EXHIBIT 20

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Chicanos Por La Causa, Inc. and Subsidiaries and Affiliates
Phoenix, Arizona

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Chicanos Por La Causa, Inc. and Subsidiaries and Affiliates, which comprises the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional revenues and 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Casa del Pueblo II dba: Casa del Pueblo II Apartments; Casa Mia Senior Apartments, Inc. dba: Casa Mia Apartments; Causa Community Development, Inc. dba: Guadalupe Barrio Nuevo; Gran Victoria Housing, LLC; Casa de Primavera Apartments, LLC dba: Casa de Primavera; Pueblo Senior Housing, Inc. dba: Casa del Pueblo; Santa Cruz Apartments, Inc. dba: Santa Cruz Apartments; Mountain Pointe Apartments, LP; dba Mountain Pointe Apartments, Bella Vista Properties I Limited Partnership; Ladera Village Limited Partnership and Villa Las Vegas Limited Partnership, wholly-owned subsidiaries, which statements reflect total assets of $39,441,355 as of June 30, 2020, and total revenues of $10,474,590 for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Casa del Pueblo II dba: Casa del Pueblo II Apartments; Casa Mia Senior Apartments, Inc. dba: Casa Mia Apartments; Causa Community Development, Inc. dba: Guadalupe Barrio Nuevo; Gran Victoria Housing, LLC; Casa de Primavera Apartments, LLC dba: Casa de Primavera; Pueblo Senior Housing, Inc. dba: Casa del Pueblo; Santa Cruz Apartments, Inc. dba: Santa Cruz Apartments; Mountain Pointe Apartments, LP; dba Mountain Pointe Apartments, Bella Vista Properties I Limited Partnership; Ladera Village Limited Partnership and Villa Las Vegas Limited Partnership, is based solely on the reports of the other auditors. 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. 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.

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Board of Directors
Chicanos Por La Causa, Inc. and Subsidiaries and Affiliates

The financial statements of Gran Victoria Housing, LLC, Santa Cruz Apartments, Inc. dba: Santa Cruz Apartments; Bella Vista Properties I Limited Partnership; Ladera Village Limited Partnership and Villa Las Vegas Limited Partnership were not audited in accordance with *Government Auditing Standards*.

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 auditors' 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 Chicanos Por La Causa, Inc. and Subsidiaries and Affiliates as of June 30, 2020, 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.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, management adopted Accounting Standards Update No. 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to that matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 50 through 64 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 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 audits 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.

Board of Directors
Chicanos Por La Causa, Inc. and Subsidiaries and Affiliates

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2020, on our consideration of the Chicanos Por La Causa, Inc. and Subsidiaries and Affiliates' 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Chicanos Por La Causa, Inc. and Subsidiaries and Affiliates' 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 Chicanos Por La Causa, Inc. and Subsidiaries and Affiliates' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
December 11, 2020

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 30,426,491
Restricted Cash	395,623
Cash Held for Loan Programs	2,692,990
Receivables:	
Grants and Contracts, Net	6,996,214
Interest Receivable	264,017
Other Receivables, Net	303,018
Notes Receivable, Current	2,013,539
Prepaid Expenses	226,248
Total Current Assets	43,318,140
LONG-TERM ASSETS	
Notes Receivable, Net	41,219,877
Real Estate Properties - Rental, Net	101,731,158
Property and Equipment, Net	19,525,162
Related Party Receivables, Net	1,191,020
Real Estate Held for Sale	13,238,133
Investments in Debt and Equity Securities	3,762,069
Investments in Affiliated Entities - Cost Method	2,970,156
Investments in Affiliated Entities - Equity Method	729,675
Deposits and Funded Reserves	3,542,513
Other Assets	980,422
Total Long-Term Assets	188,890,185
Total Assets	$ 232,208,325

See accompanying Notes to Consolidated Financial Statements.

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2020

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	$ 11,534,288
Lines of Credit - Current Portion	1,301,023
Mortgages Payable and Other Debt, Current	10,870,989
Other Liabilities	1,665,647
Total Current Liabilities	25,371,947
LONG-TERM LIABILITIES	
Lines of Credit, Long-Term Portion	18,945,463
Deferred Revenue, Long-Term Portion	2,855,156
Mortgages Payable and Other Debt, Net	123,764,854
Total Long-Term Liabilities	145,565,473
Total Liabilities	170,937,420
NET ASSETS	
Without Donor Restrictions	58,774,037
With Donor Restrictions	2,496,868
Total Net Assets	61,270,905
Total Liabilities and Net Assets	$ 232,208,325

See accompanying Notes to Consolidated Financial Statements.

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contract Revenues:			
Grants and Contracts	$ 10,467,531	$ 1,225,000	$ 11,692,531
Cost Reimbursement	23,921,142	-	23,921,142
Fee for Service	25,647,797	-	25,647,797
Total Contract Revenues	60,036,470	1,225,000	61,261,470
Noncontract Revenues:			
Rental Income	18,769,961	-	18,769,961
Development Fees	1,736,638	-	1,736,638
Client Fees	1,728,653	-	1,728,653
Donations	1,243,544	-	1,243,544
Fundraising	674,677	-	674,677
In-Kind	739,772	-	739,772
Sales of Inventory	2,083,916	-	2,083,916
Other Revenues	1,815,209	-	1,815,209
Total Noncontract Revenues	28,792,370	-	28,792,370
Other Revenues:			
Gain on Sale of Assets	16,805,248	-	16,805,248
Investment Income (Loss)	(106,672)	-	(106,672)
Interest Income	1,703,529	-	1,703,529
Total Other Revenues	18,402,105	-	18,402,105
Net Assets Released from Restrictions	2,259,030	(2,259,030)	-
Total Revenues	109,489,975	(1,034,030)	108,455,945
OPERATING EXPENSES			
Program Services	78,851,914	-	78,851,914
General and Administrative	12,670,470	-	12,670,470
Fundraising	1,690,905	-	1,690,905
Total Operating Expenses	93,213,289	-	93,213,289
NONOPERATING ACTIVITY			
Loss on Sale of Assets, Net	(356,081)	-	(356,081)
Impairment Loss on Real Estate	(18,373)	-	(18,373)
Net Nonoperating Activity	(374,454)	-	(374,454)
CHANGE IN NET ASSETS	15,902,232	(1,034,030)	14,868,202
Net Assets - Beginning of Year	42,871,805	3,530,898	46,402,703
NET ASSETS - END OF YEAR	$ 58,774,037	$ 2,496,868	$ 61,270,905

See accompanying Notes to Consolidated Financial Statements.

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2020

	CPLC Community Schools	Prestamos	Friendship	Behavioral Health	Health and Human Services	Single Family Housing and Counseling	Corporate: Public Relations and Fund Raising	Corporate: Management and General	La Causa	Economic Development	CPLC Nevada
SUPPORT AND REVENUES											
Contract Revenues:											
Grants and Contracts	$ 2,400,792	$ 2,589,775	$ -	$ 495,589	$ 2,040,049	$ 321,933	$ -	$ 164,950	$ -	$ 1,088,352	$ 1,522,346
Cost Reimbursement	-	654,569	-	-	22,766,024	360,606	-	7,479	-	-	94,217
Fee for Service	-	-	4,920	10,676,526	2,454,967	118,250	-	15,954	10,846,672	-	3,050
Total Contract Revenues	2,400,792	3,244,344	4,920	11,172,115	27,261,040	800,789	-	188,383	10,846,672	1,088,352	1,619,613
Noncontract Revenues:											
Rental Income	28,800	-	-	-	813	-	-	-	-	42,138	-
Development Fees	-	-	-	-	-	-	-	1,004,143	341,638	824,143	-
Client Fees	-	750,089	100,118	36,996	729,558	57,225	-	440,968	-	-	1,679
Donation	16,168	147,500	-	53,513	221,482	20,817	28,723	975,206	-	64,378	12,008
Fund Raising	-	-	-	-	1,573	-	569,879	100,000	-	-	3,000
In-Kind	-	-	-	-	57,402	-	-	641,345	-	-	41,025
Sales of Inventory	-	-	-	-	-	-	-	-	-	(6,798,940)	-
Other Revenues	30,377	16,800	234	10,010	3,874	850	814,616	6,443,557	(40)	-	10,398
Total Noncontract Revenues	75,345	914,389	100,352	100,519	1,014,702	78,892	1,413,218	9,605,219	341,598	(5,868,281)	68,110
Other Revenues:											
Gain on Sale of Assets	-	42,585	-	-	-	-	-	-	-	-	-
Intercompany Dividend Income	-	-	-	-	-	-	-	559,324	-	-	-
Investment Income (Loss)	-	39,964	-	-	3,968	-	-	182,413	-	111,386	-
Interest Income	-	1,942,184	-	-	-	-	-	88,304	3	-	-
Total Other Revenues	-	2,024,733	-	-	3,968	-	-	830,041	3	111,386	-
Total Support and Revenues	2,476,137	6,183,466	105,272	11,272,634	28,279,710	879,681	1,413,218	10,623,643	11,188,273	(4,668,543)	1,687,723

See accompanying Notes to Consolidated Financial Statements.

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2020

	CPLC New Mexico, Inc.	CPLC Health Inc. (AZRA)	NSP II	Multifamily Properties and Property Management	Commercial Properties and Property Management	Single Family Residential	CPLC Texas	CPLC Action Fund	Other	Eliminations	Total
SUPPORT AND REVENUES											
Contract Revenues:											
Grants and Contracts	$ 114,750	$ 10,000	$ -	$ 3,750	$ -	$ 840,245	$ -	$ 100,000	$ -	$ -	$ 11,692,531
Cost Reimbursement	-	-	-	-	-	1,566,171	2,287	-	-	(1,530,211)	23,921,142
Fee for Service	3,147,457	-	-	-	-	386,602	-	-	-	(2,006,601)	25,647,797
Total Contract Revenues	3,262,207	10,000	-	3,750	-	2,793,018	2,287	100,000	-	(3,536,812)	61,261,470
Noncontract Revenues:											
Rental Income	2,199	-	-	17,235,414	2,864,106	399,758	-	-	-	(1,803,267)	18,769,961
Development Fees	-	-	-	-	-	-	-	-	-	(433,286)	1,736,638
Client Fees	84,155	-	-	1,743,048	-	(743)	-	-	-	(2,214,440)	1,728,653
Donation	397,255	55,000	-	194,433	-	1,574	-	-	-	(944,513)	1,243,544
Fund Raising	-	-	-	-	-	225	-	-	-	-	674,677
In-Kind	-	-	-	-	-	-	-	-	-	-	739,772
Sales of Inventory	-	-	18,672,994	-	-	(80,000)	-	-	-	(9,710,138)	2,083,916
Other Revenues	24,335	(7,386)	-	1,653,214	34,981	4,354	-	-	79	(7,225,044)	1,815,209
Total Noncontract Revenues	507,944	47,614	18,672,994	20,826,109	2,899,087	325,168	-	-	79	(22,330,688)	28,792,370
Other Revenues:											
Gain on Sale of Assets	-	-	-	16,220,653	-	-	-	-	-	542,010	16,805,248
Intercompany Dividend Income	75,000	-	-	-	-	667,331	-	-	-	(1,301,655)	-
Investment Income (Loss)	(209,403)	-	-	-	-	-	-	-	-	(235,000)	(106,672)
Interest Income	-	-	-	2,975	105	9,167	-	-	-	(339,209)	1,703,529
Total Other Revenues	(134,403)	-	-	16,223,628	105	676,498	-	-	-	(1,333,854)	18,402,105
Total Support and Revenues	3,635,748	57,614	18,672,994	37,053,487	2,899,192	3,794,684	2,287	100,000	79	(27,201,354)	108,455,945

See accompanying Notes to Consolidated Financial Statements.

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2020

							Corporate				
	CPLC Community Schools	Prestamos	Friendship	Behavioral Health	Health and Human Services	Single Family Housing and Counseling	Public Relations and Fund Raising	Management and General	La Causa	Economic Development	CPLC Nevada
OPERATING EXPENSES											
Salaries and Wages	$ 908,096	$ 1,361,434	$ 37,086	$ 6,511,078	$ 15,814,621	$ 523,127	$ 907,751	$ 6,485,924	$ 918,777	$ 726,057	$ 792,331
Payroll Taxes	59,292	115,102	3,082	549,908	1,456,266	50,892	85,109	43,419	83,343	65,806	66,588
Fringe Benefits	134,622	106,371	(2,643)	704,848	2,503,883	89,739	126,497	965,167	103,119	80,204	36,144
Contractor Expense	-	-	-	-	-	-	-	-	8,174,487	-	-
Professional Fees	316,109	358,825	1,775	168,064	252,134	9,304	24,999	1,483,694	229,226	153,882	45,935
Management Fees	-	262,545	-	-	18,800	-	-	-	-	-	-
Staff Development	7,901	66,866	33	37,986	144,129	1,206	11,821	290,900	16,528	5,881	3,822
Property Administration	-	-	-	-	-	-	-	-	-	-	-
Travel	1,530	61,056	-	92,037	282,469	10,248	20,648	328,887	41,148	25,877	23,722
Advertising and Marketing	18,887	16,599	984	37,311	100,423	404	220,412	349,998	991	74	16,905
Administrative Costs	320,541	360,784	13,928	1,554,223	3,852,030	133,350	-	-	271,924	165,678	114,693
Occupancy	364,962	93,066	7,022	630,992	662,201	85,241	47,506	448,361	51,581	44,534	42,355
Insurance and Taxes	6,953	22,221	34,636	44,903	266,132	11,444	3,402	256,837	104,404	63,107	2,218
Utility Expenses	32,258	7,092	1,877	84,293	382,674	4,550	2,980	44,557	1,371	2,759	4,030
Repairs and Maintenance	-	7,032	60	115,957	298,667	6,098	-	17,590	9,889	(760)	427
Office Expenses	12,955	38,768	25	48,446	219,399	4,774	2,625	73,998	22,577	2,452	20,011
Furniture and Fixtures	-	17,554	-	15,165	45,895	-	-	38,918	1,352	-	22,877
Technology and Communication	60,991	98,291	6,220	391,405	550,121	25,525	21,572	301,434	17,315	23,197	37,824
Consumable Supplies	22,936	1,284	2,020	186,278	1,255,889	5,840	3,957	53,774	7,898	2,629	7,610
Monetary Assistance	8,535	460,796	3	43,608	1,004,553	123,061	203,398	164,521	407,010	-	165,851
Miscellaneous	31,949	26,383	80	6,774	119,609	626	1,012	125,831	32,133	453	1,962
Program Construction	-	-	-	-	1,500	744	-	-	1,304	7,105	-
Donated Materials and Services	-	-	-	-	61,628	-	-	641,345	-	-	41,025
Depreciation	19,481	-	12,742	15,870	297,327	-	-	259,952	3,297	-	504
Interest expense	-	563,349	-	-	13,185	(301)	-	316,479	43,517	52,972	-
Bad Debt Expense (Recovery)	15,099	414,776	(613,534)	615,913	(8,430)	(3,787)	7,216	(21,116)	-	49,030	1,407
Total Operating Expenses	2,343,097	4,460,194	(494,604)	11,855,059	29,595,105	1,082,085	1,690,905	12,670,470	10,543,191	1,470,937	1,448,241
NONOPERATING ACTIVITY											
Gain/Loss on Sale of Assets, Net	-	-	-	-	-	(24,808)	-	7,999	(512,341)	41,010	-
Impairment Loss on Real Estate	-	-	-	-	-	-	-	-	-	-	-
Net Nonoperating Activity	-	-	-	-	-	(24,808)	-	7,999	(512,341)	41,010	-
CHANGE IN NET ASSETS	$ 133,040	$ 1,723,272	$ 599,876	$ (582,425)	$ (1,315,395)	$ (227,212)	$ (277,687)	$ (2,038,828)	$ 132,741	$ (6,098,470)	$ 239,482

See accompanying Notes to Consolidated Financial Statements.

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL REVENUES AND EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2020

	CPLC New Mexico, Inc.	CPLC Health Inc. (AZRA)	NSP II	Multifamily Properties and Property Management	Commercial Properties and Property Management	Single Family Residential	CPLC Texas	CPLC Action Fund	Other	Eliminations	Total
OPERATING EXPENSES											
Salaries and Wages	$ 496,879	$ 246,182	$ -	$ 3,731,907	$ 196,525	$ 215,713	$ 31,831	$ -	$ (46)	$ -	$ 39,905,273
Payroll Taxes	43,205	24,649	-	384,956	17,666	22,548	2,636	-	(105)	-	3,074,362
Fringe Benefits	31,797	14,114	-	634,179	25,498	24,830	633	-	76	-	5,579,078
Contractor Expense	-	-	-	-	-	-	-	-	-	(1,271,653)	6,902,834
Professional Fees	2,638,043	2,237	-	405,297	40,345	38,511	-	4,850	1,148	(2,187,788)	3,986,590
Management Fees	-	-	-	1,137,557	330,767	141,651	-	-	-	(1,776,636)	114,684
Staff Development	6,097	1,656	-	38,383	590	3,129	-	-	-	-	636,928
Property Administration	-	-	-	118,359	(20)	-	-	-	-	-	118,339
Travel	66,314	6,120	-	52,434	-	28,013	1,038	-	826	-	1,042,367
Advertising and Marketing	13,136	685	-	306,863	1,529	732	34	500	331	-	1,086,798
Administrative Costs	135,899	46,189	-	170,638	-	62,832	-	-	-	(7,182,042)	20,667
Occupancy	81,561	8,912	-	35,100	-	2,110	3,548	-	-	(1,803,267)	805,785
Insurance and Taxes	28,167	7,743	-	1,354,799	693,578	160,355	908	-	57,182	-	3,118,989
Utility Expenses	12,305	-	-	2,924,360	217,678	14,160	-	-	6,785	-	3,743,729
Repairs and Maintenance	5,275	150	-	2,651,605	363,854	60,264	-	-	6,077	-	3,542,185
Office Expenses	3,081	1,771	-	75,915	-	3,669	1,718	-	75	-	532,259
Furniture and Fixtures	254	-	-	128	-	-	-	-	-	-	142,143
Technology and Communication	18,178	22,220	-	170,645	26,476	17,687	3,963	-	2,515	-	1,795,579
Consumable Supplies	3,049	5,397	-	10,814	-	8,551	-	-	-	-	1,577,926
Monetary Assistance	-	-	-	108,966	-	798,869	-	-	-	(944,513)	2,544,658
Miscellaneous	10,466	756	-	10,018,941	855	47,718	-	-	-	(10,171,443)	254,105
Program Construction	-	-	1,817,048	-	-	18,663	-	-	-	(1,530,211)	316,153
Donated Materials and Services	-	-	-	-	-	-	-	-	-	-	743,998
Depreciation	56,029	-	-	3,499,165	1,164,571	214,238	-	-	88,809	(199,206)	5,432,779
Interest expense	-	-	-	4,252,062	642,673	99,687	-	-	(23,685)	(339,209)	5,620,729
Bad Debt Expense (Recovery)	(2)	-	(12,898)	79,803	40,607	8,749	-	-	1,519	-	574,352
Total Operating Expenses	3,649,733	388,781	1,804,150	32,162,876	3,763,192	1,992,679	46,309	5,350	141,507	(27,405,968)	93,213,289
NONOPERATING ACTIVITY											
Gain/Loss on Sale of Assets, Net	-	-	-	-	(18,228)	(65,878)	-	-	-	216,165	(356,081)
Impairment Loss on Real Estate	-	-	-	-	-	(18,373)	-	-	-	-	(18,373)
Net Nonoperating Activity	-	-	-	-	(18,228)	(84,251)	-	-	-	216,165	(374,454)
CHANGE IN NET ASSETS	$ (13,985)	$ (331,167)	$ 16,868,844	$ 4,890,611	$ (882,228)	$ 1,717,754	$ (44,022)	$ 94,650	$ (141,428)	$ 420,779	$ 14,868,202

See accompanying Notes to Consolidated Financial Statements.

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 14,868,202
Adjustment to Reconcile Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	5,432,779
Realized/Unrealized Loss on Investments	122,635
Change in Allowance for Doubtful Accounts and Provision for Loan Loss	574,352
Gain on Sale of Assets, Net	(16,449,167)
Impairment Loss on Real Estate	18,373
Amortization of Loan Issuance Costs	266,949
Forgivable Loan Principal Reduction	(51,643)
(Increase) Decrease in Assets:	
Grants and Contracts, Net	(1,731,981)
Interest Receivable	(123,424)
Other Receivables, Net	(182,381)
Prepaid Expenses	292,123
Related Party Receivables, Net	(45,633)
(Increase) Decrease in Liabilities:	
Accounts Payable and Accrued Expenses	845,496
Deferred Revenue	(140,660)
Other Liabilities	(466,372)
Net Cash Provided by Operating Activities	3,229,648
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Real Estate and Property and Equipment	(6,481,341)
Proceeds from Sale of Real Estate and Property and Equipment	22,381,188
Purchases of Investments	(3,071,040)
Proceeds from Sales of Investments	2,048,893
Purchases of Real Estate Held for Sale	(6,549,402)
Proceeds from Sales of Real Estate	1,723,500
Change in Deposits and Funded Reserves	859,305
Payments Received from Notes Receivable	3,989,626
Issuances of Notes Receivable	(24,237,815)
Change in Other Assets	124,832
Net Cash Provided by Investing Activities	(9,212,254)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Mortgages and Other Debt Borrowings	23,381,373
Payments on Mortgages and Other Debt	(16,846,228)
Debt Issuance Costs	(15,963)
Proceeds from Lines of Credit	18,116,568
Net Cash Provided by Financing Activities	24,635,750
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,653,144
Cash and Cash Equivalents - Beginning of Year	14,861,960
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 33,515,104

See accompanying Notes to Consolidated Financial Statements.

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2020

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash Paid for Interest	$ 5,620,729
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES	
Real Estate Held for Sale Transferred to Rental Real Estate	$ 532,705
Purchase of Property Through Debt Issuance	$ (1,769,022)
Repayment of Debt Through Sale of Property	$ 30,827,468
Cash and Cash Equivalents Consist of the Following:	
Cash and Cash Equivalents	$ 30,426,491
Restricted Cash	395,623
Cash Held for Loan Programs	2,692,990
Total Cash and Cash Equivalents	$ 33,515,104

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Chicanos Por La Causa, Inc. (CPLC or the Organization) is an Arizona statewide community development corporation (CDC) with operations in Nevada, New Mexico and Texas, committed to building stronger, healthier communities as a lead advocate, coalition builder, and direct service provider. CPLC promotes positive change and self-sufficiency to enhance the quality of life for the benefit of those they serve. The objective of CPLC and its subsidiaries and affiliates (collectively referred to as CPLC or Organization) is the accumulation of a sufficient capital asset base to continually advance the mandate for self-sufficiency, as stated in Title VII of the Community Services Act of 1974 (Title VII). CPLC receives substantially all of its revenue from government contracts and rental income from its real estate properties.

Principles of Consolidation

The accompanying consolidated financial statements include the financial statements of CPLC and its subsidiaries, Futuro Investments Corp. (FIC); Tiempo, Inc. (Tiempo); La Causa Realty, LLC (LCR); La Causa Development, LLC (LCD); Futuro Camion Services, LLC; Liberty-Irvington, LLC; Friendship Community Mental Health Center (FCMHC); Prestamos CDFI, LLC (PC); La Causa Construction (LCC); San Marina Apartments, LLC; San Marina Affordable Apartments, LLC (SM); Casa Loma Affordable Apartments, LLC (CL); Glenrosa Affordable Apartments, LLC (GA or La Buena Vida); Hazelwood Affordable Apartments, LLC (HA or Starlight); Bella Vista Management LLC and Bella Vista Properties I Limited Partnership; Villa Las Vegas Limited Partnership; Ladera Village Limited Partnership; Mountain Pointe Apartments LIHTC, LLC and Mountain Pointe Apartments, LP; CPLC Donation Partners, LLC (DP); CPLC Housing Partners, LLC; Casa de Primavera Apartments, LLC (COP); Gran Victoria Housing, LLC (GV); CPLC Estancia, LLC; CPLC Housing & Health, LLC; Central and Grant Plaza, LLC; CPLC Fountain Villas, LLC; Chicanos por la Causa Land Bank, LLC; CPLC Holding and Asset Management Company, LLC; CPLC Land Bank Manager, LLC; Futuro Equity Fund, LLC; CPLC NM Community Stabilization Partners, LLC (CS); CPLC Pickle House, LLC; 59TH Avenue and Roosevelt, LLC; Nuevas Vistas on Main, LLC (Mesa Royal); CPLC 1551 W. Van Buren, LLC; CPLC Pastor Court, LLC; Vista Village on Van Buren, LLC (Travel Inn); CPLC Shouse, LLC; CPLC 25th and Bell LLC; La Causa Development Nevada, LLC; La Causa Realty Nevada, LLC ;CPLC Main and Country LLC and Main and Country Club, LLC, CPLC Prestamos, Mesa Royale East Motel LLC, CPLC Southwest Charter Schools, LLC, CPLC Broadway Revitalization LLC and CPLC Mesa 5th Place LLC.

Also included in the accompanying consolidated financial statements are the assets, liabilities, and net assets of eleven affiliates which are under common control, and in which CPLC possess an economic interest. These include CPLC Community Schools (CCS); Santa Cruz Apartments, Inc. (SC); Causa Community Development, Inc. (CCD); Pueblo Senior Housing, Inc. (PSH); Casa Del Pueblo II, Inc. (PSH II); Casa Mia Senior Apartments, Inc. (CM); CPLC New Mexico, Inc.; and CPLC Nevada, Inc. (CPLC Nevada); CPLC Action Fund, CPLC Health Inc. (ARZA Home Health LLC) and CPLC Texas Inc. SC owns the Santa Cruz apartment complex; CCD owns the Guadalupe Barrio Nuevo apartment complex; and PSH owns the Casa Del Pueblo apartment complex. All significant inter-organization transactions and accounts have been eliminated in consolidation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation (Continued)

The consolidated financial statements of Chicanos Por La Causa, Inc. and Subsidiaries and Affiliates have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

Basis of Presentation

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to nonprofit organizations. The Organization's consolidated financial statements are prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents. Restricted cash consists of funds held for the Classroom Site Fund, for use solely at school sites. These funds are available for teacher compensation increases, employment related expenses and maintenance and operations purposes including classroom size reduction

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Held for Loan Programs

CPLC receives loans and grant funds from various sources to be used for loans to new or existing small businesses or as cash reserves for loan losses. These loans are included in mortgages payable in the accompanying consolidated statement of financial position. The funds are maintained in separate bank accounts. As of June 30, 2020, CPLC had $2,126,603 in these accounts as cash designated for lending that are to be used to fund additional loans and $566,387, as cash held for loan loss reserves.

Grants and Contracts Receivable

Grants and contracts receivable consist primarily of amounts due from state and federal agencies for the provision of services; accordingly, credit risk is limited. Receivables are stated at the amount management expects to collect. Management provides for probable uncollectible amounts through a decrease to earnings and an increase to the allowance for uncollectible accounts based on its assessment of the current status of individual receivables. The allowance for uncollectible receivables was $352,367 as of June 30, 2020.

CPLC recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met. Federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at June 30, 2020, conditional contributions approximating $4,189,423, of which no amounts had been received in advance, have not been recognized in the accompanying consolidated financial statements.

Notes Receivable

Notes receivable consists of loans made to small businesses. They are reported at their outstanding unpaid principal balance adjusted for the notes allowance for notes receivable credit losses.

Interest income is accrued on the unpaid principal balance. The accrual of interest on loans is discontinued at the time the loan is 90 days delinquent unless the credit is well secured and in process of collection. Past due status is based on contractual terms of the loan. Loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged-off is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The Organization has determined that the accounting for nonrefundable fees and costs associated with originating or acquiring loans does not have a material effect on its consolidated financial statements. As such, these fees and costs have been recognized during the period they are collected and incurred, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Notes Receivable Credit Losses

The allowance for notes receivable credit losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for notes receivable credit losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers nonimpaired loans and is based on historical loss rates for each portfolio segment, adjusted for the effects of qualitative or environmental factors that are likely to cause estimated credit losses as of the evaluation date to differ from the portfolio segment's historical loss experience. Qualitative factors include consideration of the following: changes in lending policies and procedures; changes in economic conditions; changes in the nature and volume of the portfolio; changes in the experience, ability and depth of lending management and other relevant staff; changes in the volume and severity of past due, nonaccrual and other adversely graded loans; changes in the loan review system; changes in the value of the underlying collateral for collateral-dependent loans; and concentrations of credit and the effect of other external factors such as competition and legal and regulatory requirements.

Investments in Limited Liability Companies

The Organization is the sole member of six limited liability companies (LLCs): Casa De Encanto Operating Company, LLC; Casa De Flores Operating Company, LLC; Guadalupe Huerta Operating Company, LLC; Rosa Linda Operating Company, LLC; Mountain Pointe Apartments LIHTC Phase II, LLC and Highland Manager, LLC. These LLCs have virtually no assets or liabilities as of June 30, 2020. These LLCs manage the general partnership interest for Casa De Encanto Senior Apartments LIHTC, LP; Casa De Flores Senior Apartments LIHTC, LP; Guadalupe Huerta Senior Apartments LIHTC, LP; Rosa Linda Senior Apartments LIHTC, LP; Mountain Pointe Apartments Phase II, LP and Highland at Vista, LLC. The LLCs have 0.01% general partner interest in each of the Partnerships, and have minimal assets, liabilities, revenue, and expenses.

In October 2017, the Organization invested $412,871 into Courtyard at Encanto, LLC, which is the owner of a 160-unit multifamily apartments. The investment represented 15% ownership of the LLC.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in Affiliated Entities

The equity method of accounting is used when the Organization has 20% to 50% interest in other entities. Under the equity method, original investments are recorded at cost and adjusted for the Organization's share of undistributed earnings or losses of these entities. Nonmarketable investments in which the Organization has less than a 20% interest and in which it does not have the ability to exercise significant influence over the investee are initially recorded at cost, and periodically reviewed for impairment.

Investments in Debt and Equity Securities

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statement of financial position. Net investment return/(loss) is reported in the consolidated statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Real Estate Held for Sale

Real estate held for sale is stated at lower of cost or market and includes foreclosed properties, land under development, developed lots, direct and indirect costs of housing construction and interest, and overhead costs incurred during the development period. Cost is determined by the specific identification method.

Real Estate Properties and Property and Equipment

The Organization records real estate properties and property and equipment additions over $5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from five to forty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful lives of the assets or the lease terms. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the consolidated statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of real estate property and property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. During the year ended June 30, 2020, the Organization recognized an impairment loss of $18,373.

Deposits and Funded Reserves

Deposits and funded reserves are assets whose use is limited and are held by trustees under third-party debt agreements. Deposits consist of escrow and security deposits, and reserves are required for property replacements and repairs.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which approximates the effective interest method. Debt issuance costs are included within long-term debt on the consolidated statement of financial position. Amortization of debt issuance costs is included in interest expense.

Deferred Revenue

Each month, the Organization receives block payment funding for behavioral health services from the Regional Behavioral Health Authority (RBHA) in Maricopa County. These funds are considered earned if total service claims generated equal or exceed the block payments. If service claims are insufficient, the RBHA has the contractual right to recoup the fund or characterize the deficiency as deferred revenue with an authorization to use the funding in the next fiscal year. For the year ended June 30, 2020, the Organization has a service claim deficiency balance of $2,127,838.

Prestamo CDFI, LLC participated in Paycheck Protection Program (PPP) lending, which was based on the Coronavirus Aid Relief and Economic Security Act (the "CARES" act) in the last quarter of fiscal year 2020. For each approved PPP loan, the Small Business Administration (SBA) covered a percentage of the loan principal balance as a loan processing fee to the organization. The fee is amortized through the term of each PPP loan. As of June 30, 2020, the Organization received $748,661 from SBA, $21,343 was recognized as loan fee revenue and $727,318 was recorded as deferred revenue.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Management Fee Revenue

Management fee revenue consists primarily of development fees related to property acquisition and construction development and property management activities for real estate and New Market Tax Credit Community Development Entity (CDE) Sponsor Fees and CDE Asset Management Fees earned from the Sub-CDEs. Management fees related to charges to real estate properties are eliminated in consolidation. CDE Sponsor Fees are recognized when an investor makes a qualified equity investment in a Sub-CDE or is otherwise earned in accordance with the terms of the individual CDE Fee Agreement. CDE Asset Management Fees are recognized as services are performed and collectability is reasonably assured.

Rental Income Revenue Recognition

Rental income revenue consists primarily of rental receipts from tenants and Section 8 housing subsidy payments and/or mortgage guarantees under CPLC's contracts with the U.S. Department of Housing and Urban Development (HUD). Revenue is recognized monthly in accordance with the lease agreement or contract. As of June 30, 2020, amounts due from tenants and/or HUD are included within grants and contracts receivables.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rental Income Revenue Recognition (Continued)

These receivables are evaluated by management on an annual basis accordingly, an allowance for doubtful accounts was setup. As of June 30, 2020, the allowance for doubtful accounts balance was $56,245.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by accounting principles generally accepted in the United States of America. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received. The Organization received airtime and production costs valued at $739,772 for the year ended June 30, 2020. The revenues and expenses for these contributions are recorded in management and general in the consolidated statement of functional revenue and expenses.

Advertising and Marketing Costs

Advertising and marketing costs are charged to operations when incurred. Advertising and marketing costs charged to operations were $1,086,798 for the year ended June 30, 2020.

Benefits

The Organization has a partially self-insured health benefit program covering medical and prescription claims. The plan includes a stop-loss provision that insures claims exceeding $175,000.

The Plan offers health benefits to regular, full-time employees working 30 or more hours per week and their beneficiaries and covered dependents once a 90-day waiting period is met. The cost of health care services is recognized as a deduction in the period in which it is provided to participants. Liabilities for health claims incurred but not reported are estimated based on historical claims and industry trends.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The consolidating statement of functional revenues and expenses presents the natural classification detail of revenues and expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation methods used are subject to a degree of estimation by management. Directly identifiable expenses are charged to program and supporting services. Salary and related expenses related to more than one function are charged to program and supporting services on the basis of direct time and effort reporting. Management and general expenses include those expenses that are not directly identifiable to any other specific function but provide for the overall support and direction of the Organization.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 a number of 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.

Income Taxes

CPLC, SC, CCD, PSH, PSH II, CPLC SW, CM, CPLC New Mexico, CCS, CPLC Nevada, CPLC Health Inc. CPLC Texas Inc. and CPLC Action Fund are organized as nonprofit corporations and have been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as organizations described in Section 501(c)(3) and Section 501(c)(4) and have been determined not to be private foundations. Accordingly, contributions to them qualify for the charitable contribution deduction under Section 170(b)(1)(A). Each entity is annually required to file a Return of Organization Exempt from Income Tax with the IRS.

GV, CPLC Nevada, PC, SM, CL, GA, HA, COP, DP, Chicanos por la Causa Land Bank, LLC; CPLC Holding and Asset Management Company, LLC; CPLC Land Bank Manager, LLC; CPLC Housing & Health, LLC; CPLC Villas, LLC, San Marina Apartments, LLC; 59TH Avenue and Roosevelt, LLC; Nuevas Vistas on Main, LLC (Mesa Royal); CPLC 1551 W. Van Buren, LLC; Vista Village on Van Buren, LLC; CPLC Shouse, LLC; CPLC 25th and Bell LLC; CPLC Southwest Charter Schools, LLC, CPLC Broadway Revitalization LLC and CPLC Mesa 5th Place LLC are organized as Limited Liability companies whose sole member is CPLC. CPLC Estancia and CPLC Fountain Villas are organized as a Limited Liability whose sole member is CPLC Housing & Health, LLC. Futuro Equity Fund is organized as an LLC whose sole member is PC. For income tax purposes, they are disregarded entities and are treated as departments of CPLC. Bella Vista Properties I LP is organized as a limited partnership whose sole partner is CS. For income tax purposes, it is a disregarded entity and treated as a department of CS. Villa Las Vegas, NM; Bella Vista Management, LLC; Ladera Village, LLC, and CS are organized as Limited Liability Companies whose sole member is CPLC New Mexico, Inc. Accordingly, the disregarded LLCs are exempt from income taxes under the applicable sections of the IRC and the Arizona Revised Statutes. In addition, the entities are generally subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. CPLC and affiliates have determined it does not have any taxable unrelated business income and they have not filed Exempt Organization Business Income Tax Returns.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

FIC, a for-profit company, files a consolidated income tax return with its subsidiaries, Tiempo, Futuro Camion Servicios, LLC; LCC; LCD; LCD Nevada; LCR; LCR NV; Liberty-Irvington, LLC; Central and Grant Plaza, LLC; CPLC Main and Country Club LLC; Main and Country Club LLC Mesa Royale East Motel LLC, are organized as Limited Liability Companies whose sole member is FIC. For income tax purposes, they are disregarded entities and are treated as departments of FIC. Friendship Community Mental Health Center, Inc.; and CPLC Prestamos are each separately taxable corporations and are responsible for filing their own income tax returns.

The Organizations have sustained operating losses in previous and current years from its for-profit subsidiaries and have loss carryforwards aggregating approximately $2.43 million dollars. Capital loss carryforwards ($524,081) expire in 2022. Net operating losses ($2.43 million) expire in years through 2038. There are also charitable contribution carryovers of approximately $1 million that expire in years through 2022. The loss carryforwards generate a deferred tax asset that may be realized in future years. It is the opinion of management that it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Organization has elected to record a valuation allowance to reduce any deferred tax assets to zero as of June 30, 2020.

The Organization believes that it has appropriate support for any income tax positions taken and, as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The entities would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Change in Accounting Principle

In 2020, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 208-08, *Not-for-Profit-Entities* (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.* There was no material impact on the Organization's financial position or change in net assets upon adoption of the new standard.

NOTE 2 LIQUIDITY AND AVAILABILITY

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

Cash and Cash Equivalents	$ 30,426,491
Receivables	7,563,249
Investments in Debt and Equity Securities	3,762,069
Less: Net Assets With Donor Restrictions, Net of Restricted Cash	(2,101,245)
Total	$ 39,650,564

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

In addition to cash on hand, the Organization has a $3.5 million operating line of credit with Wells Fargo bank which is available for general operating expenditures. As of June 30, 2020, the line of credit had an outstanding balance of $1,301,023.

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES

Fair value measurement applies to reported balances that are required or permitted to be measured at fair value under an existing accounting standard. The Organization emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities may include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability.

The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

The following table summarizes the valuation of CPLC's assets and liabilities subject to measurements at fair value on a recurring basis as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Fixed Income Securities	$ 92,714	$ -	$ -	$ 92,714
Government and Agency Securities	580,105	-	-	580,105
Corporate Bonds	-	520,666	-	520,666
Equities - Common Stock	2,351,872	-	-	2,351,872
Mutual Funds	200,555	-	-	200,555
Arizona Community Foundation	-	-	16,157	16,157
Total Investments at Fair Value	$ 3,225,246	$ 520,666	$ 16,157	$ 3,762,069

The following table presents the fair value hierarchy for the balances of financial assets measured at fair value on a nonrecurring basis as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
Real Estate Held for Sale	$ -	$ -	$ 276,720	$ 276,720
Impaired Loans	-	-	204,115	204,115
Total Assets at Fair Value	$ -	$ -	$ 480,835	$ 480,835

The fair value of impaired loans is estimated based on either the loan's obtainable market price of the fair value of the collateral if the loan is collateral dependent or the discounted cash flows of future payments. Each method contains significant unobservable inputs and thus is classified as Level 3 fair value measurement.

A portion of the real estate held for sale is based on what the local markets are currently offering for assets with similar characteristics, less costs to sell, which CPLC classifies as Level 3 fair value measurement. The most common approach is through appraisals which are evaluated for various factors including age of the appraisal, age of comparables included in the appraisal, and known changes in the market and in the collateral.

A summary of unobservable inputs for Level 3 assets measured at fair value on a nonrecurring basis as of June 30, 2020, are as follows:

	Valuation Technique	Unobservable Inputs	Range (Weighted Average)
Real Estate Held for Sale	Collateral Valuation	Discount from Market Values	70% to 100% 70%
Impaired Loans	Collateral Valuation	Discount from Market Values	90% to 100% 90%

NOTE 4 RELATED PARTY ACCOUNTS RECEIVABLE

Related party receivables consist of amounts due from low income housing real estate projects that CPLC has invested in or nonprofit organizations which CPLC holds membership in. These receivables primarily result from development fees earned at the inception of these projects and funds advanced to the projects. Related party receivables are stated at the amount management expects to collect and management provides an allowance for uncollectible accounts. The allowance for uncollectible related party receivables was $104,886 as of June 30, 2020.

Casa de Encanto	$ 104,795
Casa de Flores	5,728
Rosa Linda/Gene Rice	615,810
Guadalupe Huerta	8,151
Mountain Pointe Phase II	391,001
Courtyard at Encanto	19,789
Other Related Party Receivables	150,632
Total Related Party Accounts Receivable	1,295,906
Less: Allowance	(104,886)
Related Party Accounts Receivable, Net	$ 1,191,020

The above accounts receivable are unsecured and have no repayment terms.

NOTE 5 REAL ESTATE PROPERTIES

Santa Cruz Apartments, organized by SC, has 132 units and is not a HUD property. Vue Nineteen 01 Apartments (289 units) and Grandes Cortez Apartments (151 units), organized under Gran Victoria LLC, are market rate properties. Casa de Primavera (COP) and Casa Del Pueblo II (CDP II), projects of CPLC, operate apartment complexes of 162 and 38 units, respectively, under Section 202 of The National Housing Act of 1959. Casa Del Pueblo, organized by PSH, has 58 units and is operated under Section 811 of National Housing Act as amended. Guadalupe Barrio Nuevo Apartments, organized by CCD, has 60 units and is operated under Section 207 of the National Housing Act of 1959 and are HUD properties. Casa Mia Senior Apartments has 64 units and is operated under Section 202 of the National Affordable Housing Act, as amended.

The projects are regulated by HUD as to rent charges and operating methods and require maintaining various deposits and reserves in restricted cash accounts. These items are included in deposits and funded reserves in the accompanying consolidated statement of financial position. COP, CDP II, CCD, PSH and Casa Mia have executed rental assistance contracts with HUD whereby HUD provides financial assistance to enable certain private housing to be available to individuals who are elderly, handicapped or low income.

San Marina Affordable Apartments, LLC; Casa Loma Affordable Apartments, LLC; Glenrosa Affordable Apartments, LLC; and Hazelwood Affordable Apartments, LLC were purchased using funds provided under the Neighborhood Stabilization Program Part II. San Marina Affordable Apartments was sold in March 2020.

NOTE 5 REAL ESTATE PROPERTIES (CONTINUED)

During fiscal year 2015, the limited partner of one low-income tax credit apartments transferred 99.99% ownership to CPLC New Mexico, Inc. upon completion of the 15-year compliance period. The apartments are Bella Vista Apartments (40 units) located in Taos, New Mexico.

During 2016, CPLC obtained low interest rate financing from United Health Care to purchase two additional multifamily properties, CPLC Estancia Apartments and CPLC Fountain Villas Apartments. Both apartments are located in the Phoenix Maryvale area and are part of the CPLC community service center program to restore and stabilize the economic environment for the local area.

During fiscal year 2017, the limited partners of two low income tax credit apartments transferred 99.99% ownership to CPLC and CPLC New Mexico, Inc. upon completion of the 15-year compliance period. The two apartments are Mountain Pointe Apartments (108 units located in Nogales, Arizona) and Villa Las Vegas Apartments (60 units located in Las Vegas, New Mexico).

During fiscal year 2020, the limited partners of Ladera Village Apartments transfer 99.99% ownership to CPLC New Mexico, Inc. upon completion of the 15-year compliance period of low-income tax credit. The property has 60 units and is located in Farmington, New Mexico.

In January 2020, CPLC sold a property consisting of multifamily apartments, and recognized a gain of $207,992. The apartments were purchased in February 2018 and were still being renovated when sold, under CPLC's programs to support economic development.

In March 2020, CPLC sold San Marina Apartments, which were a part of CPLC's economic development programs. The sale resulted in a recognition of a gain of $15,949,838 reported in other revenues gain on sale of assets.

The Organization owns different commercial buildings purchased through grants, private mortgages or a combination of both. The buildings are leased to internal programs or to third parties. The Organization also owns single-family rental homes that are leased to unrelated third-party residents.

Real estate properties consisted of the following at June 30, 2020:

Cost and Donated Value:	
Land	$ 18,727,087
Buildings and Improvements	128,401,927
Furniture, Fixtures and Equipment	5,575,115
Construction in Progress	5,980,213
Total Cost and Donated Value	158,684,342
Less: Accumulated Depreciation	(56,953,184)
Real Estate Properties, Net	$ 101,731,158

Depreciation expense on real estate properties charged to operations was $4,877,163 for the year ended June 30, 2020.

NOTE 5 REAL ESTATE PROPERTIES (CONTINUED)

At June 30, 2020, construction in progress consists of renovations of current facilities and development of new facilities. The Organization capitalized $755,579 of interest incurred on construction in progress during the year ended June 30, 2020.

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2020:

Cost and Donated Value:	
Land	$ 1,046,533
Buildings and Improvements	5,928,369
Furniture, Fixtures and Equipment	4,461,477
Vehicles	4,013,444
Construction in Progress	14,627,072
Total Cost and Donated Value	30,076,895
Less: Accumulated Depreciation	(10,551,733)
Property and Equipment, Net	$ 19,525,162

Depreciation expense on property and equipment charged to operations was $555,616 for the year ended June 30, 2020.

At June 30, 2020, construction in progress consisted of renovations of current facilities and development of new facilities. The Organization capitalized $228,581 of interest incurred on construction in progress during the year ended June 30, 2020.

NOTE 7 NOTES RECEIVABLE

Prestamos CDFI, LLC (PC) notes receivable are summarized as follows as of June 30, 2020:

Micro Loans	$ 1,628,644
Business Loans	28,720,684
Paycheck Protection Program (PPP)	15,839,680
Residential Mortgage	70,367
Citizenship Loans (Pilot Program)	14,056
Total Loans	46,273,431
Intercompany Loans (Eliminated in Consolidation)	(2,553,924)
Allowance for Loan Losses	(826,942)
Loans, Net Intercompany and Allowance	$ 42,892,565
Current Portion of Loans	$ 1,753,641

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 7 NOTES RECEIVABLE (CONTINUED)

The following table presents the activity in the allowance for loan losses by portfolio segment for PC for the year ended June 30, 2020 and the balance in the allowance for loan losses and the recorded investment in loans by portfolio segment based on impairment method for PC as of June 30, 2020:

	Micro Loans	Business Loans	Residential Mortgage	Citizenship Loan (Pilot Program)	PPP	Total
Allowance for Credit Losses:						
Balance at Beginning of Year	$ 5,445	$ 500,810	$ 1,428	$ -	$ -	$ 507,683
Charge-Offs	-	(141,619)	-	-	-	(141,619)
Recoveries	77,988	-	-	-	-	77,988
Provisions	(60,343)	443.254	(21)	-	-	382.890
Balance at End of Year	$ 23,090	$ 802,445	$ 1,407	$ -	$ -	$ 826,942
Individually Evaluated for Impairment	$ 12,333	$ 110,987	$ -	$ -	$ -	$ 123,320
Collectively Evaluated for Impairment	10,757	691,458	1,407	-	-	703,622
Balance at End of Year	$ 23,090	$ 802,445	$ 1,407	$ -	$ -	$ 826,942
Loans and Financing Receivables:						
Individually Evaluated for Impairment	$ 40,126	$ 710,466	$ -	$ -	$ -	$ 750,592
Collectively Evaluated for Impairment	1,588,518	28,010,218	70,367	14,056	15,839,680	45,522,839
Balance at End of Year	$ 1,628,644	$ 28,720,684	$ 70,367	$ 14,056	$ 15,839,680	$ 46,273,431

Credit Quality Indicators

PC categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, collateral adequacy, credit documentation, public information, and current economic trends, among other factors. PC analyzes loans individually by classifying the loans as to credit risk. This analysis typically includes micro, business, and residential loans. This analysis is performed on an ongoing basis as new information is obtained. PC uses the following definitions for risk ratings:

Pass – Loans classified as pass represent loans that are evaluated and are performing under the stated terms. Pass rated assets are analyzed by the paying capacity, the current net worth, and the value of the loan collateral of the obligor.

Non-Pass – Loans classified as Non-Pass possess weaknesses that require management attention, such as being inadequately protected by the current net worth, paying capacity of the obligor, or by the collateral pledged. Non pass loans must have a well-defined weakness or weaknesses that jeopardize the repayment of the debt as originally contracted. They are characterized by the distinct possibility that PC may sustain a loss if the deficiencies are not correct. Loans in this category are allocated a specific reserve based on the estimated discounted cash flows from the loan (or collateral value less cost to sell for collateral dependent loans) or are charged off if deemed uncollectible.

NOTE 7 NOTES RECEIVABLE (CONTINUED)

Credit Risk Profile by Internally Assigned Grade – Micro Loans, Business Loans, and Residential Mortgage

A loan is considered impaired when, based on current information and events, it is probable that Prestamos will be unable to collect all the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when they are due. Loans that experience insignificant payment delays and payments shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payments shortfalls on case by case basis, taking into consideration all of the circumstance surrounding the loan and the borrower, including the length of the delay, the reason for the delay, the borrower's prior payments record, and the amount if the shortfall in relation to the principal and interest owed.

Under certain circumstances, Prestamos will provide borrowers relief through loan restructuring. A restructuring of debts constitutes a troubled debt restructuring (TDR) if Prestamos for economic or legal reasons related to the borrower's financial difficulties grants concessions to the borrower that would not otherwise consider. TDR concession can include reduction of interest rates, extension of maturity dates, or payment reduction. Prestamos considers all aspects of the restructuring to determine whether it has granted a concession to the borrower. An insignificant delay in payment resulting from a restructuring is not deemed to be a concession and would not be considered TDR.

On March 22, 2020, Interagency statement of Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus (interagency release) was issued and later revised on April 7, 2020. The Interagency Release seeks to provide relief when structuring loan modification with the borrowers impacted by COVID-19. In order to qualify the modification must be related to COVID-19, the loan was current at the time the modification was implemented, and the modification period must be six months or less. Under the interagency release, these loan modifications are not considered to be TDR's.

Based on the most recent analysis performed, the risk category of loans by class of loans for PC as of June 30, 2020 was as follows:

	Pass	Non Pass
Micro Loans	$ 1,221,255	$ 407,389
Business Loans	27,118,719	1,601,965
Paycheck Protection Program (PPP)	15,839,680	-
Residential Mortgage	70,367	-
Citizenship Loans (Pilot Program)	14,056	-
Total	$ 44,264,077	$ 2,009,354

NOTE 7 NOTES RECEIVABLE (CONTINUED)

Credit Risk Profile by Internally Assigned Grade – Micro Loans, Business Loans, and Residential Mortgage (Continued)

The following table summarizes the aging of the past due loans by loan class within the portfolio segments as of June 30, 2020:

	Still Accruing		
	30 to 89 Days Past Due	Over 90 Days Past Due	Nonaccrual Balance
Micro Loans	$ -	$ -	$ 21,923
Business Loans	-	-	480,466
Residential Mortgage	-	-	-
Total	$ -	$ -	$ 502,389

The following table summarizes individually impaired loans by class of loans as of June 30, 2020:

	Recorded Investments	Unpaid Principal Balance (1)	Average Recorded Investment	Interest Income Recognized
Micro Loans	$ 40,126	$ 40,126	$ 40,126	$ -
Business Loans	710,466	710,466	710,466	-
Total	$ 750,592	$ 750,592	$ 750,592	$ -

(1) Represents the borrower's loan obligation, gross of any previously charge-off amounts.

Impaired loans also include loans modified in a troubled debt restructuring (TDR) where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in interest rate on the loan, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collections.

There were no TDR during the year ended June 30, 2020.

CPLC Consolidated Portfolio

Other notes receivable consisted of the following at June 30, 2020:

Assured Engineering Concepts, LLC (Related Party)	$ 14,000
Tierra Del Sol	245,898
Victoria Foundation	767,949
Other	80,953
Total Other Notes Receivable	1,108,800
Less: Allowance	(767,949)
Other Notes Receivable, Net	$ 340,851
Current Portion of Other Notes Receivable	$ 259,898

There was no change in the allowance account on the above business loans during the year ended June 30, 2020.

NOTE 7 NOTES RECEIVABLE (CONTINUED)

CPLC Consolidated Portfolio (Continued)

CPLC consolidated portfolio consists of the following:

Prestamos CDFI, LLC Portfolio	$ 46,273,431
Other Notes Receivable	1,108,800
Total Notes Receivable	47,382,231
Intercompany Loans (Eliminated in Consolidation)	(2,553,924)
Allowance for Loan Losses	(826,942)
Allowance for Other Notes Receivable	(767,949)
Notes Receivable, Net Intercompany and Allowances	$ 43,233,416
Current Portion of Loans	$ 1,753,641
Current Portion of Other Notes Receivable	259,898
Notes Receivable, Current	$ 2,013,539

NOTE 8 INVESTMENTS IN DEBT AND EQUITY SECURITIES

Investments consisted of the following at June 30, 2020:

Fixed Income Securities	$ 92,714
Government and Agency Securities	580,105
Corporate Bonds	520,666
Equities - Common Stock	2,351,872
Mutual Funds	200,555
Arizona Community Foundation	16,157
Total Investments	$ 3,762,069

NOTE 9 EQUITY METHOD INVESTMENTS

The Organization owns interests in low-income housing real estate projects and other limited liability companies and accounts for these interests using the equity method of accounting.

Summarized below is financial information for equity method investments as of and for the year ended June 30, 2020:

Assured Engineering	$ 174,505
Mi Escuelita	40,328
NALCAB Network Investors, LLC	510,657
Other	4,185
Total	$ 729,675

NOTE 10 LINES OF CREDIT

The Organization has a $3,500,000 line of credit with Wells Fargo, unsecured. Borrowings under the line bear interest equal to prime rate (3.25% at June 30, 2020). Interest is payable monthly and the line of credit matures in December 2020, and as of June 30, 2020 had an outstanding balance of $1,301,023.

The Organization obtained a line of credit from Local Initiatives Support Corporation in the amount of $5,500,000. The loan is secured by real property, bears interest at 5%, and is due at maturity in September 2021. The line of credit is used to fund construction of real estate project in Dayton Nevada and had an outstanding balance of $4,866,193 at June 30, 2020.

The Organization obtained a Paycheck Protection Program Liquidity Facility (PPPLF) advance agreement with Federal Reserve Bank in May 2020. The Paycheck Protection Program Liquidity Facility (PPPLF) was established by the Federal Reserve to extend credit to eligible financial institutions that originate PPP loans, taking the loans as collateral at face value. The advance is used to fund PPP lending based on the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act).

The advance is secured by PPP loans guaranteed by the Small Business Administration (SBA) and bears interest at 0.35%. The maturity of an advance will equate to the maturity date of the PPP loan pledged to secure the advance. The maturity can be accelerated if the underlying PPP loan goes into default and the Organization sells the PPP loan to the SBA to realize on the SBA guarantee or if PPP loan is forgiven by SBA and the Organization receives reimbursement from SBA. No advance may be made after September 30, 2020. As of June 30, 2020, the outstanding advance balance was $14,079,270.

During the year ended June 30, 2020, the Organization paid off a line of credit with State Farm that had a $2,500,000 outstanding balance at June 30, 2019.

NOTE 11 MORTGAGES PAYABLE AND OTHER DEBT

Mortgages payable and other debt consisted of the following at June 30, 2020:

Description	
Casa Mia Senior Apartments, Inc., Federal Housing and Urban Development (HUD) Capital Advance Program Mortgage Note, collateralized by real property. So long as Casa Mia meets the requirements outlined in the agreement, the note bears no interest and no monthly payments are required. The note is due April 1, 2046. Should Casa Mia default, the entire amount of the note could become due with interest accruing at 5.25%.	$ 5,601,900
Casa Mia Senior Apartments, Inc., mortgage agreement with the City of Phoenix, collateralized by real property. The note bears no interest and Casa Mia receives a 5.00% principal credit annually, until fully amortized in 2026, provided it complies with the note agreement. Should Casa Mia default, the entire amount of the note could become due with no interest accruing.	146,494
Casa de Primavera Apartments, LLC (COP) mortgage agreement with Greystone, collateralized by substantially all the assets of COP, payable in monthly installments of $20,596 including interest of 4.00% maturing in November 2048.	4,192,375
Note payable to State Farm for Buckeye Commerce, with a borrowing limit up to $5,200,000 and collateralized by real property deed of trust and assignment of rents and leases. In April 2018, the loan was modified as 0% interest rate with $50,000 monthly principal payments and various additional principal as defined in the loan modification, maturing in April 2021.	1,625,081
Note payable to State Farm for Buckeye Commerce, collateralized by real property deed of trust and assignment of rents and leases. In April 2018, the loan was modified as 0% interest rate with $5,000 monthly principal payments and $559,045 final payment in April 2021.	604,045
Causa Community Development (Guadalupe Barrio Nuevo) entered into an insured mortgage loan under Section 207 pursuant to Section 223(f) of the National Housing Act, as amended. The mortgage is currently serviced by Bellwether Enterprise Real Estate Capital, LLC, payable in monthly interest and principal payments of $15,295, bearing 3.92% interest rate and maturing in June 2053.	3,395,113

NOTE 11 MORTGAGES PAYABLE AND OTHER DEBT (CONTINUED)

Description	
Santa Cruz note payable to Hunt Mortgage Capital, LLC, secured by the security instrument and other loan documents, payable in monthly principal and interest payments of $10,828 beginning May 2017, including interest of 4.65%, with a balloon payment of $1,710,472 in April 2027.	$ 1,994,903
Note payable to Wells Fargo, collateralized by real estate, payable in monthly installments of $27,803 including interest at 4.15%, maturing May 2024.	3,511,000
Causa Community Development (CCD) second mortgage agreement with HUD, collateralized by substantially all assets of CCD, payable in annual installments in the amount of 75% of surplus cash, as defined, including annually accrued interest at 4.00%, maturing in February 2034.	706,040
Note payable to Arizona Department of Housing for the Corazon Building, secured by certain real property, noninterest bearing. If certain use restrictions associated with the real property are followed, the principal balance will be forgiven in January 2028.	550,000
Note payable to City of Phoenix Housing Department, secured by the Corazon Building, noninterest bearing. If certain use restrictions associated with the real property are followed, the principal balance will be forgiven in May 2050.	550,000
Note payable to U.S. Small Business Administration (SBA) for Prestamos from the Microloan Revolving Trust Fund (MRTF) for SBA VII, secured by cash held for loan programs and select notes receivable, payable in monthly installments of principal and interest at .875% commencing in May 2012, maturing in July 2021. The loan agreement requires Prestamos to act as a financial intermediary by using the proceeds of the loan for lending to existing small businesses.	63,934

NOTE 11 MORTGAGES PAYABLE AND OTHER DEBT (CONTINUED)

Description		
Note payable to U.S. Small Business Administration (SBA) for Prestamos from the Microloan Revolving Trust Fund (MRTF) for SBA I NV, secured by cash held for loan programs and select notes receivable, payable in monthly installments of principal and interest at 1% commencing in July 2012, maturing in June 2021. The loan agreement requires Prestamos to act as a financial intermediary by using the proceeds of the loan for lending to existing small businesses.	$	38,750
Note payable to U.S. Small Business Administration (SBA) for Prestamos from the Microloan Revolving Trust Fund (MRTF) for SBA VIII, secured by cash held for loan programs and select notes receivable, payable in monthly installments of principal and interest at .125% commencing in November 2013, maturing in November 2023. The loan agreement requires Prestamos to act as a financial intermediary by using the proceeds of the loan for lending to existing small businesses.		380,920
Note payable to National Bank of Arizona for Prestamos, unsecured, quarterly interest payments of 3.00%, automatically renews annually until its maturity in December 2023.		200,000
Note payable to National Bank of Arizona for Prestamos, unsecured, interest at 2.00% paid quarterly, automatically renews annually until its maturity in December 2023.		150,000
Causa Community Development third mortgage agreement with HUD, collateralized by substantially all the assets of CCD (Guadalupe Barrio Nuevo), payable in full at the option of HUD including annually accrued interest at 4.00%, maturing in February 2034.		75,761
Note payable to Northern Trust Bank for the Corazon Building, secured by deeds of trust of real property, interest free and due in full on February 2024.		325,000

NOTE 11 MORTGAGES PAYABLE AND OTHER DEBT (CONTINUED)

Description	
Note payable to SCF Arizona, secured by loans originated from the funds and guaranteed by CPLC. Up to $10 million can be drawn down on loan. Interest only payments due quarterly at interest rates of 3%. Note matures in August 2024.	$ 6,900,000
Note payable to Kansas State Bank, secured by deeds of trust of real property, payable in monthly installments of interest only at a rate of 4.29% from July 2013 through November 2013. Principal and interest payments began December 2013. Variable interest rate at weekly average yield (one year) plus 3.5% with Initial rate of 3.61% starting in June 2020. Loan matures in November 2033. This note is for the Maryvale property.	1,794,886
Note payable to City of Phoenix Housing Department, secured by the De Colores Building, noninterest bearing. If certain use restrictions associated with the real property are followed, the principal balance of the loan is being forgiven in equal amounts annually through December 2022.	87,495
Note payable to Kansas State Bank, secured by deed of trust of real property and assignment of rental income, from Central and Grant property payable in monthly installments of principal and interest at a rate of 4.59% maturing in May 2035.	938,177
Mortgage note payable to The United Presbyterian Church. The note has no maturity date, bears no interest and no monthly payments are required, as long as CPLC New Mexico maintains the requirements outlined in the note agreement. The mortgage note would become payable in the event of a sale of the building or the building is not used for its intended purpose. Should CPLC New Mexico default, the entire amount of the note could become due with interest accruing at 8.00%.	250,000
Note payable to First Bank, secured by deeds of trust of real property, payable in monthly installments of interest only until February 2016, at which time monthly principal and interest payments of $3,648 commenced with principal due at maturity at a rate of 4.10%, maturing in February 2025. This note is for the Hazelwood multi-family housing property.	470,027

NOTE 11 MORTGAGES PAYABLE AND OTHER DEBT (CONTINUED)

Description		
Bella Vista note payable to Pacific Life Insurance, secured by certain real property and equipment, payable in monthly installments of $5,056 including interest at 8.97% through May 2031.	$	421,368
Bella Vista note payable to New Mexico Finance Authority secured by certain real property, requiring interest-only payments of $321 at the annual rate of 1.00% per annum. Maturity of the loan occurs at the sale, refinance, or transfer of the property or on April 10, 2030.		385,000
Capitalized lease, collateralized by equipment, payable in monthly installments of $15,275 including interest at 1.74%, maturing in October 2021.		256,339
Note payable to First Bank, secured by Casa Loma Apartments, payable in monthly installments of principal and interest of $5,563, at an interest rate of 4.10%, with a balloon payment due April 2026.		926,251
Note payable to United Health Care, secured by all assets and income of CPLC Fountain Villas, LLC, interest bearing at 1-3.00% during the term of this note. Interest accruing monthly with principal and interest balance due upon maturity in April 2023.		6,451,659
Note payable to United Health Care, secured by all assets and income of CPLC Estancia, LLC, interest bearing at 1-3.00% during the term of this note. Interest accruing monthly with principal and interest balance due upon maturity in November 2022.		14,303,219
Note payable to Western Alliance Bank for Prestamos, unsecured, interest at 3.00% paid quarterly, maturing in September 1, 2020 and on September 1st of each year thereafter maturity date shall automatically be extended for one year unless the lender cancel such automatic maturity extension.		2,000,000

NOTE 11 MORTGAGES PAYABLE AND OTHER DEBT (CONTINUED)

Description	
Note payable to U.S. Small Business Administration (SBA) for Prestamos from the Microloan Revolving Trust Fund (MRTF) for SBA X, secured by cash held for loan programs and select notes receivable, payable in monthly installments of principal and interest at .375% commencing in November 2016, maturing in October 2025. The loan agreement requires Prestamos to act as a financial intermediary by using the proceeds of the loan for lending to existing small businesses.	$ 764,210
Note payable to Kansas State Bank for the refinance of Glenrosa Affordable Apartments, LLC, collateralized by substantially all the assets of Glenrosa and is payable in monthly installments of $5,823, until June 2021, then $5,903 until maturity date, including interest of 4.89%, maturing in September 2042.	945,961
Note payable to Wells Fargo, collateralized by the MHS Yuma Building and payable in monthly installments of $16,120 including interest of LIBOR plus 1.50% variable interest rate, maturing in November 2023.	323,049
Note payable to Kansas State Bank for Maryvale project, collateralized by deed of trust on real property, payable in monthly principal and interest payments of $2,722, beginning in June 2017, including interest of 4.59% through May 2022, then 4.62% through maturity, maturing in May 2027.	192,266
Note payable to Kansas State Bank for Central and Grant Project, collateralized by deed of trust, assignment of rents, and a business loan, payable in monthly principal, and interest payments of $2,558, beginning in June 2017, including interest of 4.59%, maturing in May 2027.	180,517
Gran Victoria note payable to Berkeley Point Capital, LLC, secured by the security instrument and other loan documents, payable in monthly principal and interest payments of $101,257 beginning in July 2017, including interest of 4.63%, with a balloon payment due in June 2027.	18,749,762

NOTE 11 MORTGAGES PAYABLE AND OTHER DEBT (CONTINUED)

Description	
Villa Las Vegas mortgage note payable to South West Capital Bank, collateralized by substantially all of the rental property and equipment of the project, payable in monthly principal and interest payments of $3,285, including interest of 7.50%, maturing in September 2020.	$ 304,403
Villa Las Vegas mortgage note payable to New Mexico Mortgage Finance Authority, secured by a deed of trust and land use restrictions agreement on the property, payable in interest only payments in the amount of 1.00% of the outstanding principal plus accrued and unpaid interest, with interest accruing at 5.57%. The entire principal amount of the loan plus all accrued interest will be due and payable in full upon the earlier occurrence of the sale, refinance, or transfer of the property or on July 2041.	575,000
Equity Equivalent (EQ2) unsecured loan to Dignity Health to finance real estate activities associated with the acquisition and rehabilitation of affordable multi-family housing for CPLC's Neighborhood Stabilization Program and real estate operations. Interest bearing 1.0% to 2.0% during the term of this note, with maturity in August 2024.	3,000,000
Equity Equivalent (EQ2) unsecured loan to Wells Fargo to operate and manage activities in support of low to moderate-income households and financially underserved. Quarterly interest payments accruing at 2.00% per annum. Quarterly principal payments of $250,000 become effective the fifth anniversary with equal payments due until maturity in January 2024.	1,000,000
Equity Equivalent (EQ2) unsecured loan to BBVA Compass to operate and manage activities in support of low to moderate-income households and financially underserved. Quarterly interest payments accruing at 2.25% per annum, until maturity in April 2028.	2,500,000

NOTE 11 MORTGAGES PAYABLE AND OTHER DEBT (CONTINUED)

Description	
Seller Carry-back loan related to the purchase of real property in Mesa, AZ payable in annual installments of $105,063 accruing interest at 4.00% maturing in April 2030.	$ 933,730
Prestamos CDFI, LLC note payable to Wells Fargo, secured by collateral assignment of loan documents, interest at 1.07% paid quarterly commencing March 5, 2018 and maturing December 2024.	4,060,800
Prestamos CDFI, LLC note payable to Wells Fargo, secured by collateral assignment of loan documents, interest at 1.07% paid quarterly commencing March 5, 2018 and maturing December 2047.	1,939,200
Prestamos CDFI, LLC EQ2 unsecured loan to Wells Fargo Community Investment Holdings, with quarterly interest payments at 2.00% per annum until January 2028. then additional quarterly principal payments (8) of $187,500 commence until liability is paid in full (January 2030).	1,500,000
Mountain Pointe Apartments, LP entered into an insured loan under Section 207 pursuant to Section 223(f) of the National Housing Act, as amended. The loan is serviced by Bellwether Enterprise Real Estate Capital, LLC, payable in monthly installments of $14,719 including interest of 3.92% per annum, maturing June 1, 2053.	3,267,358
Note payable to Local Initiatives Support Corporation, collateralized by deed of trust, payable in monthly installments of interest at 6.00% with various principal payments due upon the stage of real estate development. Loan maturity is January 2021. This loan is for mobile home project in Mesa, AZ.	2,125,000
Note payable to Arizona Bank and Trust related to Nevada real estate project, payable in monthly installments of interest at 3.75% with principal balance due February 2022.	1,775,000
Note payable to Raza Development Fund, Inc., collateralized by deed of trust on real property located at 15th Avenue and Van Buren, payable in monthly installments of interest at 5.91% with principal balance due at maturity in October 2037.	384,756

NOTE 11 MORTGAGES PAYABLE AND OTHER DEBT (CONTINUED)

Description	
Note payable to Local Initiatives Support Corporation, collateralized by deed of trust on real property located at Central and Broadway, payable in monthly installments of interest at 6.00% with various principal payment due upon the stage of real estate development. Loan maturity is in August 2021.	$ 1,687,500
Note payable to Arizona Community Foundation, unsecured with principal balance due at maturity in September 2021.	75,000
Note payable to Dignity Health, unsecured, payable quarterly at 1.00% from October 2020 until October 2022, at 2.00% thereafter with principal balance due at maturity in October 2025.	1,000,000
Note payable to Calvert Impact Capital, Inc., unsecured, interest payable monthly at 5-treasury rate plus 340 basis points (6.02%) for five years, after which monthly principal and interest payments commence through maturity December 2023.	5,000,000
Note payable to City of Phoenix from federal HOME program with $2 million maximum loan amount, collateralized by deed of trust on real property, with 0% interest rate. $50,000 principal payment will start on the 1st day of September 2020 and continuing on the 1st day of September each year thereafter if surplus cash is available. The entire outstanding principal balance is due January 1, 2059.	1,229,644
Note payable to Kansas State Bank, collateralized by deed of trust on office building located at Mesa, AZ, with interest rate at 5.19% through October 2023, then change to weekly average yield on US Treasure securities adjustment to maturity of one year plus 3.5% from November, 2023 to Maturity. Monthly principal and interest payment until maturity in October 30, 2038.	686,400
Note payable to Kansas State Bank, collateralized by deed of trust on real property located at Mesa, AZ, with monthly interest only payments at 5.19% until December 2020, then monthly principal and interest payments at 5.19% from January 2021 to December 2023, then weekly average yield on US treasury securities (one year) plus 3.50% from January 2024 through maturity in December 2040.	2,500,000
Note payable to US Bancorp Community Development Corporation for Prestamos, unsecured, with quarterly interest only payments at 3.0% and principal balance due at maturity in July 2021.	1,000,000

NOTE 11 MORTGAGES PAYABLE AND OTHER DEBT (CONTINUED)

Description		
Note payable to the New World Foundation, unsecured, 0% interest loan, with principal payments in four equal quarterly installments commencing September 2028. This loan is eligible for loan forgiveness after meeting certain defined benchmarks over the term of the loan.	$	2,000,000
Note payable to State Bank of Arizona, unsecured, interest at 3.50% payable in one lump sum of principal and accrued interest on March 20, 2024.		250,000
Note payable to Arizona Bank and Trust Corporation, secured by deed of trust and tangible asset of a Motel purchased in Mesa, AZ, with monthly interest and principal payments at 4.25% until January 2022, and the remaining balance due in February 2022.		3,112,500
Notes payable to City of Mesa from federal HOME program with $1,443,339 maximum loan amount, collateralized by deed of trust on real property, with 0% interest rate. The loan shall be repaid either from the sales proceeds received from the sales of the units to qualified income eligible homebuyers, or at the end of the term of 20 years from each residential unit.		240,000
Note payable to Arizona Bank and Trust related to Pickle House and 445 Mesa Projects, payable in monthly installments of interest at 3.75% with principal balance due February 2022.		4,300,002
Note payable to Western Alliance Bank for Prestamos with $3,000,000 maximum loan amount, unsecured, quarterly interest only payment at 3.0% and all outstanding principal plus all accrued unpaid interest in November 2024 with right for additional 60 months extension under some conditions.		1,001,000
Note payable to U.S. Small Business Administration (SBA) for Prestamos from the Microloan Revolving Trust Fund (MRTF) for SBA XI in the maximum amount of $1,250,000, secured by cash held for loan programs and select notes receivable, no payment and 0% interest rate for the first twelve month, then monthly installment of principal and interest at 0.5% thereafter, maturing in November 2027. The loan agreement requires Prestamos to act as a financial intermediary by using the proceeds of the loan for lending to existing small business.		500,000

NOTE 11 MORTGAGES PAYABLE AND OTHER DEBT (CONTINUED)

Description	
Note payable to Blue Cross and Blue Shield of Arizona for Prestamos. The loan is for Pay Check Protection loan lending. 0% interest rate for the first six months, then 3% for the remaining term. $4,000,000 initial principal is due in November 2020. The remaining principal balance and the accrued but unpaid interest are payable in six equal quarterly installments starting February 2020 and ended May 2022.	$ 5,000,000
Notes payable to New Mexico Mortgage Finance Authority with monthly installment of $10,943 at 6.29% and due in November 2044. It is for Laderal Village Apartments located in New Mexico. The United State Department of Housing and Urban Development (HUD) will endorse the loan under section 542(e) of the Housing and Community Development Act of 1992 and the regulations set forth at 24 CFR part 266, in effect on the date of endorsement (90% loan guarantee).	1,638,856
Notes payable to New Mexico Mortgage Finance Authority in the original amount of $500,000 with a 5.09% Interest compounded monthly on unpaid principal and interest balances. Interest only payment should be made in the amount of $416 per month at an interest rate of 1% until maturity. Maturity of the loan occurs at the sale, refinance, or transfer of the property or on September 2034. It is for Laderal Village Apartment located in New Mexico.	500,000
Total Mortgages and Other Debt	135,537,651
Less: Unamortized Debt Issuance Costs	(901,808)
Less: Current Maturities	(10,870,989)
Total	$ 123,764,854

NOTE 11 MORTGAGES PAYABLE AND OTHER DEBT (CONTINUED)

Future maturities of mortgages payable and other debt are as follows:

Year Ending June 30,	Amount
2021	$ 10,870,989
2022	14,878,125
2023	2,552,807
2024	26,179,344
2025	13,226,374
Thereafter	60,644,124
Forgivable Loans	7,185,888
Total Future Maturities	$ 135,537,651

The Organization is required to maintain certain net asset, liquidity, and indebtedness ratios, and must comply with other general covenants of the loan agreements.

The Organization entered into a loan agreement with the United States Department of Agriculture (USDA) in December 2016 for $15,000,000. The loan is secured by select notes receivable. Principal and interest at 2.38% to be paid monthly. The note matures in December 2056. No amounts were advanced or due on the note, and the note had an outstanding balance of $-0- at June 30, 2020.

NOTE 12 RETIREMENT PLAN

CPLC sponsors a 401(k) plan covering employees who meet specified age and service requirements. Contributions to the plan are participant directed. Employer contributions are made annually at the discretion of the board of directors. During the year ended June 30, 2020, CPLC paid contributions totaling $440,494 the plan.

NOTE 13 OPERATING LEASES

CPLC leases various buildings and office equipment under several operating lease agreements expiring through 2023. Minimum future rental payments under noncancelable operating leases having remaining terms in excess of one year at June 30, 2020 are:

Year Ending June 30,	Amount
2021	$ 670,227
2022	550,563
2023	297,455
2024	146,855
2025	29,536
Thereafter	56,000
Total	$ 1,750,636

NOTE 13 OPERATING LEASES (CONTINUED)

In the normal course of business, operating leases are generally renewed or replaced by other leases. Total rental expense for operating leases with terms in excess of one month was approximately $703,114 for the year ended June 30, 2020.

CPLC leases office space to various third parties under operating leases that expire through 2022. Future minimum lease receipts to be received under these agreements as of June 30, 2020 are as follows:

Year Ending June 30,	Amount
2021	$ 1,179,852
2022	963,697
2023	631,474
2024	426,211
2025	155,969
Thereafter	2,545,545
Total	$ 5,902,748

NOTE 14 COMMITMENTS AND CONTINGENCIES

Five of the HUD properties have a housing assistance payments contract (HAP). The HAP contract is a rent assistance program for low-income families (or persons) as provided by the Section 8 Program of the National Housing Act of 1959. Eligible low-income tenants pay 30% of their income as rent, while HUD pays the difference between this rental amount and "contract rents" (as defined). CPLC can request from HUD an amount equal to 80% of contract rent during periods that the unit is vacant if certain conditions are met, but not to exceed 60 days. If a unit continues to be vacant after the 60-day period, CPLC may submit a claim and receive additional housing assistance payments on a semi-annual basis if certain conditions are met as outlined in the HAP contract.

The HAP contracts expire beginning in 2020 through 2033 as follows:

Casa de Primavera Apartments	March 31, 2033
Casa Del Pueblo	March 31, 2021
Casa Del Pueblo II	January 31, 2021
Guadalupe Barrio Nuevo	June 1, 2038
Casa Mia Senior Apartments	April 30, 2021

Management intends to renew the HAP contracts as they expire. The rental income from these contracts represents approximately 17% of total rental income from real estate for the year ended June 30, 2020. It is uncertain whether the contracts will be extended. HUD is contemplating several changes, which may have a significant financial impact on the properties. Management cannot reasonably estimate the ramifications, if any, of these uncertainties.

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

CPLC guarantees the debt of a nonconsolidated real estate venture. The debtor holds the deed of trust on the underlying real property. Payments on the debt are due in monthly installments and the debt matures in 2034. CPLC would be obligated to perform under this guarantee if the real estate venture failed to pay principal and interest payments to the lender as due. CPLC's guarantee on the performance of the debt was approximately $462,468 as of June 30, 2020. As of June 30, 2020, the real estate venture was current with their debt payments.

CPLC participates in a number of federal and state-assisted grant and contract programs which are subject to financial and compliance audits. The audits of these programs for, or including, the year ended June 30, 2020 remain subject to review. Accordingly, CPLC's compliance with applicable grant or contract requirements may be established at some future date. The amount, if any, of expenditures or fees for units of service which may be disallowed by the granting or contracting agencies cannot be determined at this time, although the CPLC's management expects such amounts, if any, to be immaterial.

CPLC is guarantor of a line of credit for a nonprofit organization, Help-New Mexico. At June 30, 2020, the borrowing limit was $1,000,000, and the outstanding balance was $358,882.

In the normal course of business, CPLC is subject to various lawsuits. It is the opinion of management that the resolution of such lawsuits will not have a material adverse effect on the consolidated financial statements taken as a whole. Accordingly, no provision has been made in the accompanying consolidated financial statements for losses, if any, that might result from the ultimate outcome of these matters.

NOTE 15 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods.

Capital Magnet Fund	$ 687,335
Arizona Complete Health	111,465
Walmart Grant	19,099
United Healthcare	62,121
Blue Cross Blue Shield	75,000
Broadway Redevelopment	262,786
Kresge Foundation	100,000
Prop 301 Plan	395,623
Housing Counseling	85,000
City Group Foundation Grant	98,439
Supportive Housing Program	600,000
Total	$ 2,496,868

NOTE 16 ENDOWMENT

CPLC's board of directors has interpreted the Arizona Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2020, there were no such donor stipulations. As a result of this interpretation, CPLC classifies as endowment net assets (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts donated to the Endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

CPLC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

The changes in endowment net assets by fund for the year ended June 30, 2020 are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ -	$ 124,110	$ 124,110
Contributions	-	-	-
Investment Return:			
Investment Income	-	-	-
Net Appreciation	-	-	-
Releases	-	(124,110)	(124,110)
Endowment Net Assets - End of Year	$ -	$ -	$ -

The endowment allows for the corpus to be distributed annually through 2021.

NOTE 16 ENDOWMENT (CONTINUED)

Investment and Spending Policies

CPLC has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. The target minimum rate of return is the Consumer Price Index plus 5% on an annual basis. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of- return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

CPLC's annual appropriations are at the discretion of the board of directors.

NOTE 17 DONATED PROFESSIONAL SERVICES AND MATERIALS

CPLC received donated professional services for production and on-air media in the amount of $641,345 and other donated professional services and materials in the amount of $102,653 for the year ended June 30, 2020.

NOTE 18 NEW ACCOUNTING STANDARDS

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, to improve revenue recognition guidance. The ASU affects any entity that enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets. The ASU does not impact existing guidance on accounting for contributions but is applicable to exchange transactions. The core principle of the guidance is 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. Revenue recognition will go through a five step process: 1) identify the contract with a customer, 2) identify the performance obligations in the contract, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations, and 5) recognize revenue when (or as) the organization satisfies the performance obligation. The Organization is currently evaluating the impact of adopting ASU 2014-09 and has not determined the effect to the consolidated financial statements. The Organization will be required to adopt the new standard for its fiscal year beginning July 1, 2020. The standard requires retroactive application.

NOTE 18 NEW ACCOUNTING STANDARDS (CONTINUED)

In February 2016, the FASB issued ASU 2016- 02, *Leases*, to improve financial reporting about leasing transactions (Topic 842). The ASU affects all lease transactions. Lessors will classify leases as either a sales-type, direct financing, or operating lease. In a sales-type lease, the lessor transfers control of the underlying asset to the lessee. At lease commencement, the lessor should derecognize the leased asset and record its net investment in the lease. The net investment in the lease consists of a lease receivable and the unguaranteed residual asset. In a direct financing lease, the lessor should derecognize the leased asset underlying the lease and record a net investment in the lease at lease commencement. The net investment in the lease should be measured in the same manner as a sales-type lease adjusted for selling profit and initial direct costs. An operating lease is neither a sale nor financing of an asset. The lessor should keep the asset underlying the lease on its balance sheet and continue to depreciate the asset based on its useful life. Rental revenue should be recognized on a straight-line basis. CPLC has several leasing transactions. The amendments in this update are effective for years beginning after December 15, 2021. The Organization is currently evaluating the impact of adopting ASU 2016-02 and has not determined the effect to the consolidated financial statements. The standard requires a modified retrospective approach to implementation.

In June 2016, the FASB approved ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments.* The main objective of the ASU is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in the ASU replace the incurred loss impairment methodology in accounting principles generally accepted in the United States of America with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This ASU is effective for the fiscal year beginning after December 15, 2022. Early adoption is permitted for the fiscal year beginning after December 15, 2018, including interim periods within the fiscal year. The Organization will evaluate the impact of ASU 2016-13 on its consolidated financial statements.

NOTE 19 SUBSEQUENT EVENTS

Subsequent to year-end, the Organization entered into the following agreements:

In July 2020, Prestamos CDFI LLC was awarded a grant from City of North Las Vegas in the amount of $722,711 to provide financial and technical assistant to small business located in City of North Las Vegas.

In July 2020, Prestamos CDFI LLC was awarded a $55,000,000 New Market Tax Credit allocation from the United State Department of Treasure. The program attracts private capital into low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making investments on qualified projects within economically distressed communities.

NOTE 19 SUBSEQUENT EVENTS (CONTINUED)

In October 2020, Prestamos CDFI LLC was awarded a grant from Small Business Administration in the amount of $200,000 to provide training and technical assistance to economically disadvantaged entrepreneurs in rural areas and support to entrepreneurship in HUB zones and Opportunity zones.

In October 2020, Prestamos CDFI LLC was awarded a grant from Department of Health and Human Service, Office of Community Service in the amount of $800,000 to provide affordable capital support to small business entrepreneurs in distressed areas (Mohave County, AZ).

In October 2020, Prestamos CDF LLC was award a grant from City of Glendale AZ in the amount of $300,000 to provide capital and technical support to small businesses experiencing hardship related to the Covid-19 pandemic in City of Glendale.

In July 2020, Prestamos secured a $7,500,000 line of credit at 0.5% interest rate with Bank of America to provide lending to small businesses under the Community Advantage Program and the Paycheck Protection Program administered by the United States Small Business Administration (SBA). The SBA guarantees payment of all or a portion of each SBA loan.

In July 2020, Prestamos purchased $4,074,761 loan portfolio from a company filed bankruptcy under chapter 11. The portfolio contains performing loans, nonperforming loans and community advantage loans, in which a portion is guaranteed by SBA.

In August 2020, CPLC was awarded a five-year grant with Department of Health and Human Services, Office of Head Start in the amount of $13,952,357. It continues on the Head Start program.

In July 2020, CPLC Nevada Inc. was award two grants from Office of Community Service in the amount of $ 695,437 for LUCES Supportive Housing Program in Nevada.

In October 2020, CPLC issued payment to pay off the note payable with Local Initiatives Support Corporations in the amount of $1,687,500. The note is for Central and Broadway project.

Management evaluated subsequent events through December 11, 2020, the date the consolidated financial statements were available to be issued. Events or transactions occurring after June 30, 2020, but prior to December 11, 2020, that provided additional evidence about conditions that existed at June 30, 2020, have been recognized in the consolidated financial statements for the year ended June 30, 2020. Events or transactions that provided evidence about conditions that did not exist at June 30, 2020, but arose before the consolidated financial statements were available to be issued have not been recognized in the consolidated financial statements for the year ended June 30, 2020.

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Prestamos CDFI, LLC	CPLC Community Schools	Multifamily Properties	CPLC and Other Subsidiaries	Consolidating Eliminations	Total
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	$ 1,760,407	$ 209,910	$ 4,621,484	$ 23,814,690	$ -	$ 30,426,491
Restricted Cash	-	395,623	-	-	-	395,623
Cash Held for Loan Programs	2,692,990	-	-	-	-	2,692,990
Receivables:						
Grants and Contracts, Net	511,951	54,945	145,544	6,283,774	-	6,996,214
Intercompany Receivables	162,732	9,935	1,093,174	14,387,545	(15,653,386)	-
Interest Receivable	264,017	-	-	-	-	264,017
Other Receivables, Net	-	-	-	303,018	-	303,018
Notes Receivable, Current	1,753,641	-	-	259,898	-	2,013,539
Prepaid Expenses	667	7,151	92,322	126,108	-	226,248
Total Current Assets	7,166,405	677,564	5,952,524	45,175,033	(15,653,386)	43,318,140
LONG-TERM ASSETS						
Notes Receivable, Net	43,692,848	-	-	3,777,692	(6,250,663)	41,219,877
Real Estate Properties - Rental, Net	-	-	62,990,221	40,751,023	(2,010,086)	101,731,158
Property and Equipment, Net	112,170	73,674	56,589	19,282,729	-	19,525,162
Related Party Receivables, Net	-	-	37,253	1,153,767	-	1,191,020
Real Estate Held for Sale	-	-	-	13,238,133	-	13,238,133
Investments in Debt and Equity Securities	-	-	-	3,762,069	-	3,762,069
Investments in Affiliated Entities - Cost Method	1,064,099	-	-	14,271,603	(12,365,546)	2,970,156
Investments in Affiliated Entities - Equity Method	729,675	-	-	-	-	729,675
Deposits and Funded Reserves	-	-	3,025,461	517,052	-	3,542,513
Other Assets	-	-	607,022	373,400	-	980,422
Total Long-Term Assets	45,598,792	73,674	66,716,546	97,127,468	(20,626,295)	188,890,185
Total Assets	$ 52,765,197	$ 751,238	$ 72,669,070	$ 142,302,501	$ (36,279,681)	$ 232,208,325
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable and Accrued Expenses	$ 231,217	$ 122,323	$ 2,897,337	$ 8,283,411	$ -	$ 11,534,288
Intercompany Payables	402,604	1,535,557	2,308,204	11,407,021	(15,653,386)	-
Lines of Credit, Current Portion	-	-	-	2,700,414	(1,399,391)	1,301,023
Mortgages Payable and Other Debt, Current	4,689,682	-	2,895,414	3,285,893	-	10,870,989
Other Liabilities	146,911	-	985,062	533,674	-	1,665,647
Total Current Liabilities	5,470,414	1,657,880	9,086,017	26,210,413	(17,052,777)	25,371,947
LONG-TERM LIABILITIES						
Lines of Credit	14,079,270	-	-	4,866,193	-	18,945,463
Deferred Revenue, Long-Term Portion	727,318	-	-	2,127,838	-	2,855,156
Mortgages Payable and Other Debt, Net	23,059,132	-	67,742,138	37,814,857	(4,851,273)	123,764,854
Total Long-Term Liabilities	37,865,720	-	67,742,138	44,808,888	(4,851,273)	145,565,473
Total Liabilities	43,336,134	1,657,880	76,828,155	71,019,301	(21,904,050)	170,937,420
NET ASSETS						
Without Donor Restrictions	9,429,063	(1,302,265)	7,461,373	69,909,287	(14,983,386)	70,514,072
With Donor Restrictions	-	395,623	-	2,101,244	-	2,496,867
Contributions	-	-	693,900	-	(693,900)	-
Distributions	-	-	(12,314,358)	(727,331)	1,301,655	(11,740,034)
Total Net Assets	9,429,063	(906,642)	(4,159,085)	71,283,200	(14,375,631)	61,270,905
Total Liabilities and Net Assets	$ 52,765,197	$ 751,238	$ 72,669,070	$ 142,302,501	$ (36,279,681)	$ 232,208,325

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Prestamos CDFI, LLC	CPLC Community Schools	Multifamily Properties	CPLC and Other Subsidiaries	Eliminations	Total
REVENUES						
Contract Revenues:						
Grants and Contracts	$ 2,589,775	$ 2,400,792	$ 3,750	$ 6,698,214	$ -	$ 11,692,531
Cost Reimbursement	654,569	-	-	24,796,784	(1,530,211)	23,921,142
Fee for Service	-	-	-	27,654,398	(2,006,601)	25,647,797
Total Contract Revenues	3,244,344	2,400,792	3,750	59,149,396	(3,536,812)	61,261,470
Noncontract Revenues:						
Rental Income	-	28,800	17,235,414	3,309,014	(1,803,267)	18,769,961
Development Fees	-	-	-	2,169,924	(433,286)	1,736,638
Client Fees	750,089	-	1,743,048	1,449,956	(2,214,440)	1,728,653
Donations	147,500	16,168	194,433	1,829,956	(944,513)	1,243,544
Fundraising	-	-	-	674,677	-	674,677
In-Kind	-	-	-	739,772	-	739,772
Sales of Inventory	-	-	-	11,794,054	(9,710,138)	2,083,916
Other Revenues	16,800	30,377	1,653,214	7,339,862	(7,225,044)	1,815,209
Total Noncontract Revenues	914,389	75,345	20,826,109	29,307,215	(22,330,688)	28,792,370
Other Revenues:						
Gain on Sale of Asset	42,585	-	16,220,653	-	542,010	16,805,248
Intercompany Dividend Income	-	-	-	1,301,655	(1,301,655)	-
Investment Income (Loss)	39,964	-	-	88,364	(235,000)	(106,672)
Interest Income	1,942,184	-	2,975	97,579	(339,209)	1,703,529
Total Other Revenues	2,024,733	-	16,223,628	1,487,598	(1,333,854)	18,402,105
Total Revenues	6,183,466	2,476,137	37,053,487	89,944,209	(27,201,354)	108,455,945
OPERATING EXPENSES						
Salaries and Wages	1,361,434	908,096	3,731,907	33,903,836	-	39,905,273
Payroll Taxes	115,102	59,292	384,956	2,515,012	-	3,074,362
Fringe Benefits	106,371	134,622	634,179	4,703,906	-	5,579,078
Contractor Expenses	-	-	-	8,174,487	(1,271,653)	6,902,834
Professional Fees	358,825	316,109	405,297	5,094,147	(2,187,788)	3,986,590
Management Fees	262,545	-	1,137,557	491,218	(1,776,636)	114,684
Staff Development	66,866	7,901	38,383	523,778	-	636,928
Property Administration	-	-	118,359	(20)	-	118,339
Travel	61,056	1,530	52,434	927,347	-	1,042,367
Advertising and Marketing	16,599	18,887	306,863	744,449	-	1,086,798
Administrative Costs	360,784	320,541	170,638	6,350,746	(7,182,042)	20,667
Occupancy	93,066	364,962	35,100	2,115,924	(1,803,267)	805,785
Insurance and Taxes	22,221	6,953	1,354,799	1,735,016	-	3,118,989
Utility Expenses	7,092	32,258	2,924,360	780,019	-	3,743,729
Repairs and Maintenance	7,032	-	2,651,605	883,548	-	3,542,185
Office Expenses	38,768	12,955	75,915	404,621	-	532,259
Furniture and Fixtures	17,554	-	128	124,461	-	142,143
Technology and Communication	98,291	60,991	170,645	1,465,652	-	1,795,579
Consumable Supplies	1,284	22,936	10,814	1,542,892	-	1,577,926
Monetary Assistance	460,796	8,535	108,966	2,910,874	(944,513)	2,544,658
Miscellaneous	26,383	31,949	10,018,941	348,275	(10,171,443)	254,105
Program Construction	-	-	-	1,846,364	(1,530,211)	316,153
Donated Materials and Services	-	-	-	743,998	-	743,998
Depreciation	-	19,481	3,499,165	2,113,339	(199,206)	5,432,779
Interest Expense	563,349	-	4,252,062	1,144,527	(339,209)	5,620,729
Bad debt Expense	414,776	15,099	79,803	64,674	-	574,352
Total Operating Expenses	4,460,194	2,343,097	32,162,876	81,653,090	(27,405,968)	93,213,289
NONOPERATING ACTIVITY						
Gain (Loss) on Disposal of Assets, Net	-	-	-	(572,246)	216,165	(356,081)
Impairment Loss on Real Estate	-	-	-	(18,373)	-	(18,373)
Net Nonoperating Activity	-	-	-	(590,619)	216,165	(374,454)
Total Expenses	4,460,194	2,343,097	32,162,876	82,243,709	(27,622,133)	93,587,743
CHANGE IN NET ASSETS	$ 1,723,272	$ 133,040	$ 4,890,611	$ 7,700,500	$ 420,779	$ 14,868,202

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
STATEMENT OF FINANCIAL POSITION – CPLC BORROWING ENTITY
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	CPLC	CPLC Commercial	Totals before Eliminations	Eliminations	Total
CURRENT ASSETS					
Cash and Cash Equivalents	$ 416,063	$ 197,131	$ 613,194	$ -	$ 613,194
Receivables:			-		
Grants and Contracts, Net	3,041,236	150,506	3,191,742	-	3,191,742
Intercompany Receivables	1,715,818	6,421	1,722,239	(1,722,239)	-
Accounts Receivable from Affiliates	11,223,175	-	11,223,175	-	11,223,175
Other Receivables	1,159,730	-	1,159,730	-	1,159,730
Note Receivable, Current	259,898	-	259,898	-	259,898
Prepaid Expenses	116,736	3,707	120,443	-	120,443
Total Current Assets	17,932,656	357,765	18,290,421	(1,722,239)	16,568,182
LONG-TERM ASSETS					
Notes Receivable, Net	3,680,156	-	3,680,156	(1,010,571)	2,669,585
Real Estate Properties - Rental, Net	-	27,358,605	27,358,605	-	27,358,605
Property and Equipment - Net	18,399,308	-	18,399,308	-	18,399,308
Real Estate Held for Sale	5,867,166	-	5,867,166	-	5,867,166
Investments in Debt and Equity Securities	3,735,981	-	3,735,981	-	3,735,981
Investments in Affiliated Entities - Cost Method	12,335,673	-	12,335,673	-	12,335,673
Deposits and Funded Reserves	44,447	103,821	148,268	-	148,268
Other Assets	-	24,933	24,933	-	24,933
Total Long-Term Assets	44,062,731	27,487,359	71,550,090	(1,010,571)	70,539,519
Total Assets	$ 61,995,387	$ 27,845,124	$ 89,840,511	$ (2,732,810)	$ 87,107,701
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable and Accrued Expenses	$ 5,258,890	$ 206,852	$ 5,465,742	$ -	$ 5,465,742
Intercompany Payables	6,421	1,715,818	1,722,239	(1,722,239)	-
Accounts Payable to Affiliates	902,246	880,286	1,782,532	-	1,782,532
Deferred Revenue - Current Portion	-	-	-	-	-
Lines of Credit - Current Portion	1,861,674	-	1,861,674	-	1,861,674
Mortgages Payable and Other Debt, Current	783,614	2,489,244	3,272,858	-	3,272,858
Other Liabilities	434,036	32,179	466,215	-	466,215
Total Current Liabilities	9,246,881	5,324,379	14,571,260	(1,722,239)	12,849,021
LONG-TERM LIABILITIES					
Deferred Revenue, Long-Term Portion	1,611,692	-	1,611,692	-	1,611,692
Mortgages Payable and Other Debt, Net	19,968,202	11,064,865	31,033,067	(1,010,571)	30,022,496
Total Long-term Liabilities	21,579,894	11,064,865	32,644,759	(1,010,571)	31,634,188
Total Liabilities	30,826,775	16,389,244	47,216,019	(2,732,810)	44,483,209
NET ASSETS					
Without Donor Restrictions	29,113,543	11,455,880	40,569,423	-	40,569,423
With Donor Restrictions	2,055,069	-	2,055,069	-	2,055,069
Total Net Assets	31,168,612	11,455,880	42,624,492	-	42,624,492
Total Liabilities and Net Assets	$ 61,995,387	$ 27,845,124	$ 89,840,511	$ (2,732,810)	$ 87,107,701

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
STATEMENT OF ACTIVITIES – CPLC BORROWING ENTITY
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	CPLC	CPLC Commercial	Totals before Eliminations	Eliminations	Total
REVENUES					
Contract Revenues:					
Grants and Contracts	$ 4,951,118	$ -	$ 4,951,118	$ -	$ 4,951,118
Cost Reimbursement	24,700,280	-	24,700,280	-	24,700,280
Fee for Service	13,652,299	-	13,652,299	-	13,652,299
Total Contract Revenues	43,303,697	-	43,303,697	-	43,303,697
Noncontract Revenues:					
Rental Income	47,036	2,564,998	2,612,034	(1,803,267)	808,767
Development Fees	1,828,286	-	1,828,286	-	1,828,286
Client Fees	1,264,004	-	1,264,004	-	1,264,004
Donations	1,365,693	-	1,365,693	-	1,365,693
Fundraising	671,677	-	671,677	-	671,677
In-kind	698,747	-	698,747	-	698,747
Sales of Inventory	(6,878,940)	-	(6,878,940)	-	(6,878,940)
Other Revenues	7,273,244	33,563	7,306,807	-	7,306,807
Total Noncontract Revenues	6,269,747	2,598,561	8,868,308	(1,803,267)	7,065,041
Other Revenues					
Dividend Income	87,636	-	87,636	-	87,636
Investment Income (Loss)	1,436,786	-	1,436,786	-	1,436,786
Interest Income	97,414	105	97,519	(43,658)	53,861
Total Other Revenues	1,621,836	105	1,621,941	(43,658)	1,578,283
Total Revenues	51,195,280	2,598,666	53,793,946	(1,846,925)	51,947,021
OPERATING EXPENSES					
Salaries and Wages	31,185,944	184,151	31,370,095	-	31,370,095
Payroll taxes	2,274,000	16,617	2,290,617	-	2,290,617
Fringe benefits	4,495,265	24,053	4,519,318	-	4,519,318
Professional fees	2,127,895	39,190	2,167,085	-	2,167,085
Management fees	18,398	308,140	326,538	-	326,538
Staff Development	495,052	590	495,642	-	495,642
Property Administration	-	(20)	(20)	-	(20)
Travel	789,005	-	789,005	-	789,005
Advertising and marketing	709,685	1,529	711,214	-	711,214
Administrative Costs	5,768,113	-	5,768,113	-	5,768,113
Occupancy	1,920,945	-	1,920,945	(1,803,267)	117,678
Insurance and Taxes	744,008	603,974	1,347,982	-	1,347,982
Utility Expenses	535,233	198,445	733,678	-	733,678
Repairs and Maintenance	445,599	348,161	793,760	-	793,760
Office Expenses	355,397	-	355,397	-	355,397
Furniture and Fixtures	99,978	-	99,978	-	99,978
Technology and Communications	1,333,868	26,016	1,359,884	-	1,359,884
Consumable Supplies	1,516,918	-	1,516,918	-	1,516,918
Monetary Assistance	2,338,010	-	2,338,010	-	2,338,010
Miscellaneous	254,556	312	254,868	-	254,868
Program Construction	28,012	-	28,012	-	28,012
Donated Materials and Services	702,973	-	702,973	-	702,973
Depreciation	661,958	1,085,562	1,747,520	-	1,747,520
Interest Expense	456,140	510,918	967,058	(43,658)	923,400
Bad Debt Expense (Recovery)	642,656	40,607	683,263	-	683,263
Total Operating Expenses	59,899,608	3,388,245	63,287,853	(1,846,925)	61,440,928
NONOPERATING ACTIVITY					
Gain/Loss on Sale of Assets, Net	(6,348)	(18,228)	(24,576)	-	(24,576)
Contributions to Affiliates	(676,920)	(62,074)	(738,994)	-	(738,994)
Impairment Loss on Real Estate	(18,373)	-	(18,373)	-	(18,373)
Net Nonoperating Activity	(701,641)	(80,302)	(781,943)	-	(781,943)
Total Expenses	60,601,249	3,468,547	64,069,796	(1,846,925)	62,222,871
CHANGES IN NET ASSETS	$ (9,405,969)	$ (869,881)	$ (10,275,850)	$ -	$ (10,275,850)

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
STATEMENT OF ACTIVITIES – CPLC COMMUNITY SCHOOLS
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	Toltecalli High School	Envision High School	Total CPLC Community Schools
REVENUE			
Grants and Contracts	$ 1,788,004	$ 612,788	$ 2,400,792
Rental Income	14,400	14,400	28,800
Donation	16,168	-	16,168
Other Revenue	15,048	15,329	30,377
Total Revenue	1,833,620	642,517	2,476,137
OPERATING EXPENSES			
Salaries and Wages	608,631	299,465	908,096
Payroll Taxes	41,965	17,327	59,292
Fringe Benefits	88,372	46,250	134,622
Professional Fees	209,618	106,491	316,109
Staff Development	6,344	1,557	7,901
Travel	1,357	173	1,530
Advertising and Marketing	4,416	14,471	18,887
Administrative Costs	207,560	112,981	320,541
Occupancy	202,958	162,004	364,962
Insurance and Taxes	2,497	4,456	6,953
Utility Expenses	24,565	7,693	32,258
Office Expenses	5,328	7,627	12,955
Technology and Communication	44,513	16,478	60,991
Consumable Supplies	12,301	10,635	22,936
Monetary Assistance	5,440	3,095	8,535
Miscellaneous	25,791	6,158	31,949
Depreciation	10,124	9,357	19,481
Bad Debt Expense (Recovery)	9,740	5,359	15,099
Total Operating Expenses	1,511,520	831,577	2,343,097
CHANGE IN NET ASSETS	$ 322,100	$ (189,060)	$ 133,040

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
STATEMENT OF FINANCIAL POSITION – CPLC ESTANCIA LLC
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 133,635
Grants and Contracts Receivable, Net	25,244
Prepaid Expenses	1,262
Total Current Assets	160,141
LONG-TERM ASSETS	
Real Estate Properties - Rental, Net	12,827,834
Other Assets, Net	131,952
Total Long-Term Assets	12,959,786
Total Assets	$ 13,119,927
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	$ 147,740
Intercompany Payables	108,963
Other Liabilities	207,078
Total Current Liabilities	463,781
LONG-TERM LIABILITIES	
Mortgages Payable and Other Debt	14,303,219
Total Liabilities	14,767,000
NET ASSETS (DEFICITS)	
Without Donor Restrictions	(1,647,073)
Total Liabilities and Net Assets (Deficits)	$ 13,119,927

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
STATEMENT OF ACTIVITIES – CPLC ESTANCIA LLC
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

REVENUE	
Noncontract Revenue:	
Rental Income	$ 2,463,289
Other Revenues	309,737
Total Noncontract Revenue	2,773,026
Other Revenues:	
Investment Income	29
Total Revenues	2,773,055
OPERATING EXPENSES	
Salaries and Wages	403,421
Payroll Taxes	42,184
Fringe Benefits	64,714
Professional Fees	48,399
Management Fees	220,361
Staff Development	6,041
Property Administration	12,590
Travel	5,510
Advertising and Marketing	74,901
Insurance and Taxes	155,288
Utility Expenses	563,587
Repairs and Maintenance	492,838
Office Expenses	7,447
Technology and Communication	10,788
Miscellaneous	172,996
Depreciation	505,208
Interest Expense	290,832
Bad Debt Expense	18,542
Total Operating Expenses	3,095,647
CHANGE IN NET ASSETS (DEFICITS)	$ (322,592)

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
STATEMENT OF FINANCIAL POSITION – CPLC FOUNTAIN VILLAS LLC
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 199,619
Grants and Contracts Receivable, Net	9,624
Prepaid Expenses	616
Total Current Assets	209,859
LONG-TERM ASSETS	
Real Estate Properties - Rental, Net	5,639,105
Deposits and Funded Reserves	197,385
Other Assets, Net	31,614
Total Long-Term Assets	5,868,104
Total Assets	$ 6,077,963

LIABILITIES AND NET ASSETS (DEFICITS)

CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	$ 57,783
Intercompany Payables	18,495
Other Liabilities	50,900
Total Current Liabilities	127,178
LONG-TERM LIABILITIES	
Mortgages Payable and Other Debt	6,451,659
Total Liabilities	6,578,837
NET ASSETS (DEFICITS)	
Without Donor Restrictions	(500,874)
Total Liabilities and Net Assets (Deficits)	$ 6,077,963

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
STATEMENT OF ACTIVITIES – CPLC FOUNTAIN VILLAS LLC
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

REVENUE	
Noncontract Revenue:	
Rental Income	$ 924,928
Other Revenue	102,082
Total Noncontract Revenue	1,027,010
Other Revenue:	
Investment Income	138
Total Revenue	1,027,148
OPERATING EXPENSES	
Salaries and Wages	106,277
Payroll Taxes	11,695
Fringe Benefits	15,577
Professional Fees	17,144
Management Fees	81,747
Staff Development	45
Property Administration	3,568
Travel	2,219
Advertising and Marketing	8,710
Insurance and Taxes	63,873
Utility Expenses	226,076
Repairs and Maintenance	167,185
Office Expenses	1,447
Technology and Communication	4,341
Miscellaneous	60,938
Depreciation	247,099
Interest Expense	131,184
Bad Debt Expense	5,211
Total Operating Expenses	1,154,336
CHANGE IN NET ASSETS (DEFICITS)	$ (127,188)

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
STATEMENT OF FINANCIAL POSITION – LA CAUSA CONSTRUCTION, LLC
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

	ASSETS	
CURRENT ASSETS		
Cash and Cash Equivalents	$	313,387
Accounts Receivable		1,765,023
Intercompany Receivables		865,120
Other Receivables		297,055
Total Assets	$	3,240,585
	LIABILITIES AND NET ASSETS (DEFICITS)	
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$	934,472
Intercompany Payables		2,559,178
Total Liabilities		3,493,650
NET ASSETS (DEFICITS)		
Without Donor Restrictions		(253,065)
Total Liabilities and Net Assets (Deficits)	$	3,240,585

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
STATEMENT OF ACTIVITIES – LA CAUSA CONSTRUCTION, LLC
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

REVENUE	
Fee for Service Revenue:	
Construction Revenue	$ 10,106,538
Total Revenue	10,106,538
OPERATING EXPENSES	
Salaries and Wages	619,413
Payroll Taxes	58,049
Fringe Benefits	76,052
Contractor Expense	8,174,487
Professional Fees	32,947
Staff Development	12,753
Travel	13,934
Administrative Costs	147,465
Occupancy	14,202
Insurance and Taxes	96,672
Utility Expenses	(7,128)
Office Expenses	12,606
Technology and Communication	4,914
Miscellaneous	3,417
Bad Debt Expense	213,226
Total Operating Expenses	9,473,009
CHANGE IN NET ASSETS (DEFICITS)	$ 633,529

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
STATEMENT OF FINANCIAL POSITION – CPLC NEW MEXICO, INC.
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 127,797
Grants and Contracts Receivable, Net	632,805
Notes Receivable	97,536
Prepaid Expenses	665
Total Current Assets	858,803
LONG-TERM ASSETS	
Property and Equipment	802,316
Investments	
Investments in Affiliated Entities - Equity Method	1,578,756
Total Long-Term Assets	2,381,072
Total Assets	$ 3,239,875
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	$ 483,659
Intercompany Payables	2,000,679
Total Current Liabilities	2,484,338
LONG-TERM LIABILITIES	
Mortgages Payable and Other Debt, Net	250,000
Total Liabilities	2,734,338
NET ASSETS	
Without Donor Restrictions	505,537
Total Liabilities and Net Assets	$ 3,239,875

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
STATEMENT OF ACTIVITIES –
CPLC NEW MEXICO, INC.
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

REVENUE	
Contract Revenue:	
Grants and Contracts	$ 114,750
Fee for Service	3,147,457
Total Contract Revenue	3,262,207
Noncontract Revenue:	
Rental Income	2,199
Client Fees	84,155
Donations	397,255
Unrealized Loss in Investment in Affiliated Entities	24,335
Total Noncontract Revenue	507,944
Other Revenue:	
Investment Income	(209,403)
Dividend Income	75,000
Total Other Revenue	(134,403)
Total Revenue	3,635,748
OPERATING EXPENSES	
Salaries and Wages	496,879
Payroll Taxes	43,205
Fringe Benefits	31,797
Professional Fees	2,638,043
Staff Development	6,097
Travel	66,314
Advertising and Marketing	13,136
Administrative Costs	135,899
Occupancy	81,561
Insurance and Taxes	28,167
Utility Expenses	12,305
Repairs and Maintenance	5,275
Office Expenses	3,081
Furniture and Fixtures	254
Technology and Communication	18,178
Consumable Supplies	3,049
Miscellaneous	10,466
Depreciation	56,029
Bad Debt Expense	(2)
Total Operating Expenses	3,649,733
NONOPERATING ACTIVITY	
Loss on Sale of Assets, Net	-
CHANGE IN NET ASSETS	$ (13,985)

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
STATEMENT OF FINANCIAL POSITION – CPLC NEVADA, INC.
JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 273,292
Grants and Contracts Receivable, Net	642,081
Intercompany Receivables	25,771
Other Assets	4,800
Prepaid Expenses	5,000
Total Current Assets	950,944
LONG-TERM ASSETS	
Property and Equipment	17,623
Investments in Affiliated Entities - Equity Method	383,262
Total Long-Term Assets	400,885
Total Assets	$ 1,351,829
LIABILITIES AND NET ASSETS (DEFICITS)	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	$ 225,627
Intercompany Payables	1,154,341
Total Current Liabilities	1,379,968
NET ASSETS (DEFICITS)	
Without Donor Restrictions	(28,139)
Total Liabilities and Net Assets (Deficits)	$ 1,351,829

CHICANOS POR LA CAUSA, INC. AND SUBSIDIARIES AND AFFILIATES
STATEMENT OF ACTIVITIES – CPLC NEVADA, INC.
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

REVENUE	
Contract Revenue:	
Grants and Contracts	$ 1,522,346
Cost Reimbursement	94,217
Fee for Service	3,050
Total Contract Revenue	1,619,613
Noncontract Revenue:	
Client Fees	1,679
Donation	12,008
Fundraising	3,000
In-Kind	41,025
Other Revenue	10,398
Total Noncontract Revenue	68,110
Total Revenue	1,687,723
OPERATING EXPENSES	
Salaries and Wages	792,331
Payroll Taxes	66,588
Fringe Benefits	36,144
Professional Fees	45,935
Staff Development	3,822
Travel	23,722
Advertising and Marketing	16,905
Administrative Costs	114,693
Occupancy	42,355
Insurance and Taxes	2,218
Utility Expenses	4,030
Repairs and Maintenance	427
Office Expenses	20,011
Furniture and Fixtures	22,877
Technology and Communication	37,824
Consumable Supplies	7,610
Monetary Assistance	165,851
Miscellaneous	1,962
In-Kind	41,025
Depreciation	504
Bad Debt Expense (Recovery)	1,407
Total Operating Expense/Recovery	1,448,241
CHANGE IN NET ASSETS (DEFICITS)	$ 239,482