2019 totaled $467,501 which is included in notes and bonds payable-non servicing debt on the Statements of Financial Position.

Scheduled maturities of corporation notes payable and other obligations are approximately as follows:

2021	$ 112,000
2022	112,000
2023	112,000
2024	112,000
2025	112,000
Thereafter	2,915,414
	$ 3,475,414

NOTE 10-PROPERTIES' MORTGAGES AND LONG TERM DEBT

The following mortgage loans and notes payable are collateralized by various trust deeds covering the Properties' land, buildings, and improvements. The Corporation has elected to present servicing debt and non-servicing debt separately in the following tables. Servicing debt requires recurring monthly payments from operations or payments from other permanent sources (i.e. construction financing). Non-servicing debt requires payments either from the Properties' excess cash flow or has no near term payment obligations.

NOTE 10-PROPERTIES' MORTGAGES AND LONG TERM DEBT (CONTINUED)

The following represents the debt terms and balances as of December 31, 2020:

Servicing Debt

Property Maturity	Face	Interest Rate	Long-Term Portion	Current Portion
FD Haynes Apartments, LP				
2022	$ 47,760,000	LIBOR 1 Month + 1.75%	$ 16,528,559	$ -
Harborview Manor LLLP				
2029	2,081,728	6.85%	1,553,627	81,887
Judson Terrace Homes Senior Housing, LP				
2036	6,500,000	5.13%	6,419,987	68,873
Miller Avenue Senior Housing LP				
2036	5,330,000	4.81%	5,190,768	63,741
Mt. Rubidoux Manor, L.P.				
2049	10,500,000	4.67%	10,109,210	128,453
Oak Knolls Haven, Inc.				
2042	1,863,000	4.95%	1,501,591	29,412
Pacific Meadows Senior Housing L.P.				
2047	10,953,360	Variable between 1.4% and 1.75%	6,107,127	77,179
Redlands Senior Housing, Inc.				
2045	3,898,000	4.75%	3,222,943	72,886
Rotary Plaza LP				
2047	20,847,500	4.36%	19,590,168	301,061
Sun Tower Partners, LLLP				
2056	1,334,006	1.00%	1,028,096	24,903
Sunnyvale Life, LP				
2049	34,900,000	3.65%	32,986,704	697,950
Casa de la Paloma, L.P.				
2030	8,000,000	4.81%	7,198,215	124,517
Castle Argyle, L.P.				
2022	37,907,000	LIBOR 1 Month or 1% + 1.80%	9,097,156	-
Covenant Manor, L.P.				
2030	12,500,000	5.15%	11,722,208	154,969
Park Paseo, L.P.				
2035	21,450,000	4.73%	14,980,012	183,352
Royal Vista Terrace Apartments, L.P.				
2032	6,045,000	5.04%	5,637,912	81,559
Sycamore Terrace Upland, L.P.				
2047	13,000,000	4.63%	7,872,902	112,481
Westminster Court, L.P.				
2034	7,100,000	4.19%	6,805,539	99,922
Filipino Community Village LLLP				
2022	6,662,757	LIBOR 1 Month + 1.15%	6,662,757	-
2022	10,015,702	LIBOR 1 Month + 1.15%	655,095	-
2022	2,772,089	LIBOR 1 Month + 2.00%	1,324,491	-
Northaven Three Northgate Limited Partnership				
2023	5,000,000	3.34%	605,310	-
Total Servicing Debt			**$176,800,377**	**$ 2,303,145**

NOTE 10-PROPERTIES' MORTGAGES AND LONG TERM DEBT (CONTINUED)

Non-Servicing Debt

Property Maturity	Face	Interest Rate	Long-Term Portion	Current Portion
Bay Vista Partners LLLP				
2069	9,769,000	0.00%	$ 9,769,000	$ -
FD Haynes Apartments, LP				
2075	11,208,520	5% compounding annually	11,208,520	-
2075	351,610	0.00%	351,610	-
Good Shepherd Senior Housing				
2050	5,077,587	0.00%	5,077,587	-
2050	1,999,629	0.00%	1,999,629	-
2050	462,453	0.00%	462,453	-
Hillcrest Senior Housing, Inc.				
2047	5,620,000	0.00%	5,620,000	-
2063	2,051,612	0.00%	2,048,898	-
2063	480,000	0.00%	479,349	-
2063	227,227	0.00%	222,307	-
2063	853,266	3.00%	852,180	-
2063	510,000	3.00%	509,349	-
2023	270,535	0.00%	270,535	-
Judson Terrace Lodge, Inc.				
2043	2,593,900	0.00%	2,593,900	-
2034	200,000	3.00%	200,000	-
2034	700,000	3.00%	700,000	-
2033	417,000	6.308%	417,000	-
Miller Avenue Senior Housing LP				
2074	1,500,000	3.00%	1,500,000	-
2074	952,000	3.00%	907,849	-
2074	12,250,000	0.35%	12,250,000	-
2072	810,000	0.00%	810,000	-
Mt. Rubidoux Manor, L.P.				
2074	10,368,688	2.6% compounding annually	10,368,688	-
2074	824,803	0.00%	824,803	-
2072	32,400	2.75% compounding annually	32,400	-
2072	20,000	2.75% compounding annually	200,000	-
Pacific Meadows Senior Housing L.P.				
2047	3,100,000	3.00%	3,100,000	-
2065	625,334	3.00%	625,334	-
Redlands Senior Housing Two				
2039	4,889,200	0.00%	4,889,200	-
Rotary Plaza LP				
2072	23,465,741	2.67% compounding annually	18,681,139	-
Salishan Senior Housing, Inc.				
2051	7,647,299	0.00%	7,647,299	-
2039	200,000	0.00%	200,000	-
2049	200,000	0.00%	200,000	-
2049	1,000,000	0.00%	1,000,000	-
2051	2,250,000	0.00%	2,250,000	-

NOTE 10-PROPERTIES' MORTGAGES AND LONG TERM DEBT (CONTINUED)

Property Maturity	Face	Interest Rate	Long-Term Portion	Current Portion
Non-Servicing Debt (continued)				
San Leandro Senior Housing, Inc.				
2044	5,647,700	0.00%	$ 5,647,700	$ -
2061	887,538	3.00%	887,538	-
2064	1,000,000	3.00%	1,000,000	-
2062	541,642	3.00%	541,642	-
Sunnyvale Life, LP				
2073	21,900,000	4.8% compounding annually	8,439,587	-
2073	1,890,274	0.00%	1,890,274	-
Sun Tower Partners, LLLP				
2056	5,763,959	7.00%	5,763,959	-
2056	886,800	1% compounding annually	886,800	-
Tahoe Senior Plaza, Inc.				
2039	3,576,000	0.00%	3,576,000	-
2037	952,381	0.00%	952,381	-
2037	75,000	3.00%	75,000	-
Tahoe Senior Housing II, L.P.				
2064	3,400,000	3.00%	3,399,997	-
2064	906,722	3.00%	906,722	-
2024	172,000	0.00%	172,000	-
Three Rivers Senior Housing LLLP				
2054	1,100,000	1% compounding quarterly	1,100,150	-
2054	800,000	1% compounding quarterly	800,000	-
Valley Vista Senior Housing, L.P.				
2067	12,282,400	0.00%	12,282,400	-
2066	5,500,000	3% - 30 years, 0% thereafter	5,500,000	-
2066	2,500,000	3% - 30 years, 0% thereafter	2,500,000	-
2065	945,000	0.00%	945,000	-
2065	725,000	0.00%	725,000	-
Andres Duarte Terrace				
2045	9,104,350	0.00%	9,104,350	-
2045	445,000	3.00%	445,000	-
Andres Duarte Terrace II, L.P.				
2056	7,013,000	0.00%	7,013,000	-
2070	1,200,000	0.00%	1,200,000	-
Adda and Paul Safran Senior Housing				
2042	5,806,800	0.00%	5,806,800	-
N/A	1,877,840	5.00%	-	-
2041	3,662,069	0.00%	3,662,069	-
2041	165,000	0.00%	165,000	-
Canterbury Village				
2036	5,077,100	0.00%	5,077,100	-
Clark Terrace				
2037	3,287,000	0.00%	3,219,000	-
Clark Terrace II				
2041	3,312,700	0.00%	3,312,700	-

NOTE 10-PROPERTIES' MORTGAGES AND LONG TERM DEBT (CONTINUED)

Property Maturity	Face	Interest Rate	Long-Term Portion	Current Portion
Non-Servicing Debt (continued)				
George McDonald Court				
2039	4,868,100	0.00%	$ 4,868,100	$ -
2040	907,900	0.00%	907,900	-
Hadley Villas				
2045	9,577,400	0.00%	9,577,400	-
L.C. Hotchkiss Terrace				
2046	8,252,700	0.00%	8,252,700	-
2059	406,468	3.00%	406,468	-
Lil Jackson Senior Community				
2051	9,981,800	0.00%	9,981,800	-
2064	2,968,093	3.00%	2,968,093	-
2064	4,138,443	5.00%	4,138,443	-
Mountain Vistas				
2044	5,525,700	0.00%	5,525,700	-
2058	275,000	1.00%	275,000	-
Mountain Vistas II				
2047	4,918,000	0.00%	4,918,000	-
2060	450,000	1.00%	450,000	-
The Otto Gruber House Apartments				
2039	3,192,200	0.00%	3,192,200	-
2040	1,076,071	0.00%	1,055,770	-
Rose View Terrace, Inc.				
2050	8,425,400	0.00%	8,373,200	-
Rosewood Court				
2043	5,209,300	0.00%	5,209,300	-
2043	625,694	3.00%	625,694	-
2043	500,000	2.00%	500,000	-
Sierra Gateway Senior Residence				
2047	8,860,900	0.00%	8,860,900	-
2060	1,250,000	0.00%	1,250,000	-
Sierra Gateway Senior Residence II				
2052	9,409,500	0.00%	9,409,500	-
2070	990,000	0.00%	990,000	-
The Gardens				
2034	5,780,700	0.00%	5,780,700	-
William C. Arthur Terrace				
2045	4,588,100	0.00%	4,588,100	-
2058	1,041,481	0.00%	1,041,481	-
Palmer House				
2065	1,002,160	0.00%	1,000,132	-
Filipino Community Village LLLP				
2071	8,648,046	1.00%	4,330,250	-
2071	1,000,000	1% compounding annually	900,000	-
2071	5,000,000	1.00%	4,750,000	-
Morgan Hill Senior Housing, L.P.				
2078	6,000,000	2.09% compounding annually	4,550,000	-
Northaven Three Northgate Limited Partnership				
2022	999,900	8% compounding annually	999,900	-
2077	9,275,000	1.00%	877,829	-
Total Non-Servicing Debt			**$ 325,820,758**	**$ -**

NOTE 10-PROPERTIES' MORTGAGES AND LONG TERM DEBT (CONTINUED)

Interest expense for the years ended December 31, 2020 and 2019 totaled $9,410,037 and $9,472,812, respectively. Accrued interest at December 31, 2020 and 2019 totaled $17,927,422 and $16,019,965, respectively.

Scheduled maturities of mortgage loans and notes payable are approximately as follows:

2021	$ 2,303,145
2022	37,687,346
2023	3,136,526
2024	2,818,496
2025	2,770,229
Thereafter	456,208,538
Total	**$504,924,280**

Debt issuance costs

The Properties incurred financing costs totaling $5,773,511 as of December 31, 2020 in connection with obtaining long term financing. These fees are being amortized using the straight-line method over the terms of agreements. Amortization expense for the years ended December 31, 2020 and 2019 totaled $200,988 and $147,880 and is included in interest on the Statements of Activities, respectively. Accumulated amortization at December 31, 2020 and 2019 totaled $1,235,824 and $1,026,281, respectively.

Estimated amortization expense for each of the next five years and thereafter is as follows:

2021	$ 212,779
2022	212,779
2023	212,779
2024	212,779
2025	212,779
Thereafter	3,473,792
	$ 4,537,687

NOTE 11-FAIR MARKET VALUE OF INTEREST RATE SWAP

Pacific Meadows Senior Housing L.P. entered into an interest rate swap agreement converting the variable interest rate to a fixed rate of 4.36%. The agreement has an effective date of April 1, 2012 and matures April 1, 2030. The mark-to-market adjustments for the years ended December 31, 2020 and 2019 on this interest rate swap agreement resulted in an unrealized loss of $299,211 and $383,268, respectively.

The net effect of this interest rate swap was an increase in interest expense totaling $233,359 and $182,719 for the years ended December 31, 2020 and 2019, respectively.

NOTE 11-FAIR MARKET VALUE OF INTEREST RATE SWAP (CONTINUED)

The activity and balance of the interest rate swap agreement as of and for the years ended December 31, 2020 and 2019 is as follows:

	2020	2019
Fair value of interest rate swap agreement, January 1	$ 1,650,805	$ 1,267,537
Increase from fair value adjustment	299,211	383,268
Fair value of interest rate swap agreement, December 31	**$ 1,950,016**	**$ 1,650,805**

NOTE 12-RELATED PARTIES

The Corporation provides affordable housing management and development services in connection with the operation of the Properties. Fees earned under management and development contracts are typically regulated by HUD or state agencies.

The employees of the Properties are employees of the Corporation. All payroll and related expenses are recorded and paid by the Corporation, and the Properties reimburse the Corporation for these expenses throughout the year as they are incurred.

The Properties' insurance coverage is provided for under consolidated policies issued through conventional insurance providers and maintained by NorCal. The Properties reimburse the Corporation, who then reimburses NorCal for these expenses as premiums are incurred.

All material intercompany accounts and transactions have been eliminated in consolidation.

Additionally, as part of the master transfer agreement described in Note 1, it was agreed that the Corporation would reimburse NorCal for its portion of corporate office rent and, on a contingent basis, would reimburse NorCal for certain costs incurred in support of the Corporation's operations dependent upon the Corporation's ability to achieve certain levels of cash flow and operating margin. As part of the SoCal master transfer agreement described in Note 1, the corporate office rent and the contingent operating cost reimbursement provisions of the NorCal master transfer agreement were superseded, and additional costs were permanently assigned to the Corporation. Amounts due to NorCal for reimbursements and other advances at December 31, 2020 and 2019 totaled $1,655,166 and $3,676,750, respectively. Amounts due to SoCal for reimbursements and other advances at December 31, 2020 and 2019 totaled $870,155 and $2,198,293, respectively.

NOTE 13-FUNCTIONAL EXPENSES

Management of the Corporation presents operating expenses in its accompanying Statements of Activities by natural class categories. Operating expenses classified by functional categories for the years ended December 31, 2020 and 2019 are as follows:

	Residential Services	General and Administrative	2020 Total
Salaries and wages	$ 10,272,145	$ 3,276,019	$ 13,548,164
Employee benefits	2,990,720	842,783	3,833,503
Supplies	1,465,951	26,807	1,492,758
Repairs and maintenance	3,444,916	2,637	3,447,553
Marketing and advertising	155,015	-	155,015
Purchased services	3,914,915	275,624	4,190,539
Utilities	4,346,076	-	4,346,076
Travel and related expenses	165,821	192,381	358,202
Leases and rents	274,104	69,978	344,082
Insurance	1,187,432	11,998	1,199,430
Other operating expenses	1,807,911	826,618	2,634,529
Total	**$ 30,025,006**	**$ 5,524,845**	**$35,549,851**

	Residential Services	General and Administrative	2019 Total
Salaries and wages	$ 9,523,937	$ 3,315,244	$ 12,839,181
Employee benefits	2,472,470	796,796	3,269,266
Supplies	1,085,141	17,916	1,103,057
Repairs and maintenance	3,460,551	1,053	3,461,604
Marketing and advertising	197,635	-	197,635
Purchased services	3,583,199	312,279	3,895,478
Utilities	4,026,240	-	4,026,240
Travel and related expenses	477,762	500,588	978,350
Leases and rents	276,943	70,839	347,782
Insurance	942,645	5,330	947,975
Other operating expenses	1,580,887	681,950	2,262,837
Total	**$ 27,627,410**	**$ 5,701,995**	**$33,329,405**

NOTE 14-MANAGEMENT OF AFFORDABLE HOUSING

The Corporation provides housing management services to affordable housing communities. The fee revenue for the services provided to properties owned or sponsored by unaffiliated organizations are included in affordable housing fees and rents on the Statements of Activities and for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
Allen Temple Arms I	$ 72,540	$ 68,581
Allen Temple Arms II	59,642	48,311
Allen Temple Arms III	51,908	44,129
Allen Temple Arms IV	24,278	28,904
El Bethel Arms	267,750	278,472
El Bethel Terrace	114,085	111,931
Frederick D. Haynes	63,851	92,961
Lomita Manor	53,130	53,130
Manila Terrace	24,320	20,000
Olive Plaza	7,418	-
San Rafael Rotary Manor	69,511	91,875
Tower Park	32,208	32,209
Total fee revenue	**$ 840,641**	**$ 870,503**

The Corporation is due amounts for fee revenue for the services provided as well as reimbursable amounts such as payroll, insurance, benefits and other costs. Amounts owed by these properties are included in management and development accounts receivable on the Statements of Financial Position and at December 31, 2020 and 2019 are as follows:

	2020	2019
Allen Temple Arms I	$ 45,743	$ 54,046
Allen Temple Arms II	184,358	261,916
Allen Temple Arms III	84,070	128,310
Allen Temple Arms IV	18,260	112,203
El Bethel Arms	128,052	143,045
El Bethel Terrace	90,147	72,785
Frederick D. Haynes	-	337,282
Lomita Manor	39,203	41,371
Manila Terrace	13,700	16,975
Olive Plaza	35,339	-
San Rafael Rotary Manor	61,061	37,345
Tower Park	13,403	15,439
Total receivables	**$ 713,336**	**$ 1,220,717**

NOTE 15-COMMITMENTS AND CONTINGENCIES

Guarantees

The Corporation, SoCal, and NorCal have issued guarantees to cover operating deficits and to ensure compliance with certain on-going aspects of the amended and restated limited partnership agreements of the low-income housing tax credit partnerships. Management periodically evaluates the potential exposure from these on-going guarantees. The Corporation has not provided support under these guarantees in the past and based on the current evaluation, management believes they cumulatively do not constitute a material future financial risk exposure for the Corporation.

The Corporation, SoCal, and/or NorCal, as guarantors, have also issued unconditional project completion guarantees for tax-credit financed affordable housing partnerships in which the Corporation serves as a general partner. On July 28, 2017, the Corporation provided a guaranty for the completion of the construction of Rotary Miller, with the guaranty expiring in 2019. On December 1, 2018, the Corporation provided a guaranty for the completion of the redevelopment of Judson Terrace Homes, with the guaranty expiring in 2020. On November 25, 2019, the Corporation provided a guaranty for the completion of the redevelopment of Filipino Community Village, with the guaranty anticipated to expire in 2021. On July 1, 2020, the Corporation provided a guaranty for the completion of the redevelopment of FD Haynes Apartments, with the guaranty anticipated to expire in 2021. On August 13, 2020, the Corporation provided a guaranty for the completion of the redevelopment of Castle Argyle, with the guaranty anticipated to expire in 2022. On November 3, 2020, the Corporation provided a guaranty for the completion of the redevelopment of Northaven Three, with the guaranty anticipated to expire in 2022.

Low-income housing tax credits

Certain Properties have received allocations of low-income housing tax credits. The tax credits are contingent on the applicable Properties' ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rent, or to correct non-compliance within a specified time period could result in recapture of previously taken tax credits. In addition, such potential noncompliance may require adjustments as disclosed in the Properties' partnership agreements.

Use or regulatory agreements

Substantially all of the Properties have executed a use or regulatory agreement in connection with the financing. The agreements require the Properties to maintain certain affordability and rental restrictions.

Economic conditions

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies, and, as such, the Corporation is unable to determine if it will have a material impact to its operations.

NOTE 16-SUBSEQUENT EVENT

On February 22, 2021, the Corporation was awarded a grant allocation from the U.S. Department of Treasury Capital Magnet Fund (CMF) in the total amount of $5,250,000. The Corporation plans to use its CMF award to establish an affordable housing fund to provide subordinate financing to approximately 8-10 age-restricted affordable housing projects in California, Washington, and Pennsylvania. This financing will assist in the preservation or new construction of affordable units primarily for extremely low-income and very low-income seniors. As part of this grant allocation, the Corporation will be subject to the Assistance Agreement and other CMF regulations, which includes affordability requirements and eligible uses of CMF grant awards. On April 29, 2021, the Corporation received the full grant award of $5,250,000 and deposited it into the affordable housing fund. These funds will be disbursed to affordable housing projects over the period 2021 - 2023.

HUMANGOOD AFFORDABLE HOUSING AND AFFILIATES
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS	HumanGood Affordable Housing	Properties	Eliminations	Total
Current assets				
Cash and cash equivalents	$ 5,727,318	$ 15,182,318	$ -	$ 20,909,636
Investments - cash equivalents	211,713	-	-	211,713
Restricted cash	-	27,976,845	-	27,976,845
Total cash and investments	5,939,031	43,159,163	-	49,098,194
Resident and subsidy accounts receivable	-	950,622	(84,858)	865,764
Management and development accounts receivable	1,026,317	-	-	1,026,317
Development and operating advances receivable, net	2,338,420	-	(1,999,406)	339,014
Intercompany	2,754,995	-	(2,754,995)	-
Investments	8,380,672	-	-	8,380,672
Prepaid expenses, deposits, and other assets	2,680	99,175	-	101,855
Total current assets	**20,442,115**	**44,208,960**	**(4,839,259)**	**59,811,816**
Land, building, and equipment, net	**-**	**672,383,537**	**(93,245,123)**	**579,138,414**
Long term and other assets				
Investments in properties, equity method	1,311,464	1,458,393	(2,769,857)	-
Development and operating advances receivable, net, long term	1,261,709	-	(825,097)	436,612
Notes receivable, net	107,161,868	25,138,224	(132,300,092)	-
Unamortized costs, net	-	866,661	-	866,661
Goodwill	-	4,355,202	-	4,355,202
Total long term and other assets	**109,735,041**	**31,818,480**	**(135,895,046)**	**5,658,475**
Total assets	**$ 130,177,156**	**$ 748,410,977**	**$ (233,979,428)**	**$ 644,608,705**
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable and accrued expenses	$ 1,520,563	$ 3,395,860	$ (590,346)	$ 4,326,077
Accrued interest - servicing debt	-	535,306	-	535,306
Accounts payable - construction	1,077,501	27,468,602	(5,322,951)	23,223,152
Due to affiliates - NorCal	1,655,166	-	-	1,655,166
Due to affiliates - SoCal	870,155	-	-	870,155
Intercompany	-	2,623,634	(2,623,634)	-
Notes and bonds payable - current portion	-	2,303,145	-	2,303,145
Notes payable, affiliates - current portion	112,000	-	-	112,000
Prepaid and deferred revenue	-	133,377	-	133,377
Total current liabilities	**5,235,385**	**36,459,924**	**(8,536,931)**	**33,158,378**
Deposits	**-**	**1,523,960**	**-**	**1,523,960**
Long term liabilities				
Notes and bonds payable - net of current portion	-	176,800,377	-	176,800,377
Notes payable, affiliates - net of current portion	2,895,913	-	-	2,895,913
Notes and bonds payable - non-servicing debt	22,518,901	425,047,284	(121,277,926)	326,288,259
Less: unamortized debt issuance costs	-	(4,537,687)	-	(4,537,687)
Accrued interest - non-servicing debt	-	25,732,173	(8,340,057)	17,392,116
Fair market value of interest rate swap	-	1,950,016	-	1,950,016
Total long term liabilities	**25,414,814**	**624,992,163**	**(129,617,983)**	**520,788,994**
Total liabilities	**30,650,199**	**662,976,047**	**(138,154,914)**	**555,471,332**
Net assets without donor restrictions of the controlling interest	**99,526,957**	**(29,224,830)**	**(95,824,514)**	**(25,522,387)**
Net assets with donor restrictions of the controlling interest	**-**	**1,477,753**	**-**	**1,477,753**
Net assets without donor restrictions of the non-controlling interest	**-**	**113,182,007**	**-**	**113,182,007**
	$ 130,177,156	**$ 748,410,977**	**$ (233,979,428)**	**$ 644,608,705**

HUMANGOOD AFFORDABLE HOUSING AND AFFILIATES
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	HumanGood Affordable Housing	Properties	Eliminations	Total
Revenue				
Affordable housing fees and rents	$ 4,584,716	$ 52,029,104	$ (3,744,075)	$ 52,869,745
Affordable housing development	447,511	-	-	447,511
Contributions without donor restrictions	-	357,568	-	357,568
Other operating revenue	156,329	95,575	-	251,904
Total revenue	**5,188,556**	**52,482,247**	**(3,744,075)**	**53,926,728**
Operating expenses				
Salaries and wages	3,276,019	10,272,145	-	13,548,164
Employee benefits	842,783	2,990,720	-	3,833,503
Supplies	26,807	1,528,191	(62,240)	1,492,758
Repairs and maintenance	2,637	3,444,916	-	3,447,553
Marketing and advertising	-	155,015	-	155,015
Purchased services	275,624	7,609,087	(3,694,172)	4,190,539
Utilities	-	4,346,076	-	4,346,076
Travel and related expenses	192,381	165,821	-	358,202
Leases and rents	69,978	274,104	-	344,082
Insurance	11,998	1,187,432	-	1,199,430
Other operating expenses	108,922	2,523,473	2,134	2,634,529
Total operating expenses	**4,807,149**	**34,496,980**	**(3,754,278)**	**35,549,851**
Income (loss) from operations	**381,407**	**17,985,267**	**10,203**	**18,376,877**
Other income (expenses)				
Interest	-	(6,361,155)	-	(6,361,155)
Interest - deferred	(12,120)	(5,928,163)	2,879,281	(3,061,002)
Interest attributable to amortization of debt issuance costs	-	(200,988)	-	(200,988)
Depreciation and amortization	-	(23,015,691)	1,822,167	(21,193,524)
Gain on sale of property	-	24,211,778	(24,211,778)	-
Interest and investment income, net	3,193,206	29,922	(2,879,281)	343,847
Income (loss) before other changes in net asset	**3,562,493**	**6,720,970**	**(22,379,408)**	**(12,095,945)**
Other changes in net assets without donor restrictions				
Change in fair market value of interest rate swap	-	(299,211)	-	(299,211)
Unrealized gain on investments	187,818	-	-	187,818
Change in net assets	**3,750,311**	**6,421,759**	**(22,379,408)**	**(12,207,338)**
Change in net assets without donor restrictions of the non-controlling interest	**-**	**(13,052,293)**	**-**	**(13,052,293)**
Change in net assets without donor restrictions of the controlling interest	**$ 3,750,311**	**$ 19,474,052**	**$ (22,379,408)**	**$ 844,955**

HUMANGOOD AFFORDABLE HOUSING AND AFFILIATES
(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS	HumanGood Affordable Housing	Properties	Eliminations	Total
Current assets				
Cash and cash equivalents	$ 4,983,911	$ 11,879,174	$ -	$ 16,863,085
Investments - cash equivalents	34,882	-	-	34,882
Restricted cash	-	33,745,644	-	33,745,644
Total cash and investments	5,018,793	45,624,818	-	50,643,611
Resident and subsidy accounts receivable	-	1,685,086	(247,285)	1,437,801
Management and development accounts receivable	1,390,090	-	-	1,390,090
Development and operating advances receivable, net	2,947,230	-	(142,667)	2,804,563
Intercompany	3,582,165	1,845	(3,584,010)	-
Investments	6,149,487	-	-	6,149,487
Prepaid expenses, deposits, and other assets	-	145,121	-	145,121
Total current assets	**19,087,765**	**47,456,870**	**(3,973,962)**	**62,570,673**
Land, building, and equipment, net	**-**	**585,837,910**	**(70,825,000)**	**515,012,910**
Long term and other assets				
Investments in properties, equity method	1,311,464	-	(1,311,464)	-
Development and operating advances receivable, net, long term	1,914,877	-	(794,698)	1,120,179
Notes receivable, net	106,526,705	-	(106,526,705)	-
Unamortized costs, net	-	876,724	-	876,724
Goodwill	-	4,355,202	-	4,355,202
Total long term and other assets	**109,753,046**	**5,231,926**	**(108,632,867)**	**6,352,105**
Total assets	**$ 128,840,811**	**$ 638,526,706**	**$ (183,431,829)**	**$ 583,935,688**
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable and accrued expenses	$ 1,303,023	$ 2,490,751	$ (324,374)	$ 3,469,400
Accrued interest - servicing debt	-	369,822	-	369,822
Accounts payable - construction	-	17,503,050	(2,440,911)	15,062,139
Due to affiliates - NorCal	3,676,750	-	-	3,676,750
Due to affiliates - SoCal	2,445,578	-	(247,285)	2,198,293
Intercompany	-	3,512,889	(3,512,889)	-
Notes and bonds payable - current portion	-	2,146,615	-	2,146,615
Notes payable, affiliates - current portion	112,000	-	-	112,000
Prepaid and deferred revenue	-	112,432	-	112,432
Total current liabilities	**7,537,351**	**26,135,559**	**(6,525,459)**	**27,147,451**
Deposits	**-**	**1,466,053**	**-**	**1,466,053**
Long term liabilities				
Notes and bonds payable - net of current portion	-	155,410,677	-	155,410,677
Notes payable, affiliates - net of current portion	3,007,913	-	-	3,007,913
Notes and bonds payable - non-servicing debt	22,518,901	376,131,217	(96,561,951)	302,088,167
Less: unamortized debt issuance costs	-	(4,289,634)	-	(4,289,634)
Accrued interest - non-servicing debt	-	24,004,459	(8,354,316)	15,650,143
Fair market value of interest rate swap	-	1,650,805	-	1,650,805
Total long term liabilities	**25,526,814**	**552,907,524**	**(104,916,267)**	**473,518,071**
Total liabilities	**33,064,165**	**580,509,136**	**(111,441,726)**	**502,131,575**
Net assets without donor restrictions of the controlling interest	**95,776,646**	**(50,153,885)**	**(71,990,103)**	**(26,367,342)**
Net assets with donor restrictions of the controlling interest	**-**	**1,697,626**	**-**	**1,697,626**
Net assets without donor restrictions of the non-controlling interest	**-**	**106,473,829**	**-**	**106,473,829**
	$ 128,840,811	**$ 638,526,706**	**$ (183,431,829)**	**$ 583,935,688**

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	HumanGood Affordable Housing	Properties	Eliminations	Total
Revenue				
Affordable housing fees and rents	$ 4,193,878	$ 46,976,531	$ (3,323,375)	$ 47,847,034
Affordable housing development	875,000	-	-	875,000
Contributions without donor restrictions	3,000	1,033,092	-	1,036,092
Other operating revenue	154,722	178,916	-	333,638
Total revenue	**5,226,600**	**48,188,539**	**(3,323,375)**	**50,091,764**
Operating expenses				
Salaries and wages	3,315,244	9,523,937	-	12,839,181
Employee benefits	796,796	2,472,470	-	3,269,266
Supplies	17,916	1,412,252	(327,111)	1,103,057
Repairs and maintenance	1,053	3,460,551	-	3,461,604
Marketing and advertising	-	197,635	-	197,635
Purchased services	312,279	6,848,859	(3,265,660)	3,895,478
Utilities	-	4,026,240	-	4,026,240
Travel and related expenses	500,588	477,762	-	978,350
Leases and rents	70,839	276,943	-	347,782
Insurance	5,330	942,645	-	947,975
Other operating expenses	270,097	1,836,668	156,072	2,262,837
Total operating expenses	**5,290,142**	**31,475,962**	**(3,436,699)**	**33,329,405**
Income (loss) from operations	**(63,542)**	**16,712,577**	**113,324**	**16,762,359**
Other income (expenses)				
Interest	-	(6,571,922)	-	(6,571,922)
Interest - deferred	(142,296)	(5,749,551)	2,848,661	(3,043,186)
Interest attributable to amortization of debt issuance costs	-	(147,880)	-	(147,880)
Depreciation and amortization	-	(21,869,903)	1,642,000	(20,227,903)
Contribution income	44,841,065	(44,903,035)	61,970	-
Interest and investment income, net	2,976,702	63,797	(2,848,661)	191,838
Income (loss) before other changes in net asset	**47,611,929**	**(62,465,917)**	**1,817,294**	**(13,036,694)**
Other changes in net assets without donor restrictions				
Change in fair market value of interest rate swap	-	(383,268)	-	(383,268)
Unrealized gain on investments	202,342	-	-	202,342
Change in net assets	**47,814,271**	**(62,849,185)**	**1,817,294**	**(13,217,620)**
Change in net assets without donor restrictions of the non-controlling interest	**-**	**(14,041,592)**	**-**	**(14,041,592)**
Change in net assets without donor restrictions of the controlling interest	**$ 47,814,271**	**$ (48,807,593)**	**$ 1,817,294**	**$ 823,972**