FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **2021-04-19** | Period of Report: **2020-12-31**
SEC Accession No. 0001654954-21-004301

(HTML Version on secdatabase.com)

FILER

Commonwealth Income & Growth Fund VII, LP

CIK:**1450335**| IRS No.: **263733264** | State of Incorp.:**PA** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **333-156357** | Film No.: **21832638**
SIC: **7350** Miscellaneous equipment rental & leasing

Mailing Address
4532 US HWY. 19, SUITE 200
NEW PORT RICHEY FL
34652

Business Address
4532 US HWY. 19, SUITE 200
NEW PORT RICHEY FL
34652
877-654-1500

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED) FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020 or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 333-156357

COMMONWEALTH INCOME & GROWTH FUND VII, LP

(Exact name of registrant as specified in its charter)

Pennsylvania	26-3733264
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

4532 US Highway 19
Suite 200
New Port Richey, FL 34652
(Address, including zip code, of principal executive offices)

(877) 654-1500
(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange which registered
None	N/A

Securities registered pursuant to Section 12(g) of the Act:
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, (as defined in Rule 405 of the Act): YES ☐ NO ☒

Indicate by checkmark if the registrant is not required to file reports pursuant to Section-13 or Section-15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant (i) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (ii) has been subject to such filing requirements for the past 90 days: YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K:
YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer, “large accelerated filer" and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ Do not check if a smaller reporting company.	Smaller reporting company ☒
	Emerging growth company ☐

Indicate by check mark whether the registrant is an emerging growth company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): YES ☐ NO ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the Registrant’s most recently completed second fiscal quarter: N/A

Documents incorporated by reference: None.

FORM 10-K
DECEMBER 31, 2020

TABLE OF CONTENTS

Forward-Looking Statements

From time to time, we and our representatives may provide information, whether orally or in writing, including certain statements in this Annual Report on Form 10-K, which are deemed to be "forward-looking." These forward-looking statements reflect our current beliefs and expectations with respect to future events and are based on assumptions and are subject to risks and uncertainties and other factors outside our control that may cause actual results to differ materially from those projected.

The words "anticipate," "believe," "estimate," "expect," "intend," "will," "should" and similar expressions, as they relate to us, are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended or using other similar expressions. We do not intend to update these forward-looking statements, except as required by law.

We are making investors aware that such forward-looking statements, because they relate to future events, are by their very nature subject to many important factors that could cause actual results to differ materially from those contemplated by the forward-looking statements contained in this Annual Report on Form 10-K, any exhibits to this Form 10-K and other public statements we make. Such factors include, but are not limited to: the outcome of litigation and regulatory proceedings to which we may be a party; actions of competitors; changes and developments affecting our industry; quarterly or cyclical variations in financial results; development of new products and services; interest rates and cost of borrowing; our ability to maintain and improve cost efficiency of operations; changes in economic conditions, political conditions, trade protection measures; reliance on third parties for manufacturing of products and provision of services; and other factors that are set forth in the "Legal Proceedings" section, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and other sections of this Annual Report on Form 10-K, as well as in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

PART I

ITEM 1: BUSINESS

GENERAL

Commonwealth Income & Growth Fund VII, LP (the "Partnership") is a Pennsylvania limited partnership that was formed on November 14, 2008. Its General Partner is Commonwealth Income & Growth Fund, Inc., (the "General Partner"), a Pennsylvania corporation which is an indirect wholly owned subsidiary of Commonwealth Capital Corp. ("CCC"), and is responsible for managing the affairs of the Partnership on a day-to-day basis pursuant to the partnership agreement. The General Partner is also responsible for identifying and making investments on behalf of the Partnership. The offering of limited partnership interests, registered pursuant to a registration statement on Form S-1, was declared effective by the Securities and Exchange Commission on November 13, 2009 (the "Effective Date"). As of the Effective Date, the Partnership received an initial capital contribution of $1,000 from its General Partner. The offering was described in detail in the prospectus constituting a part of such registration statement. The offering was a best-efforts, minimum/maximum offering, with a minimum requirement of $1,150,000 and a maximum offering of $50,000,000. All proceeds were held in escrow pending the receipt of the minimum amount. The Partnership reached the minimum amount in escrow and commenced operations on March 31, 2010. The Partnership utilized the offering proceeds to purchase and lease information technology, telecommunications, medical technology and other similar types of equipment. The offering terminated on November 22, 2011 with 1,572,900 units sold for a total of approximately $31,432,000 in limited partner contributions. Partnership's term of existence will expire on December 31, 2021, though the Partnership may be terminated and dissolved at an earlier or later date.

See "The Glossary" below for the definition of selected terms not otherwise defined in the text of this report.

PRINCIPAL INVESTMENT OBJECTIVES

The Partnership was formed for the purpose of acquiring various types of equipment, including computer information technology and other similar capital equipment. The Partnership utilized the net proceeds of the offering to purchase information technology and other similar capital equipment. The Partnership has utilized retained proceeds and debt financing (not in excess of 30% of the aggregate cost of the equipment owned or subject to conditional sales contract by the Partnership at the time the debt is incurred) to purchase additional equipment. The Partnership acquires and leases equipment principally to U.S. corporations and other institutions pursuant to operating leases. The Partnership retains the flexibility to enter into full payout net leases and conditional sales contracts, but has not done so.

The Partnership's principal investment objectives are to:

(a) acquire, lease and sell equipment to generate revenues from operations sufficient to provide annual cash distributions to Limited Partners;

(b) preserve and protect Limited Partners' capital;

(c) use a portion of cash flow and net disposition proceeds derived from the sale, refinancing or other disposition of equipment to purchase additional equipment; and

(d) refinance, sell or otherwise dispose of equipment in a manner that will maximize the proceeds to the Partnership.

THERE CAN BE NO ASSURANCE THAT ANY OF THESE OBJECTIVES WILL BE ATTAINED

Limited Partners do not have the right to vote on or otherwise approve or disapprove of any particular investment to be made by the Partnership.

Although the Partnership generally acquires new equipment, the Partnership may purchase used equipment. Generally, equipment is acquired from manufacturers, distributors, leasing companies, agents, owner-users, owner-lessors, and other suppliers upon terms that vary depending upon the equipment and supplier involved. Manufacturers and distributors usually furnish a limited warranty against defects in material and workmanship and some purchase agreements for equipment provide for service and replacement of parts during a limited period. Equipment purchases are also made through lease brokers and on an ad hoc basis to meet the needs of a particular lessee.

As of December 31, 2020, all equipment purchased by the Partnership is subject to an operating lease or a finance lease. The Partnership may also engage in sale/leaseback transactions, pursuant to which the Partnership would purchase equipment from companies that would then immediately lease the equipment from the Partnership. The Partnership may also purchase equipment which is leased under full payout net leases or sold under conditional sales contracts at the time of acquisition or the Partnership may enter into a full payout net lease or conditional sales contract with a third party when the Partnership acquires an item of equipment.

The Partnership may enter into arrangements with one or more manufacturers pursuant to which the Partnership purchases equipment that has previously been leased directly by the manufacturer to third parties ("vendor leasing agreements"). The Partnership and manufacturers may agree to obtain non-recourse loans from the manufacturers, to finance the acquisition of equipment. Such loans would be secured only by the specific equipment financed and the receivables due to the manufacturers from users of such equipment. It is expected that the manufacturers of equipment will provide maintenance, remarketing and other services for the equipment subject to such agreements. As of December 31, 2020, the Partnership has no such agreements.

The General Partner has the discretion, consistent with its fiduciary duty, to change the investment objectives of the Partnership if it determines that such a change is in the best interest of the Limited Partners and so long as such a change is consistent with the Partnership Agreement. The General Partner will notify the Limited Partners if it makes such a determination to change the Partnership's investment objectives.

TYPES OF EQUIPMENT

The Partnership invests in various types of equipment subject to leases. Our investment objective is to acquire primarily high technology equipment including, but not limited to: servers, desktops, laptops, workstations, printers, copiers, and storage devices. Our General Partner believes that dealing in high technology equipment is particularly advantageous due to a robust aftermarket. Information technology has developed rapidly in recent years and is expected to continue to do so. Technological advances have permitted reductions in the cost of computer processing capacity, speed, and utility. In the future, the rate and nature of equipment development may cause equipment to become obsolete more rapidly.

We also may acquire high technology medical, telecommunications and inventory management equipment. Our General Partner will seek to maintain an appropriate balance and diversity in the types of equipment acquired. The medical equipment we acquire may consist of IV pumps, long acute care beds, CT scanners, MRIs, flow cytometers, and other medical technology devices. The telecom equipment we acquire may include Cisco switches, routers, blade switches, wireless access points, and video conferencing systems. The inventory management equipment we acquire may consist of inventory control systems, lift trucks and tractors. The market for high technology medical equipment is growing each year. Generally this type of equipment will have a longer useful life than information technology equipment. This allows for increased re-marketability, if it is returned before its economic or announcement cycle is depleted.

Other Equipment Restrictions

The Partnership generally acquires information technology, telecommunications and medical technology equipment. The General Partner is also authorized to cause the Partnership to invest in other types of business-essential capital equipment. The Partnership may not invest in any of such other types of equipment (i) to the extent that the purchase price of such equipment, together with the aggregate purchase price of all such other types of equipment then owned by the Partnership, is in excess of 25% of the total cost of all of the assets of the Partnership at the time of the Partnership's commitment to invest therein and (ii) unless the General Partner determines that such a purchase is in the best economic interest of the Partnership at the time of the purchase. There can be no assurance that any equipment investments can be found which meet this standard. Accordingly, there can be no assurance that investments of this type will be made by the Partnership.

DIVERSIFICATION

Diversification is generally desirable to minimize the effects of changes in specific industries, local economic conditions or similar risks. However, the extent of the Partnership's diversification, in the aggregate and within each category of equipment, depends in part upon the financing which can be assumed by the Partnership or borrowed from third parties on satisfactory terms. The Partnership's policy not to borrow on a recourse basis will further limit its financing options. Diversification also depends on the availability of various types of equipment. For the year ended December 31, 2020, the Partnership has acquired a diversified equipment portfolio, which it has leased to different companies located throughout the United States.

The equipment types comprising the portfolio at December 31, 2020 are as follows:

Equipment Category	Approximate %
Desktops – Tier 1/Laptops	29%
Digital Storage	11%
High End Servers	37%
High Volume & Spec Printers	2%
Inventory Control	2%
Manufacturing Equipment	1%
Multifunction Centers	6%
Servers/Other	12%
Total	**100%**

During the operational stage of the Partnership, the Partnership may not at any one point in time lease (or sell pursuant to a conditional sales contract) more than 25% of the equipment to a single person or affiliated group of persons.

DESCRIPTION OF LEASES

Leases are classified as either sales-type, direct finance or operating at the inception of the lease, with classification affecting pattern of revenue recognition in the statements of operations. The Partnership's direct finance and sales-type leases are accounted for as net investment in finance leases; no significant changes have been made for the accounting of such leases upon the adoption of ASC Topic 842, Leases ("Topic 842") on January 1, 2019.

The Partnership lease transactions are principally accounted for under Topic 842 on January 1, 2019. Prior to Topic 842, the Partnership accounted for these transactions under Topic 840, Leases ("Topic 840"). Lease revenue includes revenue generated from leasing equipment to customers, including re-rent revenue, and is recognized as either on a straight line basis or using the effective interest method over the length of the lease contract, if such lease is either an operating lease or finance lease, respectively.

The Partnership's sale of equipment along with certain services provided to customers is recognized under ASC Topic 606, Revenue from Contracts with Customers, ("Topic 606"), which was adopted on January 1, 2018. Prior to adoption of Topic 606, the Partnership recognized these transactions under ASC Topic 605, Revenue Recognized, and ("Topic 605"). The Partnership recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The amount of revenue recognized reflects the consideration the Partnership expects to be entitled to in exchange for such products or services.

The Partnership generally purchases only equipment that is subject to a lease or for which a lease or similar agreement will be entered into contemporaneously with the consummation of the Partnership's acquisition of the equipment. The General Partner leases most of the equipment purchased by the Partnership to third parties pursuant to operating or finance leases. Types of leases which the General Partner may enter into are operating leases, finance leases, and conditional sales contracts.

- Operating leases are relatively short-term (12 to 48 month) leases under which the aggregate non-cancellable rental payments during the original term of the lease are not sufficient to permit the lessor to recover the purchase price of the subject equipment.

- In a finance lease, the lessor generally recovers substantially all of the present value of the equipment during the lease term.

In general, the terms of the Partnership's leases, whether the equipment is leased pursuant to an operating lease or a finance lease, depend upon a variety of factors, including: the desirability of each type of lease from both an investment and a tax point of view; the relative demand among lessees for operating or full payout leases; the type and use of equipment and its anticipated residual value; the business of the lessee and its credit rating; the availability and cost of financing; regulatory considerations; the accounting treatment of the lease sought by the lessee or the Partnership; and competitive factors.

An operating lease generally represents a greater risk to the Partnership than a finance lease, because in order to recover the purchase price of the subject equipment and earn a return on such investment, it is necessary to renew or extend the operating lease, lease the equipment to a third party at the end of the original lease term, or sell the equipment. On the other hand, the term of an operating lease is generally much shorter than the term of a finance lease, and the lessor is thus afforded an opportunity under an operating lease to re-lease or sell the subject equipment at an earlier stage of the equipment's life cycle than under a finance lease. Also, the annual rental payments received under an operating lease are ordinarily higher than those received under a finance lease.

The Partnership's policy is to generally enter into "triple net leases" which typically provide that the lessee or some other party bear the risk of physical loss of the equipment; pay taxes relating to the lease or use of the equipment; maintain the equipment; indemnify the Partnership-lessor against any liability suffered by the Partnership as the result of any act or omission of the lessee or its agents; maintain casualty insurance in an amount equal to the greater of the full value of the equipment and a specified amount set forth in the lease; and maintain liability insurance naming the Partnership as an additional insured with a minimum coverage which the General Partner deems appropriate. In addition, the Partnership may purchase "umbrella" insurance policies to cover excess liability and casualty losses, to the extent deemed practicable and advisable by the General Partner. As of December 31, 2020, all leases that have been entered into are "triple net leases."

The terms and conditions of the Partnership's leases are each determined by negotiation and may impose substantial obligations upon the Partnership. Where the Partnership assumes maintenance or service obligations, the General Partner generally causes the Partnership to enter into separate maintenance or service agreements with manufacturers or certified maintenance organizations to provide such services. Such agreements generally require annual or more frequent adjustment of service fees. As of December 31, 2020, the Partnership has not entered into any such agreements.

Investment Criteria

When evaluating potential lease transactions in which we will invest, the general partner and the CCC's management team performs a detailed credit and risk analysis of both the lessee and the lease transaction itself. The risk of doing business with the potential lessee and the economics of each particular transaction must both be acceptable to our portfolio management team and to the CEO of the General Partner, who specifically approves each and every lease transaction. Some of the criteria we evaluate are described below:

Evaluation of Lessees

The management team will perform a credit analysis (including a review of the financial statements, credit history and public debt record) of all potential lessees to determine the lessee's ability to make payments under the lease. We focus our investments in investment grade to middle market credits meeting our minimum acceptable fundamental analysis criteria. These criteria involve an overall fundamental assessment of the lessee, and application of our own proprietary "rating" model that is tailored to specific economic criteria that are important to us. In addition to preparing a detailed credit-write up at the time of initiation of a transaction, we also re-evaluate a lessee's credit risk on a monthly basis, and may review interim and annual lessee financial statements.

Generally, we seek lessees that have annual revenue of at least $10 million, have positive cash flow, and are not start-up entities, i.e., have been in business for at least five years. We will also apply a proprietary debt rating analysis when a Moody's or Standard & Poor's rating is not available. This allows us to create an equivalent, internal rating system without reliance solely on third-party models and analysis.

Evaluation of Transactions

As described above under "Description of Leases," we prefer our lease investments to have a term of 12 to 36 months, and will not invest in a lease greater than 48 months. We engage in "Fair Market Value" lease transactions, which permit the lessee to purchase the equipment at the end of term for no less than the then fair market value of the equipment. We seek to limit or avoid leases that allow for early buyouts or terminations, as these arrangements reduce the predictability of our returns.

Our focus is on Tier 1 (Tier 1 is defined as a large and well-known vendor, often enjoying national or international recognition and acceptance. Tier 1 vendors may be both manufacturers and value-added resellers) information technology, telecommunications, and medical technology equipment, leased in transactions generally ranging in size from $50,000 to $1,000,000. We will consider larger transactions, but for diversification purposes will require such transactions to be divided among multiple lease schedules, and the general partner may even assign a portion of such larger transactions to other affiliated funds to further spread the risk involved in larger transactions. Also, where the equipment type and economic analytics are advantageous, we may engage in lease transactions involving other types of equipment, so long as we feel it is business-essential equipment for the lessee. Also, we conduct a detailed analysis, using a third-party consultant, to assess the residual value of the proposed equipment at the end of the original lease term. This includes an analysis of the equipment's useful life and depreciation schedule, as well as the expected resale market of that equipment type and availability of remarketing channels.

Finally, in assessing whether a proposed lease transaction will fit into our portfolio criteria, management will consider the amount of exposure we and our affiliated funds have to (i) the proposed asset type, (ii) the particular lessee, (iii) the lessee's industry, and (iv) the geographic location of the equipment to be leased.

BORROWING POLICIES

The General Partner, at its discretion, may cause the Partnership to incur debt in the maximum aggregate amount of 30% of the aggregate cost of the equipment owned by the Partnership, or subject to conditional sales contracts. The Partnership will incur only non-recourse debt that is secured by equipment and lease income therefrom. Such leveraging permits the Partnership to increase the aggregate amount of its depreciable assets, and, as a result, potentially increases both its lease revenues and its federal income tax deductions above the levels that would be achieved without leveraging. There is no limit on the amount of debt that may be incurred in connection with the acquisition of any single item of equipment. Any debt incurred is fully amortized over the term of the initial lease or conditional sales contract to which the equipment securing the debt is subject. The precise amount borrowed by the Partnership depends on a number of factors, including the types of equipment acquired by the Partnership; the creditworthiness of the lessee; the availability of suitable financing; and prevailing interest rates. There can be no assurance that credit will be available to the Partnership in the amount or at the time desired or on terms considered reasonable by the General Partner. As of December 31, 2020, the Partnership's aggregate nonrecourse outstanding debt of approximately $472,000 was approximately 3.1% of the aggregate cost of the equipment owned. The notes are secured by specific equipment with a carrying value of approximately $952,000 at December 31, 2020 and are nonrecourse liabilities of the Partnership.

The Partnership may purchase some items of equipment without leverage. If the Partnership purchases an item of equipment without leverage and thereafter suitable financing becomes available, it may then obtain the financing, secure the financing with the purchased equipment and invest any proceeds from such financing in additional items of equipment. Any such financing will be on terms consistent with the terms applicable to borrowings in general.

The General Partner may cause the Partnership to borrow funds, to the fullest extent practical, at interest rates fixed at the time of borrowing. However, the Partnership may borrow funds at rates that vary with the "prime" or "base" rate. If lease revenues were fixed, a rise in the "prime" or "base" rate would increase borrowing costs and reduce the amount of the Partnership's income and cash available for distribution. Therefore, the General Partner is permitted to borrow funds to purchase equipment at fluctuating rates only if the lease for such equipment provides for fluctuating rental payments calculated on a similar basis.

Any additional debt incurred by the Partnership must be nonrecourse. Nonrecourse debt means that the lender providing the funds can look for security only to the equipment pledged as security and the proceeds derived from leasing or selling such equipment. Neither the Partnership nor any Partner (including the General Partner) would be liable for repayment of any nonrecourse debt.

Loan agreements may also require that the Partnership maintain certain reserves or compensating balances and may impose other obligations upon the Partnership. Moreover, since a significant portion of the Partnership's revenues from the leasing of equipment will be reserved for repayment of debt, the use of financing reduces the cash, which might otherwise be available for distributions until the debt has been repaid and may reduce the Partnership's cash flow over a substantial portion of the Partnership's operating life. As of December 31, 2020 the Partnership had not entered into any such agreements.

The General Partner and any of its affiliates may, but are not required to, make loans to the Partnership on a short-term basis. If the General Partner or any of its affiliates makes such a short-term loan to the Partnership, the General Partner or affiliate may not charge interest at a rate greater than the interest rate charged by unrelated lenders on comparable loans for the same purpose in the same locality. In no event is the Partnership required to pay interest on any such loan at an annual rate greater than three percent over the "prime rate" from time to time announced by PNC Bank, Philadelphia, Pennsylvania. All payments of principal and interest on any financing provided by the General Partner or any of its affiliates are due and payable by the Partnership within 12 months after the date of the loan.

REFINANCING POLICIES

Subject to the limitations set forth in "Borrowing Policies" above, the Partnership may refinance its debt from time to time. With respect to a particular item of equipment, the General Partner will take into consideration such factors as the amount of appreciation in value, if any, to be realized, the possible risks of continued ownership, and the anticipated advantages to be obtained for the Partnership, as compared to selling such equipment. As of December 31, 2020, the Partnership has not entered into any debt refinancing transactions.

Refinancing, if achievable, may permit the Partnership to retain an item of equipment and at the same time to generate additional funds for reinvestment in additional equipment or for distribution to the Limited Partners.

LIQUIDATION POLICIES

The General Partner intends to cause the Partnership to begin the liquidation phase approximately 10 years after commencement of operations. Notwithstanding the Partnership's objective to sell all of its assets and dissolve by December 31, 2021, the General Partner may cause the Partnership to dispose of all its equipment and dissolve the Partnership sooner, if warranted by economic conditions.

Particular items of equipment may be sold at any time if, in the judgment of the General Partner, it is in the best interest of the Partnership to do so. The determination of whether particular items of Partnership equipment should be sold or otherwise disposed of is made by the General Partner after consideration of all relevant factors (including prevailing general economic conditions, lessee demand, the General Partner's views of current and future market conditions, the cash requirements of the Partnership, potential capital appreciation, cash flow and federal income tax considerations), with a view toward achieving the principal investment objectives of the Partnership. As partial payment for equipment sold, the Partnership may receive purchase money obligations secured by liens on such equipment.

MANAGEMENT OF EQUIPMENT

Equipment management services for the Partnership's equipment are provided by the General Partner and its affiliates and by persons employed by the General Partner. Such services will consist of collection of income from the equipment, negotiation and review of leases, conditional sales contracts and sales agreements, releasing and leasing-related services, payment of operating expenses, periodic physical inspections and market surveys, servicing indebtedness secured by equipment, general supervision of lessees to assure that they are properly utilizing and operating equipment, providing related services with respect to equipment, supervising, monitoring and reviewing services performed by others with respect to equipment and preparing monthly equipment operating statements and related reports.

COMPETITION

The equipment leasing industry is highly competitive. The Partnership competes with leasing companies, equipment manufacturers and their affiliated financing companies, distributors and entities similar to the Partnership (including other programs sponsored by the General Partner), some of which have greater financial resources than the Partnership and more experience in the equipment leasing business than the General Partner. Other leasing companies and equipment manufacturers, their affiliated financing companies and distributors may be in a position to offer equipment to prospective lessees on financial terms, which are more favorable, than those which the Partnership can offer. They may also be in a position to offer trade-in privileges, software, maintenance contracts and other services, which the Partnership may not be able to offer. Equipment manufacturers and distributors may offer to sell equipment on terms (such as liberal financing terms and exchange privileges or service contracts), which will afford benefits to the purchaser similar to those obtained through leases. Other competitive factors include pricing, technological innovation and methods of financing. Certain manufacturer-lessors maintain advantages through patent protection, where applicable, and through a policy that combines service and hardware with payment accomplished through a single periodic charge. As a result of the advantages, which certain of its competitors may have, the Partnership may find it necessary to lease its equipment on a less favorable basis than certain of its competitors.

INVESTMENTS

The Partnership, through CCC, participates in the purchase of equipment subject to associated debt obligations and lease agreements. The purchase price, list price and monthly rentals presented below represent the Partnership's share of the total amounts, based on CCC's allocation of the equipment to the Partnership, and in some instances, other affiliated partnerships.

For the period of January 1, 2020 through April 16, 2021, the Partnership has purchased, or has made the commitment to purchase, the following equipment:

Lessee	Equipment Category	Purchased Term	Pro-rated Purchase Price
Vista Outdoor Inc.	Inventory Control Systems	36	$215,215.74
George Chiala Farms	Inventory Control Systems	48	$86,115.92
EquipmentShare.com	Manufacturing Equipment	48	$152,577.60

RESERVES

Because the Partnership's leases are on a "triple-net" basis, no permanent reserve for maintenance and repairs has been established from the offering proceeds. However, the General Partner, in its sole discretion, may retain a portion of the cash flow and net disposition proceeds available to the Partnership for maintenance, repairs and working capital. There are no limitations on the amount of cash flow and net disposition proceeds that may be retained as reserves. Since no reserve will be established, if available cash flow of the Partnership is insufficient to cover the Partnership's operating expenses and liabilities, it may be necessary for the Partnership to obtain additional funds by refinancing its equipment or borrowing additional funds.

GENERAL RESTRICTIONS

Under the Partnership Agreement, the Partnership is not permitted, among other things, to:

a) invest in junior trust deeds unless received in connection with the sale of an item of equipment in an aggregate amount that does not exceed 30% of the assets of the Partnership on the date of the investment;

b) invest in or underwrite the securities of other issuers;

c) acquire any equipment for units;

d) issue senior securities (except that the issuance to lenders of notes or other evidences of indebtedness in connection with the financing or refinancing of equipment or the Partnership's business shall not be deemed to be the issuance of senior securities);

e) make loans to any person, including the General Partner or any of its affiliates, except to the extent a conditional sales contract constitutes a loan;

f) sell or lease any equipment to, lease any equipment from, or enter into any sale- leaseback transactions with, the General Partner or any of its affiliates; or

g) give the General Partner or any of its affiliates an exclusive right or employment to sell the Partnership's equipment.

The General Partner has also agreed in the Partnership Agreement to use its best efforts to assure that the Partnership shall not be deemed an "investment company" as such term is detained in the Investment Company Act of 1940.

The General Partner and its affiliates may engage in other activities, whether or not competitive with the Partnership. The Partnership Agreement provides, however, that neither the General Partner nor any of its affiliates may receive any rebate or "give up" in connection with the Partnership's activities or participate in reciprocal business arrangements that circumvent the restrictions in the Partnership Agreement against dealings with affiliates.

EMPLOYEES

The Partnership had no employees during 2020 and received administrative and other services from a related party, CCC, which had 28 employees as of December 31, 2020.

PRINCIPAL PLACE OF BUSINESS

On March 1, 2020, the General Partner ("GP") relocated the Partnership's principal place of business to 4532 US Highway 19, Suite 200, New Port Richey, Florida, 34652. The GP's telephone and fax numbers remains the same, (877) 654-1500, Fax: (727)450-5360.

ITEM 1A: RISK FACTORS

COVID-19 Pandemic

The amount of revenue recognized and the pattern of revenue recognition may be impacted by COVID-19. Some of the business sectors that we service such as education centers, medical facilities, payroll administrators, manufacturing and transportation, we may need to account for returns and refund liabilities. The pattern of revenue recognition may change for delays in rendering services.

In periods ended subsequent to the outbreak of COVID-19, the impact on expected credit losses and future cash flow projections used in impairment testing will need to be considered.

The Company continues to evaluate whether adjustments to the financial statements are required or whether additional disclosures are necessary. In our leasing business, the Company is always subject to credit losses as it relates to a customer's ability to make timely rental payments. The impact of COVID-19 may contribute to risk of non-performance, where a customer may experience financial difficulty and may delay in making timely payments.

The Company recognizes impairment of receivables and loans when losses are incurred, which is when it is probable that an entity will be unable to collect all amounts due according to the contractual terms of the arrangement. Impairment is measured based on the present value of expected future cash flows discounted at the receivable's or loans effective interest rate, except that, as a practical expedient, impairment can be measured based on a receivable's or loans' observable market price or the fair value of the underlying collateral.

The Company believes its estimate of expected losses have been recognized based on historical experience, current conditions, and reasonable forecasts. The impacts of COVID-19 may necessitate additional adjustments in future forecasts of expected losses.

Although the Partnership cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Partnership results of future operations, financial position, and liquidity in fiscal year 2021 and beyond.

ITEM 1B: UNRESOLVED STAFF COMMENTS

NONE

ITEM 2: PROPERTIES

NONE

ITEM 3: LEGAL PROCEEDINGS

Medshare

In January 2015, CCC, on behalf of the Funds, entered into a Purchase Agreement ("Purchase Agreement") for the sale of the equipment to Medshare Technologies ("Medshare") for approximately $3,400,000. The Partnership's share of the sale proceeds was approximately $1,033,000. As of April 16, 2021, the Partnership had received approximately $728,000 of the approximate $1,033,000 sale proceeds and has recorded a reserve of $246,000 against the outstanding receivables. On April 3, 2015 Medshare was obligated to make payment in full and failed to do so. As a result, Medshare defaulted on its purchase agreement with CCC and was issued a demand letter for full payment of the equipment. On June 25, 2015, Medshare filed a lawsuit in Texas state court for breach of contract ("State Suit"). On June 26, 2015, Commonwealth filed a lawsuit in the Northern District of Texas against Medshare seeking payment in full and/or return of the Equipment and damages.

In July 2016, CCC, on behalf of the Funds, entered into a $1,400,000 binding Settlement Agreement ("Settlement Agreement") with Medshare and its principal owner, Chris Cleary (collectively referred to as "Defendants"), who are held jointly and severally liable for the entire settlement. On August 2, 2016, the Defendants made payment to CCC of an initial $200,000 to be followed by 24 structured monthly payments of approximately $50,000 per month to begin no later than September 15, 2016. The Partnership's share of the Settlement Agreement is approximately $453,000 and is to be applied against the net Medshare receivable of approximately $350,000 as of the settlement date. The remaining $103,000 will be applied against the $246,000 reserve and recorded as a bad debt recovery. As of April 16, 2021, the Partnership received approximately $182,000 of the approximate $453,000 settlement agreement which was applied against the net Medshare receivable of approximately $350,000 as of the settlement date. As Defendant defaulted on settlement agreement, CCC sought and obtained consent judgment from U.S. District Court for Northern District of Texas, Dallas Division on July 27, 2017 in the amount of $1.5 million, less $450,000 previously paid plus $6,757 in attorney fees, both the Defendant and Cleary being jointly and severally liable for the judgment amount. The court also vacated the September 21, 2016 settlement dismissal.

On July 27, 2017 Defendant filed Chapter 11 in Northern District of Texas Dallas Division. On July 26, 2017 Legacy Texas Bank, a secured creditor of the Defendant filed for a TRO in the U.S. District Court of the Northern District of Texas, Dallas Division. Included with the TRO filing was a request for appointment of trustee for operation of Defendant, which was granted and the case converted to Chapter 7. On December 18, 2018 the Bankruptcy Court entered final order and issued its last payment to CCC in March 2019 of approximately $43,000, of which the Partnership's share was approximately $14,000. The Medshare Bankruptcy matter is now closed. Although the trustee's final distribution to Commonwealth did not fully satisfy the judgment, recovery may still be pursued directly against Cleary. As such, management believes that the foregoing will not result in any adverse financial impact on the Funds, but no assurance can be provided until the proceedings are resolved.

FINRA

On May 3, 2013, the FINRA Department of Enforcement filed a complaint naming Commonwealth Capital Securities Corp. ("CCSC") and the owner of the firm, Kimberly Springsteen-Abbott, as respondents; however, on October 22, 2013, FINRA filed an amended complaint that dropped the allegations against CCSC and reduced the scope of the allegations against Ms. Springsteen-Abbott. The sole remaining charge was that Ms. Springsteen-Abbott had approved the misallocation of some expenses to certain Funds. Management believes that the expenses at issue include amounts that were proper and that were properly allocated to Funds, and also identified a smaller number of expenses that had been allocated in error, but were adjusted and repaid to the affected Funds when they were identified in 2012. During the period in question, Commonwealth Capital Corp. ("CCC") and Ms. Springsteen-Abbott provided important financial support to the Funds, voluntarily absorbed expenses and voluntarily waived fees in amounts aggregating in excess of any questioned allocations. A Hearing Panel ruled on March 30, 2015, that Ms. Springsteen-Abbott should be barred from the securities industry because the Panel concluded that she allegedly misallocated approximately $208,000 of expenses involving certain Funds over the course of three years. As such, management had already reallocated back approximately $151,225 of the $208,000 (in allegedly misallocated expenses) to the affected funds, which was fully documented, as good faith payments for the benefit of those Income Funds.

The decision of the Hearing Panel was stayed when it was appealed to FINRA's National Adjudicatory Council (the "NAC") pursuant to FINRA Rule 9311. The NAC issued a decision that upheld the lower panel's ruling and the bar took effect on August 23, 2016. Ms. Springsteen-Abbott appealed the NAC's decision to the U.S. Securities and Exchange Commission (the "SEC"). On March 31, 2017, the SEC criticized that decision as so flawed that the SEC could not even review it, and remanded the matter back to FINRA for further consideration consistent with the SEC's remand, but did not suggest any view as to a particular outcome.

On July 21, 2017, FINRA reduced the list of 1,840 items totaling $208,000 to a remaining list of 87 items totaling $36,226 (which includes approximately $30,000 of continuing education expenses for personnel providing services to the Funds), and reduced the proposed fine from $100,000 to $50,000, but reaffirmed its position on the bar from the securities industry. Respondents promptly appealed FINRA's revised ruling to the SEC. All the requested or allowed briefs have been filed with the SEC. The SEC upheld FINRA's order on February 7, 2020 to bar, but eliminated FINRA's proposed fine. Ms. Springsteen-Abbott has filed a Petition for Review in the United States Court of Appeals for the District of Columbia Circuit to review a final order entered against her by the U.S. Securities and Exchange Commission. On February 26, 2021 the United States Court of Appeals for the District of Columbia Circuit dismissed in part and denied in part Ms. Springsteen-Abbott's petition; however, given the SEC's prior removal FINRA's fine Management anticipates the ruling will not result in any material adverse financial impact to the Funds.

ITEM 4: MINE SAFETY DISCLOSURES

NOT APPLICABLE

PART II

ITEM 5: MARKET FOR THE REGISTRANTS COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

There is no public market for the units nor is it anticipated that one will develop. As of December 31, 2020, there were 987 unit holders. The units are not listed on any exchange or permitted to trade on any over-the-counter market. In addition, there are substantial restrictions on the transferability of units.

GENERAL LIMITATIONS

Units cannot be transferred without the consent of the General Partner, which may be withheld in its discretion according to the Partnership Agreement. The General Partner monitors transfers of units in an effort to ensure that all transfers are within certain safe harbors promulgated by the IRS to furnish guidance regarding publicly traded partnerships. These safe harbors limit the number of transfers that can occur in any one year. The General Partner intends to cause the Partnership to comply with the safe harbor that permits nonexempt transfers and redemptions of units of up to five percent of the total outstanding interest in the Partnership's capital or profits in any one year.

REDEMPTION PROVISION

The Partnership may, at the sole discretion of the General Partner, repurchase a number of the outstanding units pursuant to its limited redemption plan. On a semi-annual basis, the General Partner, at its discretion, may establish an amount for redemption, generally not to exceed two percent of the outstanding units per year, subject to the General Partner's good faith determination that such redemptions will not (a) cause the Partnership to be taxed as a corporation under Section 7704 of the Code or (b) impair the capital or operations of the Partnership. (The Partnership may redeem units in excess of the two percent limitation if, in the good faith judgment of the General Partner, the conditions imposed in the preceding sentence would remain satisfied.) The redemption price for units will be 105% of the selling Limited Partner's adjusted capital contributions attributable to the units for sale. Following the determination of the annual redemption amount, redemptions will occur on a semi-annual basis and all requests for redemption, which must be made in writing, must be on file as of the record date with respect to which the redemption is to occur. The General Partner will maintain a master list of requests for redemption with priority being given to units owned by estates, followed by IRAs and qualified plans. All other requests will be considered in the order received. Redemption requests made by or on behalf of Limited Partners who are not affiliated with the General Partner or its affiliates will be given priority over those made by Limited Partners who are affiliated with the General Partner or its affiliates. All redemption requests will remain in effect until and unless canceled, in writing, by the requesting Limited Partner(s).

The Partnership began accepting redemption requests beginning 30 months following the termination of the public offering of its units. There are no limitations on the period of time that a redemption request may be pending prior to it being granted. Limited Partners will not be required to hold their interest in the Partnership for any specified period prior to their making a redemption request.

In order to make a redemption request, Limited Partners will be required to advise the General Partner in writing of such request. Upon receipt of such notification, the Partnership will provide detailed forms and instructions to complete the request. Since the Partnership began to accept redemptions, through December 31, 2020, the General Partner had granted redemption requests to redeem approximately 36,000 units. During the year ended December 31, 2020, limited partners redeemed 4,571 units of the partnership for a total redemption price of approximately $34,627 in accordance with the terms of the limited partnership agreement. For the year ended December 31, 2019, limited partners redeemed 834 units of the partnership for a total redemption price of approximately $6,600 in accordance with the terms of the limited partnership agreement.

EXEMPT TRANSFERS

The following seven categories of transfers are exempt transfers for purposes of calculating the volume limitations imposed by the IRS and will generally be permitted by the General Partner:

1) transfers in which the basis of the unit in the hands of the transferee is determined, in whole or in part, by reference to its basis in the hands of the transferor (for example, units acquired by corporations in certain reorganizations, contributions to capital, gifts of units, units contributed to another partnership, and non-liquidating as well as liquidating distributions by a parent partnership to its partners of interests in a sub partnership);

2) transfers at death;

3) transfers between members of a family (which include brothers and sisters, spouse, ancestors, and lineal descendants);

4) transfers resulting from the issuance of units by the Partnership in exchange for cash, property, or services;

5) transfers resulting from distributions from qualified plans;

6) any transfer by a Limited Partner in one or more transactions during any 30-day period of units representing in the aggregate more than five percent of the total outstanding interests in capital or profits of the Partnership; and

7) transfers by one or more partners representing in the aggregate fifty percent (50%) or more of the total interests in partnership's capital or profits in one transaction or a series of related transactions.

ADDITIONAL RESTRICTIONS ON TRANSFER

Limited Partners who wish to transfer their units to a new beneficial owner are required to pay the Partnership up to $50 for each transfer to cover the Partnership's cost of processing the transfer application and take such other actions and execute such other documents as may be reasonably requested by the General Partner. There is no charge for re-registration of a unit in the event of a marriage, divorce, death, or transfer to a trust so long as the transfer is not a result of a sale of the units.

In addition, the following restrictions apply to each transfer: (i) no transfer may be made if it would cause 25% or more of the outstanding units to be owned by benefit plans; and (ii) no transfer is permitted unless the transferee obtains such governmental approvals as may reasonably be required by the General Partner, including without limitation, the written consents of the Pennsylvania Securities Commissioner and of any other securities agency or commission having jurisdiction over the transfer.

ALLOCATION AND DISTRIBUTION BETWEEN THE GENERAL PARTNER AND THE LIMITED PARTNERS

Cash distributions, if any, are made quarterly on March 31, June 30, September 30, and December 31, of each year. Distributions are made 99% to the Limited Partners and 1% to the General Partner until the Limited Partners has received an amount equal to their Capital Contributions plus the Priority Return of 10% per annum; thereafter, cash distributions will be made 90% to Limited Partners and 10% to the General Partner. Distributions made in connection with the liquidation of the Partnership or a Partner's Units will be made in accordance with the Partner's positive capital account balance as determined under the Partnership Agreement and Treasury Regulations.

The priority return is calculated on the Limited Partners' adjusted capital contributions for their units. The adjusted capital contributions will initially be equal to the amount paid by the Limited Partners for their units. If distributions at any time exceed the priority return, the excess will reduce the adjusted capital contributions, decreasing the base on which the priority return is calculated.

If the proceeds resulting from the sale of any equipment are reinvested in equipment, sufficient cash will be distributed to the Partners to pay the additional federal income tax resulting from such sale for a Partner in a 35% federal income tax bracket or, if lower, the maximum federal income tax rate in effect for individuals for such taxable year.

Generally, the General Partner is allocated net profits equal to its cash distributions (but not less than one percent of net profits) and the balance is allocated to the Limited Partners. Net profits arising from transactions in connection with the termination or liquidation of the Partnership are allocated in the following order: (1) First, to each Partner in an amount equal to the negative amount, if any, of his capital account; (2) Second, an amount equal to the excess of the proceeds which would be distributed to the Partners based on the operating distributions to the Partners over the aggregate capital accounts of all the Partners, to the Partners in proportion to their respective shares of such excess, and (3) Third, with respect to any remaining net profits, to the Partners in the same proportions as if the distributions were operating distributions. Net losses, if any, are in all cases allocated 99% to the Limited Partners and one percent to the General Partner.

Net profits and net losses are computed without taking into account, in each taxable year of the Partnership, any items of income, gain, loss or deduction required to be specially allocated pursuant to Section 704(b) of the Code and the Treasury Regulation promulgated thereunder. No Limited Partner is required to contribute cash to the capital of the Partnership in order to restore a closing capital account deficit, and the General Partner has only a limited deficit restoration obligation under the Partnership Agreement.

Distributions in the following approximate amounts declared to the Limited Partners for the years ended December 31, 2020 and 2019 were as follows:

Quarter Ended	**2020**	2019
March 31	**$ -**	$ 77,000
June 30	**-**	77,000
September 30	**-**	76,000
December 31	**-**	76,000
	$ -	$ 306,000

ALLOCATIONS AND DISTRIBUTIONS AMONG THE LIMITED PARTNERS

Cash available for distribution that is allocable to the Limited Partners is apportioned among and distributed to them solely with reference to the number of units owned by each as of the record date for each such distribution.

Net profits, net losses and cash available for distribution allocable to the Limited Partners is apportioned among them in accordance with the number of units owned by each.

In addition, where a Limited Partner transfers units during a taxable year, the Limited Partner may be allocated net profits for a period for which such Limited Partner does not receive a corresponding cash distribution.

ITEM 6: SELECTED FINANCIAL DATA

NOT APPLICABLE

ITEM 7: MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of our current financial position and results of operations. This discussion should be read together with the Partnership’s financial statements contained under Item 8 of this Annual report on Form 10-K. This discussion should also be read in conjunction with the disclosures above regarding “Forward-Looking Statements.”

INTRODUCTION

We were formed for the purpose of acquiring various types of business-essential technology equipment, including computer information technology, telecommunications, medical technology and other similar capital equipment. We offered for sale up to 2,500,000 units of the limited partnership at the purchase price of $20 per unit in a public offering that commenced on November 13, 2009 (the "Offering"). We reached the minimum offering amount, broke escrow and commenced operations on March 31, 2010. A total of 1,572,900 units were sold in the offering, for a total of approximately $31,432,000 in limited partner contributions.

Our management team consists of the officers of our corporate General Partner, Commonwealth Income & Growth Fund, Inc. We have utilized the net proceeds of our public offering to purchase equipment that is subject to leases with businesses throughout the United States. We have also utilized debt financing (not in excess of 30% of the aggregate cost of the equipment owned or subject to conditional sales contracts at the time the debt is incurred) to purchase additional equipment. We acquire and lease equipment principally to U.S. corporations and other institutions pursuant to operating and finance leases. We retain the flexibility to enter into full payout net leases and conditional sales contracts, but have not done so.

COMPETITIVE OUTLOOK

As discussed in "Competition" in Item 1 above, the commercial leasing and financing industry is highly competitive and is characterized by competitive factors that vary based upon product and geographic region. We compete primarily on the basis of pricing, terms and structure, particularly on structuring flexible, responsive, and customized financing solutions for our customers. Our investments are often made directly rather than through competition in the open market. This approach limits the competition for our typical investment, which is intended to enhance returns. We believe our investment model will represent the best way for individual investors to participate in investing in business-essential equipment. Nevertheless, to the extent that our competitors compete aggressively on any combination of the foregoing factors, our results could be adversely impacted.

PRINCIPAL INVESTMENT OBJECTIVES

Our principal investment objectives are to:

acquire, lease and sell equipment to generate revenues from operations sufficient to provide annual cash distributions to our limited partners;

a) preserve and protect limited partners' capital;

b) use a portion of cash flow and net disposition proceeds derived from the sale, refinancing or other disposition of equipment to purchase additional equipment; and

c) refinance, sell or otherwise dispose of equipment in a manner that will maximize proceeds.

INDUSTRY OVERVIEW

We invest in various types of domestic information technology equipment leases located solely within the United States. Our investment objective is to acquire primarily high technology equipment. We believe that dealing in high technology equipment is particularly advantageous due to a robust aftermarket. Information technology has developed rapidly in recent years and is expected to continue to do so. Technological advances have permitted reductions in the cost of computer processing capacity, speed, and utility. In the future, the rate and nature of equipment development may cause equipment to become obsolete more rapidly. In an effort to mitigate this risk our portfolio manager attempts to diversify our fund through the acquisition of different types of equipment, staggered lease maturities, various lessees, and businesses located throughout the U.S., and industries served.

We also acquire high technology medical, telecommunications and inventory management equipment. Our General Partner seeks to maintain an appropriate balance and diversity in the types of equipment acquired. The market for high technology medical equipment is growing each year. Generally, this type of equipment has a longer useful life. This allows for increased re-marketability, if it is returned before its economic or announcement cycle is depleted.

The Equipment Leasing and Finance Association's (ELFA) Monthly Leasing and Finance Index (MLFI-25), which reports economic activity from 25 companies representing a cross section of the $900 billion equipment finance sector, showed their overall new business volume for December 2020 was $12.1 billion, down 6% year-over-year from new business volume in December 2019. Volume was up 66% month-to-month from $7.3 billion in November 2020, in a typical end-of-year spike. Cumulative new business volume for 2020 was down almost 6% compared to 2019.

Receivables over 30 days were 2.20%, down from 2.30% the previous month and unchanged from the same period in 2019. Charge-offs were 0.59%, down from 0.61% the previous month and up from 0.51% in the year-earlier period.

Credit approvals totaled 75.2%, up from 70.4% in November. Total headcount for equipment finance companies was down 4.6% year-over-year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in January is 59.6, unchanged from the December index.

ELFA President and CEO Ralph Petta said, "While 2020 certainly presented serious challenges to our nation's economic well-being as well as to the physical well-being of many of our citizens, the equipment finance business, overall, showed remarkable resilience and durability. In early 2020, our industry seemed poised to continue 2019's strong performance, as measured by a variety of key metrics. Then, the pandemic hit. Our nation suffered a shock of unimaginable and historic proportions. The economy faltered, millions of Americans lost their jobs, and a raging health pandemic threatened the very lives of so many. Now, looking in the rearview mirror, at the start of a new year that brings such hope and promise—with new stimulus initiatives coming out of Washington and distribution of a vaccine designed to protect our people—most equipment finance sector observers would consider a single-digit decline in year-over-year new business volume tolerable, if not acceptable. In fact, anecdotal reports from some ELFA member organizations indicate that 2020 was a record year! This speaks to the strength and resilience of our industry as it equips American businesses to succeed and prosper."

Walter Rabin, Chief Executive Officer, Signature Financial LLC, said, "The new year provides a chance to reflect upon 2020's unprecedented events and look forward to opportunities ahead. While the health and safety of our colleagues and clients remained paramount as the pandemic surged, Signature Financial continued its growth trajectory, exceeding $5 billion in its portfolio at year-end. As demonstrated by the MLFI-25 showing only a 6 percent decrease in year-over-year volume, the industry remained resilient in generating capital essential to sustain the U.S. economy amid the pandemic-affected economy. With rollout of the COVID-19 vaccine now accelerating and additional stimulus in the near-term, we anticipate 2021 offering new business growth opportunities and improved confidence."

Our business is directly impacted by factors such as economic, political, and market conditions, broad trends in industry and finance, legislative and regulatory changes, changes in government monetary and fiscal policies, and inflation, all of which are beyond our control. Given these circumstances, we believe companies overall, will continue to increasingly turn to leasing, as a financing solution. It is our belief that companies lease business-essential equipment because leasing can provide many benefits to a company. The number one benefit of leasing that we see is that there is no large outlay of cash required. Therefore, companies can preserve their working capital, lease equipment, which is an expense item, have the flexibility to upgrade the equipment when needed, and have no risk of obsolescence. Because we expect leasing to remain an attractive financing solution for American businesses during the next 12 months, we feel that our ability to increase our portfolio size and leasing revenues during that period will remain strong.

We, at Commonwealth, are currently operating business as usual (with our employees working remotely). We may see a slowdown on new equipment acquisition decisions from Corporate Lessees until the crisis is resolved and businesses can resume their normal operation. We have no way of knowing what this period of time will be. We will keep our investors informed of subsequent events. For information relating to COVID-19 and the overall effects, as expressed by Ralph Petta, President of ELFA (The Equipment Leasing & Finance Association), please refer to elfaonline.org.

CRITICAL ACCOUNTING POLICIES AND USE OF ESTIMATES

Our management's discussion and analysis of our financial condition and results of operations is based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Management's estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that our critical accounting policies affect our more significant judgments and complex estimates used in the preparation of our financial statements.

Revenue Recognition

The Partnership is principally engaged in business of leasing equipment. Ancillary to the Partnership's principal equipment leasing business, the Partnership also sells certain equipment and may offer certain services to support its customers.

The Partnership's lease transactions are principally accounted for under Topic 842 on January 1, 2019. Prior to Topic 842, the Partnership accounted for these transactions under Topic 840, Leases ("Topic 840"). Lease revenue includes revenue generated from leasing equipment to customers, including re-rent revenue, and is recognized as either on a straight line basis or using the effective interest method over the length of the lease contract, if such lease is either an operating lease or finance lease, respectively.

The Partnership's sale of equipment along with certain services provided to customers is recognized under ASC Topic 606, Revenue from Contracts with Customers, ("Topic 606"), which was adopted on January 1, 2018. Prior to adoption of Topic 606, the Partnership recognized these transactions under ASC Topic 605, Revenue Recognized, and ("Topic 605"). The Partnership recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The amount of revenue recognized reflects the consideration the Partnership expects to be entitled to in exchange for such products or services.

For the year ended December 31, 2020, the Partnership's lease portfolio consisted of operating leases and finance leases. For operating leases, lease revenue is recognized on a straight-line basis in accordance with the terms of the lease agreement. Finance lease interest income is recorded over the term of the lease using the effective interest method.

Upon the end of the lease term, if the lessee has not met the return conditions as set out in the lease, the Partnership is entitled in certain cases to additional compensation from the lessee. The Partnership's accounting policy for recording such payments is to treat them as revenue.

Gains or losses from sales of leased and off-lease equipment are recorded on a net basis in the Partnership's Statement of Operations. Gains from the termination of leases are recognized when the lease is modified and terminated concurrently. Our leases do not contain any step-rent provisions or escalation clauses nor are lease revenues adjusted based on any index.

Partnership's accounting policy for sales and property taxes collected from the lessees are presented in the current period as gross revenues and expenses.

Long-Lived Assets

Depreciation on technology and inventory management equipment for financial statement purposes is based on the straight-line method estimated generally over useful lives of two to five years. Once an asset comes off lease or is released, the Partnership reassesses the useful life of an asset.

The Partnership evaluates its long-lived assets when events or circumstances indicate that the value of the asset may not be recoverable. The Partnership determines whether impairment exists by estimating the undiscounted cash flows to be generated by each asset. If the estimated undiscounted cash flows are less than the carrying value of the asset then impairment exists. The amount of the impairment is determined based on the difference between the carrying value and the fair value. Fair value is determined based on estimated discounted cash flows to be generated by the asset, third party appraisals or comparable sales of similar assets, as applicable, based on asset type.

Residual values are determined by management and are calculated using information from both internal and external sources, as well as other economic indicators.

Reimbursable Expenses

Reimbursable expenses are comprised of both ongoing operational expenses and fees associated with the allocation of salaries and benefits, referred to as other LP expenses. Reimbursable expenses, which are charged to the Partnership by CCC in connection with the administration and operation of the Partnership, are allocated to the Partnership based upon several factors including, but not limited to, the number of investors, compliance issues, and the number of existing leases. For example, if a partnership has more investors than another program sponsored by CCC, then higher amounts of expenses related to investor services, including mailing and printing costs will be allocated to that partnership. Also, while a partnership is in its offering stage, higher compliance costs are allocated to it than to a program not in its offering stage, as compliance resources are utilized to review incoming investor suitability and proper documentation. Finally, lease related expenses, such as due diligence, correspondence, collection efforts and analysis and staff costs, increase as programs purchase more leases, and decrease as leases terminate and equipment is sold. All of these factors contribute to CCC's determination as to the amount of expenses to allocate to the Partnership or to other sponsored programs. CCC is not reimbursed for salary and benefit costs of control persons. For the Partnership, all reimbursable items are expensed as they are incurred.

Lease Income Receivable

Lease income receivable includes current lease income receivable net of allowances for uncollectible amounts, if any. The Partnership monitors lease income receivable to ensure timely and accurate payment by lessees. The Partnership's Lease Relations department is responsible for monitoring lease income receivable and, as necessary, resolving outstanding invoices.

The Partnership reviews a customer's credit history before extending credit. When the analysis indicates that the probability of full collection is unlikely, the Partnership may establish an allowance for uncollectible lease income receivable based upon the credit risk of specific customers, historical trends and other information. The Partnership writes off its lease income receivable when it determines that it is uncollectible and all economically sensible means of recovery have been exhausted.

RECENT ACCOUNTING PRONOUNCEMENTS

Information regarding recent accounting pronouncements is included in Note 2 to the financial statements, Summary of Significant Accounting Policies, as set forth in Part II, Item 8, Financial Statements and Supplementary Data.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of cash for the year ended December 31, 2020, were cash provided by operating activities of approximately $6,000, net proceeds from the sale of equipment of approximately $228,000, and distributions from investment in COF 2 of approximately $4,000. Our primary sources of cash for the year ended December 31, 2019, were cash provided by operating activities of approximately $21,000, net proceeds from the sale of equipment of approximately $88,000, and distributions from investment in COF 2 of approximately $29,000.

Our primary uses of cash for the year ended December 31, 2020 were for capital expenditures of approximately $228,000, limited partner redemptions of approximately $35,000, equipment acquisition fees paid to the General Partner of approximately $18,000 and debt placement fees paid the the General Partner of approximately $2,000. Our primary uses of cash for the year ended December 31, 2019 were for distributions to partners of approximately $386,000, limited partner redemptions of approximately $7,000, purchase of finance leases of approximately $55,000 and equipment acquisition fees paid to the General Partner of approximately $2,000.

For the year ended December 31, 2020 cash was provided by operating activities of approximately $6,000, which included a net loss of approximately $510,000, depreciation and amortization expense of approximately $1,346,000 and bad debt expense of approximately $115,000. Other noncash activities included in the determination of net loss include direct payments of lease income by lessees to banks of approximately $1,085,000. For the year ended December 31, 2019 cash was provided by operating activities of approximately $21,000, which included a net loss of approximately $701,000, depreciation and amortization expense of approximately $1,543,000 and bad debt expense of approximately $125,000. Other noncash activities included in the determination of net loss include direct payments of lease income by lessees to banks of approximately $1,381,000.

At December 31, 2020, cash was held in one bank account maintained at one financial institution with an aggregate balance of approximately $501,000. Bank accounts are federally insured up to $250,000 by the FDIC. At December 31, 2020 and 2019, the total cash bank balance was approximately as follows:

Balance at December 31	***2020***	*2019*
Total bank balance	**$ 501,000**	$ 549,000
FDIC insured	**(250,000)**	(250,000)
Uninsured amount	**$ 251,000**	$ 299,000

The Partnership believes it mitigates the risk of holding uninsured deposits by only depositing funds with major financial institutions. The Partnership has not experienced any losses in our accounts, and believes it is not exposed to any significant credit risk. The amounts in such accounts will fluctuate throughout 2021 due to many factors, including the pace of cash receipts, equipment acquisitions, interest rates and distributions to limited partners.

As of December 31, 2020, we had future minimum rentals on operating leases of approximately $615,000 for 2021 and approximately $233,000 thereafter. These amounts represent scheduled payments on existing leases only, and do not include expected future revenues on leases that we have not yet entered into as of December 31, 2020.

As of December 31, 2020, we had future minimum rentals on non-cancellable finance leases of approximately $12,000 for 2021 and $35,000 thereafter. These amounts represent payments on existing leases only, and do not include expected future revenues on leases that we have not yet entered into as of December 31, 2020.

The balance of our non-recourse debt at December 31, 2020 was approximately $472,000 with interest rates ranging from 4.37% to 6.0% which will be payable through November, 2024. Non-recourse debt leases will not generate current cash flow because the rental payments received from these leases are used to service the indebtedness associated with acquiring or financing the lease. For these leases, we anticipate that the equipment will generate income to the investor either through an extension of the lease term or from the sale of the equipment at the end of the lease term. Management does not expect significant interest rate increases to take place during 2021, and therefore expects our cost of nonrecourse borrowing to remain steady over the next 12 months.

CCC, on our behalf and on behalf of affiliated partnerships, acquires equipment subject to associated debt obligations and lease agreements and allocates a participation in the cost, debt and lease revenue to the various partnerships based on certain risk factors. The Partnership's share of the cost of the equipment in which it participates with other partnerships at December 31, 2020 was approximately $10,226,000 and is included in the Partnership's equipment on its balance sheet. The Partnership's share of the outstanding debt associated with this equipment at December 31, 2020 was approximately $380,000 and is included in the Partnership's notes payable on its balance sheet. The total cost of the equipment shared by the Partnership with other partnerships at December 31, 2020 was approximately $23,869,000. The total outstanding debt related to the equipment shared by the Partnership at December 31, 2020 was approximately $1,020,000.

As the Partnership and the other programs managed by the General Partner increase their overall portfolio size, opportunities for shared participation are expected to continue. Sharing in the acquisition of a lease portfolio gives the fund an opportunity to acquire additional assets and revenue streams, while allowing the fund to remain diversified and reducing its overall risk with respect to one portfolio.

Our cash flow from operations is expected to continue to be adequate to cover all operating expenses, liabilities, and distributions to limited partners during the next 12-month period. If available cash flow or net disposition proceeds are insufficient to cover our expenses and liabilities on a short and long term basis, we will attempt to obtain additional funds by disposing of or refinancing equipment, or by borrowing within its permissible limits. We may also reduce the distributions to limited partners if our management deems it necessary.

On August 13, 2015, the Partnership purchased 1,648 units for $1,500,000, of Commonwealth Opportunity Fund 2 ("COF 2"), an affiliate fund of the General Partner. In accordance with the Partnership Agreement, the Partnership is permitted to invest in equipment programs formed by the General Partner or its affiliates. COF 2 is an affiliate program that broke escrow on August 13, 2015. The General Partner believes this action is in the best interests of all the Programs. The Partnership accounts for its investment in COF 2 under the equity method in accordance with ASC 323. The Partnership's net investment in COF 2 at December 31, 2020 and 2019 was approximately $617,000 and $586,000, respectively. For the year ended December 31, 2020, COF 2 declared distributions to the Partnership of approximately $0 of which approximately $0 was paid in 2020 and approximately $0 is recorded as a receivable from COF 2 at December 31, 2020.

RESULTS FROM OPERATIONS

For the year ended December 31, 2020, we recognized revenue of approximately $1,939,000, expenses of approximately $2,480,000 and other gain of approximately $31,000, resulted in a net loss of approximately $510,000. For the year ended December 31, 2019, we recognized revenue of approximately $2,281,000, expenses of approximately $2,798,000 and other loss of approximately $184,000, resulted in a net loss of approximately $701,000. The reduction in net loss is primarily due to more leases were expiring than new leases acquiring as well as an overall reduction in expenses including but not limited to, depreciation and amortization expense, equipment management fees and legal fees, partially offset by a decline in overall revenue.

The Partnership had 58 active operating leases that generated lease revenue of approximately $1,798,000 for the year ended December 31, 2020 and had 68 active operating leases that generated lease revenue of approximately $2,006,000 for the year ended December 31, 2019. Management expects to add new leases to Partnership's portfolio throughout 2021, primarily through debt refinancing. The Partnership is continuously monitoring its lessee concentration to potentially reduce the risk associated with a high concentration of activity in a few lessees.

The Partnership's equipment portfolio consists of approximately 37% high end servers, 29% desk and lap tops, 12% servers\other, 11% digital storage, 6% multifunction centers, 2% inventory control systems\printers, 2% high volume & spec printers and 1% manufacturing equipment. The General Partner continuously monitors and seeks to decrease the concentration of equipment by type to diversify the equipment portfolio and potentially reduce the overall risk to the investor. For the year ended December 31, 2020, the Partnership had a total of four lessees that accounted for lease revenue of 10% or greater which are as follows: 38%, 24%, 16% and 13%. For the year ended December 31, 2019, the Partnership had a total of four lessees that accounted for lease revenue of 10% or greater which are as follows: 34%, 22%, 20% and 14%.

For the years ended December 31, 2020 and 2019, operating expenses, excluding depreciation and amortization, consisted of accounting, legal, outside service fees, reimbursement of expenses to CCC and other LP charges from CCC for administration and operations as discussed in Note 6 of the financial statements. Operating expenses were approximately $802,000 and $814,000 in 2020 and 2019, respectively. This decline is primarily due to a reduction of general expenses, including rent and administrative employees, decreases in "Other LP" expenses charged by CCC for the administration of the Partnership by approximately $52,000 and conferences expenses of approximately $14,000, which was partially offset by increases in accounting and legal fees of approximately $53,000.

We pay an equipment management fee to our General Partner for managing our equipment portfolio. The equipment management fee is approximately 5% of the gross lease revenue attributable to equipment that is subject to operating leases and 2% of the gross lease revenue attributable to equipment that is subject to finance leases. For the years ended December 31, 2020 and 2019, equipment management fees were approximately $86,000 and $100,000, respectively, which is consistent with the decrease in lease revenue.

Depreciation and amortization expenses consist of depreciation on equipment and amortization of equipment acquisition fees and initial direct costs. For the years ended December 31, 2020 and 2019, these expenses were approximately $1,346,000 and $1,543,000, respectively. This decrease was due to the higher frequency in the termination of leases and equipment being fully depreciated as compared to the acquisition of new leases for the year ended December 31, 2020.

For the years ended December 31, 2020 and 2019, the Partnership recorded a gain on the sale of equipment of approximately $59,000 and $51,000, respectively.

For the years ended December 31, 2020 and 2019, the Partnership reported bad debt expense of approximately $115,000 and $125,000, respectively.

Net loss was approximately $510,000 for the year ended December 31, 2020. This net loss was attributable to the changes in revenue and expenses as discussed above. Net loss was approximately $701,000 for the year ended December 31, 2019. The changes in net income were attributable to the changes in revenue and expenses as discussed above.

ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

NOT APPLICABLE

ITEM 8: FINANCIAL STATEMENTS

Our financial statements for the fiscal years ended December 31, 2020 and 2019, and the reports thereon of the independent registered public accounting firms are included in this annual report.

ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

NONE

ITEM 9A: CONTROLS AND PROCEDURES

Our management, under the supervision and with the participation of the General Partner's chief executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures related to our reporting and disclosure obligations as of the end of the period covered by this Annual Report on Form 10-K. Based on such evaluation, the chief executive officer and principal financial officer have concluded that, as of December 31, 2020, our disclosure controls and procedures are effective in ensuring that information relating to us, which is required to be disclosed in our periodic reports filed or submitted under the Securities Exchange Act of 1934 is (a) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and (b) accumulated and communicated to management, including the chief executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting. It is the responsibility of the General Partner to establish and maintain adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended. The General Partner's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Partnership; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Partnership are being made only in accordance with authorizations of management and directors of the General Partner; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Partnership's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Partnership's internal control over financial reporting at December 31, 2020. Management based this assessment on criteria for effective internal control over financial reporting described in "Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)". Management's assessment included an evaluation of the design of the Partnership's internal control over financial reporting and testing of the operational effectiveness of its internal control over financial reporting. Management reviewed the results of its assessment with the board of directors.

Based on our assessment, management determined that, at December 31, 2020, the Partnership maintained effective internal control over financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles. This annual report does not include an attestation report of the company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Partnership's independent registered public accounting firm pursuant to the final rule of the Securities and Exchange Commission that permits the Partnership to provide only management's report in this annual report.

Changes in Internal Controls

There were no changes in the Partnership's internal control over financial reporting during the fourth quarter of 2020 that have materially affected, or are reasonably likely to materially affect, the Partnership's internal control over financial reporting.

ITEM 9B: OTHER INFORMATION

FUND VALUATION

Background to Fund Valuation

The Financial Industry Regulatory Authority ("FINRA"), updated rules for the presentation of pricing of Alternative Investment shares in customer account statements. Under NTM 15-02, the SEC approved amendments to Rule 2340, Customer Account Statements and FINRA Rule 2310, which address a FINRA member firm's participation in a public offering of an Alternative Investment. The amendments require a FINRA member firm to include a per share value of each Alternative Fund. The effective date of the Notice was April 11, 2016. This per share value must be prepared by, or with the material assistance or confirmation of, a third-party valuation expert or service. The results of this valuation must be disclosed in the issuer's reports filed under the Securities Exchange Act of 1934. This valuation must be performed and published, at a minimum, annually.

Methodologies

Broker dealers are required to provide a per share estimated value on the customer account statements for each non-listed Alternative fund held by their customers. These methods must be reasonably designed to provide a reliable value. The two methods acceptable are as follows:

- **Net Investment Methodology –** This method must be based on the "amount available for investment" percentage disclosed in the "Estimated Use of Proceeds" section of the issuer's offering prospectus. The value should equal the offering price less selling commission and organization and offering expenses. This method may be used for up to 150 days following the second anniversary of the "escrow break" of each fund.

- **Appraised Value Methodology –** This method must be disclosed in an issuer's most recent periodic or current report based upon an appraisal of the assets and liabilities of the program by, or with the material assistance or confirmation of, a third- party valuation expert or service, in conformity with standard industry valuation practice as it relates to their specific assets and liabilities. No later than 150 days following the second anniversary of the issuer's break of escrow, this methodology must be used.

For Commonwealth Income & Growth Fund VII, it's estimated per share value includes the General Partner's estimate of the current market value of the fund. This value may not accurately reflect the value of the Fund Units to the Unit holders if held over time to Fund maturity. Additionally, there is no public market for the Units and as a result, there is no currently ascertainable fair market value for the Units. The estimate does not take into account any future distributions or returns to Unit holders over the full course of the Fund life cycle.

Valuation Components & Calculations

A. Fund Assets and Liabilities (other than as specifically identified below): The estimated values for non-interest bearing items such as current assets and liabilities are assumed to equal their reported GAAP balances as an appropriate approximation of their fair values. Debt (interest bearing) is assumed to equal the fair values of the debt as disclosed in the footnotes of the financial statements.

B. Investments in leases (net of fees and expenses): The estimated values for Investments in leases are based on a calculation for the projected future cash flows. Projected future cash flows include both the remaining contractual lease payments, plus assumptions of lease renewals and sale value (Equipment Valuation) of the residual assumptions.

   Residual value assumptions used in the cash flow projections are as follows:

   - **For Leased Extensions and Month-to-Month Leases:** Considers historical renewal periods for Commonwealth's leases over the last five years as of December 31, 2020.

   - **For Off-Lease (Inventory):** A realized residual of 25% of the installed equipment valuation as of the appraisal date.

   - **Special Situation Leases:** The valuation of certain leases has been performed outside of the above noted protocol based upon specific lease assumptions different than the macro assumptions above due to the specific situations of those leases.

C. Syndication costs: Syndication costs for the Funds have been added to the value and are assumed to be amortized over the expected 10 to 12-year life of the Fund.

D. Net Book Value: The Net Book Value is the unamortized portion left during expected life of the asset with an inflation rate of 1.5% added to the value times 324% for the expected Commonwealth Capital return on investment. Inventory assets do not include the 324% factor.

E. Cash on Hand: Cash available for reinvestment as of the appraisal date.

Procedure for December 31, 2020 Fund Valuation

The Fund valuation for December 31, 2020 for Commonwealth Capital Corp. was accomplished by using spreadsheet and lease contract data provided by Commonwealth for the Funds with the following additional data and updates added to each Fund spreadsheet:

Columns added to each Fund spreadsheet (with formula calculation):

Category: Each lease has an assigned category based on the type of asset in the lease. i.e. IBM 4250 Server would be valued as a "Server" with a decline rate for Installed Fair Market Value from 1 month to 96 months. There are 12 separate decline rate tables to value Commonwealth's leased assets.

Net Book Value: Prorated Purchase price/48 month or 36-month. Typically, 12 months beyond initial term not to exceed 48 months. Calculations as described earlier.

Age of Asset: Months as of Valuation Date: The actual age of the asset from installation date.

Lease, Extension, MTM, Payments as of Appraisal Date: The number of months remaining in Initial Term of the lease; number of months remaining in a fixed term extension; plus, a fixed term based on the Commonwealth historical return for similar assets over the last five years. All Active, Extension and MTM leases add 10 months to their current term as of the appraisal date except for certain repeat lessees with long term recurring activity, which have a fixed 12-month extension added to any of their Active, Extension or MTM leases.

Other Calculations: Another calculation is made at the bottom of each spreadsheet for the equipment off-lease (inventory) and in the Commonwealth warehouse or other locations. It is "Equity Only" (Inventory) and is calculated at 25% of the Installed Fair Market Value from the Category tables.

Commonwealth Income and Growth Fund VII, Unit Valuation

The General Partner's estimated per unit value at December 31, 2020 as determined and derived under the guidelines of the Appraised Value Methodology, and pursuant to the above specific enumerated component valuation methodologies and calculations is $4.50.

Disclaimer

The foregoing Fund valuation has been performed solely for the purpose of providing an estimated value per Unit in accordance with a regulatory mandate, in order to provide the broker dealer and custodian community with a valuation on a reasonable basis for use in assigning an estimation of Unit holder's account value. Any statement of such valuations is to be accompanied by statements that the value so calculated does not represent an estimate of the amount a Unit holder would receive if the Unit holder were to seek to sell the Units, and that the Fund intends to liquidate its assets in the ordinary course of its business and over the Fund's term. Further, each Fund's valuations is to be accompanied by a disclosure that there can be no assurance as to (1) when the Fund will be fully liquidated, (2) the amount the Fund may actually receive if and when the Fund seeks to liquidate its assets, (3) the amount of lease or loan payments the Fund will actually receive over the remaining term, (4) the amount of asset disposition proceeds the Fund will actually receive over the remaining term, and (5) the amounts that may actually be received in distributions by Unit holders over the course of the remaining term.

ITEM 10: DIRECTORS AND EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE GENERAL

The Partnership does not have any Directors or executive officers. Rather, it is managed by the Manager. The directors and officers of the Manager are required to spend only such time on Partnership affairs as is necessary for the proper conduct of Partnership business. Under certain circumstances, such directors and officers are entitled to indemnification from the Partnership. The Manager reserves the right to determine now and in the future which personnel are deemed control persons and, therefore would not seek reimbursement for personnel costs related to such persons. It is not intended that every person who carries a title such as director, vice president, executive vice president, senior vice president, manager, secretary, controller or treasurer or who holds a 5% equity interest be considered a Controlling Person.

The Board of Directors of the Sponsor has established an Executive Committee, and the operations of the Manager are effectively controlled by the Executive Committee of the Sponsor. The Executive Committee has functional control over all day-to-day activities of the Sponsor and effectively the Manager. Currently, Kimberly A. Springsteen-Abbott and Henry J. Abbott are the members of the Executive Committee. Kimberly A. Springsteen-Abbott is the sole shareholder of Commonwealth Capital Corp., and thus retains ultimate control of all Commonwealth entities through her ability to elect, remove and replace directors. Prior to mid-2011, only Ms. Springsteen-Abbott was considered a controlling person of the Commonwealth-sponsored equipment funds and Mr. Abbott is currently a controlling person with respect to the equipment funds as well, with the goal being that Executive Committee membership will be indicative of control over the income funds as well as the Sponsor. For purposes of our financial operations, we do not currently consider any other employees to be control persons, and do not expect to do so in the foreseeable future.

The General Partner, a wholly owned subsidiary of Commonwealth of Delaware, Inc., a Delaware corporation, which is in turn a wholly-owned subsidiary of CCC, a Pennsylvania corporation, was incorporated in Pennsylvania on August 26, 1993. The General Partner also acts as the General Partner for Commonwealth Income & Growth Fund V and Commonwealth Income & Growth Fund VI and is the manager of several private entities. The principal business office of the General Partner is 4532 US Highway 19, Suite 200, New Port Richey, Florida 34652, and its telephone number is (877) 654-1500. The General Partner manages and controls the affairs of the Partnership and has sole responsibility for all aspects of the Partnership's operations. The officers of the General Partner devote such time to the affairs of the Partnership as in the opinion of the General Partner is necessary to enable it to perform its function as General Partner. The officers of the General Partner are not required to spend their full time in meeting their obligations to the Partnership.

The directors and officers of the General Partner and key employees of CCC and its subsidiaries are as follows:

NAME	TITLE
Kimberly A. Springsteen-Abbott	Chairman of the Board; Chief Executive Officer and Chief Compliance Officer of CCC, and CIGF, Inc.
Henry J. Abbott	Director of CCC and CIGF, Inc.; President of CCC and CIGF, Inc.
Jay Dugan	Executive Vice President and Chief Technology Officer and Director of CCC; Senior Vice President and Chief Technology Officer of CIGF, Inc.
Peter Daley	Director of CCC and CIGF, Inc.
James Pruett	Compliance Officer of CCC and CIGF, Inc.; Senior Vice President of CCC and CIGF, Inc.; Director of CCC and CIGF, Inc.
Brian Doster	Vice President and General Counsel of CCC and CIGF, Inc.

Kimberly A. Springsteen-Abbott, age 62, joined Commonwealth in April 1997 and is the Chief Executive Officer and Chairman of the Board of Directors of Commonwealth Capital Corp. (the parent corporation); and Commonwealth Income & Growth Fund, Inc. (the General Partner), positions she has held since April 2006. Ms. Springsteen-Abbott is responsible for general operations of the equipment leasing/portfolio management side of the business. Ms. Springsteen-Abbott oversees all CCC operations. Ms. Springsteen-Abbott oversees all corporate daily operations and training, as well as develops long-term corporate growth strategies. Ms. Springsteen-Abbott has over 40 years of experience in the financial services industry, specifically in the real estate, energy and leasing sectors of alternative investments. Ms. Springsteen-Abbott is the sole shareholder of Commonwealth Capital Corp. Ms. Springsteen-Abbott was elected to the Board of Directors of the parent corporation in 1997 and has also served as its Executive Vice President and COO. From 1980 through 1997, Ms. Springsteen-Abbott was employed with Wheat First Butcher Singer, a regional broker/dealer located in Richmond, Virginia. At Wheat, she served as Senior Vice President & Marketing Manager for the Alternative Investments Division. She is a member of the Equipment Leasing and Finance Association, REISA, the Financial Planners Association, the National Association of Equipment Leasing Brokers and has served on the Board of Trustees for the Investment Program Association. Ms. Springsteen-Abbott is a member of the Executive Committee and the Disaster Recovery Committee. Ms. Springsteen-Abbott is the wife of Henry J. Abbott.

Henry J. Abbott, age 71, joined Commonwealth in August 1998 as a Portfolio Manager, a position he held until April 2006, at which time he was elected President of CCC and CIGF, Inc., and Director of CCC and its affiliates. Mr. Abbott is responsible for lease acquisitions, equipment dispositions and portfolio review. Additionally, Mr. Abbott is also responsible for oversight of residual valuation, due diligence, equipment inspections, negotiating renewal and purchase options and remarketing off-lease equipment. Mr. Abbott serves as senior member on the Disaster Recovery Committee and the Facilities Committee, and was appointed to the Executive Committee in 2008. Prior to Commonwealth, Mr. Abbott has been active in the commercial lending industry, working primarily on asset-backed transactions for more than 30 years. Mr. Abbott attended St. John’s University. Mr. Abbott was a founding partner of Westwood Capital LLC in New York, a Senior Vice President for IBJ Schroeder Leasing Corporation and has managed a group specializing in the provision of operating lease finance programs in the high technology sector. Mr. Abbott brings extensive knowledge and experience in leasing and has managed over $1.5 billion of secured transactions. Mr. Abbott is a member of the Equipment Leasing and Finance Association, the National Association of Equipment Leasing Brokers, REISA and the Investment Program Association. Mr. Abbott is a member of the executive committee and the Disaster Recovery Committee. Mr. Abbott is the husband of Kimberly A. Springsteen-Abbott.

Jay Dugan, age 73, joined Commonwealth in 2002 as Assistant Vice President and Network Administrator, and became a Vice President in December 2002, Senior Vice President in December 2003, and has been Executive Vice President and Chief Technology Officer of the parent and its affiliates since December 2004. Mr. Dugan has also been a director of CCC and CIGF, Inc. since June 2006. Mr. Dugan is responsible for the information technology vision, security, operation and ongoing development, including network configurations, protection of corporate assets and maximizing security and efficiency of information flow. Prior to Commonwealth, Mr. Dugan founded First Securities USA, a FINRA member firm, in 1988 and operated that firm through 1998. From 1999 until 2002, Mr. Dugan was an independent due diligence consultant until he came to Commonwealth to develop that area of the firm. Mr. Dugan attended St. Petersburg College and holds an AS Degree in Computer Networking Technology. Mr. Dugan is a Microsoft Certified Systems Engineer, Microsoft Certified Database Administrator and Comp-Tia Certified Computer Technician. Mr. Dugan is a senior member of the Disaster Recovery Committee, as well as oversight member of the Website Committee.

Peter Daley, age 81, joined Commonwealth in June 2006 as a director. Mr. Daley is an Accredited Senior Appraiser for the discipline of Machinery and Equipment with a specialty in High-Technology for the valuation of computer equipment. Mr. Daley has been in the computer business since 1965, first with IBM as a computer broker/lessor and then with Daley Marketing Corporation (DMC), a firm he founded in July 1980 to publish reports about computer equipment, including "Market Value Reports" and "Residual Value Reports." In January 2001 Mr. Daley acquired Computer Economics, merged DMC into CEI and in April 2005 sold the IT Management Company and created a new company focused on the fair market value business. Additionally, Mr. Daley remains President of DMC Consulting Group, a separate company that specializes in writing Appraisals, Portfolio Analysis and Property Tax Valuation from Fair Market Value to Residual Value valuations. Mr. Daley has developed a database of "Fair Market Value" equipment values from 1980 to the present, utilizing a variety of reports and publications along with the DMC and CEI Market Value Reports. This database has been successfully used in the valuation of computer equipment in the settlement of a number of Virginia tax cases. He has also previously testified in California, Minnesota, Michigan, New York, and the Virginia Courts as an expert in the field of valuation of computer equipment. Mr. Daley has a full repertoire of lectures, seminars, presentations, and publications that he has conceived and shared with the public. From 1994 to the present he has been writing computer appraisals and reports for Fortune 500 companies. From April 2005 to the present as president of DMC Valuations Group, Mr. Daley has been publishing, both on the web and in print, fair market values, residual values, and manufacturer's price lists to existing valuation clients around the world. Mr. Daley graduated from Pepperdine University in 1991 with a Masters of Business Administration, and from Cal State Northridge with a Bachelor of Science in Business Administration in 1965. Mr. Daley is also an Accredited Senior Appraiser with the American Society of Appraisers.

James Pruett, age 55, joined Commonwealth in 2002 as an Executive Assistant. Mr. Pruett was named Assistant Vice President and a Compliance Associate in February 2005, Vice President and Compliance Manager in December 2005, Senior Vice President and Compliance Officer of the parent and its affiliates in December 2007. Mr. Pruett was also named Secretary to the parent's board of directors in December 2008 and as a Director of Commonwealth Capital Corp. in 2021. Mr. Pruett is responsible for management of regulatory policies and procedures and internal audit. Mr. Pruett assists in the management of shareholder records and updates. Mr. Pruett is a member of the Website Committee and the Disaster Recovery Committee. Prior to joining Commonwealth, Mr. Pruett served as Managing Editor/ Associate Publisher for Caliber Entertainment, a publishing and entertainment licensing company. Mr. Pruett's responsibilities included oversight of production of publishing library, as well as serving as Editor-in-Chief for all publications and additionally served as Media Relations Liaison. Mr. Pruett is a member of the Equipment Leasing and Finance Association.

Brian Doster, age 61, joined Commonwealth Capital Corp. in February 2017. Mr. Doster is responsible for all legal functions including Federal, State and local compliance, dispute management, transactional documentation and enforcement and general legal matters. Prior to joining Commonwealth, Mr. Doster was SVP and General Counsel for Checkers Drive-In Restaurants, Inc. in Tampa, FL (1999 – 2014). Mr. Doster oversaw all legal needs of Checkers during both its public and private ownership, including oversight of domestic and international franchising. Prior to Checkers Mr. Doster served as General Counsel for Amoco Corporation in Chicago, IL (1985 – 1999). Mr. Doster provided for the legal needs of its many subsidiaries, including Amoco Oil Company and as GC and Secretary for Omega Oil Company and Whale Oil, Inc. Mr. Doster obtained his J.D. from the University of Baltimore and BS from Towson University. Mr. Doster is past President and continues to serve as director of Tampa Family Health Clinics, Inc. and is a past Baldridge Examiner.

The directors and officers of the General Partner are required to spend only such time on the Partnership's affairs as is necessary in the sole discretion of the directors of the General Partner for the proper conduct of the Partnership's business. A substantial amount of time of such directors and officers is expected to be spent on matters unrelated to the Partnership, particularly after the Partnership's investments have been selected. Under certain circumstances, such directors and officers are entitled to indemnification from the Partnership.

The Partnership has no audit committee financial expert, as defined in Item 401 of Regulation S-K (17 CFR § 229.401) under the Exchange Act, serving on its audit committee. An audit committee is not required because the Partnership's units are not listed securities (as defined by 17 CFR § 240.10A-3); therefore, no audit committee financial expert is required.
In view of the fiduciary obligation that the General Partner has to the Partnership, the General Partner believes an adoption of a formal code of ethics is unnecessary and would not benefit the Partnership, particularly, in light of Partnership's limited business activities.

ITEM 11: EXECUTIVE COMPENSATION

The Partnership does not have any Directors or executive officers.

ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

NONE

ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The following table summarizes the types, amounts and recipients of compensation to be paid by the Partnership directly or indirectly to the General Partner and its affiliates. Some of these fees are paid regardless of the success or profitability of the Partnership's operations and investments. While such compensation and fees were established by the General Partner and are not based on arm's-length negotiations, the General Partner believes that such compensation and fees are comparable to those that would be charged by an unaffiliated entity or entities for similar services. The Partnership Agreement limits the liability of the General Partner and its affiliates to the Partnership and the Limited Partners and provides indemnification to the General Partner and its affiliates under certain circumstances.

ENTITY RECEIVING COMPENSATION	TYPE OF COMPENSATION	AMOUNT INCURRED DURING 2020	AMOUNT INCURRED DURING 2019
	OPERATIONAL AND SALE OR LIQUIDATION STAGES		
The General Partner and its Affiliates	**Reimbursable Expenses**. The General Partner and its affiliates are entitled to reimbursement by the Partnership for the cost of goods, supplies or services obtained and used by the general partner, not including costs of the control persons, as defined in Item 10, in connection with the administration and operation of the partnership from third parties unaffiliated with the General Partner. The amounts set forth on this table do not include expenses incurred in the offering of units. For the years ended December 31, 2020 and 2019, the Partnership was charged approximately $423,000 and $504,000 in other LP expense, respectively.	**$ 752,000**	$ 797,000
The General Partner	**Equipment Acquisition Fee.** The General Partner earned an equipment acquisition fee of 4% of the purchase price of each item of equipment purchased as compensation for the negotiation of the acquisition of the equipment and lease thereof or sale under a conditional sales contract. At December 31, 2020, the prepaid acquisition fees balance was $0. For the year ended December 31, 2020 and 2019, equipment acquisition fees earned by the General Partner for operating and finance leases was approximately $18,000 and $2,000, respectively.	**$ 18,000**	$ 2,000
The General Partner	**Debt Placement Fee**. As compensation for arranging term debt to finance our acquisition of equipment, we will pay the general partner a fee equal to one percent of such indebtedness; provided, however, that such fee shall be reduced to the extent we incur such fees to third parties unaffiliated with the general partner or the lender with respect to such indebtedness. No such fee will be paid with respect to borrowings from the general partner or its affiliates. We intend to initially acquire leases on an all cash basis with the proceeds of this offering, but may borrow funds after the offering proceeds have been invested. The amount we borrow, and therefore the amount of the fee, will depend upon interest rates at the time of a loan, and the amount of leverage we determine is appropriate at the time. We do not intend to use more than 30% leverage overall in our portfolio. Fees will increase as the amount of leverage we use increases, and as turnover in the portfolio increases and additional equipment is purchased using leverage.	**$ 2,000**	$ -
The General Partner	**Equipment Management Fee**. A monthly fee equal to the lesser of (a) the fees which would be charged by an independent third party in the same geographic market for similar services and similar equipment or (b) the sum of (i) two percent of the gross lease revenues attributable to equipment subject to full payout net leases which contain net lease provisions and (ii) five percent of the gross lease revenues attributable to equipment subject to operating leases and (iii) two	**$ 86,000**	$ 100,000

	percent of the gross lease revenues attributable to equipment subject to finance leases.		
The General Partner	**Equipment Liquidation Fee**. With respect to each item of equipment sold by the general partner, a fee equal to the lesser of (i) 50% of the competitive equipment sale commission or (ii) three percent of the sales price for such equipment. The payment of this fee is subordinated to the receipt by the Limited Partners of (i) a return of their capital contributions and 10% annum cumulative return, compounded daily, on adjusted capital contributions and (ii) the net disposition proceeds from such sale in accordance with the Partnership Agreement. Such fee is reduced to the extent any liquidation or resale fees are paid to unaffiliated parties.	**$ 8,000**	$ 2,700
The General Partner	**Partnership Interest and Distribution**. The General Partner has a present and continuing one percent interest of $1,000 in the Partnership's item of income, gain, loss, deduction, credit, and tax preference. In addition, the General Partner receives one percent of cash available for distribution until the Limited Partners have received distributions of cash available for Distribution equal to their capital contributions plus the 10% cumulative return and thereafter, the General Partner will receive 10% of cash available for distribution.	**$ -**	$ 3,100

CONFLICTS OF INTEREST

The Partnership is subject to various conflicts of interest arising out of its relationships with the General Partner and its affiliates. These conflicts include the following:

COMPETITION WITH GENERAL PARTNER AND AFFILIATES: COMPETITION FOR MANAGEMENT'S TIME

The General Partner and its affiliate sponsor other investor programs, which are potentially in competition with the Partnership in connection with the purchase of equipment as well as opportunities to lease and sell such equipment. Competition for equipment has occurred and is likely to occur in the future. The General Partner and its affiliates may also form additional investor programs, which may be competitive with the Partnership.

If one or more investor programs and the Partnership are in a position to acquire the same equipment, the General Partner will determine which program will purchase the equipment based upon the objectives of each and the suitability of the acquisition in light of those objectives. The General Partner will generally afford priority to the program or entity that has had funds available to purchase equipment for the longest period of time. If one or more investor programs and the Partnership are in a position to enter into a lease with the same lessee or sell equipment to the same purchaser, the General Partner will generally afford priority to the equipment which has been available for lease or sale for the longest period of time.

Certain senior executives of the General Partner and its affiliates also serve as officers and directors of the other programs and are required to apportion their time among these entities. The Partnership is, therefore, in competition with the other programs for the attention and management time of the General Partner and affiliates. The officers and directors of the General Partner are not required to devote all or substantially all of their time to the affairs of the Partnership.

ACQUISITIONS

CCC and the General Partner or other affiliates of the General Partner may acquire equipment for the Partnership provided that (i) the Partnership has insufficient funds at the time the equipment is acquired, (ii) the acquisition is in the best interest of the partnership and (iii) no benefit to the General Partner or its affiliates arises from the acquisition except for compensation paid to CCC, the General Partner or such other affiliate as disclosed in this Report. CCC, the General Partner or their affiliates will not hold equipment for more than 60 days prior to transfer to the Partnership. If sufficient funds become available to the Partnership within such 60 day period, such equipment may be resold to the Partnership for a price not in excess of the sum of the cost of the equipment to such entity and any accountable acquisition expenses payable to third parties which are incurred by such entity and interest on the purchase price from the date of purchase to the date of transfer to the Partnership. CCC, the General Partner or such other affiliate will retain any rent or other payments received for the equipment, and bear all expenses and liabilities, other than accountable acquisition expenses payable to third parties with respect to such equipment, for all periods prior to the acquisition of the equipment by the Partnership. Except as described above, there will be no sales of equipment to or from any affiliate of CCC.

In certain instances, the Partnership may find it necessary, in connection with the ordering and acquisition of equipment, to make advances to manufacturers or vendors with funds borrowed from the General Partner for such purpose. The Partnership does not borrow money from the General Partner or any of its affiliates with a term in excess of twelve months. Interest is paid on loans or advances (in the form of deposits with manufacturers or vendors of equipment or otherwise) from the General Partner of its affiliates from their own funds at a rate equal to that which would be charged by third party financing institutions on comparable loans from the same purpose in the same geographic area, but in no event in excess of the General Partner's or affiliate's own cost of funds. In addition, if the General Partner or its affiliates borrow money and loan or advance it on a short-term basis to or on behalf of the Partnership, the General Partner or such affiliates shall receive no greater interest rate and financing charges from the Partnership than that which unrelated lenders charge on comparable loans. The Partnership will not borrow money from the General Partner or any of its affiliates for a term in excess of twelve months.

If the General Partner or any of its affiliates purchases equipment in its own name and with its own funds in order to facilitate ultimate purchase by the Partnership, the purchaser is entitled to receive interest on the funds expended for such purchase on behalf of the Partnership. Simple interest on any such temporary purchases is charged on a floating rate basis not in excess of three percent over the "prime rate" from time to time announced by PNC Bank, from the date of initial acquisition to the date of repayment by the Partnership and ownership transfer.

The Partnership does not invest in equipment limited partnerships, general partnerships or joint ventures, except that (a) the Partnership may invest in general partnerships or joint ventures with persons other than equipment programs formed by the General Partner or its affiliates, which partnerships or joint ventures invest in specific equipment; provided that (i) the Partnership has or acquires a controlling interest in such ventures or partnerships, (ii) the non-controlling interest is owned by a non-affiliated, and (iii) there are no duplicate fees; and (b) the Partnership may invest in joint venture arrangements with other equipment programs formed by the General Partner or its affiliates if such action is in the best interest of all programs and if all the following conditions are met: (i) all the programs have substantially identical investment objectives; (ii) there are no duplicate fees; (iii) the sponsor compensation is substantially identical in each program; (iv) the Partnership has a right of first refusal to buy another program's interest in a joint venture if the other program wishes to sell equipment held in the joint venture; (v) the investment of each program is on substantially the same terms and conditions; and (vi) the joint venture is formed either for the purpose of effecting appropriated diversification for the programs or for the purpose of relieving the General Partner or its affiliates from a commitment entered into pursuant to certain provisions of the Partnership Agreement.

GLOSSARY

The following terms used in this report shall (unless otherwise expressly provided herein or unless the context otherwise requires) have the meanings set forth below.

"Acquisition Expenses" means expenses relating to the prospective selection and acquisition of or investment in equipment by the Partnership, whether or not actually acquired, including, but not limited to, legal fees and expenses, travel and communication expenses, costs of appraisal, accounting fees and expenses and other related expenses.

"Acquisition Fees" means the total of all fees and commissions paid by any party in connection with the initial purchase of equipment acquired by the Partnership. Included in the computation of such fees or commissions shall be the equipment acquisition fee and any commission, selection fee, construction supervision fee, financing fee, non-recurring management fee or any fee of a similar nature, however designated.

"Adjusted Capital Contributions" means capital contributions of the Limited Partners reduced by any cash distribution received by the Limited Partners pursuant to Sections 4.1 or 8.1 of the Partnership Agreement, to the extent such distributions exceed any unpaid priority return as of the date such distributions were made.

"Affiliate" means, when used with reference to a specified person, (i) any person, that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the specified person, (ii) any person that is a director or an executive officer of, partner in, or serves in a similar capacity to, the specified person, or any person of which the specified person is an executive officer or partner or with respect to which the specified person serves in a similar capacity, (iii) any person owning or controlling 10% or more of the outstanding voting securities of such specified person, or (iv) if such person is an officer, director or partner, any entity for which such person acts in such capacity.

"Capital Account" means the separate account established for each partner pursuant to Section 4.1 of the Partnership Agreement.

"Capital Contributions" means in the case of the General Partner, the total amount of money contributed to the Partnership by the General Partner, and in the case of Limited Partners, $20 for each unit, or where the context requires, the total capital contributions of all the partners.

"Cash Available for Distribution" means cash flow plus net disposition proceeds plus cash funds available for distribution from Partnership reserves, less such amounts as the General Partner, in accordance with the Partnership Agreement, causes the Partnership to reinvest in equipment or interests therein, and less such amounts as the General Partner, in its sole discretion, determines should be set aside for the restoration or enhancement of Partnership reserves.

"Cash Flow" for any fiscal period means the sum of (i) cash receipts from operations, including, but not limited to, rents or revenues arising from the leasing or operation of the equipment and interest, if any, earned on funds on deposit for the Partnership, but not including net disposition proceeds, minus (ii) all cash expenses and costs incurred and paid in connection with the ownership, lease, management, use and/or operation of the equipment, including, but not limited to, fees for handling and storage; all interest expenses paid and all repayments of principal regarding borrowed funds; maintenance; repair costs; insurance premiums; accounting and legal fees and expenses; debt collection expenses; charges, assessments or levies imposed upon or against the equipment; ad valorem, gross receipts and other property taxes levied against the equipment; and all costs of repurchasing Units in accordance with the Partnership Agreement; but not including depreciation or amortization of fees or capital expenditures, or provisions for future expenditures, including, without limitation, organizational and offering expenses.

“Code” means the Internal Revenue Code of 1986, as amended, and as may be amended from time to time by future federal tax statutes.

“Competitive Equipment Sale Commission” means that brokerage fee paid for services rendered in connection with the purchase or sale of equipment, which is reasonable, customary, and competitive in light of the size, type, and location of the equipment.

“Conditional Sales Contract” means an agreement to sell equipment to a buyer in which the seller reserves title to, and retains a security interest in, the equipment until the purchase price of the equipment is paid.

“Equipment” means each item of and all of the technology equipment and other similar capital equipment (medical technology equipment, telecommunications technology equipment, inventory management equipment) purchased, owned, operated, and/or leased by the Partnership or in which the Partnership has acquired a direct or indirect interest, as more fully described in the Partnership Agreement, together with all appliances, parts, instruments, accessories, furnishings, or other equipment included therein and all substitutions, renewals, or replacements of, and all additions, improvements, and accessions to, any and all thereof.

“Finance Lease” generally means a full-payout, non-cancellable agreement in which the customer is responsible for maintenance, taxes and insurance. The term also refers in Article 2A of the Uniform Commercial Code to a special type of lease in which the lessor, lessee and the manufacturer have contractual relationships and the lessor at all times, with the lessee’s acknowledgement, remains a passive investor where the lessee makes most equipment decisions directly with the manufacturer.

“Full Payout Net Lease” means an initial net lease of the equipment under which the non-cancelable rental payments due (and which can be calculated at the commencement of the net lease) during the initial non-cancelable fixed term (not including any renewal or extension period) of the lease or other contract for the use of the equipment are at least sufficient to recover the purchase price of the equipment.

“General Partner” means Commonwealth Income & Growth Fund, Inc. and any additional, substitute or successor general partner of the Partnership.

“Gross Lease Revenues” means Partnership gross receipts from leasing or other operation of the equipment, except that, to the extent the Partnership has leased the equipment from an unaffiliated party, it shall mean such receipts less any lease expense.

“IRS” means the Internal Revenue Service.

“Limited Partner” means a person who acquires units and who is admitted to the Partnership as a limited partner in accordance with the terms of the Partnership Agreement.

“Net Dispositions Proceeds” means the net proceeds realized by the Partnership from the refinancing, sale or other disposition of equipment, including insurance proceeds or lessee indemnity payments arising from the loss or destruction of equipment, less such amounts as are used to satisfy Partnership liabilities.

“Net Lease” means a lease or other contract under which the owner provides equipment to a lessee or other operator in return for a payment, and the lessee assumes all obligations and pays for the operation, repair, maintenance and insuring of the equipment.

“Net Profits” or “Net Losses” shall be computed in accordance with Section 703(a) of the Code (including all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a) (1) of the Code) for each taxable year of the Partnership or shorter period prior to an interim closing of the Partnership’s books with the following adjustments: (I) any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing net Profits and net Loss pursuant to this definition shall be added to such taxable income or shall reduce such taxable loss; (ii) any expenditure of the Partnership described in Code Section 705(a) (2) (B) or treated as Code Section 705(a) (2) (B) expenditures pursuant to Treasury Regulations section 1.704-1(b) (2) (iv) (i) and not otherwise taken into account in computing net profits and net losses pursuant to this definition shall be subtracted from such taxable income or loss; (iii) items of income, gain, loss and deduction specially allocated pursuant to Section 7.3 of the Partnership Agreement shall not be included in the computation of net profits or net loss; and if property is reflected on the books of the Partnership at a book value that differs from the adjusted tax basis of the property in accordance with Treasury Regulation Section 1.704-1(b) (2) (iv) (d) or (f), depreciation, amortization, and gain or loss with respect to such property shall be determined by reference to such book value in a manner consistent with Treasury Regulation Section 1.704-1(b) (2) (iv) (g). The terms “net profit” or “net losses” shall include the Partnership’s distributive share of the profit or loss of any partnership or joint venture in which it is a Partner or joint venture.

“Offering” means the initial public offering of units in the Partnership.

“Operating Distributions” means the quarterly distributions made to the Partners pursuant to Article 8 of the Partnership Agreement.

“Operating Lease” means a lease or other contractual arrangement under which an unaffiliated party agrees to pay the Partnership, directly or indirectly, for the use of the equipment, and which is not a full payout net lease.

“Organizational and Offering Expenses” means the expenses incurred in connection with the organization of the Partnership and in preparation of the offering, including underwriting commissions and advertising expenses specifically incurred in connection with the distribution of the units.

“Partner (s)” means any one or more of the General Partner and the Limited Partners.

“Partnership” means Commonwealth Income & Growth Fund VII, a Pennsylvania Limited Partnership.

“Partnership Agreement” means that Limited Partnership Agreement of Commonwealth Income & Growth Fund VII by and among the General Partner and the Limited Partners, pursuant to which the Partnership is governed.

“Person” means an individual, partnership, limited liability company, joint venture, corporation, trust, estate or other entity.

“Proceeds” means proceeds from the sale of the units.

“Program” means a limited or general partnership, joint venture, unincorporated association or similar organization, other than a corporation formed and operated for the primary purpose of investment in and the operation of or gain from an interest in equipment.

“Purchase Price” means, with respect to any equipment, an amount equal to the sum of (i) the invoice cost of such equipment or any other such amount paid to the seller, (ii) any closing, delivery and installation charges associated therewith not included in such invoice cost and paid by or on behalf of the Partnership, (iii) the cost of any capitalized modifications or upgrades paid by on or behalf of the Partnership in connection with its purchase of the equipment, and (iv) solely for purposes of the definition of full payout net lease, the amount of the equipment acquisition fee and any other acquisition fees.

“Retained Proceeds” means cash available for distribution, which instead of being distributed to the Partners is retained by the Partnership for the purpose of acquiring or investing in equipment.

“Term Debt” means debt of the Partnership with a term in excess of twelve months, incurred with respect to acquiring or investing in equipment, or refinancing non-term debt, but not debt incurred with respect to refinancing existing Partnership term debt.

“Unit” means a Limited Partnership interest in the Partnership.

ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES

AUDIT FEES

The aggregate fees billed and expected to be billed for the fiscal years ended December 31, 2020 and 2019 for professional services rendered by the Partnership's independent registered public accounting firm for audit of the Partnership's annual financial statements and the review of the financial statements included in our Form 10-Q or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for that fiscal year, was approximately $71,000 and $77,000, respectively.

The aggregate fees billed and expected to be billed for the fiscal year ended December 31, 2020 of approximately $71,000 are broken down as follows:

- The Partnership's previous independent registered public accounting firm, BDO USA LLP ("BDO"), represents approximately $26,000 of the total fees billed and expected to be billed for professional services rendered for the year ended December 31, 2020 and $77,000 for the year ended December 31, 2019.

- The Partnership's newly appointed independent registered public accounting firm, Morison Cogen LLP, represents approximately $45,000 of the total fees billed and expected to be billed for professional services rendered for the year ended December 31, 2020 and $0 for the year ended December 31, 2019.

AUDIT-RELATED FEES

There were no aggregate fees billed in the fiscal years ended December 31, 2020 and 2019 for assurance and related services by the Partnership's independent registered public accounting firm that are reasonably related to the performance of the audit or review of the registrant's financial statements and are not reported under the paragraph captioned "Audit Fees."

TAX FEES

There were no fees billed in the fiscal years ended December 31, 2020 and 2019 for professional services rendered by the Partnership's independent registered public accounting firm for tax compliance, tax advice and tax planning.

ALL OTHER FEES

Fees billed for the years ended December 31, 2020 and 2019 for products and services provided by our previous auditor, BDO, other than the services reported in the Audit Fees, Audit-Related Fees, and Tax Fees categories above were approximately $7,000 and $0 for the years ended December 31, 2020 and 2019, respectively.

Fees billed for the years ended December 31, 2020 and 2019 for products and services provided by the Partnership's newly appointed auditor, Morison Cogen LLP, other than the services reported in the Audit Fees, Audit-Related Fees, and Tax Fees categories above were $0 for both the years ended December 31, 2020 and 2019.

PRE-APPROVAL POLICIES AND PROCEDURES

All audit related services, tax planning and other services were pre-approved by the Board of Directors of the General Partner, which concluded that the provision of such services by the Partnership's independent registered public accounting firm was compatible with the maintenance of that firm's independence in the conduct of its auditing functions. The policy of the General Partner provides for pre-approval of these services and all audit related, tax or other services not prohibited under Section 10A(g) of the Securities Exchange Act of 1934, as amended to be performed for us by our independent auditors, subject to the de minimis exception described in Section 10A(i)(1)(B) of the Exchange Act on an annual basis and on individual engagements if minimum thresholds are exceeded. There were no other fees approved by the Board of Directors of the General Partner or paid by the Partnership, during 2020 and 2019 other than fees related to audit or tax compliance services.

PART IV

ITEM 15: EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 10-K

(a) (1)	Financial Statements	
	Report of Independent Registered Public Accounting Firm	F-1
	Balance Sheets as of December 31, 2020 and 2019	F-2
	Statements of Operations for the years ended December 31, 2020 and 2019	F-3
	Statements of Partners' Capital for the years ended December 31, 2020 and 2019	F-4
	Statements of Cash Flows for the years ended December 31, 2020 and 2019	F-5
	Notes to Financial Statements	F-6
(a) (2)	Schedules	

Schedules are omitted because they are not applicable, not required, or because the required information is included in the financial statements and notes thereto.

(a) (3) Exhibits

	*3.1	Certificate of Limited Partnership
	*3.2	Agreement of Limited Partnership
	31.1	Rule 13a-14(a)/15d-14(a) Certifications by the Chief Executive Officer
	31.2	Rule 13a-14(a)/15d-14(a) Certifications by the Principal Financial Officer
	32	Section 1350 Certifications by the Chief Executive Officer and Principal Financial Officer

*Incorporated by reference from the Partnership's Registration Statement on Form S-1 (Registration No. 333-156357)

ITEM 16: FORM 10K SUMMARY

(a) (1) None

SIGNATURES

Pursuant to the requirements of Section 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf April 16, 2021 by the undersigned thereunto duly authorized.

COMMONWEALTH INCOME & GROWTH FUND VII, LP
By: COMMONWEALTH INCOME & GROWTH FUND, INC.,
General Partner
By: */s/* Kimberly A. Springsteen-Abbott
Kimberly A. Springsteen-Abbott,
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on April 16, 2021:

SIGNATURE	CAPACITY
/s/ Kimberly A. Springsteen-Abbott Kimberly A. Springsteen-Abbott	Chairman, Chief Executive Officer, Commonwealth Income & Growth Fund, Inc.
/s/ Henry J. Abbott Henry J. Abbott	Director, President, Commonwealth Income & Growth Fund, Inc.

Commonwealth Income & Growth Fund VII, LP

Financial Statements

For the years ended December 31, 2020 and 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners
Commonwealth Income & Growth Fund VII, LP
New Port Richey, Florida

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Commonwealth Income & Growth Fund VII, LP (the Partnership) as of December 31, 2020, and the related statements of operations, partners' capital, and cash flows for the year ended December 31, 2020, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2020, and the results of its operations and its cash flows for the year ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the Partnership's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the general partner and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

To the Partners
Commonwealth Income & Growth Fund VII, LP
(Continued)

Impairment of Long-lived Assets

As discussed in Note 2, Topic, Long-Lived Assets, once an asset comes off lease or is released, the Partnership reassesses the useful life of an asset. The Partnership evaluates its long-lived assets when events or circumstances indicate that the value of the asset may not be recoverable. The Partnership determines whether impairment exists by estimating the undiscounted cash flows to be generated by each asset. If the estimated undiscounted cash flows are less than the carrying value of the asset then impairment exists. The amount of the impairment is determined based on the difference between the carrying value and the fair value. Fair value is determined based on estimated discounted cash flows to be generated by the asset, third party appraisals, or comparable sales of similar assets, as applicable, based on asset type.

The principal considerations for our determination that performing procedures relating to the impairment of long-lived assets is a critical audit matter are the use of significant judgment and subjective factors in the Partnership's assessment of any changes in events or circumstances that may affect the carrying amount of its long-lived assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included the following:

- Reviewed the internal controls over the Partnership's impairment assessment process for equipment
- Reviewed the valuation method for appropriateness
- Reviewed the specialized skills and knowledge of the valuation professional
- Tested the estimated fair value to an independent service

Reimbursable Expenses

As discussed in Note 2, Topic, Reimbursable Expenses, reimbursable expenses are ongoing operational expenses and fees associated with the allocation of salaries and benefits which are charged to the Partnership by Commonwealth Capital Corp. (CCC) in connection with the administration and operation of the Partnership are allocated to the Partnership based upon several factors including, but not limited to, the number of investors, compliance issues, and the number of existing leases.

We identified the allocation of reimbursable expenses as a critical audit matte due to a high degree of subjectivity in the selection of certain key factors.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over CCC's allocation process.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included the following:

- Evaluated that the reimbursement is in compliance with the Partnership Agreement
- Evaluated the reasonableness and consistency of key factors used by CCC to allocate the ongoing operational expenses
- Tested the dollar amounts in the key factors to the accounting records of the partnerships included in the allocation
- Tested the calculation of the allocation percentage applied to the Partnership
- Confirmed that the operational expenses do not include costs of control persons

/s/ Morison Cogen LLP

We have served as the Partnership's auditors since 2021.

Blue Bell, Pennsylvania

April 16, 2021

Report of Independent Registered Public Accounting Firm

The Partners
Commonwealth Income & Growth Fund VII
New Port Richey, Florida

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Commonwealth Income & Growth Fund VII (the “Partnership”) as of December 31, 2019, the related statements of operations, statements of Partners Capital, and cash flows for the year ended December 31, 2019, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2019, and the results of its operations and its cash flows for the year ended December 31, 2019**,** in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Partnership’s management. Our responsibility is to express an opinion on the Partnership’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Partnership’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provide a reasonable basis for our opinion.

/s/ BDO USA, LLP

We have served as the Partnership's auditor since 2012.

Philadelphia, Pennsylvania
April 15, 2020

Commonwealth Income & Growth Fund VII, LP
Balance Sheets

	December 31, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	$ 495,494	$ 540,798
Lease income receivable, net of reserve of approximately $67,000 and $98,000 at December 31, 2020 and December 31, 2019, respectively	128,580	294,915
Accounts receivable, Commonwealth Capital Corp, net of accounts payable of approximately $46,308 and $80,000 at December 31, 2020 and December 31, 2019, respectively	449,627	688,248
Other receivables, net of reserve of approximately $305,000 and $246,000 at December 31, 2020 and December 31, 2019, respectively	18,436	64,608
Receivable from COF2	-	4,080
Prepaid expenses	10,282	12,618
	1,102,419	1,605,267
Net investment in Finance leases	**46,459**	56,759
Investment in COF 2	**616,771**	585,594
Equipment, at cost	14,912,479	15,870,751
Accumulated depreciation	(13,596,631)	(13,556,070)
	1,315,848	2,314,681
Equipment acquisition costs and deferred expenses, net of accumulated amortization of approximately $147,000 and $173,000 at December 31, 2020 and December 31, 2019, respectively	**33,472**	78,288
Total Assets	**$ 3,114,969**	$ 4,640,589
LIABILITIES AND PARTNERS' CAPITAL		
LIABILITIES		
Accounts payable	$ 123,089	$ 166,428
Accounts payable, CIGF, Inc.	176,251	267,464
Other accrued expenses	12	235
Unearned lease income	79,063	63,952
Notes payable	472,425	1,334,116
Total Liabilities	**850,840**	1,832,195
COMMITMENTS AND CONTINGENCIES		
PARTNERS' CAPITAL		
General Partner	1,050	1,050
Limited Partners	2,263,079	2,807,344
Total Partners' Capital	**2,264,129**	2,808,394
Total Liabilities and Partners' Capital	**$ 3,114,969**	$ 4,640,589

see accompanying notes to financial statements

Commonwealth Income & Growth Fund VII, LP

Statements of Operations

	Years ended December 31, 2020	2019
Revenue		
Lease	$ 1,797,545	$ 2,005,881
Interest and other	2,497	124,361
Sales and property taxes	80,190	99,507
Gain on sale of equipment	59,008	50,636
Total revenue and gain on sale of equipment	**1,939,240**	2,280,385
Expenses		
Operating, excluding depreciation and amortization	802,028	813,562
Equipment management fee, General Partner	86,516	100,350
Interest	50,853	115,617
Depreciation	1,280,723	1,462,043
Amortization of equipment acquisition costs and deferred expenses	65,080	81,207
Sales and property taxes	80,190	99,507
Bad debt expense	114,664	125,418
Total expenses	**2,480,054**	2,797,704
Other Loss		
Gain (loss) on investment in COF 2	31,176	(183,769)
Total other gain (loss)	**31,176**	(183,769)
Net loss	**$ (509,638)**	$ (701,088)
Net loss allocated to Limited Partners	**$ (509,638)**	$ (704,174)
Net loss per equivalent Limited Partnership unit	**$ (0.33)**	$ (0.46)
Weighted average number of equivalent Limited Partnership units outstanding during the period	**1,539,024**	1,542,251

see accompanying notes to financial statements

Commonwealth Income & Growth Fund VII, LP

Statements of Partners' Capital

	General Partner Units	*Limited Partner Units*	*General Partner*	*Limited Partners*	*Total*
Balance, January 1, 2019	**50**	**1,542,940**	**$ 1,050**	**$ 3,823,611**	**$ 3,824,661**
Net loss	-	-	3,086	(704,174)	(701,088)
Redemptions	-	(834)	-	(6,576)	(6,576)
Distributions	-	-	(3,086)	(305,517)	(308,603)
Balance, December 31, 2019	**50**	**1,542,106**	**$ 1,050**	**$ 2,807,344**	**$ 2,808,394**
Net loss	-	-	-	(509,638)	(509,638)
Redemptions	-	(4,571)	-	(34,627)	(34,627)
Balance, December 31, 2020	**50**	**1,537,535**	**$ 1,050**	**$ 2,263,079**	**$ 2,264,129**

see accompanying notes to financial statements

Commonwealth Income & Growth Fund VII, LP

Statements of Cash Flows

	Years ended December 31, 2020	2019
Cash flows from operating activities		
Net loss	$ (509,638)	$ (701,088)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	1,345,803	1,543,250
Amortization of initial direct costs - finance leases	752	87
Gain on sale of equipment	(59,008)	(50,636)
Bad debt expense	114,664	125,418
Loss on equity in COF 2 investment	(31,176)	183,769
Other noncash activities		
Lease revenue net of interest expense, on notes payable, realized as a result of direct payment of principal to the bank by lessee	(1,084,276)	(1,381,313)
Earned interest on finance leases	(7,265)	(303)
Changes in assets and liabilities		
Payment from finance leases	16,811	2,774
Lease income receivable	51,671	(135,361)
Accounts receivable, Commonwealth Capital Corp., net	238,621	576,775
Other receivables	46,172	20,541
Prepaid expenses	2,336	(3,280)
Accounts payable	(43,339)	(110,846)
Accounts payable, CIGF, Inc., net	(91,213)	(75,982)
Other accrued expenses	(222)	1
Unearned lease income	15,111	27,003
Net cash provided by operating activities	**5,804**	**20,809**
Cash flows from investing activities		
Capital expenditures	(228,324)	-
Purchase of finance leases	-	(55,384)
Equipment acquisition fees paid to the General Partner	(18,036)	(2,215)
Net proceeds from the sale of equipment	228,025	88,286
Income from Investment in COF2	4,080	28,558
Net cash (used in) provided by investing activities	**(14,255)**	**59,245**
Cash flows from financing activities		
Redemptions	(34,627)	(6,576)
Debt placement fee paid to the General Partner	(2,226)	-
Distributions to partners	-	(385,795)
Net cash used in financing activities	**(36,853)**	**(392,371)**
Net decrease in cash and cash equivalents	(45,304)	(312,317)
Cash and cash equivalents beginning of year	540,798	853,115
Cash and cash equivalents end of year	**$ 495,494**	**$ 540,798**

see accompanying notes to financial statements

Commonwealth Income & Growth Fund VII, LP

Notes to Financial Statements

1. Business

Commonwealth Income & Growth Fund VII, LP (the "Partnership") is a limited partnership organized in the Commonwealth of Pennsylvania on November 14, 2008. The Partnership offered for sale up to 2,500,000 units of limited partnership interest at the purchase price of $20 per unit (the "offering"). The Partnership reached the minimum amount in escrow and commenced operations on March 31, 2010. The offering terminated on November 22, 2011 with 1,572,900 units sold for a total of approximately $31,432,000 in limited partner contributions.

For the year ended December 31, 2020 and 2019, limited partners redeemed 4,571 and 834 units, respectively, of partnership interest for a total redemption price of approximately $34,627 and $6,600, respectively, in accordance with the terms of the Partnership's Limited Partnership Agreement (the "Agreement").

The Partnership uses the proceeds of the offering to acquire, own and lease various types of computer information technology equipment and other similar capital equipment, which is leased primarily to U.S. corporations and institutions. Commonwealth Capital Corp. ("CCC"), on behalf of the Partnership and other affiliated partnerships, acquires computer equipment subject to associated debt obligations and lease agreements and allocates a participation in the cost, debt and lease revenue to the various partnerships based on certain risk factors.

The Partnership's investment objective is to acquire primarily high technology equipment. Information technology has developed rapidly in recent years and is expected to continue to do so. Technological advances have permitted reductions in the cost of information technology processing capacity, speed, and utility. In the future, the rate and nature of equipment development may cause equipment to become obsolete more rapidly. The Partnership also intends to acquire high technology medical, telecommunications and inventory management equipment. The Partnership's general partner will seek to maintain an appropriate balance and diversity in the types of equipment acquired. The market for high technology medical equipment is growing each year. Generally, this type of equipment will have a longer useful life than other types of technology equipment. This allows for increased re-marketability, if it is returned before its economic or announcement cycle is depleted.

The Partnership's general partner is Commonwealth Income & Growth Fund, Inc. (the "General Partner"), a Pennsylvania corporation which is an indirect wholly-owned subsidiary of CCC. CCC is a member of the Institute for Portfolio Alternatives ("IPA") and the Equipment Leasing and Finance Association ("ELFA"). Approximately ten years after the commencement of operations, the Partnership intends to sell or otherwise dispose of all of its equipment, make final distributions to partners, and to dissolve. Unless sooner terminated or extended pursuant to the terms of its Limited Partnership Agreement (the "Agreement"), the Partnership will continue until December 31, 2021.

Allocations of income and distributions of cash are based on the Agreement. The various allocations under the Agreement prevent any limited partner's capital account from being reduced below zero and ensure the capital accounts reflect the anticipated sharing ratios of cash distributions, as defined in the Agreement. During each of the years ended December 31, 2020 and 2019, cash distributions to limited partners for each quarter were made at a rate of approximately 0% and 1.0% of their original contributed capital, respectively. Distributions during each of the years ended December 31, 2020 and 2019 were made to limited partners in the amount of approximately $0 and $.20 per unit, respectively, based on each investor's number of limited partnership units outstanding during that year.

Distributions in the following approximate amounts declared to the Limited Partners for the years ended December 31, 2020 and 2019 were as follows:

Quarter Ended	**2020**	2019
March 31	**$ -**	$ 77,000
June 30	**-**	77,000
September 30	**-**	76,000
December 31	**-**	76,000
	$ -	$ 306,000

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material. Such estimates relate primarily to the determination of residual values at the end of the lease term, the expected future cash flows and fair value used for impairment analysis purposes and determination of the allowance for doubtful accounts.

Disclosure of Fair Value of Financial Instruments

Fair Value Measurements

The Partnership applies the provisions included in the Fair Value Measurements and Disclosures Topic to all financial and non-financial assets and liabilities. This Topic emphasizes that fair value is a market-based measurement, not an entity-specific measurement. It clarifies that fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The Topic requires the use of valuation techniques to measure fair value that maximize the use of observable inputs and minimize use of unobservable inputs. These inputs are prioritized as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Unobservable inputs for which there is little or no market data and which require internal development of assumptions about how market participants price the asset or liability.

There were no assets or liabilities measured at fair value on a recurring basis at December 31, 2020 and 2019. There were no assets measured on a non-recurring basis at December 31, 2020 and 2019.

Fair Value disclosures of financial instruments

Estimated fair value was determined by management using available market information and appropriate valuation methodologies. However, judgment was necessary to interpret market data and develop estimated fair value. Cash, other receivables, accounts payable and other accrued expenses are carried at amounts which reasonably approximate their fair values as of December 31, 2020 and 2019 due to the immediate or short-term nature of these financial instruments.

The Partnership's long-term debt consists of notes payable, which are secured by specific equipment and are nonrecourse liabilities of the Partnership. The estimated fair value of this debt at December 31, 2020 and 2019 approximates the carrying value of these instruments, due to the interest rates on this debt approximating current market interest rates. The Partnership classifies the fair value of its notes payable within Level 2 of the valuation hierarchy based on the observable inputs used to estimate fair value.

Revenue Recognition

The Partnership is principally engaged in business of leasing equipment. Ancillary to the Partnership's principal equipment leasing business, the Partnership also sells certain equipment and may offer certain services to support its customers.

The Partnership's lease transactions are principally accounted for under Topic 842 on January 1, 2019. Prior to Topic 842, the Partnership accounted for these transactions under Topic 840, Leases ("Topic 840"). Lease revenue includes revenue generated from leasing equipment to customers, including re-rent revenue, and is recognized as either on a straight line basis or using the effective interest method over the length of the lease contract, if such lease is either an operating lease or finance lease, respectively.

The Partnership's sale of equipment along with certain services provided to customers is recognized under ASC Topic 606, Revenue from Contracts with Customers, ("Topic 606"), which was adopted on January 1, 2018. Prior to adoption of Topic 606, the Partnership recognized these transactions under ASC Topic 605, Revenue Recognized, and ("Topic 605"). The Partnership recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The amount of revenue recognized reflects the consideration the Partnership expects to be entitled to in exchange for such products or services.

For the years ended December 31, 2020 and 2019, the Partnership's lease portfolio consisted of operating leases and finance leases. For operating leases, lease revenue is recognized on a straight-line basis in accordance with the terms of the lease agreement. Finance lease interest income is recorded over the term of the lease using the effective interest method.

Upon the end of the lease term, if the lessee has not met the return conditions as set out in the lease, the Partnership is entitled in certain cases to additional compensation from the lessee. The Partnership's accounting policy for recording such payments is to treat them as revenue.

Gains or losses from sales of leased and off-lease equipment are recorded on a net basis in the Partnership's Statement of Operations. Gains from the termination of leases are recognized when the lease is modified and terminated concurrently. Our leases do not contain any step-rent provisions or escalation clauses nor are lease revenues adjusted based on any index.

Partnership's accounting policy for sales and property taxes collected from the lessees are recorded in the current period as gross revenues and expenses.

Recent Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). This standard establishes an impairment model (known as the current expected credit loss ("CECL") model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which is intended to result in a timelier recognition of losses. Under the CECL model, entities will estimate credit losses over the entire contractual term of the instrument (considering estimated prepayments, but not expected extensions or modifications) from the date of initial recognition of the financial instrument. Measurement of expected credit losses are to be based on relevant forecasts that affect collectability. The scope of financial assets within the CECL methodology is broad and includes trade receivables from certain revenue transactions and certain off-balance sheet credit exposures. Different components of the guidance require modified retrospective or prospective adoption.
In November 2018, the FASB issued ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments-Credit Losses. ASU 2018-19 clarifies that receivables arising from operating leases are not within the scope of the credit losses standard. Instead, entities would need to apply other U.S. GAAP, namely Topic 842 (Leases), to account for changes in the collectability assessment for operating leases. Other than operating lease receivables, Partnership trade receivables include receivables from finance leases and equipment sales. Under Topic 606 (Revenue from Contracts with Customers), revenue is recognized when, among other criteria, it is probable that the entity will collect the consideration to which it is entitled for goods or services transferred to a customer. At the point that finance lease receivables are recorded, they become subject to the CECL model and estimates of expected credit losses over their contractual life will be required to be recorded at inception based on historical information, current conditions, and reasonable and supportable forecasts. Trade receivables derived from equipment sales are of short duration and there is not a material difference between incurred losses and expected losses.

In April 2019, the FASB issued ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments, which amends and clarifies several provisions of Topic 326. In May 2019, the FASB issued ASU 2019-05, Financial Instruments-Credit Losses (Topic 326): Targeted Transition Relief, which amends Topic 326 to allow the fair value option to be elected for certain financial instruments upon adoption. ASU 2019-10 extended the effective date of ASU 2016-13 for the Partnership until December 15, 2022. While we continue to evaluate the new guidance, including the subsequent updates to Topic 326, we do not anticipate that adoption will have a material impact on the Partnership financial statements and related disclosures.

For both the years ended December 31, 2020 and 2019, Partnership finance lease revenue subject to CECL represented less than 1% of total lease revenue.

Equity Method Investment

The Partnership accounts for its investment in COF2 under the equity method in accordance with Accounting Standards Codification ("ASC") 323. Under the equity method, the Partnership records its proportionate share of the Fund's net income (loss). Capital contributions, distributions and net income (loss) of such entities are recorded in accordance with the terms of the governing documents. An allocation of net income (loss) may differ from the stated ownership percentage interest in such entity as a result of distributions and allocation formulas, if any, as described in such governing documents.

Other Assets

Equipment acquisition costs and deferred expenses are amortized on a straight-line basis over two-to-four year lives based on the original term of the lease and loan, respectively. Unamortized acquisition costs and deferred expenses are charged to amortization expense when the associated leased equipment is sold.

Long-Lived Assets

Depreciation on technology and inventory management equipment for financial statement purposes is based on the straight-line method estimated generally over useful lives of two to five years. Once an asset comes off lease or is released, the Partnership reassesses the useful life of an asset. The Partnership evaluates its long-lived assets when events or circumstances indicate that the value of the asset may not be recoverable. The Partnership determines whether impairment exists by estimating the undiscounted cash flows to be generated by each asset. If the estimated undiscounted cash flows are less than the carrying value of the asset then impairment exists. The amount of the impairment is determined based on the difference between the carrying value and the fair value. Fair value is determined based on estimated discounted cash flows to be generated by the asset, third party appraisals or comparable sales of similar assets, as applicable, based on asset type.

Residual values are determined by management and are calculated using information from both internal and external sources, as well as other economic indicators.

Reimbursable Expenses

Reimbursable expenses are comprised of both ongoing operational expenses and fees associated with the allocation of salaries and benefits, referred to as other LP expenses. Reimbursable expenses, which are charged to the Partnership by CCC in connection with the administration and operation of the Partnership, are allocated to the Partnership based upon several factors including, but not limited to, the number of investors, compliance issues, and the number of existing leases. For example, if a partnership has more investors than another program sponsored by CCC, then higher amounts of expenses related to investor services, including mailing and printing costs will be allocated to that partnership. Also, while a partnership is in its offering stage, higher compliance costs are allocated to it than to a program not in its offering stage, as compliance resources are utilized to review incoming investor suitability and proper documentation. Finally, lease related expenses, such as due diligence, correspondence, collection efforts and analysis and staff costs, increase as programs purchase more leases, and decrease as leases terminate and equipment is sold. All of these factors contribute to CCC's determination as to the amount of expenses to allocate to the Partnership or to other sponsored programs. CCC is not reimbursed for salary and benefit costs of control persons. For the Partnership, all reimbursable items are expensed as they are incurred.

Lease Income Receivable

Lease income receivable includes current lease income receivable net of allowances for uncollectible amounts, if any. The Partnership monitors lease income receivable to ensure timely and accurate payment by lessees. The Partnership's Lease Relations department is responsible for monitoring lease income receivable and, as necessary, resolving outstanding invoices.

The Partnership reviews a customer's credit history before extending credit. When the analysis indicates that the probability of full collection is unlikely, the Partnership may establish an allowance for uncollectible lease income receivable based upon the credit risk of specific customers, historical trends and other information. The Partnership writes off its lease income receivable when it determines that it is uncollectible and all economically sensible means of recovery have been exhausted.

Cash and cash equivalents

We consider cash and cash equivalents to be cash on hand and highly liquid investments with the original maturity dates of 90 days or less.

At December 31, 2020, cash was held in one bank maintained at one financial institution with an aggregate balance of approximately $501,000. Bank accounts are federally insured up to $250,000 by the FDIC. At December 31, 2020 and 2019, the total cash bank balance was approximately as follows:

Balance at December 31		***2020***		*2019*
Total bank balance	**$**	**501,000**	$	549,000
FDIC insured		**(250,000)**		(250,000)
Uninsured amount	**$**	**251,000**	$	299,000

The Partnership believes it mitigates the risk of holding uninsured deposits by only depositing funds with major financial institutions. The Partnership has not experienced any losses in our accounts, and believes it is not exposed to any significant credit risk. The amounts in such accounts will fluctuate throughout 2021 due to many factors, including the pace of cash receipts, equipment acquisitions, interest rates and distributions to limited partners.

Income Taxes

Pursuant to the provisions of Section 701 of the Internal Revenue Code, the Partnership is not subject to federal or state income taxes. All income and losses of the Partnership are the liability of the individual partners and are allocated to the partners for inclusion in their individual tax returns. The Partnership does not have any entity-level uncertain tax positions. In addition, the Partnership believes its tax status as a pass-through entity would be sustained under U.S. Federal, state or local tax examination. The Partnership files U.S. federal and various state income tax returns and is generally subject to examination by federal, state and local income tax authorities for three years from the filing of a tax return.

Taxable income differs from financial statement net income as a result of reporting certain income and expense items for tax purposes in periods other than those used for financial statement purposes, principally relating to depreciation, amortization, and lease revenue.

Net Loss Per Equivalent Limited Partnership Unit

The net loss per equivalent limited partnership unit is computed based upon net income (loss) allocated to the limited partners and the weighted average number of equivalent units outstanding during the year.

3. Information Technology, Medical Technology, Telecommunications Technology, Inventory Management Equipment and Other Business-Essential Capital Equipment ("equipment")

The Partnership is the lessor of equipment under leases with periods that generally range from 12 to 48 months. In general, associated costs such as repairs and maintenance, insurance and property taxes are paid by the lessee.

The Partnership's share of the cost of the equipment in which it participates with other partnerships at December 31, 2020 was approximately $10,226,000 and is included in the Partnership's equipment on its balance sheet. The Partnership's share of the outstanding debt associated with this equipment at December 31, 2020 was approximately $380,000 and is included in the Partnership's notes payable on its balance sheet. The total cost of the equipment shared by the Partnership with other partnerships at December 31, 2020 was approximately $23,869,000. The total outstanding debt related to the equipment shared by the Partnership at December 31, 2020 was approximately $1,020,000.

The Partnership's share of the cost of the equipment in which it participates with other partnerships at December 31, 2019 was approximately $10,030,000 and is included in the Partnership's equipment on its balance sheet. The Partnership's share of the outstanding debt associated with this equipment at December 31, 2019 was approximately $1,021,000 and is included in the Partnership's notes payable on its balance sheet. The total cost of the equipment shared by the Partnership with other partnerships at December 31, 2019 was approximately $22,760,000. The total outstanding debt related to the equipment shared by the Partnership at December 31, 2019 was approximately $2,202,000.

As the Partnership and the other programs managed by the General Partner increase their overall portfolio size, opportunities for shared participation are expected to continue. Sharing in the acquisition of a lease portfolio gives the fund an opportunity to acquire additional assets and revenue streams, while allowing the fund to remain diversified and reducing its overall risk with respect to one portfolio. As additional investment opportunities arise for 2021, the Partnership expects total shared equipment and related debt to trend higher as the Partnership builds its portfolio.

The following is a schedule of approximate future minimum rentals on operating leases:

Years Ended December 31,		**Amount**
2021	$	615,000
2022		118,000
2023		66,000
2024		49,000
	$	**848,000**

Finance Leases:

The following lists the approximate components of the net investment in finance leases:

At December 31,		**2020**		2019
Carrying value of lease receivable	**$**	**43,000**	$	52,000
Estimated residual value of leased equipment (unguaranteed)		**2,000**		2,000
Initial direct costs- finance leases		**1,000**		3,000
Net investment in finance leases	**$**	**46,000**	$	57,000

We assess credit risk for all of our customers, including those that lease under finance leases. This credit risk is assessed using an internally developed model which incorporates credit scores from third party providers and our own customer risk ratings and is periodically reviewed. Our internal ratings are weighted based on the industry that the customer operates in. Factors taken into consideration when assessing risk, includes both general and industry specific qualitative and quantitative metrics. We separately take in to consideration payment history, open lawsuits, liens and judgments. Typically, we will not extend credit to a company that has been in business for less than 5 years or that has filed for bankruptcy within the same period. Our internally based model may classify a company as high risk based on our analysis of their audited financial statements and their payment history. Additional considerations of high risk may include history of late payments, open lawsuits and liens or judgments. In an effort to mitigate risk, we typically require deposits from those in this category.

A reserve for credit losses is deemed necessary when payment has not been received for one or more months of receivables due on the equipment held under finance leases. At the end of each period, management evaluates the open receivables due on this equipment and determines the need for a reserve based on payment history and any current factors that would have an impact on payments.

The following table presents the credit risk profile, by creditworthiness category, of our finance lease receivables at December 31, 2020:

	Percent of Total	
Risk Level	***2020***	*2019*
Low	**-%**	-%
Moderate-Low	**-%**	-%
Moderate	**-%**	-%
Moderate-High	**100%**	100%
High	**-%**	-%
Net Finance lease receivable	**100%**	100%

As of the year ended December 31, 2020 we determined that we did not have a need for an allowance for uncollectible accounts associated with any of our finance leases, as the customer payment histories with us, associated with these leases, has been positive.

CCC, on behalf of the Partnership and on behalf of other affiliated companies and partnerships ("partnerships"), acquires equipment subject to associated debt obligations and lease agreements and allocates a participation in the cost, debt and lease revenue to the various companies based on certain risk factors.

The following is a schedule of approximate future minimum rentals on non-cancelable finance leases:

Years Ended December 31,		**Amount**
2021	$	12,000
2022	$	12,000
2023	$	12,000
2024	$	11,000
	$	**47,000**

4. Significant Customers

Lessees equal to or exceeding 10% of lease revenue:

Years Ended December 31,	**2020**	2019
Alliant Techsystems, Inc.	**38%**	34%
Hofstra University	**24%**	22%
Cummins, Inc.	**16%**	20%
Automatic Data Processing	**13%**	14%

Lessees equal to or exceeding 10% of lease income receivable:

At December 31,	**2020**	2019
Alliant Techsystems, Inc.	**36%**	**%
Raytheon	**29%**	15%
Automatic Data Processing	**29%**	**%
Cummins, Inc.	****%**	80%

** Represents less than 10% of lease income receivable

5. Investment in COF 2

On August 13, 2015, the Partnership purchased 1,648 units for $1,500,000, of Commonwealth Opportunity Fund 2 ("COF 2"), an affiliate fund of the General Partner. In accordance with the Partnership Agreement, the Partnership is permitted to invest in equipment programs formed by the General Partner or its affiliates. COF 2 is an affiliate program that broke escrow on August 13, 2015. The General Partner believes this action is in the best interests of all the Programs. The Partnership accounts for its investment in COF 2 under the equity method in accordance with ASC 323. The Partnership's net investment in COF 2 at December 31, 2020 and 2019 was approximately $617,000 and $586,000, respectively (see COF 2 Financial Summary below). For the year ended December 31, 2020, COF 2 declared distributions to the Partnership of approximately $0 of which approximately $0 was paid in 2020 and approximately $0 is recorded as a receivable from COF 2 at December 31, 2020.

COF 2 Summarized Financial Information

At December 31,	**2020**	2019
Assets	**$ 1,993,000**	$ 2,114,000
Liabilities	**$ 296,000**	$ 459,000
Partners' capital	**$ 1,697,000**	$ 1,655,000
Revenue	**$ 794,000**	$ 1,078,000
Expenses	**$ 703,000**	$ 1,617,000
Net income (loss)	**$ 91,000**	$ (539,000)

6. Related Party Transactions

Receivables/Payables

As of December 31, 2020 and 2019, the Partnership's related party receivables and payables are short term, unsecured, non-interest bearing.

ENTITY RECEIVING COMPENSATION	TYPE OF COMPENSATION	AMOUNT INCURRED DURING 2020	AMOUNT INCURRED DURING 2019
	OPERATIONAL AND SALE OR LIQUIDATION STAGES		
The General Partner and its Affiliates	**Reimbursable Expenses**. The General Partner and its affiliates are entitled to reimbursement by the Partnership for the cost of goods, supplies or services obtained and used by the general partner, not including costs of the control persons, as defined in Item 10, in connection with the administration and operation of the partnership from third parties unaffiliated with the General Partner. The amounts set forth on this table do not include expenses incurred in the offering of units. For the years ended December 31, 2020 and 2019, the Partnership was charged approximately $423,000 and $504,000 in other LP expense, respectively.	**$ 752,000**	$ 797,000
The General Partner	**Equipment Acquisition Fee.** The General Partner earned an equipment acquisition fee of 4% of the purchase price of each item of equipment purchased as compensation for the negotiation of the acquisition of the equipment and lease thereof or sale under a conditional sales contract. At December 31, 2020, the prepaid acquisition fees balance was $0. For the year ended December 31, 2020 and 2019, equipment acquisition fees earned by the General Partner for operating and finance leases was approximately $18,000 and $2,000, respectively.	**$ 18,000**	$ 2,000
The General Partner	**Debt Placement Fee**. As compensation for arranging term debt to finance our acquisition of equipment, we will pay the general partner a fee equal to one percent of such indebtedness; provided, however, that such fee shall be reduced to the extent we incur such fees to third parties unaffiliated with the general partner or the lender with respect to such indebtedness. No such fee will be paid with respect to borrowings from the general partner or its affiliates. We intend to initially acquire leases on an all cash basis with the proceeds of this offering, but may borrow funds after the offering proceeds have been invested. The amount we borrow, and therefore the amount of the fee, will depend upon interest rates at the time of a loan, and the amount of leverage we determine is appropriate at the time. We do not intend to use more than 30% leverage overall in our portfolio. Fees will increase as the amount of leverage we use increases, and as turnover in the portfolio increases and additional equipment is purchased using leverage.	**$ 2,000**	$ -
The General Partner	**Equipment Management Fee**. A monthly fee equal to the lesser of (a) the fees which would be charged by an independent third party in the same geographic market	**$ 86,000**	$ 100,000

	for similar services and similar equipment or (b) the sum of (i) two percent of the gross lease revenues attributable to equipment subject to full payout net leases which contain net lease provisions and (ii) five percent of the gross lease revenues attributable to equipment subject to operating leases and (iii) two percent of the gross lease revenues attributable to equipment subject to finance leases.		
The General Partner	**Equipment Liquidation Fee**. With respect to each item of equipment sold by the general partner, a fee equal to the lesser of (i) 50% of the competitive equipment sale commission or (ii) three percent of the sales price for such equipment. The payment of this fee is subordinated to the receipt by the Limited Partners of (i) a return of their capital contributions and 10% annum cumulative return, compounded daily, on adjusted capital contributions and (ii) the net disposition proceeds from such sale in accordance with the Partnership Agreement. Such fee is reduced to the extent any liquidation or resale fees are paid to unaffiliated parties.	**$ 8,000**	$ 2,700
The General Partner	**Partnership Interest and Distribution**. The General Partner has a present and continuing one percent interest of $1,000 in the Partnership's item of income, gain, loss, deduction, credit, and tax preference. In addition, the General Partner receives one percent of cash available for distribution until the Limited Partners have received distributions of cash available for Distribution equal to their capital contributions plus the 10% cumulative return and thereafter, the General Partner will receive 10% of cash available for distribution.	**$ -**	$ 3,100

6. Notes Payable

Notes payable consisted of the following approximate amounts:

	December 31, 2020		2019
Installment note payable to bank; interest at 4.37% due in monthly installments of $16,273, including interest, with final payment in April 2020	**-**		32,000
Installment note payable to bank; interest at 5.49% due in monthly installments of $4,177, including interest, with final payment in January 2020	**-**		4,000
Installment note payable to bank; interest at 5.93% due in monthly installments of $3,324, including interest, with final payment in February 2020	**-**		7,000
Installment note payable to bank; interest at 5.25% due in quarterly installments of $25,557, including interest, with final payment in April 2020	**-**		50,000
Installment note payable to bank; interest at 4.88% due in monthly installments of $1,363, including interest, with final payment in May 2020	**-**		7,000
Installment note payable to bank; interest at 5.66% due in quarterly installments of $29,292, including interest, with final payment in October 2020	**-**		113,000
Installment note payable to bank; interest at 5.62% due in quarterly installments of $2,897, including interest, with final payment in July 2020	**-**		8,000
Installment note payable to bank; interest at 4.55% due in monthly installments ranging from $1,723 to $14,777, including interest, with final payment in August 2020	**-**		130,000
Installment note payable to bank; interest at 5.31% due in monthly installments of $52,336, including interest, with final payment in January 2021	**51,500**		252,000
Installment note payable to bank; interest at 6.00% due in quarterly installments of $74,533, including interest, with final payment in January 2021	**73,000**		356,000
Installment notes payable to bank; interest at 5.33% due in monthly installments ranging from $4,312 to $15,329, including interest, with final payment in August 2021	**154,000**		375,000
Installment note payable to bank; interest at 4.10% due in monthly installments of $5,229, including interest, with final payment in March 2023	**134,500**		-
Installment note payable to bank; interest at 5.00% due in monthly installments of $1,377, including interest, with final payment in November 2024	**59,000**		-
	$ 472,000	$	1,334,000

The notes are secured by specific technology equipment with a carrying value of approximately $952,000 and are nonrecourse liabilities of the Partnership. As such, the notes do not contain any financial debt covenants with which we must comply on either an annual or quarterly basis. Aggregate approximate maturities of notes payable for each of the periods subsequent to December 31, 2020 are as follows:

Years Ended December 31,	**Amount**
2021	351,000
2022	75,000
2023	31,000
2024	15,000
	$ 472,000

7. Supplemental Cash Flow Information

No interest or principal on notes payable was paid by the Partnership during 2020 and 2019 because direct payment was made by lessee to the bank in lieu of collection of lease income and payment of interest and principal by the Partnership.

Other noncash activities included in the determination of net loss are as follows:

Years Ended December 31,		***2020***		*2019*
Lease revenue net of interest expense on notes payable realized as a result of direct payment of principal by lessee to bank	**$**	**1,084,000**	$	1,381,000

Noncash investing and financing activities approximately include the following:

Years Ended December 31,		***2020***		*2019*
Debt assumed in connection with purchase of technology equipment	**$**	**223,000**	$	-
Accrual for distribution to partners paid in January 2021	**$**	**-**	$	76,000
Receivable for distribution from investment in COF2	**$**	**-**	$	4,000

During the years ended December 31, 2020 and 2019, the Partnership wrote off fully amortized acquisition and finance fees of approximately $92,000 and $34,000, respectively.

8. Commitments and Contingencies

Medshare

In January 2015, CCC, on behalf of the Funds, entered into a Purchase Agreement ("Purchase Agreement") for the sale of the equipment to Medshare Technologies ("Medshare") for approximately $3,400,000. The Partnership's share of the sale proceeds was approximately $1,033,000. As of April 16, 2021, the Partnership had received approximately $728,000 of the approximate $1,033,000 sale proceeds and has recorded a reserve of $246,000 against the outstanding receivables. On April 3, 2015 Medshare was obligated to make payment in full and failed to do so. As a result, Medshare defaulted on its purchase agreement with CCC and was issued a demand letter for full payment of the equipment. On June 25, 2015, Medshare filed a lawsuit in Texas state court for breach of contract ("State Suit"). On June 26, 2015, Commonwealth filed a lawsuit in the Northern District of Texas against Medshare seeking payment in full and/or return of the Equipment and damages.

In July 2016, CCC, on behalf of the Funds, entered into a $1,400,000 binding Settlement Agreement ("Settlement Agreement") with Medshare and its principal owner, Chris Cleary (collectively referred to as "Defendants"), who are held jointly and severally liable for the entire settlement. On August 2, 2016, the Defendants made payment to CCC of an initial $200,000 to be followed by 24 structured monthly payments of approximately $50,000 per month to begin no later than September 15, 2016. The Partnership's share of the Settlement Agreement is approximately $453,000 and is to be applied against the net Medshare receivable of approximately $350,000 as of the settlement date. The remaining $103,000 will be applied against the $246,000 reserve and recorded as a bad debt recovery. As of April 16, 2021, the Partnership received approximately $182,000 of the approximate $453,000 settlement agreement which was applied against the net Medshare receivable of approximately $350,000 as of the settlement date. As Defendant defaulted on settlement agreement, CCC sought and obtained consent judgment from U.S. District Court for Northern District of Texas, Dallas Division on July 27, 2017 in the amount of $1.5 million, less $450,000 previously paid plus $6,757 in attorney fees, both the Defendant and Cleary being jointly and severally liable for the judgment amount. The court also vacated the September 21, 2016 settlement dismissal.

On July 27, 2017 Defendant filed Chapter 11 in Northern District of Texas Dallas Division. On July 26, 2017 Legacy Texas Bank, a secured creditor of the Defendant filed for a TRO in the U.S. District Court of the Northern District of Texas, Dallas Division. Included with the TRO filing was a request for appointment of trustee for operation of Defendant, which was granted and the case converted to Chapter 7. On December 18, 2018 the Bankruptcy Court entered final order and issued its last payment to CCC in March 2019 of approximately $43,000, of which the Partnership's share was approximately $14,000. The Medshare Bankruptcy matter is now closed. Although the trustee's final distribution to Commonwealth did not fully satisfy the judgment, recovery may still be pursued directly against Cleary. As such, management believes that the foregoing will not result in any adverse financial impact on the Funds, but no assurance can be provided until the proceedings are resolved.

FINRA

On May 3, 2013, the FINRA Department of Enforcement filed a complaint naming Commonwealth Capital Securities Corp. ("CCSC") and the owner of the firm, Kimberly Springsteen-Abbott, as respondents; however, on October 22, 2013, FINRA filed an amended complaint that dropped the allegations against CCSC and reduced the scope of the allegations against Ms. Springsteen-Abbott. The sole remaining charge was that Ms. Springsteen-Abbott had approved the misallocation of some expenses to certain Funds. Management believes that the expenses at issue include amounts that were proper and that were properly allocated to Funds, and also identified a smaller number of expenses that had been allocated in error, but were adjusted and repaid to the affected Funds when they were identified in 2012. During the period in question, Commonwealth Capital Corp. ("CCC") and Ms. Springsteen-Abbott provided important financial support to the Funds, voluntarily absorbed expenses and voluntarily waived fees in amounts aggregating in excess of any questioned allocations. A Hearing Panel ruled on March 30, 2015, that Ms. Springsteen-Abbott should be barred from the securities industry because the Panel concluded that she allegedly misallocated approximately $208,000 of expenses involving certain Funds over the course of three years. As such, management had already reallocated back approximately $151,225 of the $208,000 (in allegedly misallocated expenses) to the affected funds, which was fully documented, as good faith payments for the benefit of those Income Funds.

The decision of the Hearing Panel was stayed when it was appealed to FINRA's National Adjudicatory Council (the "NAC") pursuant to FINRA Rule 9311. The NAC issued a decision that upheld the lower panel's ruling and the bar took effect on August 23, 2016. Ms. Springsteen-Abbott appealed the NAC's decision to the U.S. Securities and Exchange Commission (the "SEC"). On March 31, 2017, the SEC criticized that decision as so flawed that the SEC could not even review it, and remanded the matter back to FINRA for further consideration consistent with the SEC's remand, but did not suggest any view as to a particular outcome.

On July 21, 2017, FINRA reduced the list of 1,840 items totaling $208,000 to a remaining list of 87 items totaling $36,226 (which includes approximately $30,000 of continuing education expenses for personnel providing services to the Funds), and reduced the proposed fine from $100,000 to $50,000, but reaffirmed its position on the bar from the securities industry. Respondents promptly appealed FINRA's revised ruling to the SEC. All the requested or allowed briefs have been filed with the SEC. The SEC upheld FINRA's order on February 7, 2020 to bar, but eliminated FINRA's proposed fine. Ms. Springsteen-Abbott has filed a Petition for Review in the United States Court of Appeals for the District of Columbia Circuit to review a final order entered against her by the U.S. Securities and Exchange Commission. On February 26, 2021 the United States Court of Appeals for the District of Columbia Circuit dismissed in part and denied in part Ms. Springsteen-Abbott's petition; however, given the SEC's prior removal FINRA's fine Management anticipates the ruling will not result in any material adverse financial impact to the Funds.

9. Reconciliation of Amounts Reported for Financial Reporting Purposes to Amounts on the Federal Partnership Return (Unaudited)

The tax basis of the Company's net assets and liabilities vary from the amounts presented in these financial statements at December 31, 2020 and 2019 as follows:

Years Ended December 31,		**2020**		2019
Tax basis of net assets (unaudited)	**$**	**2,863,609**	$	2,634,263
Financial statement basis of net assets		**2,264,129**		2,808,394
Difference (unaudited)	**$**	**599,480**	$	(174,131)

The primary differences between the tax basis of net assets and the amounts recorded in the financial statements are the result of differences in accounting for impairment losses, syndication costs and differences between the depreciation methods used in the financial statements and the Partnership's tax returns (unaudited).

Years Ended December 31,		**2020**		2019
Net loss for financial reporting purposes to taxable gain	**$**	**(509,638)**	$	(701,088)
Gain on sale of equipment		**80,088**		14,881
Depreciation		**602,262**		966,007
Amortization		**34,317**		47,055
Unearned lease income		**50,421**		(12,104)
Penalties		**472**		1,297
Bad debt expense		**51,583**		105,087
*Other		**(79,349)**		323,247
Taxable income on the Federal Partnership return (unaudited)	**$**	**230,156**	$	744,382

*Other- includes financial statement adjustments that will be reflected on the tax return in the subsequent year.

10. Subsequent Events

<u>COVID-19 Pandemic</u>

The amount of revenue recognized and the pattern of revenue recognition may be impacted by COVID-19. Some of the business sectors that we service such as education centers, medical facilities, payroll administrators, manufacturing and transportation, we may need to account for returns and refund liabilities. The pattern of revenue recognition may change for delays in rendering services.

In periods ended subsequent to the outbreak of COVID-19, the impact on expected credit losses and future cash flow projections used in impairment testing will need to be considered.

The Company continues to evaluate whether adjustments to the financial statements are required or whether additional disclosures are necessary. In our leasing business, the Company is always subject to credit losses as it relates to a customer's ability to make timely rental payments. The impact of COVID-19 may contribute to risk of non-performance, where a customer may experience financial difficulty and may delay in making timely payments.

The Company recognizes impairment of receivables and loans when losses are incurred, which is when it is probable that an entity will be unable to collect all amounts due according to the contractual terms of the arrangement. Impairment is measured based on the present value of expected future cash flows discounted at the receivable's or loans effective interest rate, except that, as a practical expedient, impairment can be measured based on a receivable's or loans' observable market price or the fair value of the underlying collateral.

The Company believes its estimate of expected losses have been recognized based on historical experience, current conditions, and reasonable forecasts. The impacts of COVID-19 may necessitate additional adjustments in future forecasts of expected losses.

Although the Partnership cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Partnership results of future operations, financial position, and liquidity in fiscal year 2020 and beyond.

31.1 THE RULE 15d-14(a) CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Kimberly A. Springsteen-Abbott certify that:

1. I have reviewed this annual report on Form 10-K of Commonwealth Income & Growth Fund VII (the Registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kimberly A. Springsteen-Abbott
Kimberly A. Springsteen-Abbott
Chief Executive Officer
April 16, 2021

31.2 RULE 15d-14(a) CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Kimberly A. Springsteen-Abbott, certify that:

1. I have reviewed this annual report on Form 10-K of Commonwealth Income & Growth Fund VII (the Registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
   - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kimberly A. Springsteen-Abbott
Kimberly A. Springsteen-Abbott
Principal Financial Officer
April 16, 2021

EXHIBIT 32

WRITTEN STATEMENT OF CHIEF EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER FURNISHED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350) AND FOR THE PURPOSE OF COMPLYING WITH RULE 13a-14(b) OF THE SECURITIES EXCHANGE ACT OF 1934.

In connection with the Annual Report of Commonwealth Income & Growth Fund VII (the "Company") on Form 10-K for the period ending December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, the Chief Executive Officer and the Principal Financial Officer of the Company hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to such officer's knowledge, that: (a) the Annual Report on Form 10-K of the Company for the year ended December 31, 2020 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Kimberly A. Springsteen-Abbott
Kimberly A. Springsteen-Abbott
Chief Executive Officer and Principal Financial Officer
April 16, 2021

Document and Entity Information - USD ($)	12 Months Ended Dec. 31, 2020	Apr. 15, 2021	Jun. 30, 2020
Document and Entity Information:			
Entity Registrant Name	Commonwealth Income & Growth Fund VII, LP		
Document Type	10-K		
Document Period End Date	Dec. 31, 2020		
Amendment Flag	false		
Entity Central Index Key	0001450335		
Current Fiscal Year End Date	--12-31		
Entity Common Stock, Shares Outstanding		0	
Entity Public Float			$ 0
Entity Filer Category	Non-accelerated Filer		
Entity Emerging Growth Company	false		
Entity Small Business	true		
Entity Shell Company	false		
Entity Current Reporting Status	No		
Entity Voluntary Filers	No		
Entity Well-known Seasoned Issuer	No		
Document Fiscal Year Focus	2020		
Document Fiscal Period Focus	FY		
Entity File Number	333-156357		
Entity Incorporation State Country Code	PA		
Entity Interactive Data Current	Yes		

Balance Sheets - USD ($)	Dec. 31, 2020	Dec. 31, 2019
Current Assets		
Cash and cash equivalents	$ 495,494	$ 540,798
Lease income receivable, net of reserve of approximately $67,000 and $98,000 at December 31, 2020 and December 31, 2019, respectively	128,580	294,915
Accounts receivable, Commonwealth Capital Corp, net of accounts payable of approximately $46,308 and $80,000 at December 31, 2020 and December 31, 2019, respectively	449,627	688,248
Other receivables, net of reserve of approximately $305,000 and $246,000 at December 31, 2020 and December 31, 2019, respectively	18,436	64,608
Receivable from COF 2	0	4,080
Prepaid expenses	10,282	12,618
Current Assets	1,102,419	1,605,267
Net investment in finance leases	46,459	56,759
Investment in COF 2	616,771	585,594
Equipment, at cost	14,912,479	15,870,751
Accumulated depreciation	(13,596,631)	(13,556,070)
Equipment, net	1,315,848	2,314,681
Equipment acquisition costs and deferred expenses, net of accumulated amortization of approximately $147,000 and $173,000 at December 31, 2020 and December 31, 2019, respectively	33,472	78,288
Total assets	3,114,969	4,640,589
LIABILITIES		
Accounts payable	123,089	166,428
Accounts payable, CIGF, Inc.	145,889	267,464
Other accrued expenses	12	235
Unearned lease income	79,063	63,952
Notes payable	472,425	1,334,116
Total liabilities	820,478	1,832,195
COMMITMENTS AND CONTINGENCIES		
PARTNERS' CAPITAL		
General Partner	1,050	1,050
Limited Partners	2,293,441	2,807,344
Total Partners' capital	2,294,491	2,808,394
Total liabilities and Partners' capital	$ 3,114,969	$ 4,640,589

Balance Sheets (Parenthetical) - USD ($)	Dec. 31, 2020	Dec. 31, 2019
Statement of Financial Position [Abstract]		
Lease income receivable, reserve	$ 67,000	$ 98,000
Accounts payable	46,308	80,000
Other receivables, reserve	305,000	246,000
Equipment, accumulated amortization	$ 147,000	$ 173,000

Statements of Operations - USD ($)	12 Months Ended	
	Dec. 31, 2020	Dec. 31, 2019
Revenue		
Lease	$ 1,797,545	$ 2,005,881
Interest and other	2,497	124,361
Sales and property taxes	80,190	99,507
Gain on sale of equipment	59,008	50,636
Total revenue and gain on sale of equipment	1,939,240	2,280,385
Expenses		
Operating, excluding depreciation and amortization	771,666	813,562
Equipment management fee, General Partner	86,516	100,350
Interest	50,853	115,617
Depreciation	1,280,723	1,462,043
Amortization of equipment acquisition costs and deferred expenses	65,080	81,207
Sales and property taxes	80,190	99,507
Bad debt expense	114,664	125,418
Total expenses	2,449,692	2,797,704
Other Loss		
Gain (loss) on investment in COF 2	31,176	(183,769)
Total other gain (loss)	31,176	(183,769)
Net loss	(479,276)	(701,088)
Net loss allocated to Limited Partners	$ (479,276)	$ (704,174)
Net loss per equivalent Limited Partnership unit	$ (0.31)	$ (0.46)
Weighted average number of equivalent limited partnership units outstanding during the year	1,539,024	1,542,251

Statements of Partners' Capital - USD ($)	General Partners	Limited Partners	Total
Partners' capital, units at Dec. 31, 2018	50	1,542,940	
Partners' capital at Dec. 31, 2018	$ 1,050	$ 3,823,611	$ 3,824,661
Net loss	3,086	$ (704,174)	$ (701,088)
Partners' capital redemptions, units		(834)	(834)
Partners' capital redemptions		$ (6,576)	$ (6,576)
Distributions	$ (3,086)	$ (305,517)	(308,603)
Partners' capital, units at Dec. 31, 2019	50	1,542,106	
Partners' capital at Dec. 31, 2019	$ 1,050	$ 2,807,344	2,808,394
Net loss		(479,276)	$ (479,276)
Partners' capital redemptions, units			(4,571)
Partners' capital redemptions	$ (4,571)	$ (34,627)	$ (34,627)
Partners' capital, units at Dec. 31, 2020	50	1,537,535	
Partners' capital at Dec. 31, 2020	$ 1,050	$ 2,293,441	$ 2,294,491

Statements of Cash Flow - USD ($)	12 Months Ended	
	Dec. 31, 2020	Dec. 31, 2019
Cash flows from operating activities		
Net loss	$ (479,276)	$ (701,088)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	1,345,803	1,543,250
Amortization of initial direct costs - finance leases	752	87
Gain on sale of equipment	(59,008)	(50,636)
Bad debt expense	114,664	125,418
Loss on equity in COF 2 investment	(31,176)	183,769
Other noncash activities		
Lease revenue net of interest expense, on notes payable, realized as a result of direct payment of principal to the bank by lessee	(1,084,276)	(1,381,313)
Earned interest on finance leases	(7,265)	(303)
Changes in assets and liabilities		
Payment from finance lease	16,811	2,774
Lease income receivable	51,671	(135,361)
Accounts receivable, Commonwealth Capital Corp., net	238,621	576,775
Other receivables	46,172	20,541
Prepaid expenses	2,336	(3,280)
Accounts payable	(43,339)	(110,846)
Accounts payable, CIGF, Inc., net	(121,575)	(75,982)
Other accrued expenses	(222)	1
Unearned lease income	15,111	27,003
Net cash provided by operating activities	5,804	20,809
Cash flows from investing activities		
Capital expenditures	(228,324)	0
Purchase of finance leases	0	(55,384)
Equipment acquisition fees paid to General Partner	(18,036)	(2,215)
Net proceeds from the sale of equipment	228,025	88,286
Distributions from investment in COF 2	4,080	28,558
Net cash provided by investing activities	(14,255)	59,245
Cash flows from financing activities		
Redemptions	(34,627)	(6,576)
Debt placement fees paid to General Partner	(2,226)	0
Distributions to Partners	0	(385,795)
Net cash used in financing activities	(36,853)	(392,371)
Net decrease in cash and cash equivalents	(45,304)	(312,317)
Cash and cash equivalents beginning of year	540,798	853,115
Cash and cash equivalents end of year	$ 495,494	$ 540,798

Business	12 Months Ended Dec. 31, 2020
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
Business	

Commonwealth Income & Growth Fund VII, LP (the "Partnership") is a limited partnership organized in the Commonwealth of Pennsylvania on November 14, 2008. The Partnership offered for sale up to 2,500,000 units of limited partnership interest at the purchase price of $20 per unit (the "offering"). The Partnership reached the minimum amount in escrow and commenced operations on March 31, 2010. The offering terminated on November 22, 2011 with 1,572,900 units sold for a total of approximately $31,432,000 in limited partner contributions.

For the year ended December 31, 2020 and 2019, limited partners redeemed 4,571 and 834 units, respectively, of partnership interest for a total redemption price of approximately $34,627 and $6,600, respectively, in accordance with the terms of the Partnership's Limited Partnership Agreement (the "Agreement").

The Partnership uses the proceeds of the offering to acquire, own and lease various types of computer information technology equipment and other similar capital equipment, which is leased primarily to U.S. corporations and institutions. Commonwealth Capital Corp. ("CCC"), on behalf of the Partnership and other affiliated partnerships, acquires computer equipment subject to associated debt obligations and lease agreements and allocates a participation in the cost, debt and lease revenue to the various partnerships based on certain risk factors.

The Partnership's investment objective is to acquire primarily high technology equipment. Information technology has developed rapidly in recent years and is expected to continue to do so. Technological advances have permitted reductions in the cost of information technology processing capacity, speed, and utility. In the future, the rate and nature of equipment development may cause equipment to become obsolete more rapidly. The Partnership also intends to acquire high technology medical, telecommunications and inventory management equipment. The Partnership's general partner will seek to maintain an appropriate balance and diversity in the types of equipment acquired. The market for high technology medical equipment is growing each year. Generally, this type of equipment will have a longer useful life than other types of technology equipment. This allows for increased re-marketability, if it is returned before its economic or announcement cycle is depleted.

The Partnership's general partner is Commonwealth Income & Growth Fund, Inc. (the "General Partner"), a Pennsylvania corporation which is an indirect wholly-owned subsidiary of CCC. CCC is a member of the Institute for Portfolio Alternatives ("IPA") and the Equipment Leasing and Finance Association ("ELFA"). Approximately ten years after the commencement of operations, the Partnership intends to sell or otherwise dispose of all of its equipment, make final distributions to partners, and to dissolve. Unless sooner terminated or extended pursuant to the terms of its Limited Partnership Agreement (the "Agreement"), the Partnership will continue until December 31, 2021.

Allocations of income and distributions of cash are based on the Agreement. The various allocations under the Agreement prevent any limited partner's capital account from being reduced below zero and ensure the capital accounts reflect the anticipated sharing ratios of cash distributions, as defined in the Agreement. During each of the years ended December 31, 2020 and 2019, cash distributions to limited partners for each quarter were made at a rate of approximately 0% and 1.0% of their original contributed capital, respectively. Distributions during each of the years ended December 31, 2020 and 2019 were made to limited partners in the amount of approximately $0 and $.20 per unit, respectively, based on each investor's number of limited partnership units outstanding during that year.

Distributions in the following approximate amounts declared to the Limited Partners for the years ended December 31, 2020 and 2019 were as follows:

Quarter Ended	2020	2019
March 31	$ -	$ 77,000
June 30	-	77,000
September 30	-	76,000
December 31	-	76,000
	$ -	$ 306,000

Summary of Significant Accounting Policies	12 Months Ended Dec. 31, 2020

[Accounting Policies [Abstract]]

[Summary of Significant Accounting Policies]

Use of Estimates

The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material. Such estimates relate primarily to the determination of residual values at the end of the lease term, the expected future cash flows and fair value used for impairment analysis purposes and determination of the allowance for doubtful accounts.

Disclosure of Fair Value of Financial Instruments

Fair Value Measurements

The Partnership applies the provisions included in the Fair Value Measurements and Disclosures Topic to all financial and non-financial assets and liabilities. This Topic emphasizes that fair value is a market-based measurement, not an entity-specific measurement. It clarifies that fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The Topic requires the use of valuation techniques to measure fair value that maximize the use of observable inputs and minimize use of unobservable inputs. These inputs are prioritized as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Unobservable inputs for which there is little or no market data and which require internal development of assumptions about how market participants price the asset or liability.

There were no assets or liabilities measured at fair value on a recurring basis at December 31, 2020 and 2019. There were no assets measured on a non-recurring basis at December 31, 2020 and 2019.

Fair Value disclosures of financial instruments

Estimated fair value was determined by management using available market information and appropriate valuation methodologies. However, judgment was necessary to interpret market data and develop estimated fair value. Cash, other receivables, accounts payable and other accrued expenses are carried at amounts which reasonably approximate their fair values as of December 31, 2020 and 2019 due to the immediate or short-term nature of these financial instruments.

The Partnership’s long-term debt consists of notes payable, which are secured by specific equipment and are nonrecourse liabilities of the Partnership. The estimated fair value of this debt at December 31, 2020 and 2019 approximates the carrying value of these instruments, due to the interest rates on this debt approximating current market interest rates. The Partnership classifies the fair value of its notes payable within Level 2 of the valuation hierarchy based on the observable inputs used to estimate fair value.

Revenue Recognition

The Partnership is principally engaged in business of leasing equipment. Ancillary to the Partnership’s principal equipment leasing business, the Partnership also sells certain equipment and may offer certain services to support its customers.

The Partnership’s lease transactions are principally accounted for under Topic 842 on January 1, 2019. Prior to Topic 842, the Partnership accounted for these transactions under Topic 840, Leases (“Topic 840”). Lease revenue includes revenue generated from leasing equipment to customers, including re-rent revenue, and is recognized as either on a straight line basis or using the effective interest method over the length of the lease contract, if such lease is either an operating lease or finance lease, respectively.

The Partnership's sale of equipment along with certain services provided to customers is recognized under ASC Topic 606, Revenue from Contracts with Customers, ("Topic 606"), which was adopted on January 1, 2018. Prior to adoption of Topic 606, the Partnership recognized these transactions under ASC Topic 605, Revenue Recognized, and ("Topic 605"). The Partnership recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The amount of revenue recognized reflects the consideration the Partnership expects to be entitled to in exchange for such products or services.

For the years ended December 31, 2020 and 2019, the Partnership's lease portfolio consisted of operating leases and finance leases. For operating leases, lease revenue is recognized on a straight-line basis in accordance with the terms of the lease agreement. Finance lease interest income is recorded over the term of the lease using the effective interest method.

Upon the end of the lease term, if the lessee has not met the return conditions as set out in the lease, the Partnership is entitled in certain cases to additional compensation from the lessee. The Partnership's accounting policy for recording such payments is to treat them as revenue.

Gains or losses from sales of leased and off-lease equipment are recorded on a net basis in the Partnership's Statement of Operations. Gains from the termination of leases are recognized when the lease is modified and terminated concurrently. Our leases do not contain any step-rent provisions or escalation clauses nor are lease revenues adjusted based on any index.

Partnership's accounting policy for sales and property taxes collected from the lessees are recorded in the current period as gross revenues and expenses.

Recent Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). This standard establishes an impairment model (known as the current expected credit loss ("CECL") model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which is intended to result in a timelier recognition of losses. Under the CECL model, entities will estimate credit losses over the entire contractual term of the instrument (considering estimated prepayments, but not expected extensions or modifications) from the date of initial recognition of the financial instrument. Measurement of expected credit losses are to be based on relevant forecasts that affect collectability. The scope of financial assets within the CECL methodology is broad and includes trade receivables from certain revenue transactions and certain off-balance sheet credit exposures. Different components of the guidance require modified retrospective or prospective adoption.
In November 2018, the FASB issued ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments-Credit Losses. ASU 2018-19 clarifies that receivables arising from operating leases are not within the scope of the credit losses standard. Instead, entities would need to apply other U.S. GAAP, namely Topic 842 (Leases), to account for changes in the collectability assessment for operating leases. Other than operating lease receivables, Partnership trade receivables include receivables from finance leases and equipment sales. Under Topic 606 (Revenue from Contracts with Customers), revenue is recognized when, among other criteria, it is probable that the entity will collect the consideration to which it is entitled for goods or services transferred to a customer. At the point that finance lease receivables are recorded, they become subject to the CECL model and estimates of expected credit losses over their contractual life will be required to be recorded at inception based on historical information, current conditions, and reasonable and supportable forecasts. Trade receivables derived from equipment sales are of short duration and there is not a material difference between incurred losses and expected losses.

In April 2019, the FASB issued ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments, which amends and clarifies several provisions of Topic 326. In May 2019, the FASB issued ASU 2019-05, Financial Instruments-Credit Losses (Topic 326): Targeted Transition Relief, which amends Topic 326 to allow the fair value option to be elected for certain financial instruments upon adoption. ASU 2019-10 extended the effective date of ASU 2016-13 for the Partnership until December 15, 2022. While we continue to evaluate the new guidance, including the subsequent updates to Topic 326, we do not anticipate that adoption will have a material impact on the Partnership financial statements and related disclosures. For both the years ended December 31, 2020 and 2019, Partnership finance lease revenue subject to CECL represented less than 1% of total lease revenue.

Equity Method Investment

The Partnership accounts for its investment in COF2 under the equity method in accordance with Accounting Standards Codification ("ASC") 323. Under the equity method, the Partnership records its proportionate share of the Fund's net income (loss). Capital contributions, distributions and net income (loss) of such entities are recorded in accordance with the terms of the governing documents. An allocation of net income (loss) may differ from the stated ownership percentage interest in such entity as a result of distributions and allocation formulas, if any, as described in such governing documents.

Other Assets

Equipment acquisition costs and deferred expenses are amortized on a straight-line basis over two-to-four year lives based on the original term of the lease and loan, respectively. Unamortized acquisition costs and deferred expenses are charged to amortization expense when the associated leased equipment is sold.

Long-Lived Assets

Depreciation on technology and inventory management equipment for financial statement purposes is based on the straight-line method estimated generally over useful lives of two to five years. Once an asset comes off lease or is released, the Partnership reassesses the useful life of an asset. The Partnership evaluates its long-lived assets when events or circumstances indicate that the value of the asset may not be recoverable. The Partnership determines whether impairment exists by estimating the undiscounted cash flows to be generated by each asset. If the estimated undiscounted cash flows are less than the carrying value of the asset then impairment exists. The amount of the impairment is determined based on the difference between the carrying value and the fair value. Fair value is determined based on estimated discounted cash flows to be generated by the asset, third party appraisals or comparable sales of similar assets, as applicable, based on asset type.

Residual values are determined by management and are calculated using information from both internal and external sources, as well as other economic indicators.

Reimbursable Expenses

Reimbursable expenses are comprised of both ongoing operational expenses and fees associated with the allocation of salaries and benefits, referred to as other LP expenses. Reimbursable expenses, which are charged to the Partnership by CCC in connection with the administration and operation of the Partnership, are allocated to the Partnership based upon several factors including, but not limited to, the number of investors, compliance issues, and the number of existing leases. For example, if a partnership has more investors than another program sponsored by CCC, then higher amounts of expenses related to investor services, including mailing and printing costs will be allocated to that partnership. Also, while a partnership is in its offering stage, higher compliance costs are allocated to it than to a program not in its offering stage, as compliance resources are utilized to review incoming investor suitability and proper documentation. Finally, lease related expenses, such as due diligence, correspondence, collection efforts and analysis and staff costs, increase as programs purchase more leases, and decrease as leases terminate and equipment is sold. All of these factors contribute to CCC's determination as to the amount of expenses to allocate to the Partnership or to other sponsored programs. CCC is not reimbursed for salary and benefit costs of control persons. For the Partnership, all reimbursable items are expensed as they are incurred.

Lease Income Receivable

Lease income receivable includes current lease income receivable net of allowances for uncollectible amounts, if any. The Partnership monitors lease income receivable to ensure timely and accurate payment by lessees. The Partnership's Lease Relations department is responsible for monitoring lease income receivable and, as necessary, resolving outstanding invoices.

The Partnership reviews a customer's credit history before extending credit. When the analysis indicates that the probability of full collection is unlikely, the Partnership may establish an allowance for uncollectible lease income receivable based upon the credit risk of specific customers, historical trends and other information. The Partnership writes off its lease income receivable when it determines that it is uncollectible and all economically sensible means of recovery have been exhausted.

Cash and cash equivalents

We consider cash and cash equivalents to be cash on hand and highly liquid investments with the original maturity dates of 90 days or less.

At December 31, 2020, cash was held in one bank maintained at one financial institution with an aggregate balance of approximately $501,000. Bank accounts are federally insured up to $250,000 by the FDIC. At December 31, 2020 and 2019, the total cash bank balance was approximately as follows:

Balance at December 31	***2020***	*2019*
Total bank balance	**$ 501,000**	$ 549,000
FDIC insured	**(250,000)**	(250,000)
Uninsured amount	**$ 251,000**	$ 299,000

The Partnership believes it mitigates the risk of holding uninsured deposits by only depositing funds with major financial institutions. The Partnership has not experienced any losses in our accounts, and believes it is not exposed to any significant credit risk. The amounts in such accounts will fluctuate throughout 2021 due to many factors, including the pace of cash receipts, equipment acquisitions, interest rates and distributions to limited partners.

Income Taxes

Pursuant to the provisions of Section 701 of the Internal Revenue Code, the Partnership is not subject to federal or state income taxes. All income and losses of the Partnership are the liability of the individual partners and are allocated to the partners for inclusion in their individual tax returns. The Partnership does not have any entity-level uncertain tax positions. In addition, the Partnership believes its tax status as a pass-through entity would be sustained under U.S. Federal, state or local tax examination. The Partnership files U.S. federal and various state income tax returns and is generally subject to examination by federal, state and local income tax authorities for three years from the filing of a tax return.

Taxable income differs from financial statement net income as a result of reporting certain income and expense items for tax purposes in periods other than those used for financial statement purposes, principally relating to depreciation, amortization, and lease revenue.

Net Loss Per Equivalent Limited Partnership Unit

The net loss per equivalent limited partnership unit is computed based upon net income (loss) allocated to the limited partners and the weighted average number of equivalent units outstanding during the year.

Information Technology, Medical Technology, Telecommunications Technology, Inventory Management Equipment ('Equipment')	12 Months Ended
	Dec. 31, 2020

Communications and Information Technology [Abstract]

Information Technology, Medical Technology, Telecommunications Technology, Inventory Management Equipment ('Equipment')

The Partnership is the lessor of equipment under leases with periods that generally range from 12 to 48 months. In general, associated costs such as repairs and maintenance, insurance and property taxes are paid by the lessee.

The Partnership's share of the cost of the equipment in which it participates with other partnerships at December 31, 2020 was approximately $10,226,000 and is included in the Partnership's equipment on its balance sheet. The Partnership's share of the outstanding debt associated with this equipment at December 31, 2020 was approximately $380,000 and is included in the Partnership's notes payable on its balance sheet. The total cost of the equipment shared by the Partnership with other partnerships at December 31, 2020 was approximately $23,869,000. The total outstanding debt related to the equipment shared by the Partnership at December 31, 2020 was approximately $1,020,000.

The Partnership's share of the cost of the equipment in which it participates with other partnerships at December 31, 2019 was approximately $10,030,000 and is included in the Partnership's equipment on its balance sheet. The Partnership's share of the outstanding debt associated with this equipment at December 31, 2019 was approximately $1,021,000 and is included in the Partnership's notes payable on its balance sheet. The total cost of the equipment shared by the Partnership with other partnerships at December 31, 2019 was approximately $22,760,000. The total outstanding debt related to the equipment shared by the Partnership at December 31, 2019 was approximately $2,202,000.

As the Partnership and the other programs managed by the General Partner increase their overall portfolio size, opportunities for shared participation are expected to continue. Sharing in the acquisition of a lease portfolio gives the fund an opportunity to acquire additional assets and revenue streams, while allowing the fund to remain diversified and reducing its overall risk with respect to one portfolio. As additional investment opportunities arise for 2021, the Partnership expects total shared equipment and related debt to trend higher as the Partnership builds its portfolio.

The following is a schedule of approximate future minimum rentals on operating leases:

Years Ended December 31,	**Amount**
2021	$ 615,000
2022	118,000
2023	66,000
2024	49,000
	$ 848,000

Finance Leases:

The following lists the approximate components of the net investment in finance leases:

At December 31,	**2020**	2019
Carrying value of lease receivable	**$ 43,000**	$ 52,000
Estimated residual value of leased equipment (unguaranteed)	**2,000**	2,000
Initial direct costs- finance leases	**1,000**	3,000
Net investment in finance leases	**$ 46,000**	$ 57,000

We assess credit risk for all of our customers, including those that lease under finance leases. This credit risk is assessed using an internally developed model which incorporates credit scores from third party providers and our own customer risk ratings and is periodically reviewed. Our internal ratings are weighted based on the industry that the customer operates in. Factors taken into consideration when assessing risk, includes both general and industry specific qualitative and quantitative metrics. We separately take in to consideration payment history, open lawsuits, liens and judgments. Typically, we will not extend credit to a company that has been in business for less than 5 years or that has filed for bankruptcy within the same period. Our internally based model may classify a company as high risk based on our analysis of their audited financial statements and their payment history. Additional considerations of high risk may include history of late payments, open lawsuits and liens or judgments. In an effort to mitigate risk, we typically require deposits from those in this category.

A reserve for credit losses is deemed necessary when payment has not been received for one or more months of receivables due on the equipment held under finance leases. At the end of each period, management evaluates the open receivables due on this equipment and determines the need for a reserve based on payment history and any current factors that would have an impact on payments.

The following table presents the credit risk profile, by creditworthiness category, of our finance lease receivables at December 31, 2020:

	Percent of Total	
Risk Level	***2020***	*2019*
Low	**-%**	-%
Moderate-Low	**-%**	-%
Moderate	**-%**	-%
Moderate-High	**100%**	100%
High	**-%**	-%
Net Finance lease receivable	**100%**	100%

As of the year ended December 31, 2020 we determined that we did not have a need for an allowance for uncollectible accounts associated with any of our finance leases, as the customer payment histories with us, associated with these leases, has been positive.

CCC, on behalf of the Partnership and on behalf of other affiliated companies and partnerships ("partnerships"), acquires equipment subject to associated debt obligations and lease agreements and allocates a participation in the cost, debt and lease revenue to the various companies based on certain risk factors.

The following is a schedule of approximate future minimum rentals on non-cancelable finance leases:

Years Ended December 31,	**Amount**
2021	$ 12,000
2022	$ 12,000
2023	$ 12,000
2024	$ 11,000
	$ 47,000

Significant Customers	12 Months Ended Dec. 31, 2020
Risks and Uncertainties [Abstract]	
Significant Customers	Lessees equal to or exceeding 10% of lease revenue: *Years Ended December 31,* / **2020** / 2019 Alliant Techsystems, Inc. / **38%** / 34% Hofstra University / **24%** / 22% Cummins, Inc. / **16%** / 20% Automatic Data Processing / **13%** / 14% Lessees equal to or exceeding 10% of lease income receivable: *At December 31,* / **2020** / 2019 Alliant Techsystems, Inc. / **36%** / **% Raytheon / **29%** / 15% Automatic Data Processing / **29%** / **% Cummins, Inc. / **%** / 80% ** Represents less than 10% of lease income receivable

Lessees equal to or exceeding 10% of lease revenue:

Years Ended December 31,	**2020**	2019
Alliant Techsystems, Inc.	**38%**	34%
Hofstra University	**24%**	22%
Cummins, Inc.	**16%**	20%
Automatic Data Processing	**13%**	14%

Lessees equal to or exceeding 10% of lease income receivable:

At December 31,	**2020**	2019
Alliant Techsystems, Inc.	**36%**	**%
Raytheon	**29%**	15%
Automatic Data Processing	**29%**	**%
Cummins, Inc.	**%**	80%

** Represents less than 10% of lease income receivable

Investment in COF 2	12 Months Ended Dec. 31, 2020
Investments [Abstract]	
Investment in COF 2	On August 13, 2015, the Partnership purchased 1,648 units for $1,500,000, of Commonwealth Opportunity Fund 2 ("COF 2"), an affiliate fund of the General Partner. In accordance with the Partnership Agreement, the Partnership is permitted to invest in equipment programs formed by the General Partner or its affiliates. COF 2 is an affiliate program that broke escrow on August 13, 2015. The General Partner believes this action is in the best interests of all the Programs. The Partnership accounts for its investment in COF 2 under the equity method in accordance with ASC 323. The Partnership's net investment in COF 2 at December 31, 2020 and 2019 was approximately $617,000 and $586,000, respectively (see COF 2 Financial Summary below). For the year ended December 31, 2020, COF 2 declared distributions to the Partnership of approximately $0 of which approximately $0 was paid in 2020 and approximately $0 is recorded as a receivable from COF 2 at December 31, 2020.

	COF 2 Summarized Financial Information	
At December 31,	**2020**	2019
Assets	**$ 1,993,000**	$ 2,114,000
Liabilities	**$ 296,000**	$ 459,000
Partners' capital	**$ 1,697,000**	$ 1,655,000
Revenue	**$ 794,000**	$ 1,078,000
Expenses	**$ 703,000**	$ 1,617,000
Net income (loss)	**$ 91,000**	$ (539,000)

Related Party Transactions

12 Months Ended Dec. 31, 2020

Related Party Transactions [Abstract]

Related Party Transactions

Receivables/Payables

As of December 31, 2020 and 2019, the Partnership's related party receivables and payables are short term, unsecured, non-interest bearing.

ENTITY RECEIVING COMPENSATION	TYPE OF COMPENSATION	AMOUNT INCURRED DURING 2020	AMOUNT INCURRED DURING 2019
	OPERATIONAL AND SALE OR LIQUIDATION STAGES		
The General Partner and its Affiliates	**Reimbursable Expenses**. The General Partner and its affiliates are entitled to reimbursement by the Partnership for the cost of goods, supplies or services obtained and used by the general partner, not including costs of the control persons, as defined in Item 10, in connection with the administration and operation of the partnership from third parties unaffiliated with the General Partner. The amounts set forth on this table do not include expenses incurred in the offering of units. For the years ended December 31, 2020 and 2019, the Partnership was charged approximately $423,000 and $504,000 in other LP expense, respectively.	**$ 752,000**	$ 797,000
The General Partner	**Equipment Acquisition Fee.** The General Partner earned an equipment acquisition fee of 4% of the purchase price of each item of equipment purchased as compensation for the negotiation of the acquisition of the equipment and lease thereof or sale under a conditional sales contract. At December 31, 2020, the prepaid acquisition fees balance was $0. For the year ended December 31, 2020 and 2019, equipment acquisition fees earned by the General Partner for operating and finance leases was approximately $18,000 and $2,000, respectively.	**$ 18,000**	$ 2,000
The General Partner	**Debt Placement Fee**. As compensation for arranging term debt to finance our acquisition of equipment, we will pay the general partner a fee equal to one percent of such indebtedness; provided, however, that such fee shall be reduced to the extent we incur such fees to third parties unaffiliated with the general partner or the lender with respect to such indebtedness. No such fee will be paid with respect to borrowings from the general partner or its affiliates. We intend to initially	**$ 2,000**	$ -

	acquire leases on an all cash basis with the proceeds of this offering, but may borrow funds after the offering proceeds have been invested. The amount we borrow, and therefore the amount of the fee, will depend upon interest rates at the time of a loan, and the amount of leverage we determine is appropriate at the time. We do not intend to use more than 30% leverage overall in our portfolio. Fees will increase as the amount of leverage we use increases, and as turnover in the portfolio increases and additional equipment is purchased using leverage.		
The General Partner	**Equipment Management Fee**. A monthly fee equal to the lesser of (a) the fees which would be charged by an independent third party in the same geographic market for similar services and similar equipment or (b) the sum of (i) two percent of the gross lease revenues attributable to equipment subject to full payout net leases which contain net lease provisions and (ii) five percent of the gross lease revenues attributable to equipment subject to operating leases and (iii) two percent of the gross lease revenues attributable to equipment subject to finance leases.	**$ 86,000**	$ 100,000
The General Partner	**Equipment Liquidation Fee**. With respect to each item of equipment sold by the general partner, a fee equal to the lesser of (i) 50% of the competitive equipment sale commission or (ii) three percent of the sales price for such equipment. The payment of this fee is subordinated to the receipt by the Limited Partners of (i) a return of their capital contributions and 10% annum cumulative return, compounded daily, on adjusted capital contributions and (ii) the net disposition proceeds from such sale in accordance with the Partnership Agreement. Such fee is reduced to the extent any liquidation or resale fees are paid to unaffiliated parties.	**$ 8,000**	$ 2,700
The General Partner	**Partnership Interest and Distribution**. The General Partner has a present and continuing one percent interest of $1,000 in the Partnership's item of income, gain, loss, deduction, credit, and tax preference. In addition, the General Partner receives one percent of cash available for distribution until the Limited Partners have received distributions of cash available for Distribution equal to their capital contributions plus the 10% cumulative return and thereafter, the General Partner will receive 10% of cash available for distribution.	**$ -**	$ 3,100

Notes Payable

	12 Months Ended Dec. 31, 2020
Notes Payable [Abstract]	
Notes Payable	(see below)

Notes payable consisted of the following approximate amounts:

	December 31, 2020	2019
Installment note payable to bank; interest at 4.37% due in monthly installments of $16,273, including interest, with final payment in April 2020	-	32,000
Installment note payable to bank; interest at 5.49% due in monthly installments of $4,177, including interest, with final payment in January 2020	-	4,000
Installment note payable to bank; interest at 5.93% due in monthly installments of $3,324, including interest, with final payment in February 2020	-	7,000
Installment note payable to bank; interest at 5.25% due in quarterly installments of $25,557, including interest, with final payment in April 2020	-	50,000
Installment note payable to bank; interest at 4.88% due in monthly installments of $1,363, including interest, with final payment in May 2020	-	7,000
Installment note payable to bank; interest at 5.66% due in quarterly installments of $29,292, including interest, with final payment in October 2020	-	113,000
Installment note payable to bank; interest at 5.62% due in quarterly installments of $2,897, including interest, with final payment in July 2020	-	8,000
Installment note payable to bank; interest at 4.55% due in monthly installments ranging from $1,723 to $14,777, including interest, with final payment in August 2020	-	130,000
Installment note payable to bank; interest at 5.31% due in monthly installments of $52,336, including interest, with final payment in January 2021	**51,500**	252,000
Installment note payable to bank; interest at 6.00% due in quarterly installments of $74,533, including interest, with final payment in January 2021	**73,000**	356,000
Installment notes payable to bank; interest at 5.33% due in monthly installments ranging from $4,312 to $15,329, including interest, with final payment in August 2021	**154,000**	375,000
Installment note payable to bank; interest at 4.10% due in monthly installments of $5,229, including interest, with final payment in March 2023	**134,500**	-
Installment note payable to bank; interest at 5.00% due in monthly installments of $1,377, including interest, with final payment in November 2024	**59,000**	-
	$ 472,000	$ 1,334,000

The notes are secured by specific technology equipment with a carrying value of approximately $952,000 and are nonrecourse liabilities of the Partnership. As such, the notes do not contain any financial debt covenants with which we must comply on either an annual or quarterly basis. Aggregate approximate maturities of notes payable for each of the periods subsequent to December 31, 2020 are as follows:

Years Ended December 31,	**Amount**
2021	351,000
2022	75,000
2023	31,000
2024	15,000
	$ 472,000

Supplemental Cash Flow Information	12 Months Ended Dec. 31, 2020
Supplemental Cash Flow Information [Abstract]	
Supplemental Cash Flow Information	

No interest or principal on notes payable was paid by the Partnership during 2020 and 2019 because direct payment was made by lessee to the bank in lieu of collection of lease income and payment of interest and principal by the Partnership.

Other noncash activities included in the determination of net loss are as follows:

Years Ended December 31,		***2020***		*2019*
Lease revenue net of interest expense on notes payable realized as a result of direct payment of principal by lessee to bank	**$**	**1,084,000**	$	1,381,000

Noncash investing and financing activities approximately include the following:

Years Ended December 31,		***2020***		*2019*
Debt assumed in connection with purchase of technology equipment	**$**	**223,000**	$	-
Accrual for distribution to partners paid in January 2021	**$**	**-**	$	76,000
Receivable for distribution from investment in COF2	**$**	**-**	$	4,000

During the years ended December 31, 2020 and 2019, the Partnership wrote off fully amortized acquisition and finance fees of approximately $92,000 and $34,000, respectively.

Commitments and Contingencies	12 Months Ended Dec. 31, 2020
Commitments and Contingencies Disclosure [Abstract]	
Commitments and Contingencies	

Medshare

In January 2015, CCC, on behalf of the Funds, entered into a Purchase Agreement ("Purchase Agreement") for the sale of the equipment to Medshare Technologies ("Medshare") for approximately $3,400,000. The Partnership's share of the sale proceeds was approximately $1,033,000. As of April 15, 2021, the Partnership had received approximately $728,000 of the approximate $1,033,000 sale proceeds and has recorded a reserve of $246,000 against the outstanding receivables. On April 3, 2015 Medshare was obligated to make payment in full and failed to do so. As a result, Medshare defaulted on its purchase agreement with CCC and was issued a demand letter for full payment of the equipment. On June 25, 2015, Medshare filed a lawsuit in Texas state court for breach of contract ("State Suit"). On June 26, 2015, Commonwealth filed a lawsuit in the Northern District of Texas against Medshare seeking payment in full and/or return of the Equipment and damages.

In July 2016, CCC, on behalf of the Funds, entered into a $1,400,000 binding Settlement Agreement ("Settlement Agreement") with Medshare and its principal owner, Chris Cleary (collectively referred to as "Defendants"), who are held jointly and severally liable for the entire settlement. On August 2, 2016, the Defendants made payment to CCC of an initial $200,000 to be followed by 24 structured monthly payments of approximately $50,000 per month to begin no later than September 15, 2016. The Partnership's share of the Settlement Agreement is approximately $453,000 and is to be applied against the net Medshare receivable of approximately $350,000 as of the settlement date. The remaining $103,000 will be applied against the $246,000 reserve and recorded as a bad debt recovery. As of April 15, 2021, the Partnership received approximately $182,000 of the approximate $453,000 settlement agreement which was applied against the net Medshare receivable of approximately $350,000 as of the settlement date. As Defendant defaulted on settlement agreement, CCC sought and obtained consent judgment from U.S. District Court for Northern District of Texas, Dallas Division on July 27, 2017 in the amount of $1.5 million, less $450,000 previously paid plus $6,757 in attorney fees, both the Defendant and Cleary being jointly and severally liable for the judgment amount. The court also vacated the September 21, 2016 settlement dismissal.

On July 27, 2017 Defendant filed Chapter 11 in Northern District of Texas Dallas Division. On July 26, 2017 Legacy Texas Bank, a secured creditor of the Defendant filed for a TRO in the U.S. District Court of the Northern District of Texas, Dallas Division. Included with the TRO filing was a request for appointment of trustee for operation of Defendant, which was granted and the case converted to Chapter 7. On December 18, 2018 the Bankruptcy Court entered final order and issued its last payment to CCC in March 2019 of approximately $43,000, of which the Partnership's share was approximately $14,000. The Medshare Bankruptcy matter is now closed. Although the trustee's final distribution to Commonwealth did not fully satisfy the judgment, recovery may still be pursued directly against Cleary. As such, management believes that the foregoing will not result in any adverse financial impact on the Funds, but no assurance can be provided until the proceedings are resolved.

FINRA

On May 3, 2013, the FINRA Department of Enforcement filed a complaint naming Commonwealth Capital Securities Corp. ("CCSC") and the owner of the firm, Kimberly Springsteen-Abbott, as respondents; however, on October 22, 2013, FINRA filed an amended complaint that dropped the allegations against CCSC and reduced the scope of the allegations against Ms. Springsteen-Abbott. The sole remaining charge was that Ms. Springsteen-Abbott had approved the misallocation of some expenses to certain Funds. Management believes that the expenses at issue include amounts that were proper and that were properly allocated to Funds, and also identified a smaller number of expenses that had been allocated in error, but were adjusted and repaid to the affected Funds when they were identified in 2012. During the period in question, Commonwealth Capital Corp. ("CCC") and Ms. Springsteen-Abbott provided important financial support to the Funds, voluntarily absorbed expenses and voluntarily waived fees in amounts aggregating in excess of any questioned allocations. A Hearing Panel ruled on March 30, 2015, that Ms. Springsteen-Abbott should be barred from the securities industry because the Panel concluded that she allegedly misallocated approximately $208,000 of expenses involving certain Funds over the course of three years. As such, management had already reallocated back approximately $151,225 of the $208,000 (in allegedly misallocated expenses) to the affected funds, which was fully documented, as good faith payments for the benefit of those Income Funds.

The decision of the Hearing Panel was stayed when it was appealed to FINRA's National Adjudicatory Council (the "NAC") pursuant to FINRA Rule 9311. The NAC issued a decision that upheld the lower panel's ruling and the bar took effect on August 23, 2016. Ms. Springsteen-Abbott appealed the NAC's decision to the U.S. Securities and Exchange Commission (the "SEC"). On March 31, 2017, the SEC criticized that decision as so flawed that the SEC could not even review it, and remanded the matter back to FINRA for further consideration consistent with the SEC's remand, but did not suggest any view as to a particular outcome.

On July 21, 2017, FINRA reduced the list of 1,840 items totaling $208,000 to a remaining list of 87 items totaling $36,226 (which includes approximately $30,000 of continuing education expenses for personnel providing services to the Funds), and reduced the proposed fine from $100,000 to $50,000, but reaffirmed its position on the bar from the securities industry. Respondents promptly appealed FINRA's revised ruling to the SEC. All the requested or allowed briefs have been filed with the SEC. The SEC upheld FINRA's order on February 7, 2020 to bar, but eliminated FINRA's proposed fine. Ms. Springsteen-Abbott has filed a Petition for Review in the United States Court of Appeals for the District of Columbia Circuit to review a final order entered against her by the U.S. Securities and Exchange Commission. On February 26, 2021 the United States Court of Appeals for the District of Columbia Circuit dismissed in part and denied in part Ms. Springsteen-Abbott's petition; however, given the SEC's prior removal FINRA's fine Management anticipates the ruling will not result in any material adverse financial impact to the Funds.

Reconciliation of Amounts Reported For Financial Reporting Purposes To Amounts On The Federal Partnership Return (Unaudited)	12 Months Ended Dec. 31, 2020

Reconciliation Of Amounts Reported For Financial Reporting Purposes To Amounts On Federal Partnership Return

Reconciliation of Amounts Reported For Financial Reporting Purposes To Amounts On The Federal Partnership Return (Unaudited)

The tax basis of the Company's net assets and liabilities vary from the amounts presented in these financial statements at December 31, 2020 and 2019 as follows:

Years Ended December 31,	**2020**	2019
Tax basis of net assets (unaudited)	**$ 2,863,609**	$ 2,634,263
Financial statement basis of net assets	**2,305,198**	2,808,394
Difference (unaudited)	**$ 558,411**	$ (174,131)

The primary differences between the tax basis of net assets and the amounts recorded in the financial statements are the result of differences in accounting for impairment losses, syndication costs and differences between the depreciation methods used in the financial statements and the Partnership's tax returns (unaudited).

Years Ended December 31,	**2020**	2019
Net loss for financial reporting purposes to taxable gain	**$ (479,276)**	$ (701,088)
Gain on sale of equipment	**80,088**	14,881
Depreciation	**602,262**	966,007
Amortization	**34,317**	47,055
Unearned lease income	**50,421**	(12,104)
Penalties	**472**	1,297
Bad debt expense	**51,583**	105,087
*Other	**(79,349)**	323,247
Taxable income on the Federal Partnership return (unaudited)	**$ 260,518**	$ 744,382

*Other- includes financial statement adjustments that will be reflected on the tax return in the subsequent year.

Subsequent Events	12 Months Ended Dec. 31, 2020
Subsequent Events [Abstract]	
Subsequent Events	***COVID-19 Pandemic*** The amount of revenue recognized and the pattern of revenue recognition may be impacted by COVID-19. Some of the business sectors that we service such as education centers, medical facilities, payroll administrators, manufacturing and transportation, we may need to account for returns and refund liabilities. The pattern of revenue recognition may change for delays in rendering services. In periods ended subsequent to the outbreak of COVID-19, the impact on expected credit losses and future cash flow projections used in impairment testing will need to be considered. The Company continues to evaluate whether adjustments to the financial statements are required or whether additional disclosures are necessary. In our leasing business, the Company is always subject to credit losses as it relates to a customer's ability to make timely rental payments. The impact of COVID-19 may contribute to risk of non-performance, where a customer may experience financial difficulty and may delay in making timely payments. The Company recognizes impairment of receivables and loans when losses are incurred, which is when it is probable that an entity will be unable to collect all amounts due according to the contractual terms of the arrangement. Impairment is measured based on the present value of expected future cash flows discounted at the receivable's or loans effective interest rate, except that, as a practical expedient, impairment can be measured based on a receivable's or loans' observable market price or the fair value of the underlying collateral. The Company believes its estimate of expected losses have been recognized based on historical experience, current conditions, and reasonable forecasts. The impacts of COVID-19 may necessitate additional adjustments in future forecasts of expected losses. Although the Partnership cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Partnership results of future operations, financial position, and liquidity in fiscal year 2020 and beyond.

Summary of Significant Accounting Policies (Policies)	12 Months Ended Dec. 31, 2020
Accounting Policies [Abstract]	
Use of Estimates	The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material. Such estimates relate primarily to the determination of residual values at the end of the lease term, the expected future cash flows and fair value used for impairment analysis purposes and determination of the allowance for doubtful accounts.
Fair Value Measurements	The Partnership applies the provisions included in the Fair Value Measurements and Disclosures Topic to all financial and non-financial assets and liabilities. This Topic emphasizes that fair value is a market-based measurement, not an entity-specific measurement. It clarifies that fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The Topic requires the use of valuation techniques to measure fair value that maximize the use of observable inputs and minimize use of unobservable inputs. These inputs are prioritized as follows: • Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities. • Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. • Level 3: Unobservable inputs for which there is little or no market data and which require internal development of assumptions about how market participants price the asset or liability. There were no assets or liabilities measured at fair value on a recurring basis at December 31, 2020 and 2019. There were no assets measured on a non-recurring basis at December 31, 2020 and 2019.
Fair Value Disclosures of Financial Instruments	Estimated fair value was determined by management using available market information and appropriate valuation methodologies. However, judgment was necessary to interpret market data and develop estimated fair value. Cash, other receivables, accounts payable and other accrued expenses are carried at amounts which reasonably approximate their fair values as of December 31, 2020 and 2019 due to the immediate or short-term nature of these financial instruments. The Partnership’s long-term debt consists of notes payable, which are secured by specific equipment and are nonrecourse liabilities of the Partnership. The estimated fair value of this debt at December 31, 2020 and 2019 approximates the carrying value of these instruments, due to the interest rates on this debt approximating current market interest rates. The Partnership classifies the fair value of its notes payable within Level 2 of the valuation hierarchy based on the observable inputs used to estimate fair value.
Revenue Recognition	The Partnership is principally engaged in business of leasing equipment. Ancillary to the Partnership’s principal equipment leasing business, the Partnership also sells certain equipment and may offer certain services to support its customers. The Partnership’s lease transactions are principally accounted for under Topic 842 on January 1, 2019. Prior to Topic 842, the Partnership accounted for these transactions under Topic 840, Leases (“Topic 840”). Lease revenue includes revenue generated from leasing equipment to customers, including re-rent revenue, and is recognized as either on a straight line basis or using the effective interest method over the length of the lease contract, if such lease is either an operating lease or finance lease, respectively. The Partnership’s sale of equipment along with certain services provided to customers is recognized under ASC Topic 606, Revenue from Contracts with Customers, (“Topic 606”), which was adopted on January 1, 2018. Prior to adoption of Topic 606, the Partnership recognized these transactions under ASC Topic 605, Revenue Recognized, and (“Topic 605”). The Partnership recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The amount of revenue recognized reflects the consideration the Partnership expects to be entitled to in exchange for such products or services. For the years ended December 31, 2020 and 2019, the Partnership’s lease portfolio consisted of operating leases and finance leases. For operating leases, lease revenue is recognized on a straight-line basis in accordance with the terms of

the lease agreement. Finance lease interest income is recorded over the term of the lease using the effective interest method.

Upon the end of the lease term, if the lessee has not met the return conditions as set out in the lease, the Partnership is entitled in certain cases to additional compensation from the lessee. The Partnership's accounting policy for recording such payments is to treat them as revenue.

Gains or losses from sales of leased and off-lease equipment are recorded on a net basis in the Partnership's Statement of Operations. Gains from the termination of leases are recognized when the lease is modified and terminated concurrently. Our leases do not contain any step-rent provisions or escalation clauses nor are lease revenues adjusted based on any index.

Partnership's accounting policy for sales and property taxes collected from the lessees are recorded in the current period as gross revenues and expenses.

Recent Accounting Pronouncements Not Yet Adopted

In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). This standard establishes an impairment model (known as the current expected credit loss ("CECL") model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which is intended to result in a timelier recognition of losses. Under the CECL model, entities will estimate credit losses over the entire contractual term of the instrument (considering estimated prepayments, but not expected extensions or modifications) from the date of initial recognition of the financial instrument. Measurement of expected credit losses are to be based on relevant forecasts that affect collectability. The scope of financial assets within the CECL methodology is broad and includes trade receivables from certain revenue transactions and certain off-balance sheet credit exposures. Different components of the guidance require modified retrospective or prospective adoption.

In November 2018, the FASB issued ASU No. 2018-19, Codification Improvements to Topic 326, Financial Instruments-Credit Losses. ASU 2018-19 clarifies that receivables arising from operating leases are not within the scope of the credit losses standard. Instead, entities would need to apply other U.S. GAAP, namely Topic 842 (Leases), to account for changes in the collectability assessment for operating leases. Other than operating lease receivables, Partnership trade receivables include receivables from finance leases and equipment sales. Under Topic 606 (Revenue from Contracts with Customers), revenue is recognized when, among other criteria, it is probable that the entity will collect the consideration to which it is entitled for goods or services transferred to a customer. At the point that finance lease receivables are recorded, they become subject to the CECL model and estimates of expected credit losses over their contractual life will be required to be recorded at inception based on historical information, current conditions, and reasonable and supportable forecasts. Trade receivables derived from equipment sales are of short duration and there is not a material difference between incurred losses and expected losses.

In April 2019, the FASB issued ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments, which amends and clarifies several provisions of Topic 326. In May 2019, the FASB issued ASU 2019-05, Financial Instruments-Credit Losses (Topic 326): Targeted Transition Relief, which amends Topic 326 to allow the fair value option to be elected for certain financial instruments upon adoption. ASU 2019-10 extended the effective date of ASU 2016-13 for the Partnership until December 15, 2022. While we continue to evaluate the new guidance, including the subsequent updates to Topic 326, we do not anticipate that adoption will have a material impact on the Partnership financial statements and related disclosures. For both the years ended December 31, 2020 and 2019, Partnership finance lease revenue subject to CECL represented less than 1% of total lease revenue.

Equity Method Investment

The Partnership accounts for its investment in COF2 under the equity method in accordance with Accounting Standards Codification ("ASC") 323. Under the equity method, the Partnership records its proportionate share of the Fund's net income (loss). Capital contributions, distributions and net income (loss) of such entities are recorded in accordance with the terms of the governing documents. An allocation of net income (loss) may differ from the stated ownership percentage interest in such entity as a result of distributions and allocation formulas, if any, as described in such governing documents.

Other Assets

Equipment acquisition costs and deferred expenses are amortized on a straight-line basis over two-to-four year lives based on the original term of the lease and loan, respectively. Unamortized acquisition costs and deferred expenses are charged to amortization expense when the associated leased equipment is sold.

Long-Lived Assets

Depreciation on technology and inventory management equipment for financial statement purposes is based on the straight-line method estimated generally over useful lives of two to five years. Once an asset comes off lease or is released, the Partnership reassesses the useful life of an asset. The Partnership evaluates its long-lived assets when events or circumstances indicate that the value of the asset may not be recoverable. The Partnership determines whether impairment exists by estimating the undiscounted cash flows to be generated by each asset. If the estimated undiscounted cash flows are less than the carrying value of the asset then impairment exists. The amount of the impairment is determined based on the difference between the carrying value and the fair value. Fair value is determined based on estimated discounted cash flows to be generated by the asset, third party appraisals or comparable sales of similar assets, as applicable, based on asset type.

Residual values are determined by management and are calculated using information from both internal and external sources, as well as other economic indicators.

Reimbursable Expenses

Reimbursable expenses are comprised of both ongoing operational expenses and fees associated with the allocation of salaries and benefits, referred to as other LP expenses. Reimbursable expenses, which are charged to the Partnership by CCC in connection with the administration and operation of the Partnership, are allocated to the Partnership based upon several factors including, but not limited to, the number of investors, compliance issues, and the number of existing leases. For example, if a partnership has more investors than another program sponsored by CCC, then higher amounts of expenses related to investor services, including mailing and printing costs will be allocated to that partnership. Also, while a partnership is in its offering stage, higher compliance costs are allocated to it than to a program not in its offering stage, as compliance resources are utilized to review incoming investor suitability and proper documentation. Finally, lease related expenses, such as due diligence, correspondence, collection efforts and analysis and staff costs, increase as programs purchase more leases, and decrease as leases terminate and equipment is sold. All of these factors contribute to CCC's determination as to the amount of expenses to allocate to the Partnership or to other sponsored programs. CCC is not reimbursed for salary and benefit costs of control persons. For the Partnership, all reimbursable items are expensed as they are incurred.

Lease Income Receivable

Lease income receivable includes current lease income receivable net of allowances for uncollectible amounts, if any. The Partnership monitors lease income receivable to ensure timely and accurate payment by lessees. The Partnership's Lease Relations department is responsible for monitoring lease income receivable and, as necessary, resolving outstanding invoices.

The Partnership reviews a customer's credit history before extending credit. When the analysis indicates that the probability of full collection is unlikely, the Partnership may establish an allowance for uncollectible lease income receivable based upon the credit risk of specific customers, historical trends and other information. The Partnership writes off its lease income receivable when it determines that it is uncollectible and all economically sensible means of recovery have been exhausted.

Cash and Cash Equivalents

We consider cash and cash equivalents to be cash on hand and highly liquid investments with the original maturity dates of 90 days or less.

At December 31, 2020, cash was held in one bank maintained at one financial institution with an aggregate balance of approximately $501,000. Bank accounts are federally insured up to $250,000 by the FDIC. At December 31, 2020 and 2019, the total cash bank balance was approximately as follows:

Balance at December 31	***2020***	*2019*
Total bank balance	**$ 501,000**	$ 549,000
FDIC insured	**(250,000)**	(250,000)
Uninsured amount	**$ 251,000**	$ 299,000

The Partnership believes it mitigates the risk of holding uninsured deposits by only depositing funds with major financial institutions. The Partnership has not experienced any losses in our accounts, and believes it is not exposed to any significant credit risk. The amounts in such accounts will fluctuate throughout 2021 due to many factors, including the pace of cash receipts, equipment acquisitions, interest rates and distributions to limited partners.

Income Taxes

Pursuant to the provisions of Section 701 of the Internal Revenue Code, the Partnership is not subject to federal or state income taxes. All income and losses of the Partnership are the liability of the individual partners and are allocated to the partners for inclusion in their individual tax returns. The Partnership does not have any entity-level uncertain tax positions. In addition, the Partnership believes its tax status as a pass-through entity would be sustained under U.S. Federal, state or local tax examination. The Partnership files U.S. federal and various state income tax returns and is generally subject to examination by federal, state and local income tax authorities for three years from the filing of a tax return.

Taxable income differs from financial statement net income as a result of reporting certain income and expense items for tax purposes in periods other than those used for financial statement purposes, principally relating to depreciation, amortization, and lease revenue.

Net Loss Per Equivalent Limited Partnership Unit

The net loss per equivalent limited partnership unit is computed based upon net income (loss) allocated to the limited partners and the weighted average number of equivalent units outstanding during the year.

Business (Tables)	12 Months Ended Dec. 31, 2020
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
Schedule of distributions	

Quarter Ended	2020	2019
March 31	$ -	$ 77,000
June 30	-	77,000
September 30	-	76,000
December 31	-	76,000
	$ -	$306,000

Summary of Significant Accounting Policies (Tables)	12 Months Ended Dec. 31, 2020
Accounting Policies [Abstract]	
Schedule of cash and cash equivalents	*Balance at December 31* / ***2020*** / *2019* Total bank balance / **$ 501,000** / $ 549,000 FDIC insured / **(250,000)** / (250,000) Uninsured amount / **$ 251,000** / $ 299,000

Balance at December 31	2020	2019
Total bank balance	**$ 501,000**	$ 549,000
FDIC insured	**(250,000)**	(250,000)
Uninsured amount	**$ 251,000**	$ 299,000

Information Technology, Medical Technology, Telecommunications Technology, Inventory Management Equipment (Tables)	12 Months Ended
	Dec. 31, 2020

Communications and Information Technology [Abstract]

Schedule of future minimum rentals on non-cancellable operating leases

Years Ended December 31,	Amount
2021	$615,000
2022	118,000
2023	66,000
2024	49,000
	$848,000

Net investment in direct financing leases

At December 31,	2020	2019
Carrying value of lease receivable	**$ 43,000**	$ 52,000
Estimated residual value of leased equipment (unguaranteed)	**2,000**	2,000
Initial direct costs- finance leases	**1,000**	3,000
Net investment in finance leases	**$ 46,000**	$ 57,000

Finance lease risk level

	Percent of Total	
Risk Level	***2020***	*2019*
Low	**-%**	-%
Moderate-Low	**-%**	-%
Moderate	**-%**	-%
Moderate-High	**100%**	100%
High	**-%**	-%
Net Finance lease receivable	**100%**	100%

Schedule of future minimum rentals on non-cancelable direct financing leases

Years Ended December 31,	Amount
2021	$ 12,000
2022	$ 12,000
2023	$ 12,000
2024	$ 11,000
	$ 47,000

Significant Customers (Tables)	12 Months Ended Dec. 31, 2020
Risks and Uncertainties [Abstract]	
Schedule of significant customers	Lessees equal to or exceeding 10% of lease revenue:

Years Ended December 31,	**2020**	2019
Alliant Techsystems, Inc.	**38%**	34%
Hofstra University	**24%**	22%
Cummins, Inc.	**16%**	20%
Automatic Data Processing	**13%**	14%

Lessees equal to or exceeding 10% of lease income receivable:

At December 31,	**2020**	2019
Alliant Techsystems, Inc.	**36%**	**%
Raytheon	**29%**	15%
Automatic Data Processing	**29%**	**%
Cummins, Inc.	****%**	80%

** Represents less than 10% of lease income receivable

Investment in COF 2 (Tables)	12 Months Ended Dec. 31, 2020
Investments [Abstract]	
Schedule of financial summary of investment in COF 2	

At December 31,	COF 2 Summarized Financial Information	
	2020	2019
Assets	**$1,993,000**	$2,114,000
Liabilities	**$ 296,000**	$ 459,000
Partners' capital	**$1,697,000**	$1,655,000
Revenue	**$ 794,000**	$1,078,000
Expenses	**$ 703,000**	$1,617,000
Net income (loss)	**$ 91,000**	$ (539,000)

Related Party Transactions (Tables)

Related Party Transactions [Abstract]	12 Months Ended Dec. 31, 2020
Schedule of related party transactions	

ENTITY RECEIVING COMPENSATION	TYPE OF COMPENSATION		AMOUNT INCURRED DURING 2020		AMOUNT INCURRED DURING 2019
	OPERATIONAL AND SALE OR LIQUIDATION STAGES				
The General Partner and its Affiliates	**Reimbursable Expenses**. The General Partner and its affiliates are entitled to reimbursement by the Partnership for the cost of goods, supplies or services obtained and used by the general partner, not including costs of the control persons, as defined in Item 10, in connection with the administration and operation of the partnership from third parties unaffiliated with the General Partner. The amounts set forth on this table do not include expenses incurred in the offering of units. For the years ended December 31, 2020 and 2019, the Partnership was charged approximately $423,000 and $504,000 in other LP expense, respectively.	**$**	**752,000**	$	797,000
The General Partner	**Equipment Acquisition Fee.** The General Partner earned an equipment acquisition fee of 4% of the purchase price of each item of equipment purchased as compensation for the negotiation of the acquisition of the equipment and lease thereof or sale under a conditional sales contract. At December 31, 2020, the prepaid acquisition fees balance was $0. For the year ended December 31, 2020 and 2019, equipment acquisition fees earned by the General Partner for operating and finance leases was approximately $18,000 and $2,000, respectively.	**$**	**18,000**	$	2,000
The General Partner	**Debt Placement Fee**. As compensation for arranging term debt to finance our acquisition of equipment, we will pay the general partner a fee equal to one percent of such indebtedness; provided, however, that such fee shall be reduced to the extent we incur such fees to third parties unaffiliated with the general partner or the lender with respect to such indebtedness. No such fee will be paid with respect to borrowings from the general partner or its affiliates. We intend to initially acquire leases on an all cash basis with the proceeds of this offering, but may borrow funds after the offering proceeds have been invested. The amount we borrow, and therefore the amount of the fee, will	**$**	**2,000**	$	-

	depend upon interest rates at the time of a loan, and the amount of leverage we determine is appropriate at the time. We do not intend to use more than 30% leverage overall in our portfolio. Fees will increase as the amount of leverage we use increases, and as turnover in the portfolio increases and additional equipment is purchased using leverage.		
The General Partner	**Equipment Management Fee**. A monthly fee equal to the lesser of (a) the fees which would be charged by an independent third party in the same geographic market for similar services and similar equipment or (b) the sum of (i) two percent of the gross lease revenues attributable to equipment subject to full payout net leases which contain net lease provisions and (ii) five percent of the gross lease revenues attributable to equipment subject to operating leases and (iii) two percent of the gross lease revenues attributable to equipment subject to finance leases.	**$ 86,000**	$ 100,000
The General Partner	**Equipment Liquidation Fee**. With respect to each item of equipment sold by the general partner, a fee equal to the lesser of (i) 50% of the competitive equipment sale commission or (ii) three percent of the sales price for such equipment. The payment of this fee is subordinated to the receipt by the Limited Partners of (i) a return of their capital contributions and 10% annum cumulative return, compounded daily, on adjusted capital contributions and (ii) the net disposition proceeds from such sale in accordance with the Partnership Agreement. Such fee is reduced to the extent any liquidation or resale fees are paid to unaffiliated parties.	**$ 8,000**	$ 2,700
The General Partner	**Partnership Interest and Distribution**. The General Partner has a present and continuing one percent interest of $1,000 in the Partnership's item of income, gain, loss, deduction, credit, and tax preference. In addition, the General Partner receives one percent of cash available for distribution until the Limited Partners have received distributions of cash available for Distribution equal to their capital contributions plus the 10% cumulative return and thereafter, the General Partner will receive 10% of cash available for distribution.	**$ -**	$ 3,100

Notes Payable (Tables)	12 Months Ended Dec. 31, 2020

Notes Payable [Abstract]

Schedule of notes payable

	December 31, 2020	2019
Installment note payable to bank; interest at 4.37% due in monthly installments of $16,273, including interest, with final payment in April 2020	-	32,000
Installment note payable to bank; interest at 5.49% due in monthly installments of $4,177, including interest, with final payment in January 2020	-	4,000
Installment note payable to bank; interest at 5.93% due in monthly installments of $3,324, including interest, with final payment in February 2020	-	7,000
Installment note payable to bank; interest at 5.25% due in quarterly installments of $25,557, including interest, with final payment in April 2020	-	50,000
Installment note payable to bank; interest at 4.88% due in monthly installments of $1,363, including interest, with final payment in May 2020	-	7,000
Installment note payable to bank; interest at 5.66% due in quarterly installments of $29,292, including interest, with final payment in October 2020	-	113,000
Installment note payable to bank; interest at 5.62% due in quarterly installments of $2,897, including interest, with final payment in July 2020	-	8,000
Installment note payable to bank; interest at 4.55% due in monthly installments ranging from $1,723 to $14,777, including interest, with final payment in August 2020	-	130,000
Installment note payable to bank; interest at 5.31% due in monthly installments of $52,336, including interest, with final payment in January 2021	**51,500**	252,000
Installment note payable to bank; interest at 6.00% due in quarterly installments of $74,533, including interest, with final payment in January 2021	**73,000**	356,000
Installment notes payable to bank; interest at 5.33% due in monthly installments ranging from $4,312 to $15,329, including interest, with final payment in August 2021	**154,000**	375,000
Installment note payable to bank; interest at 4.10% due in monthly installments of $5,229, including interest, with final payment in March 2023	**134,500**	-
Installment note payable to bank; interest at 5.00% due in monthly installments of $1,377, including interest, with final payment in November 2024	**59,000**	-
	$ 472,000	$ 1,334,000

Schedule of future aggregate payments of notes payable

Years Ended December 31,	**Amount**
2021	351,000
2022	75,000
2023	31,000
2024	15,000
	$ 472,000

Supplemental Cash Flow Information (Tables)	12 Months Ended Dec. 31, 2020
Supplemental Cash Flow Information [Abstract]	
Schedule of other noncash activities	

Years Ended December 31,	***2020***	*2019*
Lease revenue net of interest expense on notes payable realized as a result of direct payment of principal by lessee to bank	**$ 1,084,000**	$ 1,381,000

Schedule of non-cash investing and financing activities	

Years Ended December 31,	***2020***	*2019*
Debt assumed in connection with purchase of technology equipment	**$ 223,000**	$ -
Accrual for distribution to partners paid in January 2021	**$ -**	$ 76,000
Receivable for distribution from investment in COF2	**$ -**	$ 4,000

Reconciliation of Amounts Reported For Financial Reporting Purposes To Amounts On The Federal Partnership Return (Tables)	12 Months Ended Dec. 31, 2020
Reconciliation Of Amounts Reported For Financial Reporting Purposes To Amounts On Federal Partnership Return	
Schedule of net assets and liabilities tax basis	(see table below)
Schedule of effective income tax reconciliation	(see table below)

Schedule of net assets and liabilities tax basis

Years Ended December 31,	**2020**	2019
Tax basis of net assets (unaudited)	**$2,863,609**	$2,634,263
Financial statement basis of net assets	**2,305,198**	2,808,394
Difference (unaudited)	**$ 558,411**	$ (174,131)

Schedule of effective income tax reconciliation

Years Ended December 31,	**2020**	2019
Net loss for financial reporting purposes to taxable gain	**$(479,276)**	$(701,088)
Gain on sale of equipment	**80,088**	14,881
Depreciation	**602,262**	966,007
Amortization	**34,317**	47,055
Unearned lease income	**50,421**	(12,104)
Penalties	**472**	1,297
Bad debt expense	**51,583**	105,087
*Other	**(79,349)**	323,247
Taxable income on the Federal Partnership return (unaudited)	**$ 260,518**	$ 744,382

Business (Details) - USD ($)	3 Months Ended								12 Months Ended	
	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sep. 30, 2019	Jun. 30, 2019	Mar. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Organization, Consolidation and Presentation of Financial Statements [Abstract]										
Distributions	$ 0	$ 0	$ 0	$ 0	$ 76,000	$ 76,000	$ 77,000	$ 77,000	$ 0	$ 306,000

Business (Details Narrative) - USD ($)	12 Months Ended	
	Dec. 31, 2020	Dec. 31, 2019
Organization, Consolidation and Presentation of Financial Statements [Abstract]		
Date of incorporation	Nov. 14, 2008	
Partners' capital redemptions, units	(4,571)	(834)
Partners' capital redemptions	$ 34,627	$ 6,576

Summary of Significant Accounting Policies (Details) - USD ($)	Dec. 31, 2020	Dec. 31, 2019
Accounting Policies [Abstract]		
Total bank balance	$ 501,000	$ 549,000
FDIC insured	(250,000)	(250,000)
Uninsured amount	$ 251,000	$ 299,000

Information Technology, Medical Technology, Telecommunications Technology, Inventory Management Equipment (Details)	Dec. 31, 2020 USD ($)
Communications and Information Technology [Abstract]	
Year ended December 31, 2021	$ 615,000
Year ended December 31, 2022	118,000
Year ended December 31, 2023	66,000
Year ended December 31, 2024	49,000
Total	$ 848,000

Information Technology, Medical Technology, Telecommunications Technology, Inventory Management Equipment (Details 1) - USD ($)	Dec. 31, 2020	Dec. 31, 2019
Communications and Information Technology [Abstract]		
Total minimum lease payments to be received	$ 43,000	$ 52,000
Estimated residual value of leased equipment (unguaranteed)	2,000	2,000
Initial direct costs finance leases	1,000	3,000
Net investment in finance leases	$ 46,000	$ 57,000

Information Technology, Medical Technology, Telecommunications Technology, Inventory Management Equipment (Details 2)	Dec. 31, 2020	Dec. 31, 2019
Communications and Information Technology [Abstract]		
Low	0.00%	0.00%
Moderate-Low	0.00%	0.00%
Moderate	0.00%	0.00%
Moderate-High	100.00%	100.00%
High	0.00%	0.00%
Net finance lease receivable	100.00%	100.00%

Information Technology, Medical Technology, Telecommunications Technology, Inventory Management Equipment (Details 3)	Dec. 31, 2020 USD ($)
Communications and Information Technology [Abstract]	
Year ended December 31, 2021	$ 12,000
Year ended December 31, 2022	12,000
Year ended December 31, 2023	12,000
Year ended December 31, 2024	11,000
Total	$ 47,000

Information Technology, Medical Technology, Telecommunications Technology, Inventory Management Equipment (Details Narrative) - USD ($)	Dec. 31, 2020	Dec. 31, 2019
Communications and Information Technology [Abstract]		
Equipment shared	$ 10,226,000	$ 10,030,000
Total shared equipment	23,869,000	22,760,000
Debt shared	380,000	1,021,000
Total debt shared	$ 1,020,000	$ 2,202,200

Significant Customers (Details) - Lease Revenue	12 Months Ended	
	Dec. 31, 2020	Dec. 31, 2019
Alliant Techsystems		
Concentration risk	38.00%	34.00%
Hofstra University		
Concentration risk	24.00%	22.00%
Cummins, Inc.		
Concentration risk	16.00%	20.00%
Automatic Data Processing, Inc.		
Concentration risk	13.00%	14.00%

Significant Customers (Details 1) - Lease Income Receivable	12 Months Ended	
	Dec. 31, 2020	Dec. 31, 2019
Alliant Techsystems		
Concentration risk	36.00%	0.00% [1]
Raytheon		
Concentration risk	29.00%	15.00%
Advanced Data Processing		
Concentration risk	29.00%	0.00% [1]
Cummins, Inc.		
Concentration risk	0.00% [1]	80.00%

[1] Represents less than 10% of lease income receivable

Investment in COF 2 (Details) - USD ($)	12 Months Ended	
	Dec. 31, 2020	Dec. 31, 2019
Investments [Abstract]		
Assets	$ 1,993,000	$ 2,113,766
Liabilities	296,000	459,166
Partners' capital	1,697,000	1,654,600
Revenue	794,000	1,077,881
Expenses	703,000	1,617,060
Net loss	$ 91,000	$ (539,179)

Related Party Transactions (Details) - USD ($)	12 Months Ended	
	Dec. 31, 2020	Dec. 31, 2019
Related Party Transactions [Abstract]		
Reimbursable expenses	$ 752,000	$ 797,000
Equipment acquisition fee	18,000	2,000
Debt placement fee	2,000	0
Equipment management fee	86,000	100,000
Equipment liquidation fee	8,000	2,700
Partnership interest and distribution	$ 0	$ 3,100

Notes Payable (Details) - USD ($)	12 Months Ended Dec. 31, 2020	Dec. 31, 2019
Notes payable	$ 472,000	$ 1,334,000
Note 1		
Note payable description	Installment note payable to bank; interest at 4.37% due in monthly installments of $16,273, including interest, with final payment in April 2020	
Notes payable	$ 0	32,000
Note 2		
Note payable description	Installment note payable to bank; interest at 5.49% due in monthly installments of $4,177, including interest, with final payment in January 2020	
Notes payable	$ 0	4,000
Note 3		
Note payable description	Installment note payable to bank; interest at 5.93% due in monthly installments of $3,324, including interest, with final payment in February 2020	
Notes payable	$ 0	7,000
Note 4		
Note payable description	Installment note payable to bank; interest at 5.25% due in quarterly installments of $25,557, including interest, with final payment in April 2020	
Notes payable	$ 0	50,000
Note 5		
Note payable description	Installment note payable to bank; interest at 4.88% due in monthly installments of $1,363, including interest, with final payment in May 2020	
Notes payable	$ 0	7,000
Note 6		
Note payable description	Installment note payable to bank; interest at 5.66% due in quarterly installments of $29,292, including interest, with final payment in October 2020	
Notes payable	$ 0	113,000
Note 7		
Note payable description	Installment note payable to bank; interest at 5.62% due in quarterly installments of $2,897, including interest, with final payment in July 2020	
Notes payable	$ 0	8,000
Note 8		
Note payable description	Installment note payable to bank; interest at 4.55% due in monthly installments ranging from $1,723 to $14,777, including interest, with final payment in August 2020	
Notes payable	$ 0	130,000

Note 9		
Note payable description	Installment note payable to bank; interest at 5.31% due in monthly installments of $52,336, including interest, with final payment in January 2021	
Notes payable	$ 51,500	252,000
Note 10		
Note payable description	Installment note payable to bank; interest at 6.00% due in quarterly installments of $74,533, including interest, with final payment in January 2021	
Notes payable	$ 73,000	356,000
Note 11		
Note payable description	Installment notes payable to bank; interest at 5.33% due in monthly installments ranging from $4,312 to $15,329, including interest, with final payment in August 2021	
Notes payable	$ 154,000	375,000
Note 12		
Note payable description	Installment note payable to bank; interest at 4.10% due in monthly installments of $5,229, including interest, with final payment in March 2023	
Notes payable	$ 134,500	0
Note 13		
Note payable description	Installment note payable to bank; interest at 5.00% due in monthly installments of $1,377, including interest, with final payment in November 2024	
Notes payable	$ 59,000	$ 0

Notes Payable (Details 1)	Dec. 31, 2020 USD ($)
Notes Payable [Abstract]	
Year ended December 31, 2021	$ 351,000
Year ended December 31, 2022	75,000
Year ended December 31, 2023	31,000
Year ended December 31, 2024	15,000
Total	$ 472,000

Supplemental Cash Flow Information (Details) - USD ($)	12 Months Ended	
	Dec. 31, 2020	Dec. 31, 2019
Supplemental Cash Flow Information [Abstract]		
Lease revenue net of interest expense on notes payable realized as a result of direct payment of principal by lessee to bank	$ 1,084,000	$ 1,381,000

Supplemental Cash Flow Information (Details 1) - USD ($)	12 Months Ended	
	Dec. 31, 2020	Dec. 31, 2019
Supplemental Cash Flow Information [Abstract]		
Debt assumed in connection with purchase of computer equipment	$ 223,000	$ 0
Accrual for distribution to partners paid in January 2018	0	76,000
Receivable for distribution from investment in COF 2	$ 0	$ 4,000

Supplemental Cash Flow Information (Details Narrative) - USD ($)	12 Months Ended	
	Dec. 31, 2020	Dec. 31, 2019
Supplemental Cash Flow Information [Abstract]		
Fully amortized fees written off	$ 92,000	$ 34,000

Reconciliation of Amounts Reported For Financial Reporting Purposes To Amounts On The Federal Partnership Return (Details) - USD ($)	Dec. 31, 2020	Dec. 31, 2019
Reconciliation Of Amounts Reported For Financial Reporting Purposes To Amounts On Federal Partnership Return		
Financial statement basis of net assets	$ 2,305,198	$ 2,808,394
Tax basis of net assets (unaudited)	2,863,609	2,634,263
Difference (unaudited)	$ 558,411	$ (174,131)

Reconciliation of Amounts Reported For Financial Reporting Purposes To Amounts On The Federal Partnership Return (Details 1) - USD ($)	12 Months Ended	
	Dec. 31, 2020	Dec. 31, 2019
Reconciliation Of Amounts Reported For Financial Reporting Purposes To Amounts On Federal Partnership Return		
Net loss for financial reporting purposes to taxable gain (loss)	$ (479,276)	$ (701,088)
Gain (loss) on sale of equipment	80,088	14,881
Depreciation	602,262	966,007
Amortization	34,317	47,055
Unearned lease income	50,421	(12,104)
Penalties	472	1,297
Bad debts	51,583	105,087
Other	(79,349)	323,247
Taxable gain (loss) on the Federal Partnership return (unaudited)	$ 260,518	$ 744,382