



CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Columbus Housing Partnership, Inc. and Affiliates dba Homeport

Consolidated Financial Statements and Supplementary Information
with Independent Auditors' Report
December 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Columbus Housing Partnership, Inc. dba Homeport
Columbus, Ohio

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Columbus Housing Partnership, Inc. and Affiliates dba Homeport, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Columbus Housing Partnership, Inc. and Affiliates as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual affiliates, and it is not a required part of the consolidated financial statements. The NeighborWorks America Capital Fund schedules requested by NeighborWorks America are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 21, 2021

Columbus Housing Partnership, Inc. and Affiliates
 dba Homeport
 Consolidated Statements of Financial Position
 December 31, 2020 and 2019

Assets	<u>2020</u>	<u>2019</u>
Current assets:		
Cash	\$ 8,833,968	7,290,219
Receivables:		
Fees receivable, net (Note 5)	280,000	160,000
Grants receivable	610,363	475,452
Other receivables (Note 5)	1,023,406	727,174
Prepaid expenses	<u>851,534</u>	<u>812,023</u>
 Total current assets	 <u>11,599,271</u>	 <u>9,464,868</u>
 Property and equipment:		
Office buildings, net (Note 3)	2,699,043	2,716,737
Rental properties, net (Note 3)	19,004,570	22,711,111
Properties held for sale (Note 3)	9,329,983	6,938,706
Construction in progress (Note 3)	<u>2,412,063</u>	<u>1,422,753</u>
 Total property and equipment	 <u>33,445,659</u>	 <u>33,789,307</u>
 Noncurrent assets:		
Restricted cash (Note 7)	8,159,034	8,791,365
Fees receivable, net (Note 5)	561,325	375,698
Notes receivable, net (Note 6)	11,694,108	11,585,852
Related party receivables, net (Note 4)	203,109	114,826
Investments	159,480	146,234
Deposits	1,429	1,429
Investment in unconsolidated entities (Note 8)	<u>10,138,040</u>	<u>10,143,314</u>
 Total noncurrent assets	 <u>30,916,525</u>	 <u>31,158,718</u>
 Total assets	 \$ <u>75,961,455</u>	 <u>74,412,893</u>

See accompanying notes to the financial statements.

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidated Statements of Financial Position (Continued)
December 31, 2020 and 2019

Liabilities and Net Assets

	<u>2020</u>	<u>2019</u>
Current liabilities:		
Conditional notes payable, current (Note 9)	\$ 943,488	605,517
Long-term debt, current (Note 11)	4,845,992	4,300,941
Capital lease, current (Note 23)	15,760	-
Accounts payable	1,072,052	1,167,427
Accrued expenses	1,328,437	1,301,530
Accrued interest payable (Note 12)	116,325	106,667
Deferred grant advances	423,667	160,000
Deferred revenue	<u>188,596</u>	<u>345,363</u>
 Total current liabilities	 <u>8,934,317</u>	 <u>7,987,445</u>
 Long-term liabilities:		
Security and warranty deposits	430,396	419,793
Accrued interest payable (Note 12)	6,322,806	6,154,248
Deferred grant advances, State of Ohio (Note 13)	423,995	468,662
Capital lease, non-current	72,454	-
Lines of credit (Note 10)	583,595	183,294
Conditional notes payable (Note 9)	12,873,022	12,977,934
Long-term debt (Note 11)	28,177,761	29,303,900
Less: unamortized debt issuance costs	(774,988)	(794,007)
Obligation under interest rate swaps (Note 14)	<u>99,780</u>	<u>65,364</u>
 Total long-term liabilities	 <u>48,208,821</u>	 <u>48,779,188</u>
 Total liabilities	 <u>57,143,138</u>	 <u>56,766,633</u>
 Net assets:		
Without donor restrictions	12,743,501	10,277,951
With donor restrictions (Note 16)	<u>6,074,816</u>	<u>7,368,309</u>
 Total net assets	 <u>18,818,317</u>	 <u>17,646,260</u>
 Total liabilities and net assets	 \$ <u>75,961,455</u>	 <u>74,412,893</u>

See accompanying notes to the financial statements.

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidated Statements of Activities
Years Ended December 31, 2020 and 2019

	2020	2019
Change in net assets without donor restrictions:		
Support:		
Government grants	\$ 1,349,496	645,048
Contributions (Note 18)	<u>1,384,824</u>	<u>1,317,346</u>
	<u>2,734,320</u>	<u>1,962,394</u>
Homeownership and lease purchase: (Note 19)		
Government grants	1,064,288	724,142
Development fees	316,000	266,472
Loss on sale of properties held for sale	<u>(833,887)</u>	<u>(875,693)</u>
	<u>546,401</u>	<u>114,921</u>
Revenues:		
Development fees	1,156,183	930,088
Rental	10,774,157	9,990,930
Fees and other revenue	483,047	290,036
Investment income	<u>300,870</u>	<u>231,198</u>
	<u>12,714,257</u>	<u>11,442,252</u>
Total support and revenues	<u>15,994,978</u>	<u>13,519,567</u>
Expenses:		
Program, administration and other	5,295,482	4,579,231
Rental	<u>7,100,436</u>	<u>6,816,118</u>
Total expenses	<u>12,395,918</u>	<u>11,395,349</u>
Change in net assets from operations before interest and depreciation expense	3,599,060	2,124,218
Less interest expense	1,425,649	1,332,542
Less depreciation expense	<u>1,520,608</u>	<u>1,470,368</u>
Change in net assets from operations before other operating income (expense)	<u>652,803</u>	<u>(678,692)</u>
Other operating income (expense):		
Loss on sale	(47)	-
Gain on deconsolidation	65	-
Unrealized loss on interest rate swap (Note 14)	(34,416)	(53,183)
Fair value of net assets acquired over carrying value, net (Note 26)	-	1,501,805
Government grant (Note 29)	597,086	-
Interest expense on conditional notes payable	(135,323)	(135,203)
Equity in losses of unconsolidated entities (Note 8)	(5,290)	(990)
Excess distributions from unconsolidated entities	97,179	37,373
Impairment loss	<u>-</u>	<u>(615,816)</u>
Total other operating income (expense), net	<u>519,254</u>	<u>733,986</u>
Change in net assets from operations	1,172,057	55,294
Purpose restricted contributions, released from restrictions	1,100,735	571,519
Time restricted grants, released from restrictions	<u>192,758</u>	<u>192,758</u>
Change in net assets without donor restrictions	<u>\$ 2,465,550</u>	<u>819,571</u>

See accompanying notes to the financial statements.

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2020 and 2019

	2020	2019
Change in net assets without donor restrictions:		
Net assets without donor restrictions, beginning of year	\$ 10,277,951	9,458,380
Change in net assets without donor restrictions	2,465,550	819,571
Change in net assets without donor restrictions	2,465,550	819,571
Net assets without donor restrictions, end of year	\$ 12,743,501	10,277,951
Change in net assets with donor restrictions:		
Net assets with donor restrictions, beginning of year	\$ 7,368,309	7,942,586
NeighborWorks America grant, purpose restricted (Note 16)	-	190,000
Net assets released from restrictions	(1,293,493)	(764,277)
Change in net assets with donor restrictions	(1,293,493)	(574,277)
Net assets with donor restrictions, end of year	\$ 6,074,816	7,368,309
Change in total net assets:		
Total net assets, beginning of year	\$ 17,646,260	17,400,966
Change in net assets without donor restrictions	2,465,550	819,571
Change in net assets with donor restrictions	(1,293,493)	(574,277)
Change in total net assets	1,172,057	245,294
Total net assets, end of year	\$ 18,818,317	17,646,260

See accompanying notes to the financial statements.

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidated Statements of Cash Flows
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in total net assets	\$ 1,172,057	245,294
Adjustment to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,520,608	1,470,368
Amortization of debt issuance costs	62,504	53,346
Gain on consolidation	-	(1,501,805)
Loss on properties held for sale	833,887	875,693
Loss on sale	47	-
Provision for losses on receivables	12,140	615,816
Equity in loss of unconsolidated entities	5,290	5,926
Restricted funding	-	(190,000)
Deferred grant advances loan forgiveness	(44,667)	(44,667)
Effect of changes in operating assets and liabilities:		
Receivables	(837,193)	(44,765)
Prepaid expenses and deposits	(39,511)	29,672
Accounts payable and accrued expenses	(68,468)	367,842
Security and warranty deposits	10,603	(6,274)
Accrued interest payable	178,216	98,568
Deferred revenue and grant advances	106,900	19,754
Interest rate swap obligation	34,416	53,183
Net cash from operating activities	2,946,829	2,047,951
Cash flows from investing activities:		
Cash received in consolidation	-	608,768
Change in investments	(13,246)	(23,350)
Net distributions (investment) in unconsolidated entities	(63)	(2,892)
Proceeds from the sale of properties held for sale	659,292	857,419
Purchase of real estate and rehabilitation costs	(1,668,481)	(1,200,464)
Advances on notes receivable	(108,256)	(100,000)
Proceeds from repayment of notes receivable	-	112,295
Purchase of property and equipment	(899,803)	(1,148,442)
Net cash from investing activities	(2,030,557)	(896,666)
Cash flows from financing activities:		
Purchase of financing costs	(43,485)	(64,445)
Net proceeds (repayment) on lines of credit	400,301	(834,622)
Proceeds from restricted funding	-	190,000
Payments on capital lease obligation	(13,641)	-
Net proceeds (repayment) of conditional notes payable	233,059	(110,705)
Proceeds from long-term debt	2,076,900	2,899,586
Repayment of long-term debt	(2,657,988)	(3,010,016)
Net cash from financing activities	(4,854)	(930,202)
Net increase in cash and restricted cash	911,418	221,083
Cash and restricted cash, beginning of year	16,081,584	15,860,501
Cash and restricted cash, end of year	\$ 16,993,002	16,081,584
Reconciliation of cash and restricted cash within the Statements of Financial Position		
Cash	\$ 8,833,968	7,290,219
Restricted cash	8,159,034	8,791,365
Cash and restricted cash in the Statement of Cash Flows	\$ 16,993,002	16,081,584
Supplemental Disclosure of Cash Flow Information		
Conversion of note receivable to investment in unconsolidated entity	\$ -	190,000

See accompanying notes to the financial statements.

1. ORGANIZATION:

Columbus Housing Partnership, Inc. dba Homeport (Homeport, Organization) is a private, nonprofit 501(c)(3) organization focused on providing homes, education and social services to low-income individuals and families so they can succeed where they live. Homeport is “Building Vibrant Communities” in Central Ohio, one neighborhood, one person at a time.

Homeport was established in 1987 with the assistance of Enterprise Community Partners, Inc. (Enterprise), a not-for-profit organization, which promotes these goals and objectives on a national level, and became a member of NeighborWorks America, a national organization, in 2003. Homeport focuses on holistic affordable housing solutions including providing rental homes, revitalizing central city neighborhoods, providing homes for sale, and providing housing-related education. Residents have access to supportive services including one-on-one counseling and an array of place-based programs for youth and adults designed to stabilize families right at home, such as after-school programs, summer camps, health and resource fairs, and through partnerships with the food bank and others to provide groceries and prepared meals. Education programs include financial fitness, homebuyer education, and foreclosure prevention programming to the public, as well as to residents of Homeport rental communities, to enable people to achieve financial stability. Because Homeport residents have homes they can afford, they have more income remaining for the rest of life’s necessities.

Program descriptions

Homeport is reported as two divisions, Homeport Division (HP Division) and Homeport’s Home Ownership Division (HHO). The HP Division includes Learning and Engagement, which is comprised of Housing Advisory Services, Community Partners and Community Engagement; and Real Estate Development, which is comprised of Asset Management and Rental Development. HHO is the sales division committed to providing quality homes at an affordable price.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The following accounting principles and practices of Homeport are set forth to facilitate the understanding of data presented in the consolidated financial statements.

Measure of operations

In its consolidated statements of activities, the Organization includes in its definition of operations all direct revenue and expenses that are provided as part of its programs and supporting services. Funding that is passed through to related tax credit projects, eliminated earnings from subsidiaries and permanently restricted capital funding from NeighborWorks America has been reported after the change in net assets from operations.

Principles of consolidation

The consolidated financial statements include the accounts of Homeport’s wholly and majority owned subsidiaries and the accounts of entities for which Homeport is considered to exercise significant control. All significant intercompany transactions and balances have been eliminated in the consolidation. The consolidated financial statements include the accounts of the following entities:

Homeport

CHP Homeport Homes, LLC is a wholly owned limited liability company which holds single family homes and other real estate used by HHO.

Homeport

CHP Agler Road Office, LLC is a wholly owned limited liability company that owns and leases a corporate office facility in Columbus, Ohio.

Metro City Homes, Inc., a non-profit organization formed under the laws of the State of Ohio, is a wholly owned subsidiary of Columbus Housing Partnership, Inc. formed to further the mission statement of Homeport on a not-for-profit basis. Metro City Homes, Inc. has an 11.76% interest in Central City Development Fund I, LLC (CCDF). CCDF's mission is to make loans to facilitate the formation, development and growth of new and expandable affordable housing opportunities in the Columbus, Ohio metropolitan area.

CHP Equity Housing, LLC, CHP Equity New Salem Housing, LLC, CHP Equity Kimcourt II, LLC, CHP Equity Tussing, LLC, CHP Equity Framingham Housing, LLC, and CHP Equity Lease Option Homes, LLC are wholly owned limited liability companies that hold limited partnership interests in affordable housing projects.

CHP Barrett Single Family, LLC is a wholly owned limited liability company that maintains an ownership interest in legal entities that redeveloped a former middle school in Columbus, Ohio into housing.

Elim Senior Housing, Inc., a non-profit organization formed under the laws of the State of Ohio, is a wholly owned subsidiary of Columbus Housing Partnership, Inc. for the purpose of providing financing to Elim Manor Homes, Limited Partnership.

Corporations which maintain ownership in affordable housing projects - the consolidated financial statements also include the accounts of the following entities for which Homeport is considered to exercise significant control.

<u>Corporations</u>	<u>Ownership %</u>
Agler Elderly Housing, LLC	51
Agler Elderly Acquisition, LLC	50
Agler Family Housing, LLC	51
Agler Family Acquisition, LLC	50
Blacklick Crossing Housing, Inc.	100
CHP Arrowleaf Housing, Inc.	100
CHP Homeport Graceland, LLC	100
CHP Homeport Killarney, LLC	100
CHP Housing, Inc.	100
City View Housing, Inc.	76
Dunrobin Housing, Inc.	100
Duxberry Landing Housing, Inc.	76
East Mound Housing, Inc.	75
East Side Housing, Inc.	25
Eastway Village Housing, Inc.	76
Elim Estates Housing, Inc.	76
Elim Manor Elderly Facilities, Inc.	24
Emerald Glen Housing, Inc.	100
Enclave at Hilliard Run Housing, Inc.	100
Fairview Housing, Inc.	100

<u>Corporations</u>	<u>Ownership %</u>
Fieldstone Court Housing, Inc.	76
Fourth Street Housing, Inc.	100
Gender Road Housing, Inc.	100
Grace Walk Housing, Inc.	100
Homes on the Hill, Inc.	100
Indianola Housing, Inc.	100
Joyce Avenue Housing, Inc.	100
Kenlawn Place Housing, Inc.	100
Kingsford Housing, Inc.	75
Linden Housing, Inc.	100
Luke's Crossing Project Corp.	75
Main Street Housing, Inc.	100
Maplegreen Housing, Inc.	100
Maple Meadows Housing, Inc.	100
Mariemont Housing, Inc.	100
McDowell Place Housing, Inc.	100
Milo-Grogan Housing, Inc.	100
Mulby Place Housing, Inc.	100
New Salem Homes, Inc.	51
Parkmead Apartments, Inc.	100
Por Los Ninos, Inc.	100
South East Housing, Inc.	100
Southside Housing, Inc.	100
Spruce Bough Housing, Inc.	100
Summerfield Housing, Inc.	100
Trabue Crossing Housing, Inc.	100
Tussing Road Housing, Inc.	100
Urbancrest Affordable Housing Partners, Inc.	76
Victorian Heritage Housing, Inc.	100
Whittier Landing Housing, Inc.	76
Whitehall Elderly Housing Facilities, Inc.	100

The corporations listed are general partners (managing members for real estate entities formed as limited liability companies) in real estate limited partnerships (limited liability companies) which own multifamily rental and scattered site projects for low-income residents. The general partner interests in these Partnerships are generally up to 1%. As of December 31, 2020, Homeport had investments in 22 unconsolidated operating real estate entities, with a total of 1,381 housing units.

Homeport also owns a noncontrolling interest and does not exercise significant control in the following corporations that maintain an interest in affordable housing projects. As of and during the years ended December 31, 2020 and 2019 Homeport had no investment in or activity related to these entities.

<u>Corporations</u>	<u>Ownership %</u>	<u>Controlling Owner</u>
Briggsdale Apartments, Inc.	21	Community Housing Network, Inc.
Briggsdale Apartments II, Inc.	21	Community Housing Network, Inc.
CHN Preservation, Inc.	21	Community Housing Network, Inc.
Hawthorn Grove, Inc.	21	Community Housing Network, Inc.
Jefferson Avenue Apartments, Inc.	21	Community Housing Network, Inc.
Laurel Green Apts, Inc.	21	Community Housing Network, Inc.

<u>Corporations</u>	<u>Ownership %</u>	<u>Controlling Owner</u>
Southpoint Apartments, Inc.	21	Community Housing Network, Inc.
Terrace Place, Inc.	21	Community Housing Network, Inc.
Jenkins Terrace Inc.	25	Columbus Metropolitan Housing Authority
Worley Terrace, Inc.	21	Columbus Metropolitan Housing Authority

Lease Purchase For Sale

HKS Associates, LLC was formed June 2005, under the laws of the State of Ohio, for the purpose of acquiring real estate for Homeport. The final two single-family condominiums were sold during 2015. Homeport is the sole member of the limited liability company.

Greater Linden Homes Limited Partnership was formed in February 1999, under the laws of the State of Ohio, for the purpose of constructing and operating 39 housing units located in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner and Linden Housing, Inc. the general partner. The previous limited partners transferred their interest to Homeport on July 31, 2016.

Kingsford Homes Limited Partnership was formed in February 2000, under the laws of the State of Ohio, for the purpose of constructing and operating 33 housing units located in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner and Kingsford Housing, Inc. the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2016.

Joyce Avenue Homes Limited Partnership was formed in March 2001, under the laws of the State of Ohio, for the purpose of constructing and operating single-family housing on scattered sites in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner, and Joyce Avenue Housing, Inc., the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2017.

South East Columbus Homes Limited Partnership was formed in February 2000, under the laws of the State of Ohio, for the purpose of constructing and operating single-family affordable housing on scattered sites in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner, and South East Housing, Inc., the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2017.

Southside Homes Limited Partnership was formed in March 2001, under the laws of the State of Ohio, for the purpose of constructing and operating 32 units of single-family affordable housing on scattered sites in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner, and Southside Housing, Inc., the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2018.

Fairview Homes Limited Partnership was formed in March 2002, under the laws of the State of Ohio, for the purpose of constructing and operating 32 units of single-family affordable housing on scattered sites in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner, and Fairview Housing, Inc., the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2018.

Mariemont Homes Limited Partnership was formed in March 2001, under the laws of the State of Ohio, for the purpose of constructing and operating 32 units of single-family affordable housing located in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner, and Mariemont Housing, Inc., the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2018.

Maplegreen Homes Limited Partnership was formed in May 2004, under the laws of the State of Ohio, for the purpose of acquiring, owning and operating two housing projects, Mapleside Homes, LLC, 24-units of single-family affordable housing on scattered sites, and Levelgreen Homes, LLC, 32-units of single-family affordable housing on scattered sites, both located in Columbus, Ohio. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Lease Option Homes, LLC, the limited partner, and Maplegreen Housing, Inc., the general partner. The previous limited partners transferred their interest to Homeport on December 31, 2019.

Rental Properties

Obetz Village Limited Partnership was formed in August 1990, under the laws of the State of Ohio, for the purpose of constructing and operating a 100-unit apartment community located in Columbus, Ohio. The apartment community, known as Indian Mound Apartments, began operations in August 1990. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Housing, LLC, the limited partner, and Por Los Ninos, Inc., the general partner.

Kimcourt Limited Partnership was formed in June 1991, under the laws of the State of Ohio, for the purpose of constructing and operating a 100-unit apartment community located in Columbus, Ohio. The apartment community, known as Raspberry Glen Apartments, began operations in September 1993. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Housing, LLC, the limited partner, and Por Los Ninos, Inc., the general partner.

Parkmead Apartments Limited Partnership was formed in December 1991, under the laws of the State of Ohio, for the purpose of constructing and operating a 72-unit affordable housing complex located in Grove City, Ohio. The apartment community, doing business as Parkmead Apartments, began operations in 1992. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Housing, LLC, the limited partner, and Parkmead Apartments, Inc., the general partner.

Emerald Glen Housing Limited Partnership was formed September 1993, under the laws of the State of Ohio, for the purpose of constructing and operating a 130-unit affordable housing complex located in Columbus, Ohio. The apartment community, doing business as Emerald Glen Apartments, began operations in 1995. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Housing, LLC, the limited partner, and Emerald Glen Housing, Inc., the general partner.

George's Creek Limited Partnership was formed September 1994, under the laws of the State of Ohio, for the purpose of constructing and operating a 120-unit multi-family apartment project located in Columbus, Ohio. The apartment community, doing business as George's Creek Apartments, began operations in 1995. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Housing, LLC, the limited partner, and Gender Road Housing, Inc., the general partner.

CHP Kimberly, Inc., a non-profit organization, is a wholly owned subsidiary of Columbus Housing Partnership, Inc. formed to develop, construct, own, maintain and operate a multi-family rental housing project. The rental property, doing business as Marsh Run Apartments, is a 184-unit apartment located in Columbus, Ohio.

Friends/VVA Apartments, Inc. is a non-profit organization that owns and operates 16 units of affordable rental housing for the elderly and handicapped in Columbus, Ohio. As of July 4, 2014, the amended and restated code of regulations names Columbus Housing Partnership, Inc. as the sole member.

Kimcourt II Limited Partnership was formed April 1994, under the laws of the State of Ohio, for the purpose of constructing and operating a 78-unit apartment building. The apartment community, doing business as Kimberly Meadows, began operations in 1997. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Kimcourt II, LLC, the limited partner, and Por Los Ninos, Inc., the general partner.

Tussing Road Homes Limited Partnership was formed February 1998, under the laws of the State of Ohio, for the purpose of constructing and operating a 136-unit apartment building. The apartment community, doing business as Pheasant Run, began operations in 2000. Homeport has controlling ownership in this partnership through its subsidiaries CHP Equity Tussing, LLC, the limited partner, and Tussing Road Housing, Inc., the general partner.

Other Controlled Entities

Other controlled entities are wholly owned subsidiaries of Columbus Housing Partnership, Inc. formed to construct real estate through the federal Low-Income Housing Tax Credit program. Other controlled entities were Mulby Place Homes, LLC, McDowell Place Homes, LLC and Maple Meadows Homes, LLC during 2020 and Kenlawn Place Homes, LLC during 2019.

Basis of accounting

The financial statements of Homeport have been prepared on the accrual basis of accounting.

Financial statement presentation

In accordance with the Not-for-Profit Entities Topic 958 of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Homeport is required to report information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions. When a donor-imposed restriction is met in the same reporting period, the support is recorded as net assets without donor restrictions.

Net assets without donor restrictions represent funds available for grants and expenses which are not otherwise limited by donor restrictions. Net assets without donor restrictions includes designated cash reserves by the Board of Directors which were established to ensure that the Organization has the funds available to pay any possible future obligations that may arise from commitments and contingencies. The board designated \$250,000 as of December 31, 2020 and 2019.

Net assets with donor restrictions consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event, a specific passage of time, or must be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in either the consolidated statements of activities or the consolidated statements of changes in net assets as net assets released from restrictions. Net assets with donor restrictions are described in Note 16.

Prepaid expenses

The Organization reports amounts paid in advance for property taxes and insurance as prepaid expenses.

Restricted cash

Restricted cash includes advanced loan funds for the security deposits, replacement, working capital, operating and operating deficit reserve accounts that are restricted by entity agreements or permanent loan documents. Restricted cash also includes cash limited to long-term purposes by NeighborWorks America and cash held as a fiscal agent.

Cash flow disclosures

For the purpose of determining cash flows, management deems cash to be all amounts on hand, in demand deposits and highly liquid investments that have an original maturity of three months or less. Cash paid for interest during 2020 and 2019 amounted to \$1,154,326 and \$1,463,022, respectively.

Property and equipment and depreciation

Property and equipment are stated at cost when purchased and at fair value when donated. Major expenditures for property and equipment and expenditures, which substantially increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is calculated over the estimated useful lives of the assets, ranging from 3 to 40 years, using the straight-line method.

Homeport reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flows expected to be generated by the rental property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds fair value of such property. No impairment loss was recognized during 2020 and 2019.

Notes receivable and interest income

Notes receivable are recorded at unpaid principal balances less an allowance for loan losses. The allowance is established, as losses are estimated to have occurred and notes receivable are charged against the allowance, when management believes the uncollectability of a note balance is confirmed. Payments on the notes are to be made out of available cash flow by the borrower, as defined, with principal plus accrued but unpaid interest being deferred until the earlier of (a) the note's maturity date, (b) the date the properties cease to be qualified low-income projects, or (c) the date the properties are refinanced or sold. Due to the uncertainty of repayment and the deferral of interest, the Organization recognizes interest income on notes receivable from affiliates as received.

The note's principal is evaluated for collectability to determine whether it is impaired. A note is considered impaired when, based on current information and events, it is probable that Homeport will be unable to collect all amounts due according to the existing contractual terms. When a note is considered to be impaired, the amount of the allowance is calculated by comparing the recorded investment to either the value determined by discounting the expected future cash flows using the note's effective interest rate or to the fair value of the collateral if the note is collateral dependent. Impaired loans are classified as nonperforming and, consequently, interest income is only recognized on these loans when actually received from the borrower. Partial payments of contractual amounts due on impaired loans are treated as interest income on a cash basis until such time as the loan is restored to performing status.

Advertising costs

Advertising costs are expensed as incurred. Advertising expense was \$47,948 and \$76,393 for the years ended December 31, 2020 and 2019, respectively.

Real estate development costs

Costs that clearly relate to real estate development projects are capitalized. Costs are allocated to project components by the specific identification method whenever possible. Interest costs are capitalized while development is in progress.

Purchase price allocation

The purchase price of acquired properties (businesses as defined in the accounting guidance related to business combinations) is allocated to tangible and identified intangible assets and liabilities based on their respective fair values at the date of the transaction. Such tangible and intangible assets include land, building, acquired above market and below market leases (if any), in-place lease value, customer relationships (if any), and any assumed financing that is determined to be above or below market terms. Any additional amounts are allocated to goodwill as required, based on the remaining purchase price in excess of fair value of the tangible and intangible assets acquired and liabilities assumed. Any excess of the value assigned to the net identifiable assets acquired over the purchase price is recognized in earnings as a contribution (bargain purchase gain).

The allocation of the purchase price is an area that requires judgment and significant estimates. The allocation to tangible assets (building and land) is based upon Homeport's determination of the value of the property as if it were to be replaced and vacant and by analyzing the anticipated income from the property and converting it into an estimate of present value using an industry acceptable capitalization rate. The allocation between land and building considers factors such as county tax records and other acceptable industry practices. Homeport determines whether any financing assumed is above or below market based upon comparison to similar financing terms for similar investment properties. These allocations are subject to change based on information received within one year of the purchase related to one or more events identified at the time of purchase which confirm the value of an asset or liability received in an acquisition of property.

Homeport expenses acquisition costs of all transactions as incurred. All costs of finding, analyzing and negotiating a transaction and settlement charges are expensed as incurred, whether or not the acquisition is completed.

Investments

Investments include various types of pooled investments held and invested by the Columbus Foundation on behalf of the Organization. The investments are valued at their fair values in the consolidated statements of financial position and unrealized gains and losses are included in the consolidated statements of activities. Donated investments are recorded at the fair value at the time received.

Homeport maintains an investment account for NeighborWorks capital funds with Key Bank holding Treasury Bills for amounts exceeding FDIC insurance.

Investment in unconsolidated entities

Homeport accounts for its investment in entities, for which it does not exercise significant control, under the equity method of accounting, where the investment is initially recorded at cost, and Homeport's share of earnings is reflected in income as earned and distributions are credited against the investment when received. Amounts invested are generally not available for use by Homeport.

Homeport evaluates the carrying amount of investments on a periodic basis and recognizes impairment when the carrying amount exceeds the fair value on a non-temporary basis. It is reasonably possible that Homeport's estimate of investments' fair value may change in the near term by a material amount.

Estimates

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

Conditional notes payable

Notes payable that contain a provision for the forgiveness of debt are recorded as conditional notes payable until the contingency becomes remote. Conditional notes payable must be repaid in full with interest upon an event of default during the loan term or upon Homeport receiving repayment on the corresponding note receivable.

Debt issuance costs

Debt issuance costs are amortized over the period of the related loan using the straight-line method and reported net of related accumulated amortization at December 31, 2020 and 2019 of \$245,190 and \$182,686, respectively.

Derivative financial instruments

Homeport's strategy in entering into interest rate swap agreements is to add stability to interest expense and to manage exposure to interest rate movement by converting variable rate debt to a fixed rate. The interest rate swap is recognized as either an asset or liability and measured at fair value. The change in the fair value of the interest rate swap is recognized in other operating income (expense) as unrealized gain or loss on interest rate swap in the period of change. The realized gain or loss on the interest rate swap currently adjusts interest expense when interest on the related debt is accrued.

Donated services

Volunteers have donated a significant number of hours in assisting Homeport in providing services and programs to the residents or purchasers of affordable homes sponsored by the Organization. Homeport received 1,265 volunteer hours during 2020 and 2,507 during 2019. The value of this contributed time is not reflected in the accompanying financial statements since they do not require specialized skills. Donated professional services are reflected in the accompanying financial statements at their fair value. Homeport recorded donated legal services in the amount of \$87,571 and \$34,495 for the years ended December 31, 2020 and 2019, respectively.

Federal income taxes

Homeport, Elim Senior Housing, Inc. Friends/VVA Apartments, Inc. and CHP Kimberly, Inc. are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The activities of Homeport's single member limited liability companies are included with the activity of Homeport for federal tax reporting purposes. The for-profit subsidiaries did not require a provision for income taxes.

Accounting for uncertainty in income taxes

Income from certain activities not directly related to Homeport's tax-exempt purpose is subject to taxation as unrelated business income. Homeport's reporting returns are subject to audit by federal and state taxing authorities. The Organization's policy with regard to interest and penalties is to recognize interest through interest expense and penalties through operating expenses. No income tax provision has been included in the financial statements as Homeport has determined it does not have unrelated business income subject to taxation.

Concentration of credit risk

Homeport maintains its cash in several regional financial institutions, which are insured by the Federal Deposit Insurance Corporation up to \$250,000 in each institution. At various times during the year, Homeport had funds in excess of \$250,000.

Subsequent events

Management of Homeport evaluates events and transactions occurring subsequent to the date of the consolidated financial statements for matters requiring recognition or disclosure in the consolidated financial statements. The accompanying consolidated financial statements consider events through June 21, 2021, the date the consolidated financial statements were available to be issued.

3. PROPERTY AND EQUIPMENT:

The following summarizes Homeport's fixed assets at December 31:

	<u>2020</u>	<u>2019</u>
Property and equipment:		
Office buildings:		
Land and land improvements	\$ 160,000	160,000
Buildings and improvements	2,844,341	2,844,341
Furniture, fixtures and equipment	539,223	437,368
Less accumulated depreciation	<u>(844,521)</u>	<u>(724,972)</u>
	<u>2,699,043</u>	<u>2,716,737</u>
Rental properties:		
Land and land improvements	3,444,674	3,564,193
Buildings and improvements	28,348,202	30,546,014
Less accumulated depreciation	<u>(12,788,306)</u>	<u>(11,399,096)</u>
	<u>19,004,570</u>	<u>22,711,111</u>
Properties held for sale	<u>9,329,983</u>	<u>6,938,706</u>
Construction in progress	<u>2,412,063</u>	<u>1,422,753</u>
Total property and equipment	<u>\$ 33,445,659</u>	<u>33,789,307</u>

Properties held for sale at December 31, 2020 and 2019 consists of 214 and 173, respectively, housing units with an average carrying value of each housing unit of approximately \$44,000 and \$40,000, respectively.

4. RELATED PARTY RECEIVABLES, NET:

Homeport has advanced funds to entities in which subsidiaries of Homeport are a general partner or managing member. These funds generally represent expenses paid by Homeport on behalf of the entities and are repaid as cash flow permits. At December 31, 2020 and 2019 the amount owed totaled \$247,449 and \$159,166, respectively, reported net of an allowance of \$44,340.

5. RECEIVABLES:

Fees receivable, net consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Development	\$ 780,842	632,432
Asset management	198,968	375,862
Service coordinator	107,837	81,915
Real estate tax refund administration	<u>-</u>	<u>153,449</u>
Fees receivable	1,087,647	1,243,658
Less: allowance for receivable losses	<u>(246,322)</u>	<u>(707,960)</u>
Fees receivable, net	841,325	535,698
Less: current fees receivable, net	<u>(280,000)</u>	<u>(160,000)</u>
Noncurrent fees receivable, net	\$ <u>561,325</u>	<u>375,698</u>
Allowance for receivable losses:		
Balance, beginning of year	\$ 707,960	709,028
Charge-offs	(461,638)	(1,068)
Provision for losses	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>246,322</u>	<u>707,960</u>

Under the terms of the partnership or operating agreements for various real estate entities in which a subsidiary of Homeport is a general partner or managing member, Homeport is entitled to receive fees for development services. Based on the financial position of the real estate entities, certain development fees are deferred due to cash flow restraints of the entities and will be repaid as cash flow permits or upon termination of the entities. The development fee receivables are noninterest-bearing. Management makes an assessment of the ultimate realization of these receivables on an annual basis and estimates an allowance for doubtful accounts based upon the financial condition of the limited partnership as well as Homeport's historical evidence of collections. Because of these factors, it is reasonably possible that the estimated losses may change materially in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Other receivables consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Delinquent tenant rent	\$ 284,302	151,810
Central Ohio Housing Development Organization, Inc.	92,752	91,175
Pledges receivable	12,000	70,140
Proceeds from single family home sales	391,005	78,730
Employee advances	5,819	3,333
Lease receivables and other	<u>237,528</u>	<u>331,986</u>
	\$ <u>1,023,406</u>	<u>727,174</u>

6. NOTES RECEIVABLE:

Notes receivable consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Notes receivable	\$ 12,974,108	12,865,852
Less allowance for loan losses	<u>(1,280,000)</u>	<u>(1,280,000)</u>
	\$ <u>11,694,108</u>	<u>11,585,852</u>

6. NOTES RECEIVABLE (CONTINUED):

Homeport has long-term notes receivable from various entities including unconsolidated subsidiaries of which Homeport has a general partner or managing member interest. The notes are generally secured by real estate and bear interest ranging from 1½% to 11%. The repayment terms of the notes either require no repayment until the first mortgages on the related partnership property are repaid or require repayment of interest and principal from cash flows of the entities, as defined. The notes have maturity dates through 2057. Homeport recognized interest income of \$284,329 and \$198,528 from cash received on impaired notes in 2020 and 2019, respectively. Total cumulative interest of approximately \$1,818,000 and \$1,925,000 at December 31, 2020 and 2019, respectively, has not been recorded or recognized as income on the notes receivable as management deems such interest to be contingent. Interest income on impaired loans will be recognized when the respective interest payments are received.

Management makes an assessment of the ultimate realization of notes receivable on an annual basis based upon the financial condition of the entities. This assessment includes consideration of conditional notes payable obtained through grant borrowings that have been deferred and require repayment only if the related note receivable is repaid to Homeport. Conditional notes payable relating to notes receivable amounted to \$9,217,945 at December 31, 2020 and 2019.

Due to the financial uncertainty of the projects and maturity length of these notes, actual amounts received from these loans could differ from the amounts recorded in the consolidated statements of financial position. However, the amount of the change that is reasonably possible cannot be estimated. Management deems loans to properties that do not have sufficient cash flow available to pay interest currently to be impaired due to the uncertainty in cash flow of the borrower and the ultimate outcome and valuation of the transfer of the property at year fifteen. The entire allowance for notes receivable relates to impaired loans. At December 31, 2020 and 2019, the recorded investment in impaired loans amounted to \$11,612,062 and \$11,576,090, respectively. The average recorded investment in impaired loans at December 31, 2020 and 2019 was approximately \$320,000 and \$340,000, respectively.

7. RESTRICTED CASH:

Restricted cash included the following accounts at December 31:

	<u>2020</u>	<u>2019</u>
Homeport operating deficit reserves	\$ 802,176	1,126,049
NeighborWorks America	-	304,424
Capital held for development	73,555	92,914
Other restricted cash	30,781	45,797
Rental properties:		
Security deposits	419,610	419,971
Replacement reserve	5,793,404	5,755,209
Working capital reserve	156,333	156,333
Operating reserve	748,604	750,626
Repair escrow	<u>134,571</u>	<u>140,042</u>
	\$ <u>8,159,034</u>	<u>8,791,365</u>

8. INVESTMENT IN UNCONSOLIDATED ENTITIES:

The following summarizes Homeport's investment in unconsolidated entities at December 31:

	<u>2020</u>	<u>2019</u>
Investment in tax credit projects	\$ 9,974,046	9,975,236
Investment in Central City Development Fund	<u>163,994</u>	<u>168,078</u>
	<u>\$ 10,138,040</u>	<u>10,143,314</u>

Investment in unconsolidated entities are recorded under the equity method of accounting. The investments are initially recorded at cost and adjusted upward or downward for Homeport's proportionate share of the earnings or losses. Homeport adjusted its carrying value for the proportionate share of losses in the amount of \$5,290 and \$5,926 for the years ended December 31, 2020 and 2019, respectively.

Homeport's carrying value of its investment in tax credit projects differs from its share of the equity based on the capital contributions required in the individual partnership or operating agreements that are not in proportion to the ownership percentages. Therefore, Homeport reviews its investment in tax credit projects for impairment by considering whether declines in the fair values of those investments, versus carrying values, may be other than temporary in nature.

A financial summary for the investment in tax credit projects that are actively managed as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Assets:		
Rental property, net	\$ 83,817,252	80,729,357
Other assets	<u>13,889,462</u>	<u>16,856,123</u>
Total assets	<u>\$ 97,706,714</u>	<u>97,585,480</u>
Liabilities and Equity:		
Mortgage debt	\$ 52,256,049	53,990,447
Other liabilities	4,717,318	5,827,383
Equity	<u>40,733,347</u>	<u>37,767,650</u>
Total liabilities and equity	<u>\$ 97,706,714</u>	<u>97,585,480</u>
Net rental income	\$ 7,713,625	7,073,994
Rental expenses	<u>7,293,150</u>	<u>6,712,094</u>
Net real estate income	420,475	361,900
Depreciation and amortization	(4,155,435)	(3,951,610)
Interest income	89,474	110,393
Other comprehensive income (loss)	<u>(242,390)</u>	<u>(219,283)</u>
Net loss	<u>\$ (3,887,876)</u>	<u>(3,698,600)</u>

8. INVESTMENT IN UNCONSOLIDATED ENTITIES (CONTINUED):

A financial summary for the investment in Central City Development Fund I, LLC as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Total assets	\$ <u>1,776,450</u>	<u>1,776,442</u>
Total liabilities	\$ 377,400	342,400
Total equity	<u>1,399,050</u>	<u>1,434,042</u>
Total liabilities and equity	\$ <u>1,776,450</u>	<u>1,776,442</u>
Net loss	\$ <u>(34,992)</u>	<u>(38,979)</u>

9. CONDITIONAL NOTES PAYABLE:

Homeport has the following conditional notes payable at December 31:

	<u>2020</u>	<u>2019</u>
Board of Franklin County Commissioners loans, secured by mortgage on real estate held by Elim Manor Homes, L.P. or Blacklick Crossing Housing, Inc., bearing interest at 0%. The loans are forgiven through January 15, 2028 (the fifteen-year compliance period) and upon compliance with the terms and conditions of the loans. (Homeport)	\$ 400,000	200,000
One Mortgage Partners Corp. loans (Federal Home Loan Bank), bearing interest up to 3.00%, with principal and interest due annually out of excess cash in arrears through 2049 (Elim Estates) or forgiven after completion of the 15 year compliance period as defined and secured by real estate held by Eastway Village Homes, LLC or Duxberry Landing Homes, LLC. (Homeport for Elim Estates, Eastway and Duxberry)	788,360	788,360
City of Columbus and Franklin County advances, payable from sale proceeds of single family homes. (Homeport, HKS)	496,541	496,541
State of Ohio loans, collateralized by second and third mortgages on rental property, bearing interest at rates from 2% to 3% maturing through 2049. (Homeport)	8,321,585	8,321,585
City of Columbus loans, collateralized by mortgages on rental property, bearing interest at rates from 0% to 1.00% (Homeport, Homeport Homes, CHP Kimberly, Emerald Glen, Kimcourt II, Tussing Road)	<u>3,810,024</u>	<u>3,776,965</u>
Total	13,816,510	13,583,451
Less current portion	<u>(943,488)</u>	<u>(605,517)</u>
Long-term portion	\$ <u>12,873,022</u>	<u>12,977,934</u>

9. CONDITIONAL NOTES PAYABLE (CONTINUED):

Homeport received proceeds from notes payable from the City of Columbus and the State of Ohio which were advanced to various tax credit entities in which a subsidiary of the Organization is a general partner or managing member. Under the terms of these notes, repayment of interest and/or principal may be required from available cash flow, as defined, from the related project. Subject to cash flow payments from the tax credit entities to Homeport, the conditional notes payable are not expected to be forgiven or repaid within the next five years. The current portion of conditional notes payable includes notes that have terms ending during 2020.

10. LINES OF CREDIT:

Homeport has a secured line of credit with Community Housing Capital totaling \$1,500,000 as of December 31, 2020 and 2019 to be drawn down for construction costs of single-family homes. The line of credit has an August 2021 maturity date and bears interest at 6.5%. The outstanding balance on the line of credit as of December 31, 2020 and 2019 was \$583,595 and \$183,294, respectively.

Homeport also has a secured line of credit with Huntington National Bank totaling \$500,000. The line of credit has a maturity date of November 2021 and bears interest at LIBOR plus 3.00%. As of December 31, 2020 and 2019, no funds have been drawn on this line.

11. LONG-TERM DEBT:

Homeport has the following long-term debt at December 31:

	<u>2020</u>	<u>2019</u>
Huntington Bank loans secured by real estate, bearing interest at rates from 2.15% plus LIBOR to 7.33%. Principal and interest are due and payable on first of each month, maturing through January 2026. (CHP Agler, Kimcourt II, Southside Homes (2019 only))	\$ 2,811,532	3,395,948
Affordable Housing Trust for Columbus and Franklin County loans, collateralized by mortgages on real estate, bearing interest at rates from 2% and 2.5%, repayment payable in monthly payments of interest only, maturing through August 2026. (Homeport, CHP Kimberly)	742,678	786,658
Central City Development Fund I, LLC related party loan, unsecured, bearing no interest. Repayment is due no earlier than 2023. (CHP Homeport Homes)	1,500,000	1,500,000
Columbus Foundation, collateralized by the assignments of real estate, rents and security, bearing interest at 3%, payable in quarterly payments of principal and interest through August 30, 2026. (CHP Kimberly)	2,787,712	2,921,465

Columbus Housing Partnership, Inc. and Affiliates dba Homeport
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	<u>2020</u>	<u>2019</u>
Lancaster Pollard Mortgage Co. (HUD insured) payable in monthly installments through March 2051 bearing interest from 3.58% to 4.12% fixed. Secured by real estate. (George's Creek, Emerald Glen, Tussing Road)	\$7,612,656	7,753,869
United States Department of Housing and Urban Development (HUD), payable in monthly installments of \$4,292 through May 2031 bearing interest at 8.375% fixed. Secured by real estate. (Friends/VVA)	357,121	377,775
NWSL 2017 AHMI Fund, LLC loan, bearing interest at a fixed rate of 5.5%. Interest payments are due and payable quarterly. The unpaid principal balance is due October 29, 2024, secured by land in the amount of \$325,000 and cash escrow of \$175,000. (Homeport)	2,000,000	2,000,000
Red Mortgage Capital, Inc. loan, secured by first mortgage on rental property, bearing interest at 4.4% payable in monthly installments of principal and interest in the amount of \$9,720 through April 2028. (Parkmead)	1,856,487	1,889,276
Bellwether Enterprise Real Estate Capital, LLC loans secured by real estate, bearing interest at 3.5%. Principal and interest are due and payable on first of each month, maturing on September 1, 2045. (Obetz, Kimcourt)	4,955,803	5,079,594
Ohio Housing Finance Agency loans secured by real estate, bearing interest at 1.00%. Principal and interest are due annually based on available surplus cash of the project, maturing on September 1, 2025. (Emerald Glen, Kimcourt II, Tussing Road)	664,764	760,531
Park National Bank loan secured by real estate bearing interest at rates from 3.50% to 4.99%. Principal and interest are due and payable on first of each month, with maturity dates through May 2040. (Greater Linden, Kingsford, Mariemont Homes, Southside Homes, Fairview Homes, Maplegreen Homes)	2,888,414	1,141,934
City of Columbus loans, collateralized by mortgages on rental property, bearing interest at rates from 5.48% to 6.50%. The loans are due and payable from the net proceeds received from the sale of the rental properties. (Kingsford, Greater Linden, Joyce Avenue, South East Columbus, Mariemont Homes, Southside Homes, Fairview Homes, Maplegreen Homes)	3,433,000	3,433,000

Columbus Housing Partnership, Inc. and Affiliates dba Homeport
Notes to the Consolidated Financial Statements
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Community Housing Capital, Inc. loan secured by real estate and assignment of rents and security, bearing interest at 6.25%. Interest payments are due and payable monthly. The unpaid principal balance is due August 2021. (South East Columbus)	\$ 778,000	778,000
KeyBank loans, secured by real estate and assignment of rents and security, bearing interest at rates from 7.52% to 7.54%. Principal and interest are due and payable on the first of each month, maturity dates through April 2021. (Maplegreen Homes)	-	815,069
Fifth Third Bank loan is secured by real estate and assignment of rents and security, bearing interest at 7.637%. Principal and interest are due and payable on first of each month, maturing February 2020. (Fairview Homes)	-	499,368
Ohio Capital Finance Corporation loan is secured by real estate and assignment of rents and security, bearing interest at 1%. Interest is due and payable monthly, maturing December 2022. (Maple Meadows)	200,500	-
Heartland Bank loan is secured by real estate, bearing interest at 6.75%. Principal and interest are due and payable on first of each month, maturing September 2029. (Joyce Avenue)	335,086	372,354
Central Ohio Community Improvement Corporation loan, bearing 0% interest for the first 6 months and then interest at 1.25%. Principal and interest due in annual installments, maturing October 2033. (Homeport)	<u>100,000</u>	<u>100,000</u>
Total	33,023,753	33,604,841
Less current portion	<u>4,845,992</u>	<u>4,300,941</u>
Long-term portion	\$ <u>28,177,761</u>	<u>29,303,900</u>

Obligations scheduled to mature within one year have been excluded from current liabilities when the Organization has the intent to refinance and a financing agreement is in place. A five-year summary of estimated future minimum payments required under the terms of the long-term debt is as follows:

	<u>Homeport</u>	<u>Affiliates</u>	<u>Total</u>
2021	\$ 1,589,580	3,256,412	4,845,992
2022	132,601	862,892	995,493
2023	100,320	688,228	788,548
2024	3,594,983	715,278	4,310,261
2025	-	3,387,172	3,387,172
Thereafter	<u>100,000</u>	<u>18,596,287</u>	<u>18,696,287</u>
	\$ <u>5,517,484</u>	<u>27,506,269</u>	<u>33,023,753</u>

12. ACCRUED INTEREST PAYABLE:

Accrued interest payable, reported as a current liability, represents interest expected to be repaid within one year of the consolidated statement of financial position date using current assets of the Organization. Current accrued interest payable at December 31, 2020 and 2019 was \$116,325 and \$106,667, respectively.

Accrued interest payable, reported as a long-term liability includes interest usually up to 2% of the amount advanced with the State of Ohio or the City of Columbus as described in Note 9. The repayment of interest is conditional pending the repayment of the related note receivable from the unconsolidated tax credit entity or other conditions as defined in the loan agreements. In addition, consolidated real estate entities have conditional secondary mortgages with governmental entities that accrue interest based on the note agreements. Accordingly, accrued interest payable of \$6,322,806 and \$6,154,248 at December 31, 2020 and 2019, respectively, has been reported as a long-term liability as current assets of the Organization will not be used to satisfy these obligations.

13. DEFERRED GRANT ADVANCES – STATE OF OHIO:

Homeport received grant funding from the State of Ohio, which was loaned to affiliated entities to develop low-income housing. These entities must maintain safe, decent and sanitary housing for the entire affordability period (30 years). If the entities are in compliance, the grant advances subject to repayment are forgiven evenly over the compliance period. For the years ended December 31, 2020 and 2019, Homeport recognized loan forgiveness income of \$44,667 which was reported as government grants in the consolidated statements of activities.

As of December 31, 2020 and 2019, the balance of the deferred grant advances subject to repayment to the State of Ohio for noncompliance are as follows:

<u>Initial grant amount</u>	<u>Affordability period</u>		<u>2020</u>	<u>2019</u>
\$300,000	2030	\$	80,000	90,000
\$300,000	2031		90,000	100,000
\$220,000	2032		73,339	80,672
\$300,000	2032		100,000	110,000
\$220,000	2033		<u>80,656</u>	<u>87,990</u>
		\$	<u>423,995</u>	<u>468,662</u>

14. OBLIGATION UNDER INTEREST RATE SWAPS:

The derivative financial instrument is recorded in the accompanying consolidated statements of financial position as either an asset or liability measured at fair value. The fair value of Homeport's interest rate swap liability amounted to \$99,780 and \$65,364 as of December 31, 2020 and 2019, respectively. The effects on the consolidated statements of activities for the years ended December 31, 2020 and 2019 includes an unrealized loss of \$34,416 and \$53,183, respectively.

The following tables presents information regarding the Organization's interest rate swap agreement, and summarizes the fair value of the Organization's interest rate swap liability at December 31, 2020 and 2019:

<u>2020</u>	<u>Notional Amount</u>	<u>Index</u>	<u>Fair Value</u>	<u>Instrument</u>	<u>Maturity</u>
	\$ 938,397	US LIBOR	\$ <u>(99,780)</u>	Swap	01/2026

14. OBLIGATION UNDER INTEREST RATE SWAPS (CONTINUED):

<u>2019</u>	<u>Notional Amount</u>	<u>Index</u>	<u>Fair Value</u>	<u>Instrument</u>	<u>Maturity</u>
	\$ 957,654	US LIBOR	\$ (47,287)	Swap	01/2026
	1,605,064	US LIBOR	<u>(18,077)</u>	Swap	12/2024
			<u>\$ (65,364)</u>		

15. DEFERRED COMPENSATION PLAN:

Homeport maintains a 403(b) deferred compensation plan (the Plan) for all employees who have met the minimum age and service requirements. Homeport matches eligible employee deferrals. Employees may contribute to the Plan the lesser of up to 15% of their salary or the statutory maximum. Homeport's profit-sharing contributions to the Plan are discretionary. Homeport contributed \$33,512 and \$32,780 to the Plan in 2020 and 2019, respectively.

16. NET ASSETS WITH DONOR RESTRICTIONS:

Homeport maintains net assets with donor restrictions as follows at December 31 for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
<u>Subject to the passage of time:</u>		
HUD Section 202 Capital Advances	\$ 6,074,816	6,267,574
<u>Subject to expenditure for specified purpose:</u>		
NeighborWorks America Restricted Until First Use	-	6,608
<u>Subject to grantor approval:</u>		
NeighborWorks America Capital fund balance	-	<u>1,094,127</u>
	<u>\$ 6,074,816</u>	<u>7,368,309</u>

HUD Section 202 Capital Advance

The Organization has recorded the proceeds from U.S Department of Housing and Urban Development (HUD) Section 202 capital advances as net assets with donor restrictions. The proceeds from the capital advances were invested in Elim Manor Homes, L.P. and Whitehall Elderly Facilities, L.P. The capital advances will be reclassified to net assets without donor restrictions evenly over the compliance periods. The terms of the Capital Advance Program require that the housing remain available for a period of not less than 40 years for very low-income elderly persons. At final maturity (December 1, 2050 for Elim Manor Homes, L.P. and December 16, 2053 for Whitehall Elderly Facilities, L.P.) the entire balance of the Capital Advances will be forgiven. The HUD Section 202 Capital Advances are secured by an "open-end" mortgage on the rental properties payable to HUD. The mortgages are noninterest-bearing and repayment of the principal balances are not required as long as the housing remains available to very low-income elderly persons.

The Organization must comply with the terms of the Capital Advance Program or it may be required to repay the entire Capital Advance of \$7,710,300 plus an accrued interest penalty (calculated at the default rate of 5.25%) of \$3,007,272 and \$2,602,482 at December 31, 2020 and 2019, respectively. The Organization's total potential liability for noncompliance with the terms of the Capital Advance Program is \$10,717,572 and \$10,312,782 at December 31, 2020 and 2019, respectively.

NeighborWorks America

In prior years, NeighborWorks America (NWA) has provided capital grants for making loans and for capital projects. This amount is restricted although proceeds on capital projects, or interest earned, over and above the corpus may be transferred to net assets without donor restrictions for furthering Homeport's mission. However, should Homeport become defunct, all remaining grant funds, interest earnings, capital project proceeds, and the loan and capital projects portfolios representing the use of these funds will revert to NeighborWorks America. The potential amount to be reverted back to NeighborWorks America at December 31, 2020 and 2019, was \$-0- and \$1,100,735, respectively. Homeport has \$1,000,000 in fidelity bond coverage as of December 31, 2020 to cover any loss of funds provided by NWA. The federal grant activity under the NeighborWorks restricted revolving loan fund is summarized in the supplementary schedules accompanying the financial statements. In addition, Homeport received restricted funding of \$-0- and \$190,000 during 2020 and 2019 that is restricted until first use. The grant funds are recorded as restricted until used in accordance with an eligible purpose.

For the years ended December 31, 2020 and 2019, \$1,100,735 and \$571,519, respectively, of capital funds were released by NWA to net assets without donor restrictions.

17. REVENUE FROM CONTRACTS WITH CUSTOMERS:

A significant portion of Homeport's revenue come from grants, contributions, rental and interest income that are outside the scope of ASC 606.

Performance obligations satisfied at a point in time

Homeport derecognizes real estate and recognizes a gain or loss when a contract exists, and control of the property has transferred to the buyer. Control of the property, including controlling financial interest, is generally considered to transfer upon closing through transfer of the legal title and possession of the property, at which point the Organization recognizes a gain or loss equal to the difference between the transaction price and the carrying amount of the property.

Performance obligations satisfied over time

Development fees have performance obligations occurring over time and are recognized as revenue during the development period. Developer fee income is recognized based on specific services performed under the contract and the remainder of the development fee recorded based on the percentage of completion method of accounting. Development services relate to activities associated with deal structure, obtaining financing sources, oversight of development and construction and other development related activities. The development fee agreement fixes the development fee to be earned by Homeport. The timing and uncertainty of revenue and cash flows for development fees is impacted by construction progress and deliverables to the outside investor. Payments are received based on the earnings benchmarks described in the development services agreement. A portion of the fee could be deferred as collection is contingent upon the availability of future cash flows of the rental property.

Fees and other revenue are typically recognized on a monthly basis as services are performed with payment due the following month.

Revenue recognized from contracts with customers

	<u>2020</u>	<u>2019</u>
Performance obligations satisfied at a point in time	\$ (831,437)	(875,693)
Performance obligations satisfied over time	<u>1,955,230</u>	<u>1,486,596</u>
Revenue recognized from contracts with customers	\$ <u>1,123,793</u>	<u>610,903</u>

17. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED):

As of December 31, 2020, the Organization had contract receivables of \$1,379,436. The Organization had ending contract receivables of \$1,322,388 at December 31, 2019 and beginning contract receivables at January 1, 2019 of \$1,670,373. Impairment losses on contracts with customers was \$0 for the years ended December 31, 2020 and 2019.

18. CONTRIBUTIONS:

Contributions as reported in the consolidated statements of activities were received from the following sources for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Individuals	\$ 75,591	70,957
Corporations	636,336	591,361
Foundations	<u>672,897</u>	<u>655,028</u>
	<u>\$ 1,384,824</u>	<u>1,317,346</u>

19. HOMEOWNERSHIP AND LEASE PURCHASE:

The Organization reports government grants used for gap subsidy funding, the loss on sale of single-family housing units and related development fees as Homeownership and Lease Purchase on the consolidated statements of activities.

20. FUTURE MINIMUM RENTAL INCOME:

The Organization rents office space under multi-year leases. The lessees have payment obligations through 2022. Many of the leases provide for escalations over the terms of the lease. Minimum lease payments to be received under long-term commercial leases assuming no expiring leases are renewed as of December 31, 2020 were as follows:

2021	\$	240,442
2022		<u>116,870</u>
Total	\$	<u>357,312</u>

21. RELATED PARTY TRANSACTIONS:

Homeport earned income of \$1,656,634 and \$1,305,949 for the years ended December 31, 2020 and 2019, respectively, to related tax credit projects of which Homeport has an ownership interest. Fees receivable from these entities as detailed in Note 4 and 5 was \$1,379,436 and \$1,447,164 as of December 31, 2020 and 2019, respectively. As disclosed in Note 11, Homeport has an unsecured loan from Central City Development, Fund I, LLC of which Homeport maintains a noncontrolling ownership interest.

22. OPERATING LEASES:

As of December 31, 2020 Homeport was obligated under a non-cancelable operating lease for equipment requiring payments of \$198 in 2021.

Rental expense on non-cancelable leases at December 31, 2020 and 2019 was approximately \$1,200 and \$33,000, respectively.

23. CAPITAL LEASE:

In February 2020, the Organization entered into a capital lease for copiers, which expires in January 2025. Monthly payments of \$2,605.97 are due, including interest at a rate of approximately 19.094%. The lease agreement contains a bargain purchase option at the end of the lease term. Following is a summary of property held under capital leases and included in office equipment as of December 31:

	<u>2020</u>	<u>2019</u>
Copiers	\$ 101,855	-
Less: accumulated depreciation	<u>(13,338)</u>	<u>-</u>
	<u>\$ 88,517</u>	<u>-</u>

Future minimum lease payments under the capital lease as of December 31, 2020 through maturity are as follows:

2021	\$ 31,272
2022	31,272
2023	31,272
2024	31,272
2025	<u>2,606</u>
Total	127,694
Less: amount representing interest	<u>(39,480)</u>
Capital lease obligations	<u>\$ 88,214</u>

24. FUNCTIONAL CLASSIFICATIONS:

Following is a schedule of expenses by function for the year ended December 31, 2020:

	<u>Real Estate</u>	<u>Community</u>	<u>Housing</u>	<u>Total</u>			
	<u>Development</u>	<u>Life</u>	<u>Advisory</u>	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 2,349,836	366,253	498,939	3,215,028	407,870	193,899	3,816,797
Benefits and payroll taxes	582,841	61,342	86,922	731,105	110,751	39,749	881,605
Office	404,010	38,556	39,109	481,675	33,626	-	515,301
Client assistance	105,851	699,522	36,843	842,216	5	-	842,221
Professional and other contracts	394,065	21,330	26,681	442,076	32,683	-	474,759
Occupancy	3,404,114	8,267	6,529	3,418,910	10,488	-	3,429,398
Insurance	561,580	11,032	12,202	584,814	16,175	-	600,989
Travel, conferences and training	25,643	5,238	4,414	35,295	3,088	-	38,383
Advertising and marketing	36,327	3,846	23,448	63,621	34,856	60,919	159,396
Interest expense	1,395,858	5,519	5,889	1,407,266	18,383	-	1,425,649
Depreciation	1,497,920	4,282	4,567	1,506,769	13,839	-	1,520,608
Real estate taxes	765,026	-	-	765,026	-	-	765,026
Property management fees	711,265	-	-	711,265	-	-	711,265
Miscellaneous	135,398	2,428	6,093	143,919	16,859	-	160,778
Interest expense on conditional notes	<u>135,323</u>	<u>-</u>	<u>-</u>	<u>135,323</u>	<u>-</u>	<u>-</u>	<u>135,323</u>
Total	<u>\$ 12,505,057</u>	<u>1,227,615</u>	<u>751,636</u>	<u>14,484,308</u>	<u>698,623</u>	<u>294,567</u>	<u>15,477,498</u>

24. FUNCTIONAL CLASSIFICATIONS (CONTINUED):

Following is a schedule of expenses by function for the year ended December 31, 2019:

	Real Estate <u>Development</u>	Community <u>Life</u>	Housing <u>Advisory</u>	Total <u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 2,195,652	416,792	495,561	3,108,005	487,999	194,380	3,790,384
Benefits and payroll taxes	554,904	100,657	92,756	748,317	120,347	39,848	908,512
Office	550,555	42,467	53,850	646,872	27,608	-	674,480
Client assistance	131,239	100,652	67,319	299,210	-	-	299,210
Professional and other contracts	235,575	25,219	27,984	288,778	37,923	-	326,701
Occupancy	2,914,068	6,059	5,275	2,925,402	11,195	-	2,936,597
Insurance	522,681	15,376	18,255	556,312	17,381	-	573,693
Travel, conferences and training	57,020	27,072	20,368	104,460	9,431	-	113,891
Advertising and marketing	49,528	7,326	22,053	78,907	56,298	79,286	214,491
Interest expense	1,320,174	3,755	5,748	1,329,677	16,302	-	1,345,979
Depreciation	1,452,374	2,623	3,731	1,458,728	12,067	-	1,470,795
Real estate taxes	765,652	-	-	765,652	-	-	765,652
Property management fees	652,494	-	-	652,494	-	-	652,494
Miscellaneous	83,622	34,650	5,536	123,808	1,572	-	125,380
Interest expense on conditional notes	135,203	-	-	135,203	-	-	135,203
Total	\$ <u>11,620,741</u>	<u>782,648</u>	<u>818,436</u>	<u>13,221,825</u>	<u>798,123</u>	<u>313,514</u>	<u>14,333,462</u>

The costs of providing the various programs and activities have been summarized on a functional basis above. Occupancy related expenses are allocated based on the square footage of each department. All other expenses, including those allocated based on square footage are then re-allocated based on employee hours. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

25. COMMITMENTS AND CONTINGENCIES:

Homeport issues a variety of guarantees in the course of developing tax credit properties. The guarantees are generally issued in favor of entity investors or lenders. If Homeport was required to honor the guarantees, generally it would be entitled to treat the advances as loans to the respective entities. There is currently no recorded liability for potential losses under these guarantees, nor is there any liability for the Organization's obligation to "stand ready" to fund such guarantees. Based on information gathered as part of its monitoring of risks, the Organization believes there is only a remote possibility that the Organization will be required to perform under these guarantees.

Construction loan repayment and completion guarantees

Homeport has provided repayment guarantees for construction loans used for the development of tax credit properties. Homeport has also provided construction completion guarantees. There are no significant completion delays in current Homeport developments. To date, Homeport has not experienced non-completion of a project, nor has it been called on for any loan repayment guarantee. Construction loan repayment and completion guarantees as of December 31, 2020 and 2019 were approximately \$15,701,000 and \$14,417,000 respectively.

Operating deficit guarantees

Homeport has entered into various operating deficit guarantee agreements, whereby it will advance funds to certain affiliated limited partnerships' business. Total amounts guaranteed under operating deficit guarantee and pledge reserve agreements at December 31, 2020 and 2019 amounted to approximately \$3,729,000 and \$3,177,000, respectively.

Tax benefit guarantees

As the sponsor or developer of certain properties financed in part by federal tax credit allocations, Homeport has made certain guarantees to investors as to the tax credits and other benefits to be derived from the properties. These guarantees generally cover the tax compliance periods of fifteen years after initial lease up. In the opinion of management, compliance with tax regulations and careful monitoring of the properties should preclude these contingent liabilities from materializing. To date, Homeport has not experienced any calls on these guarantees. Tax benefit guarantees as of December 31, 2020 and 2019 were approximately \$71,927,000 and \$58,791,000, respectively.

Contingencies

Certain rental properties of Homeport have deferred first and second mortgage notes from the City of Columbus and the State of Ohio. The terms of the mortgage notes provide for repayment of \$4,695,500 in principal and \$12,015,610 in deferred and unpaid interest at December 31, 2020. The terms of the mortgage notes provide for repayment of \$4,695,500 in principal and \$11,295,925 in deferred and unpaid interest at December 31, 2019. The mortgage notes were assumed through business combinations and valued at the debts' fair value at the time of acquisition. The fair value of the debt was determined based on cash flow projections of the property, management's intent on holding the property and the collaterals' fair value. The carrying value of these mortgage notes at December 31, 2020 and 2019 was \$8,384,224 and \$8,340,563, respectively.

Under the terms of Homeport's grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, would not have a material effect on Homeport's consolidated financial statements.

26. BUSINESS COMBINATIONS:

During 2019, Homeport acquired the limited partner interest in Maplegreen Homes Limited Partnership. The acquisition was accounted for in accordance with accounting guidance regarding *Business Combinations* and Homeport recorded the acquired tangible and identified intangible assets and liabilities, if any, based on their estimated fair values. Homeport recognized a net gain of \$1,501,805 relating to the acquisition of the limited partnership as the net assets acquired exceeded the carrying value. The following summarizes the estimated fair value of the net assets acquired at the date of acquisition with reconciliation to net gain.

	<u>Maplegreen Homes</u>
Land	\$ 70,370
Building as vacant	3,258,911
Cash and restricted cash	608,768
Other assets	7,565
Liabilities assumed	(2,528,461)
Net assets acquired	1,417,153
Acquisition date carrying value	(84,652)
Fair value of net assets acquired over carrying value	\$ 1,501,805

27. FAIR VALUE MEASUREMENTS:

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs utilize quoted prices in active markets for identical assets or liabilities.

Level 2 inputs are based on significant other observable inputs.

Level 3 inputs are based on significant unobservable inputs.

	<u>Fair Value Measurements at Reporting Date Using</u>			
<u>Recurring fair value measurements</u>	<u>12/31/2020</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Assets:				
Investments held by Columbus Foundation	\$ <u>159,480</u>	<u>159,480</u>	<u>-</u>	<u>-</u>
Liabilities:				
Interest rate swap	\$ <u>(99,780)</u>	<u>-</u>	<u>(99,780)</u>	<u>-</u>
	<u>12/31/2019</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Assets:				
Investments held by Columbus Foundation	\$ <u>146,234</u>	<u>146,234</u>	<u>-</u>	<u>-</u>
Liabilities:				
Interest rate swaps	\$ <u>(65,364)</u>	<u>-</u>	<u>(65,364)</u>	<u>-</u>

Investments have been valued using a market approach (Level 1). The valuation of interest rate swaps are measured using the income approach with significant other observable inputs (Level 2). The fair value is determined by comparing the estimated present value of the future fixed rate interest payments expected to be paid by Homeport to the bank versus the present value of the future variable rate interest payments expected to be paid by the bank to Homeport over the life of the swap agreements. The estimate of the future variable rates was derived from the interest rate futures market as of December 31, 2020 by taking the observable values of LIBOR futures contracts. The valuations are calculated on a basis different from those which would be used to calculate amounts payable upon a voluntary or involuntary early termination or assignment.

<u>Nonrecurring fair value measurements</u>	<u>12/31/2019</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Assets:				
Acquired property	\$ <u>3,329,281</u>	<u>-</u>	<u>3,329,281</u>	<u>-</u>

Housing units acquired that are classified as held for sale are valued based on the estimated selling price less anticipated selling costs. There were no changes in valuation techniques during 2020 and 2019.

28. AVAILABILITY OF FINANCIAL ASSETS:

Homeport is substantially supported by grants and income from fees. As part of Homeport's liquidity management it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

<u>2020</u>		Less Amounts Unavailable for	
<u>Homeport</u>	<u>Gross</u>	<u>General Cash Needs</u>	<u>Available</u>
Cash	\$ 6,173,778	(250,000)	5,923,778
Receivables	2,012,283	(764,434)	1,247,849
Restricted cash	943,506	(943,506)	-
Notes receivable	11,694,108	(11,694,108)	-
Investments	159,480	-	<u>159,480</u>
			<u>7,331,107</u>
 <u>Affiliates</u>			
Cash	2,660,190	-	2,660,190
Receivables	665,920	-	665,920
Restricted cash	7,215,528	(7,215,528)	<u>-</u>
			<u>3,326,110</u>
Financial assets available to meet cash needs for general expenditures within one year			\$ <u>10,657,217</u>

<u>2019</u>		Less Amounts Unavailable for	
<u>Homeport</u>	<u>Gross</u>	<u>General Cash Needs</u>	<u>Available</u>
Cash	\$ 5,236,621	(250,000)	4,986,621
Receivables	1,319,722	(490,524)	829,198
Restricted cash	1,681,614	(1,681,614)	-
Notes receivable	11,585,852	(11,585,852)	-
Investments	146,234	-	<u>146,234</u>
			<u>5,962,053</u>
 <u>Affiliates</u>			
Cash	2,053,598	-	2,053,598
Receivables	533,428	-	533,428
Restricted cash	7,109,751	(7,109,751)	<u>-</u>
			<u>2,587,026</u>
Financial assets available to meet cash needs for general expenditures within one year			\$ <u>8,549,079</u>

Cash is unavailable due to donor or board-imposed restrictions. Receivables and notes receivable are unavailable due to scheduled repayment dates greater than one year from the consolidated statements of financial position date. Restricted cash is unavailable due to lender or entity-imposed restrictions.

29. PAYCHECK PROTECTION PROGRAM:

Homeport was granted a \$909,600 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration approved lender. The loan amount was provided to benefit Homeport and consolidated and unconsolidated real estate entities that Homeport has an ownership interest. The loan is uncollateralized and is fully guaranteed by the Federal government. Homeport initially recorded the loan as a refundable advance and subsequently recognized grant income of \$716,550 in accordance with FASB ASC 958-605 *Government Grant Model* for entities consolidated in these financial statements. This guidance recognizes revenue as the qualifying PPP expenses are incurred and the conditions for a right of return of the PPP loan have been satisfied.

Supplementary Information

Columbus Housing Partnership, Inc. and Affiliates
 dba Homeport
 Consolidating Schedule of Financial Position
 December 31, 2020

	Homeport		Lease		Other controlled entities	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale			
Current assets:							
Cash	\$ 4,951,770	1,069,297	152,711	931,501	1,691,913	-	8,833,968
Receivables:							
Fees receivable, net	280,000	-	-	-	-	-	280,000
Grants receivable	238,964	-	-	371,399	-	-	610,363
Other receivables	189,842	411,455	127,588	90,692	203,829	-	1,023,406
Intercompany receivable	-	977,079	-	-	-	(977,079)	-
Prepaid expenses	2,900	-	13,986	129,928	704,720	-	851,534
Total current assets	5,663,476	2,457,831	294,285	1,523,520	2,600,462	(977,079)	11,599,271
Property and equipment:							
Office buildings, net	120,899	-	2,578,144	-	-	-	2,699,043
Rental properties, net	-	-	-	2,414,948	16,589,622	-	19,004,570
Properties held for sale	-	-	-	9,329,983	-	-	9,329,983
Construction in progress	751,970	859,068	-	-	-	-	2,412,063
Total property and equipment	872,869	859,068	2,578,144	11,744,931	16,589,622	-	33,445,659
Noncurrent assets:							
Restricted cash	877,621	28,891	36,994	2,135,406	5,080,122	-	8,159,034
Fees receivable, net	598,190	-	-	-	-	(36,865)	561,325
Notes receivable, net	12,101,263	1,184,293	-	-	-	(1,591,448)	11,694,108
Related party receivables, net	2,009,345	156,077	-	-	-	(1,962,313)	203,109
Investments	159,480	-	-	-	-	-	159,480
Deposits	-	1,429	-	-	-	-	1,429
Investment in unconsolidated entities	10,652,238	-	-	-	-	(514,198)	10,138,040
Total noncurrent assets	26,398,137	1,370,690	36,994	2,135,406	5,080,122	(4,104,824)	30,916,525
Total assets	\$ 32,934,482	4,687,589	2,909,423	15,403,857	24,270,206	(5,081,903)	75,961,455

Columbus Housing Partnership, Inc. and Affiliates
 dba Homeport
 Consolidating Schedule of Financial Position (Continued)
 December 31, 2020

	Homeport		Lease		Other controlled		Eliminations		Consolidated	
	HP Division	HHO	CHP Agler	Purchase For Sale	Rental Properties	Other controlled entities	Eliminations	Eliminations	Consolidated	Consolidated
Current liabilities:										
Conditional notes payable, current	600,000	37,971	-	305,517	-	-	-	-	943,488	943,488
Long-term debt, current	-	1,500,000	89,580	2,728,433	527,979	-	-	-	4,845,992	4,845,992
Capital lease, current	15,760	-	-	-	-	-	-	-	15,760	15,760
Accounts payable	196,964	107,822	2,327	135,909	665,895	-	(36,865)	-	1,072,052	1,072,052
Intercompany payable	990,894	98,519	1,020,807	77,959	113,412	637,801	(2,939,392)	-	-	-
Accrued expenses	246,432	170,907	19,587	266,341	625,170	-	-	-	1,328,437	1,328,437
Accrued interest payable	-	-	31,748	9,353	75,224	-	-	-	116,325	116,325
Deferred grant advances	323,667	100,000	-	-	-	-	-	-	423,667	423,667
Deferred revenue	152,625	35,971	-	-	-	-	-	-	188,596	188,596
Total current liabilities	2,526,342	2,051,190	1,164,049	3,523,512	2,007,680	637,801	(2,976,257)	-	8,934,317	8,934,317
Long-term liabilities:										
Security and warranty deposits	-	(250)	13,085	184,361	233,200	-	-	-	430,396	430,396
Accrued interest payable	1,047,606	-	-	3,775,935	1,499,265	-	-	-	6,322,806	6,322,806
Deferred grant advances, State of Ohio	423,995	-	-	-	-	-	-	-	423,995	423,995
Capital lease, non-current	72,454	-	-	-	-	-	-	-	72,454	72,454
Lines of credit	-	583,595	-	-	-	-	-	-	583,595	583,595
Conditional notes payable	9,560,969	-	-	-	3,312,053	-	-	-	12,873,022	12,873,022
Long-term debt	1,946,645	480,953	1,790,235	4,750,511	20,600,365	200,500	(1,591,448)	-	28,177,761	28,177,761
Less: unamortized debt issuance costs	(6,375)	(5,114)	(6,465)	(67,849)	(688,685)	(500)	-	-	(774,988)	(774,988)
Obligation under interest rate swap	-	-	-	-	99,780	-	-	-	99,780	99,780
Total long-term liabilities	13,045,294	1,059,184	1,796,855	8,642,958	25,055,978	200,000	(1,591,448)	-	48,208,821	48,208,821
Total liabilities	15,571,636	3,110,374	2,960,904	12,166,470	27,063,658	837,801	(4,567,705)	-	57,143,138	57,143,138
Net assets (deficit):										
Without donor restrictions	11,288,030	1,577,215	(51,481)	3,237,387	(2,793,452)	-	(514,198)	-	12,743,501	12,743,501
With donor restrictions	6,074,816	-	-	-	-	-	-	-	6,074,816	6,074,816
Total net assets (deficit)	17,362,846	1,577,215	(51,481)	3,237,387	(2,793,452)	-	(514,198)	-	18,818,317	18,818,317
Total liabilities and net assets	\$ 32,934,482	4,687,589	2,909,423	15,403,857	24,270,206	837,801	(5,081,903)	-	75,961,455	75,961,455

Columbus Housing Partnership, Inc. and Affiliates
 dba Homeport
 Consolidating Schedule of Activities
 Year Ended December 31, 2020

	Homeport		CHP Agler	Lease Purchase For Sale	Rental Properties	Other controlled entities	Eliminations	Consolidated
	HP Division	HHO						
Change in net assets without donor restrictions:								
Support:								
Government grants	1,268,792	80,704	-	-	-	-	-	1,349,496
Contributions	1,391,153	(6,329)	-	-	-	-	-	1,384,824
	2,659,945	74,375	-	-	-	-	-	2,734,320
Homeownership and lease purchase:								
Government grants	-	1,064,288	-	-	-	-	-	1,064,288
Development fees	10,000	306,000	-	-	-	-	-	316,000
Gain (loss) on sale of properties held for sale	-	(1,248,047)	-	(22,795)	436,955	-	-	(833,887)
	10,000	122,241	-	(22,795)	436,955	-	-	546,401
Revenues:								
Development fees	1,156,183	-	-	-	-	-	-	1,156,183
Rental	11	-	380,708	2,276,741	8,322,103	-	(205,406)	10,774,157
Fees and other revenue	916,295	1,728	-	-	-	-	(434,976)	483,047
Investment income	634,928	-	-	20	-	-	(334,078)	300,870
	2,707,417	1,728	380,708	2,276,761	8,322,103	-	(974,460)	12,714,257
Total support and revenues	5,377,362	198,344	380,708	2,253,966	8,759,058	-	(974,460)	15,994,978
Expenses:								
Program, administration and other	4,955,157	342,682	203,049	-	-	-	(205,406)	5,295,482
Rental	-	-	-	1,420,813	5,679,623	-	-	7,100,436
Total expenses	4,955,157	342,682	203,049	1,420,813	5,679,623	-	(205,406)	12,395,918
Change in net assets from operations before interest & depreciation expense	422,205	(144,338)	177,659	833,153	3,079,435	-	(769,054)	3,599,060
Less interest expense	75,343	1,564	140,355	368,494	1,173,971	-	(334,078)	1,425,649
Less depreciation expense	29,930	1,068	100,400	116,211	1,272,999	-	-	1,520,608
Change in net assets before other operating income (expense)	316,932	(146,970)	(63,096)	348,448	632,465	-	(434,976)	652,803
Other operating income (expense):								
Loss on sale	(47)	-	-	-	-	-	-	(47)
Gain on deconsolidation	-	-	-	-	-	65	-	65
Unrealized gain (loss) on interest rate swap	-	-	18,077	-	(52,493)	-	-	(34,416)
Government grant	566,694	30,392	-	-	-	-	-	597,086
Interest expense on conditional notes payable	(113,499)	-	-	(75,227)	(21,824)	-	-	(135,323)
Interorganizational fees	-	-	-	-	(359,749)	-	434,976	-
Equity in losses of unconsolidated entities	(5,290)	-	-	-	-	-	-	(5,290)
Excess distributions from unconsolidated entities	97,179	-	-	-	-	-	-	97,179
Total other operating income (expense), net	545,037	30,392	18,077	(75,227)	(434,066)	65	434,976	519,254
Change in net assets from operations	861,969	(116,578)	(45,019)	273,221	198,399	65	-	1,172,057
Purpose restricted contributions, released from restrictions	1,100,735	-	-	-	-	-	-	1,100,735
Time restricted grants, released from restrictions	192,758	-	-	-	-	-	-	192,758
Change in net assets without donor restrictions	2,155,462	(116,578)	(45,019)	273,221	198,399	65	-	2,465,550

Columbus Housing Partnership, Inc. and Affiliates
 dba Homeport
 Consolidating Schedule of Changes in Net Assets
 Year Ended December 31, 2020

	HP Division	Homeport HHO	CHP Agler	Lease Purchase For Sale	Rental Properties	Other controlled entities	Eliminations	Consolidated
Change in net assets without donor restrictions:								
Net assets without donor restrictions, beginning of year	\$ 8,757,162	1,693,793	(6,462)	2,968,945	(2,968,894)	(65)	(166,528)	10,277,951
Change in net assets without donor restrictions	2,155,462	(116,578)	(45,019)	273,221	198,399	65	-	2,465,550
Earnings on consolidated entities	375,406	-	-	-	-	-	(375,406)	-
Change in net assets without donor restrictions	2,530,868	(116,578)	(45,019)	273,221	198,399	65	(375,406)	2,465,550
Net assets without donor restrictions, end of year	\$ 11,288,030	1,577,215	(51,481)	3,242,166	(2,770,495)	-	(541,934)	12,743,501
Change in net assets with donor restrictions:								
Net assets with donor restrictions, beginning of year	\$ 7,368,309	-	-	-	-	-	-	7,368,309
NeighborWorks America grant, purpose restricted	-	-	-	-	-	-	-	-
Net assets released from restrictions	(1,293,493)	-	-	-	-	-	-	(1,293,493)
Change in net assets with donor restrictions	(1,293,493)	-	-	-	-	-	-	(1,293,493)
Net assets with donor restrictions, end of year	\$ 6,074,816	-	-	-	-	-	-	6,074,816
Change in total net assets:								
Total net assets, beginning of year	\$ 16,125,471	1,693,793	(6,462)	2,968,945	(2,968,894)	(65)	(166,528)	17,646,260
Distributions	-	-	-	(4,779)	(22,957)	-	27,736	-
Change in net assets without donor restrictions	2,530,868	(116,578)	(45,019)	273,221	198,399	65	(375,406)	2,465,550
Change in net assets with donor restrictions	(1,293,493)	-	-	-	-	-	-	(1,293,493)
Change in total net assets	1,237,375	(116,578)	(45,019)	268,442	175,442	65	(347,670)	1,172,057
Total net assets, end of year	\$ 17,362,846	1,577,215	(51,481)	3,237,387	(2,793,452)	-	(514,198)	18,818,317

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Cash Flows
Year Ended December 31, 2020

	Homeport		CHP Agler	Lease Purchase For Sale	Rental Properties	Other controlled entities	Eliminations	Consolidated
	HP Division	HHO						
\$	1,237,375	(116,578)	(45,019)	273,221	198,399	65	(375,406)	1,172,057
Cash flows from operating activities:								
Change in total net assets	29,930	1,068	100,400	116,211	1,272,999	-	-	1,520,608
Adjustment to reconcile change in net assets to net cash from operating activities:	1,700	8,767	1,616	9,704	40,717	-	-	62,504
Depreciation	-	1,248,047	-	22,795	(436,955)	-	-	833,887
Amortization of debt issuance costs	47	-	-	-	-	-	-	47
(Gain) loss on properties held for sale	12,140	-	-	-	-	-	-	12,140
Gain on sale	(370,116)	-	-	-	-	-	375,406	5,290
Provision for losses on receivables	(44,667)	-	-	-	-	-	-	(44,667)
Equity in losses of unconsolidated entities	(703,508)	(381,302)	82,025	(51,160)	(81,332)	-	298,084	(837,193)
Deferred grant advances loan forgiveness	1,791	-	13,523	(3,190)	(51,635)	-	-	(39,511)
Effect of changes in operating assets and liabilities:	102,447	(112,407)	(113,487)	(23,766)	125,085	(2,202)	(44,138)	(68,468)
Receivables	-	93,928	7,109	-	-	-	(101,037)	-
Prepaid expenses and deposits	(101,037)	18,132	91	(4,779)	(22,957)	-	27,736	-
Accounts payable and accrued expenses	-	(1,500)	-	12,395	(292)	-	(152,909)	-
Intercompany receivable	113,499	-	22,709	90,085	(48,077)	-	-	178,216
Distribution to Homeport	171,568	(64,668)	-	-	-	-	-	106,900
Intercompany payable	-	-	(18,077)	-	52,493	-	-	34,416
Security and warranty deposits	-	693,487	50,890	441,516	1,048,445	233,586	27,736	2,946,829
Accrued interest payable	-	-	-	-	-	-	-	-
Deferred revenue and grant advances	-	-	-	-	-	-	-	-
Interest rate swap obligation	-	-	-	-	-	-	-	-
Net cash from operating activities	451,169	693,487	50,890	441,516	1,048,445	233,586	27,736	2,946,829
Cash flows from investing activities:								
Change in investments	(13,246)	-	-	-	-	-	-	(13,246)
Net distributions (investment) in unconsolidated entities	27,673	-	-	-	-	-	(27,736)	(63)
Proceeds from the sale of properties held for sale	-	520,577	-	138,715	-	-	-	659,292
Purchase of real estate and rehabilitation costs	-	(1,668,481)	-	-	-	-	-	(1,668,481)
Advances on note receivable	(108,256)	-	-	-	-	-	-	(108,256)
Purchase of property and equipment	(287,301)	(1,127)	(11,849)	(35,526)	(167,190)	(396,810)	-	(899,803)
Net cash from investing activities	(381,130)	(1,149,031)	(11,849)	103,189	(167,190)	(396,810)	(27,736)	(2,030,557)

Cash flows from operating activities:
Change in total net assets
Adjustment to reconcile change in net assets to net cash from operating activities:
Depreciation
Amortization of debt issuance costs
(Gain) loss on properties held for sale
Gain on sale
Provision for losses on receivables
Equity in losses of unconsolidated entities
Deferred grant advances loan forgiveness
Effect of changes in operating assets and liabilities:
Receivables
Prepaid expenses and deposits
Accounts payable and accrued expenses
Intercompany receivable
Distribution to Homeport
Intercompany payable
Security and warranty deposits
Accrued interest payable
Deferred revenue and grant advances
Interest rate swap obligation
Net cash from operating activities

Cash flows from investing activities:
Change in investments
Net distributions (investment) in unconsolidated entities
Proceeds from the sale of properties held for sale
Purchase of real estate and rehabilitation costs
Advances on note receivable
Purchase of property and equipment
Net cash from investing activities

Columbus Housing Partnership, Inc. and Affiliates
 dba Homeport
 Consolidating Schedule of Cash Flows - Continued
 Year Ended December 31, 2020

	Homeport		CHP Agler	For Sale	Rental Properties	Other controlled entities	Eliminations	Consolidated
	HP Division	HHO						
Cash flows from financing activities:								
Purchase of financing costs	\$ -	-	-	(42,985)	-	(500)	-	(43,485)
Proceeds on lines of credit	-	400,301	-	-	-	-	-	400,301
Payments on capital lease obligation	(13,641)	-	-	-	-	-	-	(13,641)
Net proceeds (repayment) of conditional notes payable	200,000	37,971	-	-	(4,912)	-	-	233,059
Proceeds from long-term debt	-	-	-	1,876,400	-	200,500	-	2,076,900
Repayment of long-term debt	(18,251)	-	(60,867)	(1,986,172)	(592,698)	-	-	(2,657,988)
Net cash from financing activities	168,108	438,272	(60,867)	(152,757)	(597,610)	200,000	-	(4,854)
Net increase (decrease) in cash and restricted cash	238,147	(17,272)	(21,826)	391,948	283,645	36,776	-	911,418
Cash and restricted cash, beginning of year	5,591,244	1,115,460	211,531	2,674,959	6,488,390	-	-	16,081,584
Cash and restricted cash, end of year	\$ 5,829,391	1,098,188	189,705	3,066,907	6,772,035	36,776	-	16,993,002
Reconciliation of cash and restricted cash within the Statement of Financial Position								
Cash	\$ 4,951,770	1,069,297	152,711	931,501	1,691,913	36,776	-	8,833,968
Restricted cash	877,621	28,891	36,994	2,135,406	5,080,122	-	-	8,159,034
Cash and restricted cash in the Statement of Cash Flow	\$ 5,829,391	1,098,188	189,705	3,066,907	6,772,035	36,776	-	16,993,002

Consolidating Schedule of Expenses
Year Ended December 31, 2020
With Comparative Total for the Year Ended December 31, 2019

	Homeport		CHP Agler	Lease Purchase For Sale	Rental Properties	Other controlled entities	Eliminations	2020		2019	
	HP Division	HHO						Consolidated	Total	Consolidated	Total
Program, administration and other:											
Salaries	2,628,669	211,720	-	-	-	-	-	2,840,389	-	2,722,485	-
Payroll taxes	145,727	35,189	-	-	-	-	-	180,916	-	198,083	-
Fringe benefits	351,992	-	-	-	-	-	-	351,992	-	351,992	-
	3,126,388	246,909	-	-	-	-	-	3,373,297	-	3,272,560	-
Program related expenses	794,957	47,265	-	-	-	-	-	842,222	-	254,397	-
Office	84,453	3,712	33,096	-	-	-	-	121,261	-	84,591	-
Repairs and maintenance	-	-	74,837	-	-	-	-	74,837	-	65,313	-
Occupancy	242,896	9,495	41,666	-	-	(205,406)	-	88,651	-	85,536	-
Minor equipment	6,079	328	-	-	-	-	-	6,407	-	33,799	-
Dues and publications	39,784	2,249	-	-	-	-	-	42,033	-	41,542	-
Professional fees	31,827	2,376	6,359	-	-	-	-	40,562	-	42,994	-
Accounting and legal	287,663	6,892	230	-	-	-	-	294,785	-	131,527	-
Printing and postage	1,716	110	-	-	-	-	-	1,826	-	7,303	-
Insurance	58,182	3,739	7,727	-	-	-	-	69,648	-	86,552	-
Other expenses	30,277	6,280	39,134	-	-	-	-	75,691	-	111,707	-
Marketing and advertising	148,966	2,171	-	-	-	-	-	151,137	-	219,953	-
Development costs	56,292	-	-	-	-	-	-	56,292	-	24,204	-
Loan fees	2,253	8,827	-	-	-	-	-	11,080	-	13,863	-
Travel, conferences and training	23,545	2,006	-	-	-	-	-	25,551	-	94,726	-
Bad debt expense	12,140	-	-	-	-	-	-	12,140	-	-	-
Fundraising related expenses	4,357	323	-	-	-	-	-	4,680	-	5,282	-
In-kind expenses	3,382	-	-	-	-	-	-	3,382	-	3,382	-
Total program, admin & other	4,955,157	342,682	203,049	-	-	(205,406)	-	5,295,482	-	4,579,231	-
Rental:											
Maintenance	-	-	-	605,134	2,068,837	-	-	2,673,971	-	2,602,403	-
Utilities	-	-	-	25,225	1,228,398	-	-	1,253,623	-	946,862	-
Real estate taxes	-	-	-	187,060	558,827	-	-	745,887	-	745,927	-
Administrative and other	-	-	-	457,846	1,422,482	-	-	1,880,328	-	2,033,786	-
Insurance	-	-	-	145,548	401,079	-	-	546,627	-	487,140	-
Total rental	-	-	-	1,420,813	5,679,623	-	-	7,100,436	-	6,816,118	-
Interest expense	75,343	1,564	140,355	368,494	1,173,971	-	(334,078)	1,425,649	-	1,332,542	-
Depreciation expense	29,930	1,068	100,400	116,211	1,272,999	-	-	1,520,608	-	1,470,368	-
Other operating expense:											
Interest expense on conditional notes payable	113,499	-	-	-	21,824	-	-	135,323	-	135,203	-
Interorganizational fees	-	-	-	75,227	359,749	-	(434,976)	-	-	-	-
Equity in losses of unconsolidated entities	5,290	-	-	-	-	-	-	5,290	-	990	-
Fair value of net assets acquired (over) under carrying value, net impairment loss	-	-	-	-	-	-	-	-	-	(1,501,805)	-
Total other operating expense	118,789	-	-	75,227	381,573	-	(434,976)	140,613	-	615,816	-
Total expense	5,179,219	345,314	443,804	1,980,745	8,508,166	-	(974,460)	15,482,788	-	13,448,463	-

Columbus Housing Partnership, Inc. and Affiliates
 dba Homeport
 Consolidating Schedule of Financial Position
 December 31, 2019

	Homeport		CHP Agler	Lease		Other controlled entities	Eliminations	Consolidated
	HP Division	HHO		Purchase For Sale	Rental Properties			
Current assets:								
Cash	\$ 4,065,967	1,071,553	99,101	621,556	1,432,042	-	-	7,290,219
Receivables:								
Fees receivable, net	160,000	-	-	-	-	-	-	160,000
Grants receivable	74,053	30,000	-	371,399	-	-	-	475,452
Other receivables	276,802	78,730	209,613	39,532	122,497	-	-	727,174
Intercompany receivable	-	1,071,007	7,109	-	-	-	(1,078,116)	-
Prepaid expenses	4,691	-	27,509	126,738	653,085	-	-	812,023
Total current assets	4,581,513	2,251,290	343,332	1,159,225	2,207,624	-	(1,078,116)	9,464,868
Property and equipment:								
Office buildings, net	50,042	-	2,666,695	-	-	-	-	2,716,737
Rental properties, net	-	-	-	5,048,420	17,258,476	404,215	-	22,711,111
Properties held for sale	-	-	-	6,938,706	-	-	-	6,938,706
Construction in progress	463,601	959,152	-	-	-	-	-	1,422,753
Total property and equipment	513,643	959,152	2,666,695	11,987,126	17,258,476	404,215	-	33,789,307
Noncurrent assets:								
Restricted cash	1,525,277	43,907	112,430	2,053,403	5,056,348	-	-	8,791,365
Fees receivable, net	368,425	-	-	-	-	-	7,273	375,698
Notes receivable, net	11,993,007	1,184,293	-	-	-	-	(1,591,448)	11,585,852
Related party receivables, net	1,745,693	77,500	-	-	-	-	(1,708,367)	114,826
Investments	146,234	-	-	-	-	-	-	146,234
Deposits	-	1,429	-	-	-	-	-	1,429
Investment in unconsolidated entities	10,309,842	-	-	-	-	-	(166,528)	10,143,314
Total noncurrent assets	26,088,478	1,307,129	112,430	2,053,403	5,056,348	-	(3,459,070)	31,158,718
Total assets	\$ 31,183,634	4,517,571	3,122,457	15,199,754	24,522,448	404,215	(4,537,186)	74,412,893

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Financial Position (Continued)
December 31, 2019

	Homeport		Lease		Other controlled entities	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale			
Current liabilities:							
Conditional notes payable, current	\$ 300,000	-	-	305,517	-	-	605,517
Long-term debt, current	-	-	84,540	3,708,084	-	-	4,300,941
Accounts payable	140,579	231,679	115,794	147,561	2,112	7,273	1,167,427
Intercompany payable	1,091,931	80,387	1,020,716	77,959	402,078	(2,786,483)	-
Accrued expenses	200,370	159,457	19,607	278,455	90	-	1,301,530
Accrued interest payable	-	-	9,039	18,798	-	-	106,667
Deferred grant advances	-	160,000	-	-	-	-	160,000
Deferred revenue	304,724	40,639	-	-	-	-	345,363
Total current liabilities	2,037,604	672,162	1,249,696	4,536,374	404,280	(2,779,210)	7,987,445
Long-term liabilities:							
Security and warranty deposits	-	1,250	13,085	171,966	-	-	419,793
Accrued interest payable	934,107	-	-	3,676,405	233,492	-	6,154,248
Deferred grant advances, State of Ohio	468,662	-	-	-	1,543,736	-	468,662
Lines of credit	-	183,294	-	-	-	-	183,294
Conditional notes payable	9,660,969	-	-	-	3,316,965	-	12,977,934
Long-term debt	1,964,896	1,980,953	1,856,142	3,880,632	21,212,725	-	29,303,900
Less: unamortized debt issuance costs	(8,075)	(13,881)	(8,081)	(34,568)	(729,402)	(1,591,448)	(794,007)
Obligation under interest rate swap	-	-	18,077	-	47,287	-	65,364
Total long-term liabilities	13,020,559	2,151,616	1,879,223	7,694,435	25,624,803	(1,591,448)	48,779,188
Total liabilities	15,058,163	2,823,778	3,128,919	12,230,809	404,280	(4,370,658)	56,766,633
Net assets (deficit):							
Without donor restrictions	8,757,162	1,693,793	(6,462)	2,968,945	(65)	(166,528)	10,277,951
With donor restrictions	7,368,309	-	-	-	-	-	7,368,309
Total net assets (deficit)	16,125,471	1,693,793	(6,462)	2,968,945	(65)	(166,528)	17,646,260
Total liabilities and net assets	\$ 31,183,634	4,517,571	3,122,457	15,199,754	404,215	(4,537,186)	74,412,893

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Activities
Year Ended December 31, 2019

	HP Division	Homeport HHO	CHP Agler	Purchase For Sale	Rental Properties	Other controlled entities	Eliminations	Consolidated
Change in net assets without donor restrictions:								
Support:								
Government grants	494,921	150,127	-	-	-	-	-	645,048
Contributions	1,279,380	37,966	-	-	-	-	-	1,317,346
	<u>1,774,301</u>	<u>188,093</u>	-	-	-	-	-	<u>1,962,394</u>
Homeownership and lease purchase:								
Government grants	-	724,142	-	-	-	-	-	724,142
Development fees	5,000	261,472	-	-	-	-	-	266,472
Loss on sale of properties held for sale	-	(876,827)	-	1,134	-	-	-	(875,693)
	<u>5,000</u>	<u>108,787</u>	-	<u>1,134</u>	-	-	-	<u>114,921</u>
Revenues:								
Development fees	930,088	-	-	-	-	-	-	930,088
Rental	-	-	377,365	1,769,618	8,056,862	-	(212,915)	9,990,930
Fees and other revenue	699,516	-	57	-	-	-	(409,537)	290,036
Investment income	738,717	-	-	135	8	-	(507,662)	231,198
	<u>2,368,321</u>	-	<u>377,422</u>	<u>1,769,753</u>	<u>8,056,870</u>	-	<u>(1,130,114)</u>	<u>11,442,252</u>
Total support and revenues	<u>4,147,622</u>	<u>296,880</u>	<u>377,422</u>	<u>1,770,887</u>	<u>8,056,870</u>	-	<u>(1,130,114)</u>	<u>13,519,567</u>
Expenses:								
Program, administration and other	4,165,735	426,959	199,387	-	-	65	(212,915)	4,579,231
Rental	-	-	-	1,265,494	5,550,624	-	-	6,816,118
	<u>4,165,735</u>	<u>426,959</u>	<u>199,387</u>	<u>1,265,494</u>	<u>5,550,624</u>	<u>65</u>	<u>(212,915)</u>	<u>11,395,349</u>
Total expenses	<u>(18,113)</u>	<u>(130,079)</u>	<u>178,035</u>	<u>505,393</u>	<u>2,506,246</u>	<u>(65)</u>	<u>(917,199)</u>	<u>2,124,218</u>
Change in net assets from operations before interest & depreciation expense	35,332	2,468	161,959	258,388	1,382,057	-	(507,662)	1,332,542
Less interest expense	23,173	1,824	103,797	84,548	1,257,026	-	-	1,470,368
Less depreciation expense	(76,618)	(134,371)	(87,721)	162,457	(132,837)	(65)	(409,537)	(678,692)
Other operating income (expense):								
Unrealized gain on interest rate swap	-	-	(8,598)	-	(44,585)	-	-	(53,183)
Fair value of net assets acquired under carrying value, net	1,501,805	-	-	-	-	-	-	1,501,805
Interest expense on conditional notes payable	(113,499)	-	-	-	(21,704)	-	-	(135,203)
Interorganizational fees	-	-	-	(45,624)	(363,913)	-	409,537	-
Equity in losses of unconsolidated entities	(990)	-	-	-	-	-	-	(990)
Excess distributions from unconsolidated entities	37,373	-	-	-	-	-	-	37,373
Impairment loss	(615,816)	-	-	-	-	-	-	(615,816)
	<u>808,873</u>	-	<u>(8,598)</u>	<u>(45,624)</u>	<u>(430,202)</u>	-	<u>409,537</u>	<u>733,986</u>
Total other operating income (expense), net	732,255	(134,371)	(96,319)	116,833	(563,039)	(65)	-	55,294
Change in net assets from operations	571,519	-	-	-	-	-	-	571,519
Purpose restricted contributions, released from restrictions	192,758	-	-	-	-	-	-	192,758
Time restricted grants, released from restrictions	1,496,532	(134,371)	(96,319)	116,833	(563,039)	(65)	-	819,571
Change in net assets without donor restrictions								

Columbus Housing Partnership, Inc. and Affiliates
 dba Homeport
 Consolidating Schedule of Changes in Net Assets
 Year Ended December 31, 2019

	Homeport		CHP Agler	Lease Purchase For Sale	Rental Properties	Other controlled entities	Eliminations	Consolidated
	HP Division	HHO						
Change in net assets without donor restrictions:								
Net assets without donor restrictions, beginning of year	\$ 7,898,135	1,828,164	89,857	1,436,051	(2,397,450)	-	603,623	9,458,380
Change in net assets without donor restrictions	1,496,532	(134,371)	(96,319)	116,833	(563,039)	(65)	-	819,571
Earnings on consolidated entities	(637,505)	-	-	1,416,061	-	-	(778,556)	-
Change in net assets without donor restrictions	859,027	(134,371)	(96,319)	1,532,894	(563,039)	(65)	(778,556)	819,571
Net assets without donor restrictions, end of year	\$ 8,757,162	1,693,793	(6,462)	2,968,945	(2,960,489)	(65)	(174,933)	10,277,951
Change in net assets with donor restrictions:								
Net assets with donor restrictions, beginning of year	\$ 7,942,586	-	-	-	-	-	-	7,942,586
NeighborWorks America grant, purpose restricted	190,000	-	-	-	-	-	-	190,000
Net assets released from restrictions	(764,277)	-	-	-	-	-	-	(764,277)
Change in net assets with donor restrictions	(574,277)	-	-	-	-	-	-	(574,277)
Temporarily restricted net assets, end of year	\$ 7,368,309	-	-	-	-	-	-	7,368,309
Change in total net assets:								
Total net assets, beginning of year	\$ 15,840,721	1,828,164	89,857	1,436,051	(2,397,450)	-	603,623	17,400,966
Distributions	-	-	-	-	(8,405)	-	8,405	-
Change in unrestricted net assets	859,027	(134,371)	(96,319)	1,532,894	(563,039)	(65)	(778,556)	819,571
Change in temporarily restricted net assets	(574,277)	-	-	-	-	-	-	(574,277)
Change in total net assets	284,750	(134,371)	(96,319)	1,532,894	(571,444)	(65)	(770,151)	245,294
Total net assets, end of year	\$ 16,125,471	1,693,793	(6,462)	2,968,945	(2,968,894)	(65)	(166,528)	17,646,260

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedule of Cash Flows
Year Ended December 31, 2019

	Homeport		CHP Agler	Lease Purchase For Sale	Rental Properties	Other controlled entities	Eliminations	Consolidated
	HP Division	HHO						
\$	284,750	(134,371)	(96,319)	1,532,894	(563,039)	(65)	(778,556)	245,294
Cash flows from operating activities:								
Change in total net assets	23,173	1,824	103,797	84,548	1,257,026	-	-	1,470,368
Adjustment to reconcile change in net assets to net cash from operating activities:	425	8,766	1,616	1,823	40,716	-	-	53,346
Depreciation	(1,501,805)	-	-	(1,416,061)	-	-	1,416,061	(1,501,805)
Amortization of debt issuance costs	-	876,827	-	(1,134)	-	-	-	875,693
(Gain) loss on consolidation	615,816	-	-	-	-	-	-	615,816
Loss on properties held for sale	638,495	-	-	-	-	-	(632,569)	5,926
Provision for losses on receivables	(190,000)	-	-	-	-	-	-	(190,000)
Equity in losses of unconsolidated entities	(44,667)	-	-	-	-	-	-	(44,667)
Restricted funding	-	-	-	-	-	-	-	-
Deferred grant advances loan forgiveness	-	-	-	-	-	-	-	-
Effect of changes in operating assets and liabilities:								
Receivables	(725,069)	266,906	83,210	29,575	12,096	-	288,517	(44,765)
Prepaid expenses and deposits	(3,328)	-	19,942	(31,523)	44,581	-	-	29,672
Accounts payable and accrued expenses	(38,229)	34,859	(69,703)	(5,987)	105,060	2,202	339,640	367,842
Intercompany receivable	-	13,572	6,241	-	-	-	(19,813)	-
Distribution to Homeport	-	-	-	-	(8,405)	-	8,405	-
Intercompany payable	(19,813)	(16,011)	238,007	(20,530)	24,613	402,078	(608,344)	-
Security and warranty deposits	-	(2,500)	(4,361)	1,293	(706)	-	-	(6,274)
Accrued interest payable	(98,883)	-	(546)	23,456	(37,841)	-	212,382	98,568
Deferred revenue and grant advances	(91,103)	110,857	-	-	-	-	-	19,754
Interest rate swap obligation	-	-	8,598	-	44,585	-	-	53,183
Net cash from operating activities	(1,150,238)	1,160,729	290,482	198,354	918,686	404,215	225,723	2,047,951
Cash flows from investing activities:								
Cash received in consolidation	-	-	-	608,768	-	-	-	608,768
Change in investments	(23,350)	-	-	-	-	-	-	(23,350)
Net distributions (investment) in unconsolidated entities	(95,054)	-	-	-	-	-	92,162	(2,892)
Proceeds from the sale of properties held for sale	-	785,551	-	71,868	-	-	-	857,419
Purchase of real estate and rehabilitation costs	-	(1,200,464)	-	-	-	-	-	(1,200,464)
Advances on notes receivable	(100,000)	-	-	-	-	-	-	(100,000)
Proceeds from repayment of notes receivable	1,229,449	90,731	-	-	-	-	(1,207,885)	112,295
Purchase of property and equipment	(339,788)	-	(178,800)	-	(225,639)	(404,215)	-	(1,148,442)
Net cash from investing activities	671,257	(324,182)	(178,800)	680,636	(225,639)	(404,215)	(1,115,723)	(896,666)

Cash flows from operating activities:
Change in total net assets
Adjustment to reconcile change in net assets to net cash from operating activities:

Depreciation
Amortization of debt issuance costs
(Gain) loss on consolidation
Loss on properties held for sale
Provision for losses on receivables
Equity in losses of unconsolidated entities
Restricted funding
Deferred grant advances loan forgiveness
Effect of changes in operating assets and liabilities:
Receivables
Prepaid expenses and deposits
Accounts payable and accrued expenses
Intercompany receivable
Distribution to Homeport
Intercompany payable
Security and warranty deposits
Accrued interest payable
Deferred revenue and grant advances
Interest rate swap obligation
Net cash from operating activities

Cash flows from investing activities:
Cash received in consolidation
Change in investments
Net distributions (investment) in unconsolidated entities
Proceeds from the sale of properties held for sale
Purchase of real estate and rehabilitation costs
Advances on notes receivable
Proceeds from repayment of notes receivable
Purchase of property and equipment
Net cash from investing activities

Columbus Housing Partnership, Inc. and Affiliates
dba Homeport
Consolidating Schedules of Cash Flows - Continued
Year Ended December 31, 2019

	HP Division	Homeport HHO	CHP Agler	For Sale	Rental Properties	Other controlled entities	Eliminations	Consolidated
Cash flows from financing activities:								
Purchase of financing costs	(8,500)	-	-	(26,545)	(29,400)	-	-	(64,445)
Proceeds (repayment) on lines of credit	-	(834,622)	-	-	-	-	-	(834,622)
Proceeds from restricted funding	190,000	-	-	-	-	-	-	190,000
Repayment of conditional notes payable	(698,976)	(301,729)	-	-	-	-	890,000	(110,705)
Proceeds from long-term debt	2,100,000	-	-	799,586	-	-	-	2,899,586
Repayment of long-term debt	(1,710,285)	191,024	(76,341)	(903,797)	(510,617)	-	-	(3,010,016)
Net cash from financing activities	(127,761)	(945,327)	(76,341)	(130,756)	(540,017)	-	890,000	(930,202)
Net increase (decrease) in cash and restricted cash	(606,742)	(108,780)	35,341	748,234	153,030	-	-	221,083
Cash and restricted cash, beginning of year	6,197,986	1,224,240	176,190	1,926,725	6,335,360	-	-	15,860,501
Cash and restricted cash, end of year	5,591,244	1,115,460	211,531	2,674,959	6,488,390	-	-	16,081,584
Reconciliation of cash and restricted cash within the Balance Sheet								
Cash	4,065,967	1,071,553	99,101	621,556	1,432,042	-	-	7,290,219
Restricted cash	1,525,277	43,907	112,430	2,053,403	5,056,348	-	-	8,791,365
Cash and restricted cash in the Statement of Cash Flow	5,591,244	1,115,460	211,531	2,674,959	6,488,390	-	-	16,081,584

	Homeport		Lease		Rental Properties	Other controlled entities	Eliminations	Consolidated
	HP Division	HHO	CHP Agler	Purchase For Sale				
Program, administration and other:								
Salaries	2,504,557	217,928	-	-	-	-	-	2,722,485
Payroll taxes	154,665	43,418	-	-	-	-	-	198,083
Fringe benefits	351,992	-	-	-	-	-	-	351,992
	<u>3,011,214</u>	<u>261,346</u>	-	-	-	-	-	<u>3,272,560</u>
Program related expenses								
Office	173,659	80,738	-	-	-	-	-	254,397
Repairs and maintenance	47,795	3,178	33,553	-	-	65	-	84,591
Occupancy	513	3,049	61,751	-	-	-	-	65,313
Minor equipment	227,399	18,866	52,186	-	-	-	(212,915)	85,536
Dues and publications	32,173	1,626	-	-	-	-	-	33,799
Professional fees	38,136	3,406	-	-	-	-	-	41,542
Accounting and legal	34,415	2,276	6,303	-	-	-	-	42,994
Printing and postage	121,165	9,151	1,211	-	-	-	-	131,527
Insurance	6,852	451	-	-	-	-	-	7,303
Other expenses	74,321	7,114	5,117	-	-	-	-	86,552
Marketing and advertising	68,472	3,969	39,266	-	-	-	-	111,707
Development costs	209,736	10,217	-	-	-	-	-	219,953
Loan fees	20,114	4,090	-	-	-	-	-	24,204
Travel, conferences and training	4,844	9,019	-	-	-	-	-	13,863
Fundraising related expenses	86,680	8,046	-	-	-	-	-	94,726
In-kind expenses	4,865	417	-	-	-	-	-	5,282
	<u>3,382</u>	-	-	-	-	-	-	<u>3,382</u>
Total program, admin & other	<u>4,165,735</u>	<u>426,959</u>	<u>199,387</u>	-	-	<u>65</u>	<u>(212,915)</u>	<u>4,579,231</u>
Rental:								
Maintenance	-	-	-	508,586	2,093,817	-	-	2,602,403
Utilities	-	-	-	14,881	931,981	-	-	946,862
Real estate taxes	-	-	-	158,359	587,568	-	-	745,927
Administrative and other	-	-	-	471,674	1,562,112	-	-	2,033,786
Insurance	-	-	-	111,994	375,146	-	-	487,140
	-	-	-	<u>1,265,494</u>	<u>5,550,624</u>	-	-	<u>6,816,118</u>
Total rental	-	-	-	<u>258,388</u>	<u>1,382,057</u>	-	<u>(507,662)</u>	<u>1,332,542</u>
Interest expense	35,332	2,468	161,959	-	-	-	-	1,470,368
Depreciation expense	23,173	1,824	103,797	84,548	1,257,026	-	-	-
Other operating expense:								
Interest expense on conditional notes payable	113,499	-	-	-	21,704	-	-	135,203
Interorganizational fees	-	-	-	45,624	363,913	-	(409,537)	-
Equity in losses of unconsolidated entities	990	-	-	-	-	-	-	990
Fair value of net assets acquired (over) under carrying value, net impairment loss	(1,501,805)	-	-	-	-	-	-	(1,501,805)
	<u>615,816</u>	-	-	-	-	-	-	<u>615,816</u>
Total other operating expense	<u>(771,500)</u>	-	-	<u>45,624</u>	<u>385,617</u>	-	<u>(409,537)</u>	<u>(749,796)</u>
Total expense	<u>3,452,740</u>	<u>431,251</u>	<u>465,143</u>	<u>1,654,054</u>	<u>8,575,324</u>	<u>65</u>	<u>(1,130,114)</u>	<u>13,448,463</u>

Columbus Housing Partnership, Inc. and Affiliates
 dba Homeport
 Schedule of Financial Position - NeighborWorks America Capital Fund
 December 31, 2020

	With Donor Restrictions		
Assets	Temporarily Restricted	Restricted in Perpetuity	Total
Cash in bank	\$ _____ -	_____ -	_____ -
Total assets	\$ <u>_____ -</u>	<u>_____ -</u>	<u>_____ -</u>
 Liabilities and Net Assets			
Net assets	\$ _____ -	_____ -	_____ -
Total liabilities and net assets	\$ <u>_____ -</u>	<u>_____ -</u>	<u>_____ -</u>

Columbus Housing Partnership, Inc. and Affiliates
 dba Homeport
 Schedule of Activities - NeighborWorks America Capital Fund
 Year Ended December 31, 2020

	<u>With Donor Restrictions</u>		<u>Total</u>
	<u>Temporarily Restricted</u>	<u>Restricted in Perpetuity</u>	
Net assets released from restrictions	\$ <u>(6,608)</u>	<u>(1,094,127)</u>	<u>(1,100,735)</u>
Total Revenues	<u>(6,608)</u>	<u>(1,094,127)</u>	<u>(1,100,735)</u>
Change in net assets	(6,608)	(1,094,127)	(1,100,735)
Net assets - at beginning of year	<u>6,608</u>	<u>1,094,127</u>	<u>1,100,735</u>
Net assets - at end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>





CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Columbus Housing Partnership, Inc. and Affiliates dba Homeport

Office of Management and Budget
Uniform Guidance Required Reports
December 31, 2020

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Columbus Housing Partnership, Inc. and Affiliates
Columbus, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the consolidated financial statements of Columbus Housing Partnership, Inc. and Affiliates (a non profit organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 21, 2021. The consolidated financial statements of Columbus Housing Partnership, Inc. includes for-profit subsidiaries that were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Columbus Housing Partnership, Inc. and Affiliates' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Columbus Housing Partnership, Inc. and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of the Columbus Housing Partnership, Inc. and Affiliates' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbus Housing Partnership, Inc. and Affiliates' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbus Housing Partnership, Inc. and Affiliates' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 21, 2021

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

Board of Directors
Columbus Housing Partnership, Inc. and Affiliates
Columbus, Ohio

Report on Compliance for Each Major Federal Program

We have audited Columbus Housing Partnership, Inc. and Affiliates' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Columbus Housing Partnership, Inc. and Affiliates' major federal programs for the year ended December 31, 2020. Columbus Housing Partnership, Inc. and Affiliates' major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Columbus Housing Partnership, Inc. and Affiliates' compliance.

Opinion on Each Major Federal Program

In our opinion, Columbus Housing Partnership, Inc. and Affiliates complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on their major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of Columbus Housing Partnership, Inc. and Affiliates is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Columbus Housing

Partnership, Inc. and Affiliates' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Columbus Housing Partnership, Inc. and Affiliates' internal control over compliance.

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

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

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

We have audited the consolidated financial statements of Columbus Housing Partnership, Inc. and Affiliates as of and for the year ended December 31, 2020, and have issued our report thereon dated June 21, 2021, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Uniform Guidance is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 21, 2021

Columbus Housing Partnership, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

Federal Grantor Pass-Through Grantor Program Title	Assistance Listing Number	Total Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Housing and Urban Development			
Direct			
Supportive Housing for the Elderly	14.157	\$ 8,088,075	7,710,300
Section 8 Project-Based Cluster: Section 8 Housing Assistance Payments Program	14.195	143,895	-
Pass-through			
<i>Franklin County</i>			
HOME Investment Partnerships Program	14.239	253,894	200,000
<i>Housing Partnership Network</i>			
Housing Counseling Assistance Program	14.169	<u>55,570</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development		<u>8,541,434</u>	<u>7,910,300</u>
U.S. Department of Treasury			
COVID-19 Coronavirus Relief Fund	21.019	<u>230,000</u>	<u>-</u>
Total U.S. Department of Treasury		<u>230,000</u>	<u>-</u>
Congressional Appropriation			
Pass-through			
<i>NeighborWorks America</i>			
NeighborWorks System Program	21.000	<u>457,974</u>	<u>-</u>
Total Congressional Appropriation		<u>457,974</u>	<u>-</u>
Total		\$ <u>9,229,408</u>	<u>7,910,300</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Columbus Housing Partnership, Inc. ("Homeport"), Elim Senior Housing, Inc. and Friends/VVA Apartments, Inc. under programs of the federal government for the year ended December 31, 2020.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Homeport and Affiliates, it is not intended to and does not present Homeport and Affiliates' financial position, changes in net assets, or cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

(b) Homeport has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

(c) Pass-through entity identifying numbers are presented when available.

(d) The outstanding balance of loan and loan guarantee programs at December 31, 2020 with continuing compliance requirements which are reported as federal expenditures on the accompanying schedule of expenditures of federal awards was \$8,067,421.

(e) The Section 202 Capital Advances received by Homeport and Elim Senior Housing, Inc. are reported as net assets with donor restrictions at December 31, 2020.

(f) The public law number is presented in place of the federal CFDA number when appropriate.

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness identified? Yes X No

Significant deficiency identified not considered to be material weaknesses? Yes X No

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Type of auditors' report issued on compliance for major programs: unmodified

Internal control over compliance:

Material weakness identified? Yes X No

Significant deficiency identified not considered to be material weaknesses? Yes X No

Any audit findings disclosed that are required to be reported in accordance with CFR Section 200.516(a)? Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.157	Supportive Housing for the Elderly
21.019	COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

Columbus Housing Partnership, Inc. and Affiliates
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2020

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

None

3. Findings and Questioned Costs for Federal Awards

None

Columbus Housing Partnership, Inc. and Affiliates
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2020

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
None			

