Housing Consortium of the East Bay and Affiliates

Consolidated Financial Statements
and Supplementary Information
and Single Audit Reports and Schedules

June 30, 2021
(With Comparative Totals for 2020)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Housing Consortium of the East Bay and Affiliates
Oakland, California

We have audited the accompanying consolidated financial statements of Housing Consortium of the East Bay and Affiliates (a California nonprofit corporation) (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Housing Consortium of the East Bay and Affiliates as of June 30, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 32 - 34 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Additionally, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis 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 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 our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Housing Consortium of the East Bay and Affiliates's 2020 consolidated financial statements, and our report dated October 15, 2020 expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Armanino LLP

Armanino LLP
San Francisco, California

November 4, 2021

Housing Consortium of the East Bay and Affiliates
Consolidated Statement of Financial Position
June 30, 2021
(With Comparative Totals for 2020)

	2021	2020
ASSETS		
Current assets		
Cash	$ 1,407,226	$ 589,994
Funds held for others	103,130	59,343
Accounts, contracts and other receivables	1,337,538	469,459
Due from related parties	59,242	50,023
Prepaid expenses	38,426	17,594
Other current assets	131	11,956
Total current assets	2,945,693	1,198,369
Property and equipment, net	39,462,169	34,513,446
Other assets		
Debt service reserve	2,101,370	2,123,989
Replacement reserves	696,248	593,659
Tax and insurance impounds	458,853	461,141
Operating reserves	84,105	84,744
Tenant security deposits	63,710	13,816
Deposits	4,000	104,000
Total other assets	3,408,286	3,381,349
Total assets	$ 45,816,148	$ 39,093,164

The accompanying notes are an integral part of these consolidated financial statements.

Housing Consortium of the East Bay and Affiliates
Consolidated Statement of Financial Position
June 30, 2021
(With Comparative Totals for 2020)

	2021	2020
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 255,414	$ 118,341
Accrued expenses	57,877	84,540
Deferred revenue	291,699	252,308
Current portion of notes payable	1,734,751	1,634,957
Paycheck Protection Program loan	-	196,170
Line of credit	550,000	150,000
Funds held for others	103,130	59,343
Security deposits	65,530	13,906
Refundable advances	370,981	269,968
Total current liabilities	3,429,382	2,779,533
Long-term liabilities		
Notes payable, net of current portion	28,689,004	24,860,315
Accrued interest	1,530,391	1,213,128
Total long-term liabilities	30,219,395	26,073,443
Total liabilities	33,648,777	28,852,976
Net assets		
Without donor restrictions	11,533,735	10,140,188
With donor restrictions	633,636	100,000
Total net assets	12,167,371	10,240,188
Total liabilities and net assets	$ 45,816,148	$ 39,093,164

The accompanying notes are an integral part of these consolidated financial statements.

Housing Consortium of the East Bay and Affiliates
Consolidated Statement of Activities
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenues and support				
Rental income	$ 3,311,614	$ -	$ 3,311,614	$ 3,103,999
Property management reimbursement	3,609,328	-	3,609,328	1,729,281
Contributions	46,891	800,000	846,891	295,199
Property management income	157,092	-	157,092	290,538
Contract revenue	1,071,014	-	1,071,014	253,239
Miscellaneous	14,901	-	14,901	134,349
Interest income	429	-	429	68,936
Other revenue	66,691	-	66,691	54,575
Other income - Paycheck Protection Program loan forgiveness	196,170	-	196,170	-
Developer fee	-	-	-	15,000
Net assets released from restriction	266,364	(266,364)	-	-
Total revenues and support	8,740,494	533,636	9,274,130	5,945,116
Functional expenses				
Program services				
Property management	2,971,424	-	2,971,424	2,899,206
Housing development services	67,596	-	67,596	69,903
Housing services	4,004,950	-	4,004,950	1,620,919
Total program services	7,043,970	-	7,043,970	4,590,028
Support services				
Management and general	284,919	-	284,919	303,028
Fundraising	18,058	-	18,058	66,507
Total support services	302,977	-	302,977	369,535
Total functional expenses	7,346,947	-	7,346,947	4,959,563
Change in net assets	1,393,547	533,636	1,927,183	985,553
Net assets, beginning of year	10,140,188	100,000	10,240,188	9,254,635
Net assets, end of year	$ 11,533,735	$ 633,636	$ 12,167,371	$ 10,240,188

Housing Consortium of the East Bay and Affiliates
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	Program Services				Support Services			
	Property Management	Housing Development Services	Housing Services	Total Program Services	Management and General	Fundraising	2021 Total	2020 Total
Salaries and wages	$ 201,531	$ 21,770	$ 1,353,277	$ 1,576,578	$ 164,148	$ 12,435	$ 1,753,161	$ 1,018,343
Employee benefits	31,446	3,397	211,156	245,999	25,612	1,940	273,551	227,778
Professional fees	-	35,592	-	35,592	-	-	35,592	24,650
Audit and accounting	-	-	-	-	53,098	-	53,098	61,185
Legal fees	16,965	-	-	16,965	-	-	16,965	17,381
Office expenses	13,354	1,270	-	14,624	5,862	684	21,170	26,245
Advertising	3,327	360	-	3,687	1,664	194	5,545	1,284
Telephone	12,152	687	-	12,839	3,169	370	16,378	16,148
Transportation	2,736	296	-	3,032	1,368	160	4,560	12,524
Training and conferences	-	-	-	-	-	-	-	119
Postage	1,442	156	-	1,598	721	84	2,403	2,560
Program management	39,000	-	2,440,517	2,479,517	-	-	2,479,517	799,540
Rent	29,153	3,158	-	32,311	14,576	1,701	48,588	46,840
Utilities	93,897	-	-	93,897	-	-	93,897	53,657
Property maintenance	321,159	-	-	321,159	-	-	321,159	375,574
Insurance	68,262	-	-	68,262	4,402	-	72,664	65,090
Taxes and licenses	119,923	-	-	119,923	-	-	119,923	100,910
Interest expense	1,072,648	-	-	1,072,648	-	-	1,072,648	1,319,484
Bank charges	37,762	-	-	37,762	6,101	-	43,863	45,464
Miscellaneous	8,396	910	-	9,306	4,198	490	13,994	2,947
Depreciation and amortization	898,271	-	-	898,271	-	-	898,271	741,840
	$ 2,971,424	$ 67,596	$ 4,004,950	$ 7,043,970	$ 284,919	$ 18,058	$ 7,346,947	$ 4,959,563

The accompanying notes are an integral part of these consolidated financial statements.

Housing Consortium of the East Bay and Affiliates
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 1,927,183	$ 985,553
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	814,963	741,840
Amortization of debt issuance cost	83,308	82,130
Forgiveness of Paycheck Protection Program loan	(196,170)	-
Changes in operating assets and liabilities		
Accounts, contracts and other receivable	(868,079)	(320,526)
Prepaid expenses	(20,832)	(770)
Other current assets	11,825	(11,811)
Accounts payable and accrued expense	110,410	122,847
Accrued interest	317,263	236,476
Deferred revenue	39,391	72,953
Deferred rent	-	(497)
Net cash provided by operating activities	2,219,262	1,908,195
Cash flows from investing activities		
Purchase of property and equipment	(630,810)	(137,010)
Consideration received from acquisition of properties	192,500	-
Net increase (decrease) in deposit and funds held for others	195,411	(65,386)
Net cash used in investing activities	(242,899)	(202,396)
Cash flows from financing activities		
Proceeds from notes payable	154,756	-
Payments of notes payable	(1,634,957)	(1,516,675)
Proceeds from line of credit	400,000	-
Proceeds from Paycheck Protection Program loan	-	196,170
Net change in amounts due to/from related parties	(9,219)	30,840
Refundable advance	101,013	125,048
Net cash used in financing activities	(988,407)	(1,164,617)
Net increase in cash, cash equivalents and restricted cash	987,956	541,182
Cash, cash equivalents and restricted cash, beginning of year	3,926,686	3,385,504
Cash, cash equivalents and restricted cash, end of year	$ 4,914,642	$ 3,926,686

The accompanying notes are an integral part of these consolidated financial statements.

Housing Consortium of the East Bay and Affiliates
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	2021	2020
Cash, cash equivalents and restricted cash consisted of the following:		
Cash	$ 1,407,226	$ 589,994
Debt service reserve	2,101,370	2,123,989
Replacement reserves	696,248	593,659
Tax and insurance impounds	458,853	461,141
Funds held for others	103,130	59,343
Operating reserves	84,105	84,744
Tenant security deposits	63,710	13,816
	$ 4,914,642	$ 3,926,686

Supplemental disclosure of cash flow information

Cash paid during the year for interest	$ 1,074,137	$ 1,004,321

Supplemental schedule of noncash investing and financing activities

Assets acquired by assuming long-term debt	$ 5,325,376	$ -
Loan financing fees	$ 50,000	$ -

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

Housing Consortium of the East Bay ("HCEB"), a California nonprofit public benefit corporation, was formed in 1998 to promote affordable and accessible housing for persons with developmental disabilities. HCEB's activities include providing housing, housing development, planning, resource development, technical assistance, property management, and coalition building. HCEB is governed by a volunteer Board of Directors.

In April 2006, HCEB formed a limited liability company, Inclusive Communities East Bay, LLC (ICEB) to promote and provide affordable and accessible housing for persons with developmental disabilities and to assist HCEB in achieving its corresponding tax exempt charitable purpose. In order to achieve this purpose, ICEB holds title to and operates fifteen individual residential homes.

ICEB's primary source of income consists of funding from the Regional Center of the East Bay (RCEB), as a pass-through agency of the State of California Department of Developmental Services. The RCEB funding is required under AB 2100 which established the platform for the Bay Area Plan. ICEB leases the homes to service providers, who receive funds directly from the RCEB to pay all lease costs. ICEB is especially vulnerable to the inherent risks associated with revenue that is substantially dependent on funding from RCEB.

In September 2010, HCEB acquired control of Mentally Handicapped Children's Organization, (MHCO), a California nonprofit public benefit corporation, formed in May 1949 to promote self-sufficiency of children with developmental disabilities. Its purpose now is being met by owning and operating rental housing for developmentally disabled adults who initially benefited while they were children. MHCO continues to operate as a separate 501(c) (3) corporation and owns and operates five units of housing for persons with developmental disabilities.

From time to time HCEB forms limited liability companies (LLCs) to provide affordable housing for low income persons with developmental disabilities or other special needs. During the year ended June 30, 2021, HCEB formed two new LLCs, Fremont Hotel Oakland, LLC and West County MHSA, LLC. HCEB serves as the sole member of such LLCs. These entities are included in the consolidated financial statements as follows:

- Inclusive Communities East Bay (ICEB)
- Magnolia Terrace, LLC (Magnolia)
- Ashland NSP, LLC (Ashland)
- Fairview Homes, LLC (Fairview)
- Tri Valley BMR, LLC (Tri Valley)
- CCT East Bay, LLC (CCT)
- Fremont Hotel Oakland, LLC (Fremont)
- West County MHSA, LLC (West County)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The consolidated financial statements include the accounts of HCEB, MHCO and the LLCs of which HCEB is the sole member. All significant intercompany transactions and balances have been eliminated upon consolidation. HCEB and its affiliates will be referred to as the "Organization".

HCEB and Satellite Affordable Housing Associates (Satellite) are collectively sponsors of Lincoln Street Housing, Inc., (LSH), a separate 501(c)(3) corporation. LSH is an 11 unit rental housing project under Section 811 of the National Affordable Housing Act. LSH has a seven member board of directors, of which certain members are appointed by HCEB and Satellite, but neither HCEB nor Satellite have majority control. HCEB and Satellite have also provided loan guarantees to LSH. In addition, the property's operation and use is highly regulated by the U.S. Department of Housing and Urban Development (HUD). HCEB has determined that consolidation of LSH in the Organization's financial statements is not required.

HCEB is the sponsor of Luella Fuller Group Home, Inc. (LFGH), a separate 501(c)(3) corporation. LFGH is a four bedroom rental house under Section 811 of the National Affordable Housing Act. Beginning in November 2017, the project was occupied. The members of LFGH's Board of Directors are to be appointed by MHCO. The assets of LFGH are not available to HCEB nor is HCEB responsible for any liabilities of LFGH. In addition, the property's operation and use is highly regulated by HUD. HCEB has determined that consolidation of LFGH in the Organization's financial statements is not required.

Basis of accounting and financial statement presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets, as applicable:

- *Net assets without donor restrictions* - include those assets not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's Board of Directors.

- *Net assets with donor restrictions* - include those assets subject to donor restrictions and for which the applicable restrictions were not met as of the end of the current reporting period. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. When a donor restriction expires – that is, when a stipulated time restriction ends or purpose restriction is accomplished – net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting method

The Organization uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Estimates

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

Cash and cash equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash. Generally, only investments with original maturities of three months or less qualify as cash.

Receivables

All receivables represent amounts due within one year and are stated at estimated net realizable value. Management believes that all outstanding receivables are collectible in full, therefore no allowance for uncollectible receivables has been provided.

Tenant security deposits

In accordance with the various loan provisions and regulatory agreements the properties are required to collect security deposits from residents. The amounts vary by property and are included in the resident leases. Magnolia Terrace is required to hold security deposits in a separate bank account in the name of the Project.

Property and equipment

Property and equipment are stated at cost of acquisition. Residential properties are stated at the cost of the original purchase plus renovation and other related costs. The renovations primarily consisted of customizing single family dwellings for the special needs of the resident population. Renovation costs in progress are included in Construction in Progress. The cost of maintenance and repairs is charged to expense as incurred. Property and equipment valued at over $2,000 is capitalized and is stated at cost of acquisition or construction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment (continued)

Depreciation is computed based on the straight-line method over the estimated useful lives of the assets, which are estimated as follows:

Buildings	40 years
Furniture and fixtures	3 - 7 years
Automobiles	5 years

Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct reduction of the obligation to which such costs relate. Amortization of the debt issuance costs is calculated using the straight-line method, which approximates the effective interest method and is included as a component of interest expense. Debt issuance costs will be amortized to financial expense as interest over the life of the related instrument.

Below-market interest rate loans

The Organization receives certain loans that are interest free or that have below-market interest rates. The loans generally have requirements which include providing housing for the benefit of persons with developmental disabilities.

Income tax status

HCEB and MHCO are exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and 23701d of the California code sections.

The articles of organization for the limited liability companies have been created or amended to ensure that the Organization is considered tax-exempt by limiting its membership to nonprofit 501(c)(3) organizations and distributions of its net assets upon termination in a nonprofit 501(c)(3) entity. The LLCs are considered to be independent companies by the State of California and are no longer required to pay the annual income taxes based on gross income.

Management believes that all income is related to the tax-exempt purposes of the consolidated entities and therefore the consolidated financial statements do not provide for income tax liability. Management believes that it has no uncertain tax positions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Organization recognizes revenues from exchange transactions based on the core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve this core principle, five basic criteria must be met before revenue can be recognized:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, the Organization satisfies a performance obligation.

Revenues from property management are recognized over the term of the management agreement as the management services are provided.

Rental income is recognized as it is earned over the term of the related rent agreement.

Contributions are recognized as revenue when they are unconditionally communicated or transferred, whichever is earlier. Grants represent contributions if resource providers do not receive commensurate value in exchange for the assets transferred. Contributions are recorded at their fair value as support without donor restrictions or support with donor restrictions, depending on the absence or existence of donor-imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. If donors' restrictions are satisfied in the same period that the contribution is received, the contribution is reported as support without donor restrictions. Contracts received in advance are recognized in the applicable period in which the related services are performed or expenditures are incurred, respectively.

Functional expenses allocation

The costs of providing various program services and activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated on the basis of estimates of time and effort among the programs and supporting services benefited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassification

Certain amounts previously reported in the 2020 consolidated financial statements have been reclassified to conform to the 2021 presentation.

Debt service reserve

For each property owned by ICEB, a debt service reserve was established by the lender in a predetermined amount equal to 5% of the aggregate principal balance of the loan. The reserves are held by the bond trustee, US Bank. As of June 30, 2021 and 2020, the balance of debt service reserve was $2,101,370 and $2,123,989, respectively.

Replacement reserves, property tax and insurance impounds, tax refund account

As part of the lease agreements, ICEB and Fairview receive monthly deposits from RCEB, to cover the replacement reserves along with the tax and insurance impounds of the homes that are leased to the service providers as required by the Mental Health Services Act Housing Program (MHSA) Regulatory Agreements with California Housing Agency (CalHFA). A replacement reserve for Magnolia Terrace is required to be maintained by the County of Alameda HOME and CDBG loan agreement. As of June 30, 2021 and 2020, the balance of reserves was $696,248 and $593,659, respectively.

Operating reserves

An operating reserve for the five Ashland properties is required by the MHSA Regulatory agreements with CalHFA in a predetermined annual amount. An operating reserve for Magnolia Terrace is required to be maintained by the County of Alameda HOME and CDBG loan agreement. As of June 30, 2021 and 2020, the balance of reserves was $84,105 and $84,744, respectively.

3. LIQUIDITY AND AVAILABILITY

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

	2021	2020
Financial assets		
Cash	$ 1,407,226	$ 589,994
Funds held for others	103,130	59,343
Accounts, contracts and other receivables	1,337,538	469,459
Due from related parties	59,242	50,023
	2,907,136	1,168,819
Less amounts not available within one year:		
Funds held for others	(103,130)	(59,343)
Funds subject to donor restrictions	(633,636)	(100,000)
	(736,766)	(159,343)
	$ 2,170,370	$ 1,009,476

As part of HCEB's liquidity management, it structures its financial assets to be available as its operating expenditures, liabilities, and other obligations come due. To meet liquidity needs, HCEB maintains adequate levels of cash and cash equivalents available. Accounts, contracts and other receivables considered current will be collected within one year.

In addition, the Organization maintains funds in reserves for operating and replacement accounts. These funds are used for the benefit of the tenants and or the Organization. Such funds are not considered by the Organization to have donor restrictions. If there are emergency replacements and repairs that cannot be covered by operating cash, the Organization can request funds to be temporarily released from the reserve accounts. Funds will then be returned back to the reserve accounts once operating cash becomes available.

The Organization maintains Home Equity Line of Credit accounts totaling $550,000 that can be made available for short-term cash flow needs. Another $500,000 can be made available from additional borrowing from the properties that are owned by the Organization.

4. FUNDS HELD FOR OTHERS

HCEB acts as a third party property manager on behalf of a group that provides benefits to the community for affordable housing. HCEB handles the cash accounts and reports the transactions as an asset and a liability. The funds have no impact on the operations of the Organization.

5. RELATED PARTY RECEIVABLE

HCEB made operating advances to LSH and LFGH. Also, for the years ended June 30, 2021 and 2020, HCEB earned a management fee of $9,588 and bookkeeping fee of $8,028 each year from LSH, and a management fee of $4,500 and $4,500 and a bookkeeping fee of $8,052 and $8,057, respectively, from LFGH.

The receivables are summarized below:

	2021	2020
LSH	$ 52,753	$ 50,023
Other	6,489	-
	$ 59,242	$ 50,023

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

2021

Entity	Land	Building and Improvements	Construction in Progress	Furniture and Equipment	Total	Accumulated Depreciation	Net Fixed Assets
HCEB	$ 2,415,392	$ 4,443,024	$ -	$ 10,360	$ 6,868,776	$ (391,022)	$ 6,477,754
ICEB	3,353,500	16,413,039	-	19,941	19,786,480	(5,219,402)	14,567,078
MHCO	825,032	974,817	-	3,207	1,803,056	(529,508)	1,273,548
Magnolia	153,171	2,251,681	-	55,388	2,460,240	(596,462)	1,863,778
Ashland	1,071,627	2,323,811	-	48,557	3,443,995	(507,820)	2,936,175
Fairview	322,698	753,583	-	-	1,076,281	(183,687)	892,594
Tri Valley	240,000	2,186,755	1,237,226	2,044	3,666,025	(44,024)	3,622,001
CCT	557,566	2,424,853	-	-	2,982,419	(228,679)	2,753,740
Fremont	248,956	3,772,479	-	-	4,021,435	(67,541)	3,953,894
West County	90,811	1,037,279	-	-	1,128,090	(6,483)	1,121,607
	$ 9,278,753	$ 36,581,321	$ 1,237,226	$ 139,497	$ 47,236,797	$ (7,774,628)	$ 39,462,169

2020

Entity	Land	Building and Improvements	Construction in Progress	Furniture and Equipment	Total	Accumulated Depreciation	Net Fixed Assets
HCEB	$ 2,415,392	$ 4,443,023	$ -	$ 10,360	$ 6,868,775	$ (279,704)	$ 6,589,071
ICEB	3,353,500	16,413,040	-	19,941	19,786,481	(4,807,028)	14,979,453
MHCO	825,032	974,817	-	3,207	1,803,056	(513,890)	1,289,166
Magnolia	153,171	2,251,681	-	55,388	2,460,240	(537,626)	1,922,614
Ashland	1,071,627	2,323,812	-	48,557	3,443,996	(448,908)	2,995,088
Fairview	322,698	753,582	-	-	1,076,280	(164,847)	911,433
TriValley	240,000	2,186,755	623,066	2,044	3,051,865	(39,605)	3,012,260
CCT	557,566	2,424,853	-	-	2,982,419	(168,058)	2,814,361
	$ 8,938,986	$ 31,771,563	$ 623,066	$ 139,497	$ 41,473,112	$ (6,959,666)	$ 34,513,446

7. NOTES PAYABLE

Notes payable are detailed as follows:

	2021	2020
California Health Facilities Financing Authority note, secured by the deed of trust on ICEB's properties, monthly variable payments of principal and interest. The note is due in 2025, and bears interest at rates from 4% to 6% per annum over the term of the loan.	$ 5,629,747	$ 6,679,093
California Health Facilities Financing Authority note, secured by the deed of trust on ICEB's properties, monthly variable payments of principal and interest. The note is due in 2026, and bears interest at rates from 3.3% to 7.8% per annum over the term of the loan.	2,232,861	2,633,482
County of Alameda note, secured by the deed of trust on the Magnolia Terrace property. The note bears interest of 3% per annum. Principal and interest are deferred until 2027, after which annual payments will be due in an amount equal to 50% of the residual receipts until the expiration of the term of the loan agreement in May 2069. The full amount of principal and deferred interest is payable at the earlier of a) date of unauthorized transfer of property, b) date of default, or c) expiration of the term of the loan. As of June 30, 2021 and 2020, accrued interest was $232,518 and $208,008, respectively.	805,003	805,003
Northern California Community Loan Fund secured by the deed of trust on the Magnolia Terrace property. The note bears interest of 7% per annum. Monthly payment of $1,281 of principal and interest are due until December 2015 at which time the loan was refinanced until December 2025 at 5.75% with principal and interest payments of $1,675.	75,984	90,336
CalHFA, secured by the deed of trust for an Ashland property. The note bears simple interest at a rate of 3% per annum. Principal and interest are due annually from 100% of residual receipts with payments applied first to interest. The note is due in full in 2030. As of June 30, 2021 and 2020, accrued interest was $104,111 and $94,379, respectively.	324,480	324,480

7. NOTES PAYABLE (continued)

	2021	2020
CalHFA, secured by the deed of trust for an Ashland property. The note bears simple interest at a rate of 3% per annum. Principal and interest are due annually from 100% of residual receipts with payments applied first to interest. The note is due in full in 2031. As of June 30, 2021 and 2020, accrued interest was \$125,524 and \$112,552, respectively.	432,640	432,640
CalHFA, secured by the deed of trust for an Ashland property. The note bears simple interest at a rate of 3% per annum. Principal and interest are due annually from 100% of residual receipts with payments applied first to interest. The note is due in full in 2032. As of June 30, 2021 and 2020, accrued interest was \$117,913 and \$104,629, respectively.	442,880	442,880
CalHFA, secured by the deed of trust for an Ashland property. The note bears simple interest at a rate of 3% per annum. Principal and interest are due annually from 100% of residual receipts with payments applied first to interest. The note is due in full in 2032. As of June 30, 2021 and 2020, accrued interest was \$84,998 and \$75,184, respectively.	326,900	326,900
County of Alameda, secured by the deed of trust for an Ashland property. The note bears interest of 3% per annum. Principal and interest are deferred until 2030 after which annual payments will be due in an amount equal to 100% of the residual receipts until the expiration of the term of the loan in 2069 The full amount of principal and deferred interest is payable at the earlier of a) date of unauthorized transfer of b) date of default, or c) expiration of the term of the loan As of June 30, 2021 and 2020, accrued interest was \$54,707 and \$49,607, respectively.	170,341	170,341
County of Alameda, secured by the deed of trust for an Ashland property. The note bears interest of 3% per annum. Principal and interest are deferred until 2031 after which annual payments will be due in an amount equal to 100% of the residual receipts until the expiration of the term of the loan in 2070 The full amount of principal and deferred interest is payable at the earlier of a) date of unauthorized transfer of b) date of default, or c) expiration of the term of the loan. As of June 30, 2021 and 2020, accrued interest was \$53,452 and \$47,932, respectively.	183,961	183,961

7. NOTES PAYABLE (continued)

	2021	2020
County of Alameda, secured by the deed of trust for an Ashland property. The note bears interest of 3% per annum. Principal and interest are deferred until 2032 after which annual payments will be due in an amount equal to 100% of the residual receipts until the expiration of the term of the loan in 2071 The full amount of principal and deferred interest is payable at the earlier of a) date of unauthorized transfer of b) date of default, or c) expiration of the term of the loan. As of June 30, 2021 and 2020, accrued interest was $45,418 and $40,306, respectively.	170,639	170,639
City of Livermore, secured by the deed of trust for an Ashland property. The note bears interest of 3% per annum. Principal and interest are deferred until 2032 after which annual payments will be due in an amount equal to 100% of the residual receipts until the expiration of the term of the loan in 2071 The full amount of principal and deferred interest is payable at the earlier of a) date of unauthorized transfer of b) date of default, or c) expiration of the term of the loan. As of June 30, 2021 and 2020, accrued interest was $54,047 and $47,807, respectively.	207,832	207,832
CalHFA, secured by the deed of trust for an Ashland property. The note bears interest at a rate of 3% per annum. Principal and interest are due annually from 48.68% of residual receipts with payments applied first to interest. The note is due in full in 2070. As of June 30, 2021 and 2020, accrued interest was $109,216 and $89,764, respectively.	648,325	648,325
City of Livermore, secured by the deed of trust for an Ashland property. The note bears interest of 3% per annum. Annual payments shall be made annually from 51.31% of residual receipts. The note is due in full in 2070. As of June 30, 2021 and 2020, accrued interest was $115,629 and $95,121, respectively.	683,575	683,575
Redevelopment Agency of the City of Livermore, secured by the deed of trust on a Tri Valley property. The note bears simple interest at 3% per annum and is due in full in 2073. As of June 30, 2021 and 2020, accrued interest was $18,465 and $12,926, respectively.	184,652	184,652

7. NOTES PAYABLE (continued)

	2021	2020
CDFI Clearinghouse, secured by the deed of trust on the Fairview property. The note bears interest of 7.75% per annum. Monthly payment of principal and interest of $10,798 are due. The note is due in full in 2026.	383,236	481,297
County of Alameda, secured by the deed of trust for a CCT property. The note bears no interest, with a face amount of $704,506, and principal is deferred until 2033, after which annual payments will be due in an amount equal to 100% of the residual receipts until the expiration of the term of the loan in 2072. The full amount of principal is payable at the earlier of a) date of unauthorized transfer of property, b) date of default, or c) expiration of the term of the loan.	704,506	704,506
City of Livermore, secured by the deed of trust for a CCT property. The note bears simple interest of 3% per annum and is due in full in 2069. An annual deposit based on Surplus Cash not to exceed $2,100 shall be made to the operating reserve, with any residual receipts remaining after such deposit. Annual payments of the loan is based on 50% of residual receipts. Payments shall be applied first against interest and then principal. All principal and accrued interest on the loan is due in full on the earlier of a) date of unauthorized transfer of property, b) date of default, or c) expiration of the term of the loan. As of June 30, 2021 and 2020, accrued interest was $76,851 and $65,991, respectively.	361,976	361,976
City of San Leandro, secured by the deed of trust for a CCT property. The note bears simple interest of 3% per annum and is due in full in 2069. Annual payments of the loan is based on 50% of Surplus Cash. The full amount of principal and accrued interest is payable at the earlier of a) date of unauthorized transfer of property, b) date of default, or c) expiration of the term of the loan. As of June 30, 2021 and 2020, accrued interest was $20,250 and $17,250, respectively.	100,000	100,000
CDFI Clearinghouse, secured by the deed of trust on the HCEB Woodland property. The note bears interest of 5.75% per annum. Monthly payment of principal and interest of $2,402. The note is due in full in 2031.	223,805	239,086

7. NOTES PAYABLE (continued)

	2021	2020
CDFI Clearinghouse, secured by the deed of trust on the HCEB Trifari property. The note bears interest of 5.75% per annum. Monthly payment of principal and interest of $3,400. The note is due in full in 2031.	318,158	340,091
CDFI Clearinghouse, secured by the deed of trust on the HCEB Las Juntas property. The note bears interest of 5.75% per annum. Monthly payment of principal and interest of $3,639. The note is due in full in 2031.	343,071	366,002
CDFI Clearinghouse, secured by the deed of trust on the HCEB School Court property. The note bears interest of 5.75% per annum. Monthly payment of principal and interest of $3,105. The note is due in full in 2041.	445,938	456,852
CDFI Clearinghouse, secured by the deed of trust on the HCEB Kelok property. The note bears interest of 5.75% per annum. Monthly payment of principal and interest of $2,623. The note is due in full in 2042.	377,457	386,631
Department of Developmental Services, secured by the deed of trust for the HCEB Woodland property. The note bears no interest, with a face amount of $420,000. Payment of the loan is deferred until 2046, after which, if the loan is not in default, DDS shall forgive the loan in full and consider it to be repaid.	420,000	420,000
* Department of Developmental Services, secured by the deed of trust for the HCEB Woodland property. The note bears no interest, with a face amount of $526,866. Payment of the loan is deferred until 2046, after which, if the loan is not in default, DDS shall forgive the loan in full and consider it to be repaid.	526,866	526,866
Department of Developmental Services, secured by the HCEB Trifari property. The note bears no interest, with a face amount of $420,000. Payment of the loan is deferred until 2031, after which, if the loan is not in default, DDS shall forgive the loan in full and consider it to be repaid.	420,000	420,000
* Department of Developmental Services, secured by the HCEB Trifari property. The note bears no interest, with a face amount of $552,003. Payment of the loan is deferred until 2031, after which, if the loan is not in default, DDS shall forgive the loan in full and consider it to be repaid.	552,003	552,003

7. NOTES PAYABLE (continued)

	2021	2020
Department of Developmental Services, secured by the deed of trust for the HCEB Las Juntas property. The note bears no interest, with a face amount of of $425,000. Payment of the loan is deferred until 2031, after which, if the loan is not in default, DDS shall forgive the loan in full and consider it to be repaid.	425,000	425,000
* Department of Developmental Services, secured by the deed of trust for the HCEB Las Juntas property. The note bears no interest, with a face amount of of $472,815. Payment of the loan is deferred until 2031, after which, if the loan is not in default, DDS shall forgive the loan in full and consider it to be repaid.	472,815	472,815
Department of Developmental Services, secured by the deed of trust for the HCEB School Court property. The note bears no interest, with a face amount of of $425,000. Payment of the loan is deferred until 2041, after which, if the loan is not in default, DDS shall forgive the loan in full and consider it to be repaid.	425,000	425,000
* Department of Developmental Services, secured by the deed of trust for the HCEB School Court property. The note bears no interest, with a face amount of $532,204. Payment of the loan is deferred until 2041, after which, if the loan is not in default, DDS shall forgive the loan in full and consider it to be repaid.	532,204	532,204
Department of Developmental Services, secured by the deed of trust for the HCEB Kelok property. The note bears no interest, with a face amount of $475,000. An effective market rate of interest of 3% is used to calculate interest expense and contribution revenue. Payment of the loan is deferred until 2041, after which, if the loan is not in default, DDS shall forgive the loan in full and consider it to be repaid.	475,000	475,000
* Department of Developmental Services, secured by the deed of trust for the HCEB Kelok property. The note bears no interest, with a face amount of $438,466. Payment of the loan is deferred until 2041, after which, if the loan is not in default, DDS shall forgive the loan in full and consider it to be repaid.	438,466	438,466

7. NOTES PAYABLE (continued)

	2021	2020
City of San Leandro to be used for capital improvements for a property owned by LFGH. The City of San Leandro was the recipient of CDBG funds that were passed through to HCEB. The loan bears interest of 3% per annum. The loan matures in 2038. As long as HCEB is not in default under the loan documents, the City of San Leandro shall annually forgive 1/20th ($500) of the outstanding principal loan balance.	8,500	9,000
First Republic Bank secured by a deed of trust for a MHCO property. The note bears interest at 3.95% interest per annum. Monthly interest of $658 is due through 2028. Beginning in 2028, monthly payments of principal and recalculated interest (as a result of an interest rate change) are due, until December 2047, the maturity date.	200,000	200,000
First Republic Bank secured by a deed of trust for a MHCO property. The note bears interest at 5.2% interest per annum. Monthly payment of principal and interest of $275 are due through 2028. Beginning in 2029, monthly payments principal and recalculated interest (as a result of an interest rate change) are due, until December 2049, the maturity date.	48,024	48,793
City of Livermore, secured by the deed of trust for a Tri Valley property. The note bears interest of 3% per annum. Annual payments shall be made from 50% of Surplus Cash. The full amount of principal and interest are payable at the earlier of date of default or the expiration of the term of the loan in 2078. As of June 30, 2021 and 2020, accrued interest was $187,275 and $119,175, respectively.	2,270,000	2,270,000
Predevelopment loan payable to the City of Livermore up to a maximum $855,000 for a Tri Valley property, secured by a deed of trust. The loan bears interest of 3% from the date of disbursement. No annual payments are due. All principal and on accrued interest on the loan shall be due in full on earlier of a) the date of any unauthorized transfer, b) the date of any date of default, or c) the expiration of the term. Upon termination of the agreement, the loan can be forgiven under certain circumstances. As of June 30, 2021 and 2020 , accrued interest was $48,528 and $32,142, respectively.	590,924	590,924

7. NOTES PAYABLE (continued)

	2021	2020
County of Alameda, secured by the deed of trust for a CCT property. The note bears no interest, with a face amount of $1,815,937. An effective market rate of interest of 3% is used to calculate interest expense and contribution revenue. Principal is deferred until 2036, after which annual payments will be due in an amount equal to 100% of the residual receipts until the expiration of the term of the loan in 2075. The full amount of principal is payable at the earlier of a) date of unauthorized transfer of property, b) date of default, or c) expiration of the term of the loan.	1,815,937	1,815,937
City of Oakland, secured by deed of trust for a Fremont property. The note dated September 30, 2020, bears simple interest of 3% per annum with a face amount of $4,364,055 and is due in full in 2075. Payments shall be applied first against interest and then principal. All principal and accrued interest on the loan is due in full on the earlier of a) date of unauthorized transfer of property, b) date of default, or c) expiration of the term of the loan. As of June 30, 2021, accrued interest was $81,499.	4,364,055	-
County of Contra Costa, secured by the deed of trust for a West County property. The note bears no interest, with a face amount of $1,175,000 and is due in full in 2075. No repayment is required if the Organization complies with the requirements of Grant Documents for continuing 55 years.	1,175,000	-
	30,937,761	27,042,588
Less unamortized debt issuance costs	(514,006)	(547,316)
	30,423,755	26,495,272
Current portion	(1,734,751)	(1,634,957)
	$ 28,689,004	$ 24,860,315

7. NOTES PAYABLE (continued)

The future maturities of the notes payable are as follows:

Year ending June 30,	
2022	$ 1,734,751
2023	1,833,696
2024	1,965,584
2025	2,097,874
2026	1,285,708
Thereafter	22,020,148
	$ 30,937,761

* Notes payable with the Department of Development Services were recorded for the reimbursements of the renovation costs for the five homes purchased by HCEB. There is no formal loan agreement, however, management anticipates that the amount of the reimbursements will be due along with the promissory notes issued by the Department of Development Services when the property was purchased.

8. PAYCHECK PROTECTION PROGRAM LOAN

On April 24, 2020, the Organization obtained a Small Business Administration (SBA) Paycheck Protection Program Loan (PPP), in the amount of $196,170, with an interest rate of 1%. This loan is subject in all respects to the Coronavirus Aid, Relief, and Economic Security Act and the requirements, rules, regulations, procedures and guidance concerning the PPP in effect as of the date of the loan, and as may be promulgated from time to time after the date of this loan by the U.S. Department of Treasury and/or SBA, including, without limitation, all PPP regulations applicable to permitted uses of loan proceeds and loan forgiveness. No payments are due on the PPP loan for 6 months from the date of first disbursement of the loan. Interest will continue to accrue during the deferment period. The loan can be forgiven in an amount equal to the sum of the eligible costs as stated in the loan agreement. The Organization accounted for the PPP as debt and at June 30, 2020 the outstanding balance on the PPP amounted to $196,170.

On February 26, 2021, the Organization received notification from First Republic Bank indicating that all principal and interest under the loan has been remitted and thus, forgiven in full. The Organization recognized a gain on forgiveness of debt of $196,170 during the year ended June 30, 2021.

9. LINE OF CREDIT

MHCO established lines of credit totaling $550,000 with First Republic Bank. The lines of credit are secured by deeds of trust on MHCO's properties. As of June 30, 2021 and 2020 , the outstanding balances were $550,000 and $150,000, respectively. The interest rate was 3.35% as of June 30, 2021.

10. NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2021 and 2020, donor restricted net assets were available to purchase, rehab and maintain affordable housing for individuals with developmental disabilities.

Net assets with donor restrictions consisted of the following:

	2021	2020
Vineyard project development	$ 400,000	$ 100,000
Taube Family Fund	233,636	-
	$ 633,636	$ 100,000

11. OPERATING LEASES

In March 2011 HCEB and Alegria Community Living (ACL) entered into a lease agreement for office space. The lease was shared with each paying one-half of the total rent of $5,672 of which HCEB's share was $2,836 per month. In February 2016, HCEB and ACL moved to a new location and entered into a lease agreement that commenced in February 2016 and ends in January 2023. The base rent shall be adjusted by the change, if any, by the consumer price index. HCEB's share is one-half of the future lease costs. Office rental expense for the years ended June 30, 2021 and 2020 was $45,599 and $44,093, respectively.

The scheduled minimum lease payments under the lease terms are as follows:

Year ending June 30,	
2022	$ 43,465
2023	25,355
	$ 68,820

ICEB entered into individual lease agreements with service providers to operate homes for the benefit of persons with developmental disabilities. The Long-Term Residency Lease Agreements are effective from the date of acceptance of the renovations on each property for seventeen years or eighteen months after the debt has been repaid, whichever is later. Rent is based on several variable amounts including the amount of debt service, tax and insurance impounds replacement reserve requirements, and other operating costs. As a result, future minimum lease payments cannot be determined. RCEB has agreed to provide funds to service providers for all rent, including any adjustments as required. Ownership does not transfer at the end of the lease.

12. RETIREMENT PLAN

In September 2018, HCEB established a 403(b)-retirement savings plan for all eligible employees. HCEB elected not to contribute to the plan.

13. COMMITMENTS

The Lease Assurance Covenants, Conditions and Restrictions and Memorandum of Agreement and Lease stipulate that the 15 homes owned by ICEB are restricted in use for very low-income individuals with developmental disabilities in perpetuity. However, it is not the responsibility of ICEB or HCEB to determine income eligibility.

HCEB along with Satellite has provided loan guarantees in the amount of $1,210,493 for its sponsored project, LSH. The loan is due in annual installments based on residual receipts with final payment due during the HCEB's fiscal year ending June 30, 2060 unless the loan is reset. HCEB would be obligated to perform under this guarantee if LSH failed to pay principal and interest payments to the lender when due or is in default with certain regulatory agreement. Including accrued interest, the maximum potential amount of future (undiscounted) payments under this guarantee would be $1,329,778. However, if HCEB were required to honor the guarantee, it would be entitled to property owned by LSH that collateralizes the loan.

HCEB is also the responsible party for a loan in the amount of $825,000 related to the building of the Lincoln Street Housing project. The loan is due in annual installments based on residual receipts with interest and principal due in full in September 2060. HCEB may be made to assume this loan in case of default by LSH as listed in the loan agreement. Including accrued interest, the maximum potential amount of future (undiscounted) payments would be $943,101. However, if HCEB were required to assume this loan, it would be entitled to property owned by LSH that collateralizes the loan.

Management believes that the likelihood of funding a material amount of any of the guarantees is remote and therefore no amount has been recognized on HCEB's financial statements for this guarantee liability.

The City of Emeryville Redevelopment Agency (RDA) Regulatory Agreement between RDA and HCEB is in effect for the property owned by Magnolia for 55 years from the date the owner obtained a final certificate of occupancy from the City of Emeryville building division. The property owned by Magnolia is subject to restrictions limiting their use as housing for the developmentally disabled and that the project units are rent-restricted and occupied and affordable to very low income households.

13. COMMITMENTS (continued)

The County of Alameda (County) Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") between the County and Magnolia is in effect for the property owned by Magnolia for 59 years from the date of the Agreement. The property owned by Magnolia is subject to restrictions that it be maintained and operated in accordance with restrictions concerning affordability, operation, and maintenance of the development. The property is subject to Community Development Blocks Grant (CDBG) and Home Investment Partnership Program (HOME) requirements.

The MHSA CalHFA Regulatory Agreements between CalHFA and Ashland is in effect for the properties owned by Ashland from the date of the recording of the agreements until the later of: (i) payment in full of the MHSA permanent loan; or (ii) twenty (20) years. The properties owned by Ashland are subject to restrictions, that they be maintained and operated as housing for persons who are homeless or at risk of homelessness and who have a mental illness in accordance with California Welfare & Institutions as defined by the State of California.

The loan agreement between the City of Livermore and Ashland bears simple interest at 3%. In the event of default, interest for the loan shall begin to accrue as of the date of the default and, continuing until such time as the loan is repaid in full or the default is cured, at the default rate of the lesser of 10% compounded annually, or the highest rate permitted by law (the “Default Rate”).

The County of Alameda (County) Regulatory Agreements and Declaration of Restrictive Covenants (agreements) between the County and Ashland is in effect for the properties owned by Ashland for up to 59 years from the date of the agreements. The properties owned by Ashland are subject to restrictions they be maintained and operated in accordance with restrictions concerning affordability, operation, and maintenance of the development. Some of the properties are subject to CDBG and Neighborhood Stabilization Program (NSP) requirements.

The County of Alameda (County) Regulatory Agreements and Declaration of Restrictive Covenants (agreements) between the County and CCT is in effect for the properties owned by CCT for 59 years from the date of the agreements. The properties owned by CCT are subject to restrictions that they be maintained and operated in accordance with restrictions concerning affordability, operation, and maintenance of the development. Some of the properties are subject to CDBG, and HOME and NSP requirements. In the event of default, the loans can bear interest at 10% per annum.

The Regulatory Agreement and Declaration of Covenants and Restrictions (agreement) between the Redevelopment Agency of the City of Livermore and Tri Valley BMR, LLC is in effect for the property owned by Tri Valley for 55 years from the date of the agreement. The property owned by Tri Valley is subject to restrictions that it be used as a rental unit for very low-income households with a developmental disability.

A Fairview property is subject to restrictions that it be used as rental units for very low-income persons with development disabilities. Such use shall remain in effect in perpetuity.

13. COMMITMENTS (continued)

HCEB has entered into an Owner Participation Agreement with Housing Authority of the City of Alameda, as land owner, the Community Improvement Commission of the City of Alameda and Satellite to develop an underused property to provide housing to very low income residents with developmental disabilities. In January 2013, HCEB transferred its interest to a limited partnership which assumed all assets and debt.

In 2016, HCEB purchased five properties in the East Bay, California for the purpose of providing housing for low income individuals with developmental disabilities. Part of the financing for these properties was provided by the Department of Development Services under the Community Placement Program. Under the terms of these loans, HCEB is to provide housing for the benefit of persons with developmental disabilities. In the event of default, the notes shall bear interest at 10% per annum.

In 2020, HCEB purchased a thirty-nine unit rental housing and mixed use development to be commonly known as the "524-530 8th Street Project" and together with the Land in the City of Oakland, California for the purpose of providing affordable housing for low-income households. The financing for these properties was provided by the City of Oakland. The Regulatory Agreement between the City of Oakland and HCEB is in effect for the property owned by Fremont for 55 years from the date of the agreement. The property is subject to restrictions that 39 units will be rented at affordable rents to low income households.

In 2021, HCEB purchased two properties in the City of Richmond, California for the purpose of providing housing for low income individuals with developmental disabilities. The financing for these properties was provided by the Contra Costa County which received the funds from Mental Health Service Act (MHSA) and are administered by the County's Health Service Department. The Regulatory Agreement between the Contra Costa County and HCEB is in effect for the properties owned by West County for 55 years from the date of the agreement. The property owned by West County is subject to restrictions that it be used as a rental unit for very low-income households with a developmental disability.

14. RISK AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. During the COVID-19 pandemic, the Organization's operations have been considered essential in nature and have not been materially interrupted. As the situation continues to evolve, the Organization is closely monitoring the impact of COVID-19 pandemic on all aspects of its business, including how it impacts its tenants, contractors and sub-contractors, suppliers and vendors, in addition to how the COVID-19 pandemic impacts its ability to provide services to its tenants. HCEB has leveraged its property management and supportive housing service expertise to set up and manage non-traditional emergency housing sites and hotels sheltering populations at greater risk of COVID infection. It is likely that some, if not all of these supportive housing sites and hotels will wind down or end as the COVID crisis lessens.

15. SUBSEQUENT EVENTS

Management of the Organization has evaluated events and transactions subsequent to June 30, 2021 for potential recognition or disclosure in the financial statements. Such events were evaluated through November 4, 2021, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

Housing Consortium of the East Bay and Affiliates
Consolidating Statement of Financial Position
June 30, 2021

ASSETS

	Housing Consortium of the East Bay	Inclusive Communities East Bay	Mentally Handicapped Children's Organization	Magnolia Terrace, LLC	Ashland NSP, LLC	Fairview Homes, LLC	Tri Valley BMR, LLC	CCT East Bay, LLC	Fremont Hotel Oakland LLC	West County MHSA LLC	Eliminating Entries	2021 Total	2020 Total
Current assets													
Cash	$ 546,910	$ 7,734	$ 4,951	$ 5,430	$ 56,258	$ 2,659	$ 455,586	$ 57,155	$ 261,772	$ 8,771	$ -	$ 1,407,226	$ 589,994
Funds held for others	103,130	-	-	-	-	-	-	-	-	-	-	103,130	59,343
Accounts, contracts and other receivables	1,268,683	9,104	158	2,196	7,350	-	33	8,680	39,573	1,761	-	1,337,538	469,459
Due from related parties	549,536	-	1,393,110	-	-	-	-	-	-	-	(1,883,404)	59,242	50,023
Prepaid expenses	32,076	-	-	-	-	-	-	-	6,350	-	-	38,426	17,594
Other current assets	131	-	-	-	-	-	-	-	-	-	-	131	11,956
Total current assets	2,500,466	16,838	1,398,219	7,626	63,608	2,659	455,619	65,835	307,695	10,532	(1,883,404)	2,945,693	1,198,369
Debt service reserve	-	2,101,370	-	-	-	-	-	-	-	-	-	2,101,370	2,123,989
Replacement reserves	109,529	368,680	10	4,726	120,940	10,925	2,015	29,404	21,011	29,008	-	696,248	593,659
Tax and insurance impounds	-	407,778	-	-	-	51,075	-	-	-	-	-	458,853	461,141
Operating reserves	-	-	-	-	39,016	-	-	29,222	-	15,867	-	84,105	84,744
Tenant security deposits	-	-	1,568	238	8,694	10	540	2,063	37,556	13,041	-	63,710	13,816
Deposits	4,000	-	-	-	-	-	-	-	-	-	-	4,000	104,000
Property and equipment, net	6,477,754	14,567,078	1,273,548	1,863,778	2,936,175	892,594	3,622,001	2,753,740	3,953,894	1,121,607	-	39,462,169	34,513,446
Total noncurrent assets	6,591,283	17,444,906	1,275,126	1,868,742	3,104,825	954,604	3,624,556	2,814,429	4,012,461	1,179,523	-	42,870,455	37,894,795
Total assets	$ 9,091,749	$ 17,461,744	$ 2,673,345	$ 1,876,368	$ 3,168,433	$ 957,263	$ 4,080,175	$ 2,880,264	$ 4,320,156	$ 1,190,055	$ (1,883,404)	$ 45,816,148	$ 39,093,164

Housing Consortium of the East Bay and Affiliates
Consolidating Statement of Financial Position
June 30, 2021

LIABILITIES AND NET ASSETS

	Housing Consortium of the East Bay	Inclusive Communities East Bay	Mentally Handicapped Children's Organization	Magnolia Terrace, LLC	Ashland NSP, LLC	Fairview Homes, LLC	Tri Valley BMR, LLC	CCT East Bay, LLC	Fremont Hotel Oakland LLC	West County MHSA LLC	Eliminating Entries	2021 Total	2020 Total
Current liabilities													
Accounts payable	$ 239,403	$ 605	$ 361	$ 437	$ 1,478	$ 150	$ 3,684	$ 1,045	$ 4,816	$ 3,435	$ -	$ 255,414	$ 118,341
Accrued expenses	57,877	-	-	-	-	-	-	-	-	-	-	57,877	84,540
Deferred revenue	25,000	182,650	391	-	81,005	2,399	254	-	-	-	-	291,699	252,308
Due to related parties	1,393,110	5,462	-	14,999	296	27,121	337,631	29	104,072	684	(1,883,404)	-	-
Current portion of notes payable	80,037	1,541,440	-	15,212	-	98,062	-	-	-	-	-	1,734,751	1,634,957
Paycheck Protection Program loan	-	-	-	-	-	-	-	-	-	-	-	-	196,170
Line of credit	-	-	550,000	-	-	-	-	-	-	-	-	550,000	150,000
Funds held for others	103,130	-	-	-	-	-	-	-	-	-	-	103,130	59,343
Security deposits	845	-	1,566	711	9,226	-	540	2,061	37,550	13,031	-	65,530	13,906
Refundable advances	40,981	-	-	-	-	-	330,000	-	-	-	-	370,981	269,968
Total current liabilities	1,940,383	1,730,157	552,318	31,359	92,005	127,732	672,109	3,135	146,438	17,150	(1,883,404)	3,429,382	2,779,533
Long-term liabilities													
Notes payable, net of current portion	6,299,884	5,964,438	248,024	864,437	3,532,961	285,175	3,021,436	2,982,419	4,315,230	1,175,000	-	28,689,004	24,860,315
Accrued interest	-	-	-	232,518	865,005	-	254,268	97,101	81,499	-	-	1,530,391	1,213,128
Total long-term liabilities	6,299,884	5,964,438	248,024	1,096,955	4,397,966	285,175	3,275,704	3,079,520	4,396,729	1,175,000	-	30,219,395	26,073,443
Total liabilities	8,240,267	7,694,595	800,342	1,128,314	4,489,971	412,907	3,947,813	3,082,655	4,543,167	1,192,150	(1,883,404)	33,648,777	28,852,976
Net assets													
Without donor restrictions	617,846	9,767,149	1,873,003	748,054	(1,321,538)	544,356	(267,638)	(202,391)	(223,011)	(2,095)	-	11,533,735	10,140,188
With donor restrictions	233,636	-	-	-	-	-	400,000	-	-	-	-	633,636	100,000
Total net assets	851,482	9,767,149	1,873,003	748,054	(1,321,538)	544,356	132,362	(202,391)	(223,011)	(2,095)	-	12,167,371	10,240,188
Total liabilities and net assets	$ 9,091,749	$ 17,461,744	$ 2,673,345	$ 1,876,368	$ 3,168,433	$ 957,263	$ 4,080,175	$ 2,880,264	$ 4,320,156	$ 1,190,055	$ (1,883,404)	$ 45,816,148	$ 39,093,164

Housing Consortium of the East Bay and Affiliates
Consolidating Statement of Activities
For the Year Ended June 30, 2021

	Housing Consortium of the East Bay	Inclusive Communities East Bay	Mentally Handicapped Children's Organization	Magnolia Terrace, LLC	Ashland NSP, LLC	Fairview Homes, LLC	Tri Valley BMR, LLC	CCT East Bay, LLC	Fremont Hotel Oakland LLC	West County MHSA LLC	Eliminating Entries	2021 Total	2020 Total
Support and revenue													
Rental income	$ 223,810	$ 2,269,664	$ 117,432	$ 38,781	$ 169,394	$ 151,115	$ 5,604	$ 98,493	$ 190,885	$ 46,436	$ -	$ 3,311,614	$ 3,103,999
Property management reimbursement	3,520,347	75,365	-	-	-	13,616	-	-	-	-	-	3,609,328	1,729,281
Contributions	546,886	-	5	-	-	-	300,000	-	-	-	-	846,891	295,199
Property management income	429,220	-	-	-	-	-	-	-	-	-	(272,128)	157,092	290,538
Contract revenue	1,071,014	-	-	-	-	-	-	-	-	-	-	1,071,014	253,239
Miscellaneous	14,900	-	1	-	-	-	-	-	-	-	-	14,901	134,349
Interest income	26	359	-	6	3	15	-	20	-	-	-	429	68,936
Other revenue	57,388	7,294	-	702	242	-	-	1,058	7	-	-	66,691	54,575
Other income - Paycheck Protection Program loan forgiveness	196,170	-	-	-	-	-	-	-	-	-	-	196,170	-
Developer fee	104,000	-	-	-	-	-	-	-	-	-	(104,000)	-	15,000
Total support and revenue	6,163,761	2,352,682	117,438	39,489	169,639	164,746	305,604	99,571	190,892	46,436	(376,128)	9,274,130	5,945,116
Operating expenses													
Property management	653,884	1,393,069	72,359	135,587	328,379	87,103	95,674	149,588	397,146	34,763	(376,128)	2,971,424	2,899,206
Housing development services	67,596	-	-	-	-	-	-	-	-	-	-	67,596	69,903
Housing services	4,004,950	-	-	-	-	-	-	-	-	-	-	4,004,950	1,620,919
Management and general	190,239	4,400	9,850	8,400	21,755	2,900	2,300	14,550	16,757	13,768	-	284,919	303,028
Fundraising	18,058	-	-	-	-	-	-	-	-	-	-	18,058	66,507
Total operating expenses	4,934,727	1,397,469	82,209	143,987	350,134	90,003	97,974	164,138	413,903	48,531	376,128	7,346,947	4,959,563
Changes in net assets	1,229,034	955,213	35,229	(104,498)	(180,495)	74,743	207,630	(64,567)	(223,011)	(2,095)	-	1,927,183	985,553
Net assets, beginning of year	(377,552)	8,811,936	1,837,774	852,552	(1,141,043)	469,613	(75,268)	(137,824)	-	-	-	10,240,188	9,254,635
Net assets, end of year	$ 851,482	$ 9,767,149	$ 1,873,003	$ 748,054	$ (1,321,538)	$ 544,356	$ 132,362	$ (202,391)	$ (223,011)	$ (2,095)	$ -	$ 12,167,371	$ 10,240,188

SINGLE AUDIT REPORTS AND SCHEDULES

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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*

Board of Directors
Housing Consortium of the East Bay and Affiliates
Oakland, California

We 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 Housing Consortium of the East Bay and Affiliates (a California nonprofit corporation) (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 4, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

Our 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 our audit we did not identify any deficiencies in internal control that we 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 the Organization's consolidated financial statements are free from material misstatement, we 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our 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 our 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.

Armanino LLP

Armanino LLP
San Francisco, California

November 4, 2021

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

Board of Directors
Housing Consortium of the East Bay and Affiliates
Oakland, California

Report on Compliance for Each Major Federal Program

We have audited Housing Consortium of the East Bay and Affiliates (a California nonprofit corporation) (the "Organization")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization'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

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our 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* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we 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 the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization 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 June 30, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization'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, we do not express an opinion on the effectiveness of the Organization'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.

Our 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 weakness or significant deficiencies.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our 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.

Armanino LLP

Armanino[LLP]
San Francisco, California

November 4, 2021

Housing Consortium of the East Bay and Affiliates
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
Expenditures of Federal Awards			
U.S. Department of Housing and Urban Development			
Pass-through County of Alameda			
Community Development Block Grants/Entitlement Grants	14.218	N/A	$ 273,892
Community Development Block Grants/Entitlement Grants	14.218	N/A	235,000
Community Development Block Grants/Entitlement Grants	14.218	N/A	125,386
Community Development Block Grants/Entitlement Grants	14.218	N/A	10,000
HOME Investment Partners Program	14.239	N/A	200,000
HOME Investment Partners Program	14.239	N/A	570,003
HOME Investment Partners Program	14.239	N/A	200,000
HOME Investment Partners Program	14.239	N/A	100,000
Neighborhood Stabilization Program (Recovery Act Funded)	14.256	N/A	1,342,045
Neighborhood Stabilization Program (Recovery Act Funded)	14.256	N/A	504,506
Neighborhood Stabilization Program (Recovery Act Funded)	14.256	N/A	361,976
Neighborhood Stabilization Program (Recovery Act Funded)	14.256	N/A	207,832
Neighborhood Stabilization Program (Recovery Act Funded)	14.256	N/A	183,961
Neighborhood Stabilization Program (Recovery Act Funded)	14.256	N/A	170,341
Neighborhood Stabilization Program (Recovery Act Funded)	14.256	N/A	45,253
			4,530,195
Pass-through Housing Authority			
County of Alameda - Section 8 Housing Assistance Payments	14.871	N/A	174,271
City of Oakland - Section 8 Housing Assistance Payments	14.871	N/A	28,542
County of Contra Costa - Section 8 Housing Assistance Payments	14.871	N/A	52,967
			255,780
Total U.S. Department of Housing and Urban Development			4,785,975
Total Expenditures of Federal Awards			$ 4,785,975

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this schedule.

Housing Consortium of the East Bay and Affiliates
Notes to Schedule of Expenditures of Federal Awards
June 30, 2021

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Housing Consortium of the East Bay and Affiliates (the "Organization") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

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, wherein certain types of expenditures are not allowable or limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. FEDERAL LOAN PROGRAMS

The accompanying schedule of expenditures of federal awards includes loan balances for which continuing compliance is required. The balances of the loans which continuing compliance was required as of June 30, 2021 amounted to $4,530,195.

4. INDIRECT COST RATE

HCEB has not elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Housing Consortium of the East Bay and Affiliates
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Number
HOME Investment Partners Program	14.239

Dollar threshold used to distinguish between Type A and Type B programs	$750,000
Auditee qualified as low-risk auditee?	Yes

Housing Consortium of the East Bay and Affiliates
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Housing Consortium of the East Bay and Affiliates
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

There were no prior year findings.