



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

**Neighborhood Housing Partnership  
of Greater Springfield, Inc. and Subsidiary**

Financial Statements

December 31, 2020 and 2019

with Independent Auditors' Report

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary  
Springfield, Ohio

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Neighborhood Housing Partnership of Greater Springfield, Inc. (a nonprofit organization) and Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 Organization'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 Organization'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 Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary 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 Supplemental Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2021 on our consideration of Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio

May 26, 2021

Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary  
Consolidated Statements of Financial Position  
December 31, 2020 and 2019

Assets

	<u>2020</u>	<u>2019</u>
Current assets:		
Cash	\$ 289,105	142,856
Certificates of deposit	488,659	661,948
Accounts receivable	2,282	37,434
Development fee receivable, current	44,000	176,007
Mortgages receivable, current	39,476	41,287
Grants receivable	224,409	60,694
Prepaid expenses	16,530	4,560
	<u>1,104,461</u>	<u>1,124,786</u>
Noncurrent assets:		
Development fee receivable, long-term	311,484	407,786
Mortgages receivable, long-term, net	441,927	404,154
Notes receivable - related party	689,002	689,002
Assets held for rehabilitation	167,561	139,933
Property and equipment, net	1,563,981	1,604,386
Investment in The Community Gardens	92,500	92,500
	<u>3,266,455</u>	<u>3,337,761</u>
	<u>\$ 4,370,916</u>	<u>4,462,547</u>

Liabilities and Net Assets

Current liabilities:

Accounts payable, trade	\$ 12,583	9,564
Accrued wages and benefits payable	55,840	33,240
Accrued liabilities	83,462	83,821
Current portion of capital lease obligation	1,894	3,410
Mortgage notes payable, current	53,928	-
Security deposits and prepaid rent	6,085	6,075
Contractor fees payable	26,100	16,045
	<u>239,892</u>	<u>152,155</u>

Noncurrent liabilities:

Mortgage notes payable	2,012,645	2,085,214
Capital lease obligation, long term	5,051	6,506
	<u>2,017,696</u>	<u>2,091,720</u>

Net assets:

Without donor restrictions	2,111,702	1,967,876
With donor restrictions	1,626	250,796
	<u>2,113,328</u>	<u>2,218,672</u>
	<u>\$ 4,370,916</u>	<u>4,462,547</u>

See accompanying notes to financial statements.

Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary  
Consolidated Statement of Activities and Changes in Net Assets  
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and support:			
Contributions	\$ 44,836	-	44,836
Neighborhood Reinvestment			
Corporation grants	337,627	-	337,627
Other federal grants	377,992	-	377,992
Other grants	115,163	-	115,163
Forgiveness of mortgage notes payable	64,931	-	64,931
Paycheck Protection Program income	96,753	-	96,753
Interest income from loans issued	-	12,172	12,172
Program fees	3,339	-	3,339
Rental income	64,941	-	64,941
Development fee	12,000	-	12,000
Miscellaneous income	8,069	-	8,069
	<u>1,125,651</u>	<u>12,172</u>	<u>1,137,823</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>261,342</u>	<u>(261,342)</u>	<u>-</u>
	<u>1,386,993</u>	<u>(249,170)</u>	<u>1,137,823</u>
Expenses:			
Program services	1,047,412	-	1,047,412
Management and general	<u>130,824</u>	<u>-</u>	<u>130,824</u>
	1,178,236	-	1,178,236
Loss on sale of real estate	<u>64,931</u>	<u>-</u>	<u>64,931</u>
	<u>1,243,167</u>	<u>-</u>	<u>1,243,167</u>
Change in net assets	143,826	(249,170)	(105,344)
Net assets, beginning of year	<u>1,967,876</u>	<u>250,796</u>	<u>2,218,672</u>
Net assets, end of year	\$ <u>2,111,702</u>	<u>1,626</u>	<u>2,113,328</u>

See accompanying notes to financial statements.

Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary  
Consolidated Statement of Activities and Changes in Net Assets  
Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, gains and support:			
Contributions	\$ 54,488	-	54,488
Neighborhood Reinvestment Corporation grants	342,064	-	342,064
Other federal grants	101,983	-	101,983
Other grants	119,337	-	119,337
Interest income from loans issued	-	11,872	11,872
Program fees	16,031	-	16,031
Rental income	62,437	-	62,437
Miscellaneous income	23,118	-	23,118
	<u>719,458</u>	<u>11,872</u>	<u>731,330</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>250,266</u>	<u>(250,266)</u>	<u>-</u>
	<u>969,724</u>	<u>(238,394)</u>	<u>731,330</u>
Expenses:			
Program services	769,139	-	769,139
Management and general	103,237	-	103,237
	<u>872,376</u>	<u>-</u>	<u>872,376</u>
Change in net assets	97,348	(238,394)	(141,046)
Net assets, beginning of year	<u>1,870,528</u>	<u>489,190</u>	<u>2,359,718</u>
Net assets, end of year	\$ <u>1,967,876</u>	<u>250,796</u>	<u>2,218,672</u>

See accompanying notes to financial statements.

Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary  
Consolidated Statement of Functional Expenses  
Year Ended December 31, 2020

	<u>Lending</u>	<u>Education &amp; Counseling</u>	<u>Foreclosure</u>	<u>Real Estate Development</u>	<u>Total Programs</u>	<u>Management and General</u>	<u>Total</u>
Payroll and related expenses:							
Salaries	\$ 133,374	197,477	4,142	53,376	388,369	80,654	469,023
Employee benefits	39,633	53,799	394	5,178	99,004	18,146	117,150
Payroll taxes	9,596	14,226	312	3,993	28,127	3,977	32,104
	<u>182,603</u>	<u>265,502</u>	<u>4,848</u>	<u>62,547</u>	<u>515,500</u>	<u>102,777</u>	<u>618,277</u>
Operating expenses:							
Advertising	3,144	3,201	-	-	6,345	1,573	7,918
Contractor payments	72,189	-	-	-	72,189	-	72,189
Credit reports	962	511	-	-	1,473	-	1,473
Depreciation and amortization	3,125	-	-	33,661	36,786	8,138	44,924
Downpayment assistance	33,194	-	-	-	33,194	-	33,194
Dues, subscriptions and licenses	2,793	2,152	-	-	4,945	1,080	6,025
Fees and interest	1,121	184	-	-	1,305	854	2,159
Rental assistance	-	217,941	-	-	217,941	-	217,941
Liability insurance	2,944	2,944	-	4,173	10,061	1,471	11,532
Meetings and training	2,703	2,808	-	-	5,511	1,495	7,006
Office expenses	4,113	4,672	-	843	9,628	2,400	12,028
Professional services	27,188	30,212	-	24,426	81,826	6,440	88,266
Real estate taxes	-	-	-	4,314	4,314	-	4,314
Rent	4,045	5,517	-	-	9,562	1,754	11,316
Repairs and maintenance	1,783	1,783	-	13,464	17,030	908	17,938
Software expense	3,222	1,662	-	-	4,884	631	5,515
Utilities	2,261	2,090	-	10,567	14,918	1,303	16,221
	<u>164,787</u>	<u>275,677</u>	<u>-</u>	<u>91,448</u>	<u>531,912</u>	<u>28,047</u>	<u>559,959</u>
Total expenses	\$ <u>347,390</u>	<u>541,179</u>	<u>4,848</u>	<u>153,995</u>	<u>1,047,412</u>	<u>130,824</u>	<u>1,178,236</u>

See accompanying notes to financial statements.



Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary  
Consolidated Statement of Functional Expenses  
Year Ended December 31, 2019

	<u>Lending</u>	<u>Education &amp; Counseling</u>	<u>Foreclosure</u>	<u>Real Estate Development</u>	<u>Total Programs</u>	<u>Management and General</u>	<u>Total</u>
Payroll and related expenses:							
Salaries	\$ 150,467	121,666	23,566	60,066	355,765	48,347	404,112
Employee benefits	35,507	35,028	8,326	5,936	84,797	19,578	104,375
Payroll taxes	11,279	9,163	1,785	4,493	26,720	3,531	30,251
	<u>197,253</u>	<u>165,857</u>	<u>33,677</u>	<u>70,495</u>	<u>467,282</u>	<u>71,456</u>	<u>538,738</u>
Operating expenses:							
Advertising	746	973	249	-	1,968	622	2,590
Bad debt expense	21,000	-	-	-	21,000	-	21,000
Contractor payments	61,686	-	-	-	61,686	-	61,686
Credit reports	1,081	1,564	17	33	2,695	48	2,743
Depreciation and amortization	3,125	-	-	33,661	36,786	10,464	47,250
Downpayment assistance	7,300	-	-	-	7,300	-	7,300
Dues, subscriptions and licenses	2,508	1,722	492	-	4,722	1,166	5,888
Fees and interest	998	143	41	25	1,207	446	1,653
Liability insurance	2,171	2,533	724	3,967	9,395	1,808	11,203
Meetings and training	1,394	1,903	452	-	3,749	1,287	5,036
Office expenses	3,548	4,062	1,204	185	8,999	3,062	12,061
Professional services	29,440	30,952	3,343	26,078	89,813	(46,790)	43,023
Real estate taxes	-	-	-	4,325	4,325	-	4,325
Rent	6,377	2,519	694	-	9,590	1,726	11,316
Repairs and maintenance	1,107	1,291	369	16,932	19,699	945	20,644
Software expense	2,806	1,454	415	-	4,675	560	5,235
Utilities	1,637	1,910	546	10,155	14,248	1,437	15,685
	<u>146,924</u>	<u>51,026</u>	<u>8,546</u>	<u>95,361</u>	<u>301,857</u>	<u>31,781</u>	<u>333,638</u>
Total expenses	\$ <u>344,177</u>	<u>216,883</u>	<u>42,223</u>	<u>165,856</u>	<u>769,139</u>	<u>103,237</u>	<u>872,376</u>

See accompanying notes to financial statements.

Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (105,344)	(141,046)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Amortization	3,125	3,125
Depreciation	41,799	44,125
Bad debts	-	21,000
Loss on sale of real estate	64,931	-
Forgiveness of mortgage notes payable	(64,931)	-
Effects of changes in operating assets and liabilities:		
Accounts receivable	35,152	(34,004)
Development fee receivable	228,309	-
Mortgage receivable	(39,087)	(71,439)
Grants receivable	(163,715)	(33,363)
Prepaid expenses	(11,970)	5,700
Accounts payable	3,019	219
Accrued wages and benefits payable	22,600	1,775
Accrued liabilities	(359)	78
Security deposits and prepaid rent	10	450
Contractor fees payable	<u>10,055</u>	<u>(11,810)</u>
Net cash provided by (used in) operating activities	<u>23,594</u>	<u>(215,190)</u>
Cash flows from investing activities:		
Rehabilitation costs	(185,559)	(134,202)
Investment in The Community Gardens	-	432
Proceeds from sale of real estate	93,000	-
Net redemption of certificates of deposit	173,289	280,561
Purchase of property and equipment	<u>(1,394)</u>	<u>(1,271)</u>
Net cash provided by investing activities	<u>79,336</u>	<u>145,520</u>
Cash flows from financing activities:		
Proceeds from mortgage notes payable	132,275	72,569
Payments on mortgage notes payable	(85,985)	-
Payments for capital leases	<u>(2,971)</u>	<u>(5,113)</u>
Net cash provided by financing activities	<u>43,319</u>	<u>67,456</u>
Net change in cash	146,249	(2,214)
Cash, beginning of year	<u>142,856</u>	<u>145,070</u>
Cash, end of year	\$ <u><u>289,105</u></u>	<u><u>142,856</u></u>
<u>Supplemental disclosure of cash flow information:</u>		
Cash paid for interest	\$ <u>461</u>	<u>407</u>
Noncash investing and financing transactions:		
Additions of office equipment	\$ <u>-</u>	<u>9,730</u>
Less office equipment obtained under capital lease obligation	\$ <u>-</u>	<u>(9,730)</u>

See accompanying notes to financial statements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Description of organization**

Neighborhood Housing Partnership of Greater Springfield, Inc. (NHP), an Ohio not-for-profit organization, is the result of a merger between the Springfield Community Redevelopment Corporation and Springfield Hope in 2002. NHP provides community service in Springfield, Ohio by addressing deteriorating housing stock through the provision of affordable, quality housing and strong neighborhoods through partnerships of residents, businesses and government. Programs offered by NHP include emergency repair loans, home repair loans, home improvement loans, special exterior incentives, down payment assistance, foreclosure counseling, homebuyer education and credit counseling. These programs are either available to residents citywide or to residents located in a specifically targeted area depending on program criteria. Revenues are generated primarily through government grants, development fees, income from loan activities and general contributions.

On September 1, 2016, NHP formed and became the sole shareholder of NHP Senior, Inc., an Ohio corporation. NHP Senior, Inc. is the 0.051% general partner of The Community Gardens L.P., an Ohio limited partnership, which was formed to develop, construct and operate a 50-unit senior housing development.

**Principles of consolidation**

The consolidated financial statements include the accounts of Neighborhood Housing Partnership of Greater Springfield, Inc. and NHP Senior, Inc. All significant intercompany transactions and balances have been eliminated in consolidation.

**Method of accounting**

The consolidated financial statements of Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary (the Organization) have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Financial statement presentation**

The Organization is required to report, where applicable, information regarding its financial position and activities according to three classes of net assets:

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

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions that are likely to be met by actions of the Organization or by the passage of time. Some donor restrictions are permanent in nature whereby the principal is to be maintained intact in perpetuity and that only the income from investment thereof be expended either for the general purpose of the Organization, or purposes specified by the donor. Revolving loan and capital projects funds represent funds provided by Neighborhood Reinvestment Corporation for making loans and for capital projects. All resources granted to this fund must be maintained perpetually. The Organization is permitted to transfer or expend the income derived from capital assets in excess of the relevant perpetual funds (see Note 11).

**Contributions and grants**

Contributions and grants received are recorded as support with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose of restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

**Cash and cash equivalents**

For the purpose of determining cash flows, management deems cash on hand and amounts in demand deposits and certificate of deposit with an original maturity of three months or less to be cash and cash equivalents. All other highly liquid instruments, which are used for long term purposes by the Organization, are classified as investments or certificates of deposit. Certificates of deposit are carried at cost.

**Accounts, grants and loans receivable**

Accounts and unconditional grants receivable are stated at the amount management expects to collect from outstanding balances. Conditional grants receivable are recognized when the conditions have been met, which is likely when the related expenditures have been incurred. Grants awarded but not yet recognized due to conditions not being met were \$56,517 and \$136,686 at December 31, 2020 and 2019, respectively.

Loans are stated at unpaid principal balances, less an allowance for uncollectible loans. Loans are granted to low and middle-income residents of the City of Springfield, Ohio for the purchase of homes and rehabilitation of existing homes. These loans are approved by the loan committee. Interest rates range from 0% to prevailing market rate and loan terms vary. Interest income is recognized based upon the contractual terms of the interest-bearing mortgage notes. All loans more than \$1,000 are secured by mortgages. Non-interest bearing mortgages are payable at the time the mortgagee sells the property.

Forgivable loans are given to clients for down payment assistance. If the client does not sell or transfer their home within the specified term based on the amount of the subsidy, the loan is forgiven.

Management provides for probable uncollectible loans through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual loans. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to loans receivable.

**Property and equipment and depreciation**

Property and equipment is stated at cost, if purchased, or fair value at the date of the gift, if donated. Acquisitions of property and equipment in excess of \$1,000 are capitalized. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years.

**Advertising**

The Organization uses advertising to promote its programs among the community it serves. Advertising costs are expensed as incurred. Advertising expense recognized for the years ended December 31, 2020 and 2019 was \$7,918 and \$2,590, respectively.

**Income taxes and uncertain tax positions**

NHP is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to NHP's tax-exempt purpose is subject to taxation as unrelated business income. NHP's reporting returns are subject to audit by federal and state taxing authorities. No income tax provision has been included in the consolidated financial statements as NHP has determined it does not have unrelated business income subject to taxation. NHP Senior, Inc. is subject to income taxes.

**Functional allocation of expenses**

The costs of providing various program and supporting activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and functional expenses. The Organization charges identifiable costs directly to programs benefited. Indirect costs not specifically attributable to a program are allocated based on an appropriate basis for the cost amongst all programs and management and general. Personnel and related benefit costs are allocated to programs based upon employee input into timesheets. Rental property expenses are allocated to the appropriate individual unit. Expenses for construction or rehabilitation are applied to assets held for rehabilitation identified by property and then transferred to cost of sales once sold.

**Estimates**

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

**Investment in subsidiary**

The Organization 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 the Organization's share of earnings is reflected in income as earned and distributions are credited against the investment when received.

**Revenue from contracts with customers**

A majority of NHP's revenues come from grants, contributions, rental income and interest income that are outside the scope of Accounting Standards Codification (ASC) 606. Services within the scope of ASC 606 include development and program service fees that have performance obligations occurring over time as services are performed. There are no significant financing components related to program service fees, as payments are received at or near the time of the program or service; however, it could take over one year to receive payment of developer fees once earned.

**Subsequent events**

The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying consolidated financial statements consider events through May 26, 2021, the date which the consolidated financial statements were available to be issued.

## 2. CONCENTRATIONS OF RISK:

Financial instruments that potentially subject the Organization to a concentration of credit risk consist principally of cash, certificates of deposit and accounts and notes receivable. The Organization maintains its cash and certificates of deposit accounts in various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization's uninsured cash balances were \$2,918 and \$0 at December 31, 2020 and 2019 respectively.

Concentrations of credit risk with respect to accounts and grants receivable is limited due to the contractual relationship with grantors and other funding sources. There is a concentration of credit risk related to mortgages receivable to the extent the fair values of mortgaged properties exceed loan balances for any past due loan balances and due to the low-income nature of the mortgagees. The Organization receives a significant portion of its revenues from federal grants that are dependent on continued funding.

## 3. MORTGAGES RECEIVABLE:

Mortgages receivable consisted of the following at December 31:

	2020		2019	
	<u>Balance</u>	<u>Number of Loans</u>	<u>Balance</u>	<u>Number of Loans</u>
Neighborworks America funds	\$ -	-	135,614	25
HOME funds	112,950	4	118,707	4
NSP-2 funds	2,376	1	3,168	1
NSP-3 loan pool	236,206	40	226,005	34
NHP unrestricted funds	<u>257,746</u>	<u>28</u>	<u>92,947</u>	<u>3</u>
	609,278	<u>73</u>	576,441	<u>67</u>
Less: Allowance for uncollectible loans	<u>127,875</u>		<u>131,000</u>	
	\$ <u>481,403</u>		<u>445,441</u>	

One and three loan(s) were delinquent greater than thirty days as of December 31, 2020 and 2019, respectively. Delinquent loans greater than 90 days past due were \$48,676 and \$50,127 at December 31, 2020 and 2019, respectively. The Organization does not place any past due loans on nonaccrual status.

#### 4. PROPERTY AND EQUIPMENT:

Property and equipment of the Organization and its related depreciation are as follows at December 31:

	<u>2020</u>	<u>2019</u>
Land, buildings and improvements - City View	\$ 1,820,091	1,820,091
Furniture and fixtures	24,628	24,628
Equipment	34,926	33,533
Office equipment	36,434	36,434
Software	29,691	29,691
Leasehold improvements	<u>87,633</u>	<u>87,633</u>
	2,033,403	2,032,010
Less: Accumulated depreciation	<u>469,422</u>	<u>427,624</u>
	<u>\$ 1,563,981</u>	<u>1,604,386</u>

City View is a low income senior multi-unit residential project. The Organization contracts with a third party to manage the property. Depreciation expense for the years ended December 31, 2020 and 2019 was \$41,799 and \$44,125, respectively.

#### 5. NOTES RECEIVABLE – RELATED PARTY:

As of December 31, 2020 and 2019, the Organization had 2.00% interest notes receivable from The Community Gardens L.P. in the amount of \$389,002. Unpaid principal and interest shall be payable from available cash flow, as defined in the Partnership Agreement, or payable in full at the end of the 30-year terms.

As of December 31, 2020 and 2019, the Organization had a 0.50% interest note receivable from The Community Gardens L.P. in the amount of \$300,000. Unpaid principal and interest are due and payable at maturity on August 22, 2047.

Management has elected to place these notes receivable on nonaccrual status due to the uncertainty of collection. Therefore, the approximately \$17,000 of accrued interest is not recorded as of December 31, 2020.

#### 6. MORTGAGE NOTES PAYABLE:

Mortgage notes payable consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
An open-end HOME / NSP-2 funded demand promissory note secured by a \$1,340,000 mortgage at zero percent interest was executed between the City of Springfield, Ohio and NHP for the construction of the City View residential project.	\$ 1,323,643	1,323,643

## 6. MORTGAGE NOTES PAYABLE (CONTINUED):

Two open-end HOME funded demand promissory notes secured by mortgages totaling \$389,002 at zero percent interest were executed between the City of Springfield, Ohio and NHP for the construction of The Community Gardens project.	389,002	389,002
An open-end promissory note secured by a \$300,000 mortgage at 0.50% interest was executed between the Ohio Housing Finance Agency and NHP for the construction of The Community Gardens project. Principal and interest are due annually based on available cash flow, as defined, maturing on August 22, 2047.	300,000	300,000
Open-end HOME demand promissory notes funded up to \$348,060 between the City of Springfield, Ohio and NHP for the construction of low-income housing.	<u>53,928</u>	<u>72,569</u>
Total mortgage notes payable	2,066,573	2,085,214
Less current portion of mortgage notes payable	<u>53,928</u>	<u>-</u>
Mortgage notes payable, long term	\$ <u>2,012,645</u>	<u>2,085,214</u>

As of December 31, 2020, the only known future maturity is the current portion expected to be paid or forgiven in 2021.

## 7. LEASES:

### Operating lease:

- Office space – In June 2019, a lease was signed for a 12-month term with monthly payments of \$943, ending June 30, 2020. During 2020, NHP started negotiations to purchase the building. The lease will continue on a month-to-month basis until the purchase is complete.

### Capitalized leases:

- The Organization leases a copier with an acquisition cost of \$17,250. Accumulated depreciation related to this asset was \$17,250 and \$15,813 at December 31, 2020 and 2019, respectively.
- In May 2019, the Organization signed a new lease for a copier with an acquisition cost of \$9,730. Accumulated depreciation related to this asset was \$3,081 and \$1,135 at December 31, 2020 and 2019, respectively.



**7. LEASES (CONTINUED):**

A schedule of future minimum lease payments is as follows:

2021	\$ 2,244
2022	2,244
2023	2,244
2024	<u>935</u>
	7,667
Amount representing interest	<u>(722)</u>
	<u>\$ 6,945</u>

**8. PENSION PLAN:**

The Organization maintains a 401(K) Profit Sharing Plan that covers all employees with six months of service with the Organization. The Plan provides for partial vesting after one year and full vesting after three years of service, and benefits are principally based on employees' earnings and/or length of service. The Organization follows the policy of funding the retirement plan contributions as accrued. The amount of pension cost recognized during the years ended December 31, 2020 and 2019 was \$42,857 and \$39,670, respectively.

**9. NET ASSETS WITH DONOR RESTRICTIONS:**

**Purpose Restricted**

Net assets with donor restrictions at December 31, 2020 and 2019 were available for the following purposes:

	<u>2020</u>	<u>2019</u>
CDBG deferred loans	\$ -	12,090
NSP 3 Clark County loan pool	<u>1,626</u>	<u>17,827</u>
	<u>1,626</u>	<u>29,917</u>

**Perpetual**

Net assets with donor restrictions that are perpetual in nature at December 31, 2020 and 2019 were restricted to:

Investment in perpetuity, income from which is expendable to support operations:

NWA Capital Fund	-	85,265
Outstanding loans	<u>-</u>	<u>135,614</u>
	<u>-</u>	<u>220,879</u>
	<u>\$ 1,626</u>	<u>250,796</u>

**10. NEIGHBORWORKS®AMERICA GRANTS:**

The following NeighborWorks®America (NWA) grants were in effect during the years ended December 31, 2020 and 2019:

**Support without NWA restrictions**

NWA provided \$337,627 and \$342,064 in expendable grants during the years ended December 31, 2020 and 2019, respectively, to support program activities.

**Support with NWA restrictions**

NWA provided \$0 capital grants during the years ended December 31, 2020 and 2019, for making affordable loans and capital projects. Capital grants are classified as net assets with donor restrictions although proceeds on capital projects, or interest earned, over and above the corpus may be transferred to net assets without donor restrictions for furthering the Organization's mission. NWA released from perpetual restriction \$220,879 and \$94,663 in 2020 and 2019, respectively.

**11. PAYCHECK PROTECTION PROGRAM:**

On April 24, 2020, the Organization executed a loan of \$96,095, bearing interest at 1% due in April 2022, under the U.S Small Business Administration's (SBA) Paycheck Protection Program (PPP). The conditions of the loan stipulated funds be expended on eligible payroll and other expenses to keep Americans employed through the COVID-19 pandemic to obtain forgiveness. During 2020, the Organization incurred eligible expenses to qualify for full forgiveness and attained formal forgiveness of the loan from the SBA. The full amount forgiven, including accrued interest, is recognized as Paycheck Protection Program income of \$96,753 on the consolidated statement of activities and changes in net assets for the year ended December 31, 2020.

**12. RELATED PARTIES:**

One board member is employed by the City of Springfield that contracts grant funding with the Organization. A board member is employed by a title company that provides title services to the Organization.

### 13. LIQUIDITY:

The Organization is substantially supported by grants and rental and interest income. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations come due. The following table presents the financial assets available to meet cash needs for general expenditures within one year at December 31:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash	\$ 289,105	142,856
Certificates of deposit	488,659	661,948
Accounts receivable	2,282	37,434
Development fee receivable	44,000	176,007
Mortgages receivable, current	39,476	41,287
Grants receivable	<u>224,409</u>	<u>60,694</u>
Financial assets available at year end	1,087,931	1,120,226
Less limitations on available resources:		
Security deposits and prepaid rent	6,085	6,075
Net assets with donor restrictions	<u>1,626</u>	<u>250,796</u>
Financial assets available to meet general expenditures over the next twelve months	\$ <u><u>1,080,220</u></u>	<u><u>863,355</u></u>

### 14. RISKS AND UNCERTAINTIES:

Under the terms of federal grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount or expenditures which may be disallowed by the grantor cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

During 2020, an outbreak of a novel strain of coronavirus (COVID-19) was declared a global pandemic by the World Health Organization. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. Impact on the Organization's funding sources, clients and vendors cannot be predicted, and the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain at this time.

Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary  
Consolidating Schedule of Financial Position  
December 31, 2020

Assets	NHP	NHP Senior, Inc.	Eliminations	Consolidated
	<u>NHP</u>	<u>Senior, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
Current assets:				
Cash	\$ 289,105	-	-	289,105
Certificates of deposit	488,659	-	-	488,659
Accounts receivable	2,282	-	-	2,282
Development fee receivable, current	44,000	-	-	44,000
Mortgages receivable, current	39,476	-	-	39,476
Grants receivable	224,409	-	-	224,409
Prepaid expenses	16,530	-	-	16,530
	<u>1,104,461</u>	<u>-</u>	<u>-</u>	<u>1,104,461</u>
Noncurrent assets:				
Development fee receivable, long-term	311,484			311,484
Mortgages receivable, long-term, net	441,927	-	-	441,927
Notes receivable	689,002	-	-	689,002
Assets held for rehabilitation	167,561	-	-	167,561
Property and equipment, net	1,563,981	-	-	1,563,981
Investment in The Community Gardens	-	92,500	-	92,500
Investment in Subsidiary	92,500	-	(92,500)	-
	<u>3,266,455</u>	<u>92,500</u>	<u>(92,500)</u>	<u>3,266,455</u>
	<u>\$ 4,370,916</u>	<u>92,500</u>	<u>(92,500)</u>	<u>4,370,916</u>
Liabilities and Net Assets				
Current liabilities:				
Accounts payable, trade	\$ 12,583	-	-	12,583
Accrued wages and benefits payable	55,840	-	-	55,840
Accrued liabilities	83,462	-	-	83,462
Current portion of capital lease obligation	1,894	-	-	1,894
Mortgage notes payable, current	53,928	-	-	53,928
Security deposits and prepaid rent	6,085	-	-	6,085
Contractor fees payable	26,100	-	-	26,100
	<u>239,892</u>	<u>-</u>	<u>-</u>	<u>239,892</u>
Noncurrent liabilities:				
Mortgage notes payable	2,012,645	-	-	2,012,645
Capital lease obligation, long term	5,051	-	-	5,051
	<u>2,017,696</u>	<u>-</u>	<u>-</u>	<u>2,017,696</u>
Net assets:				
Without donor restrictions	2,111,702	92,500	(92,500)	2,111,702
With donor restrictions	1,626	-	-	1,626
	<u>2,113,328</u>	<u>92,500</u>	<u>(92,500)</u>	<u>2,113,328</u>
	<u>\$ 4,370,916</u>	<u>92,500</u>	<u>(92,500)</u>	<u>4,370,916</u>

See independent auditors' report.

Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary  
Consolidating Schedule of Financial Position  
December 31, 2019

Assets	NHP	NHP Senior, Inc.	Eliminations	Consolidated
	<u>NHP</u>	<u>Senior, Inc.</u>	<u>Eliminations</u>	<u>Consolidated</u>
Current assets:				
Cash	\$ 142,856	-	-	142,856
Certificates of deposit	661,948	-	-	661,948
Accounts receivable	37,434	-	-	37,434
Development fee receivable	176,007	-	-	176,007
Mortgages receivable, current	41,287	-	-	41,287
Grants receivable	60,694	-	-	60,694
Prepaid expenses	4,560	-	-	4,560
	<u>1,124,786</u>	<u>-</u>	<u>-</u>	<u>1,124,786</u>
Noncurrent assets:				
Development fee receivable, long-term	407,786	-	-	407,786
Mortgages receivable, long-term, net	404,154	-	-	404,154
Note receivable	689,002	-	-	689,002
Assets held for rehabilitation	139,933	-	-	139,933
Property and equipment, net	1,604,386	-	-	1,604,386
Investment in The Community Gardens	-	92,500	-	92,500
Investment in Subsidiary	92,500	-	(92,500)	-
	<u>3,337,761</u>	<u>92,500</u>	<u>(92,500)</u>	<u>3,337,761</u>
	<u>\$ 4,462,547</u>	<u>92,500</u>	<u>(92,500)</u>	<u>4,462,547</u>
Liabilities and Net Assets				
Current liabilities:				
Accounts payable, trade	\$ 9,564	-	-	9,564
Accrued wages and benefits payable	33,240	-	-	33,240
Accrued liabilities	83,821	-	-	83,821
Current portion of capital lease obligation	3,410	-	-	3,410
Security deposits and prepaid rent	6,075	-	-	6,075
Contractor fees payable	16,045	-	-	16,045
	<u>152,155</u>	<u>-</u>	<u>-</u>	<u>152,155</u>
Noncurrent liabilities:				
Mortgage note payable	2,085,214	-	-	2,085,214
Capital lease obligation, long term	6,506	-	-	6,506
	<u>2,091,720</u>	<u>-</u>	<u>-</u>	<u>2,091,720</u>
Net assets:				
Without donor restrictions	1,967,876	92,500	(92,500)	1,967,876
With donor restrictions	250,796	-	-	250,796
	<u>2,218,672</u>	<u>92,500</u>	<u>(92,500)</u>	<u>2,218,672</u>
	<u>\$ 4,462,547</u>	<u>92,500</u>	<u>(92,500)</u>	<u>4,462,547</u>

See independent auditors' report.

Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2020

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Grant Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed through Neighborhood Reinvestment Corporation dba NeighborWorks America:</i>			
Housing Counseling Assistance Program	14.169	See Note 2	\$ 29,627
 <i>Pass through the City of Springfield, Ohio:</i>			
Community Development Block Grant	14.218	See Note 2	190,725
COVID-19 Community Development Block Grant	14.218	See Note 2	75,000
HOME Investment Partnerships Program	14.239	See Note 2	162,413
			<u>428,138</u>
Total U.S. Department of Housing and Urban Development			<u>457,765</u>
 <u>U.S. Department of Health and Human Services</u>			
<i>Pass through the Clark County Department of Jobs and Family Services</i>			
Temporary Assistance to Needy Families	93.558	See Note 2	75,467
Social Services Block Grant	93.667	See Note 2	27,247
Total U.S. Department of Health and Human Services			<u>102,714</u>
 <u>U.S. Department of Treasury</u>			
<i>Passed through Neighborhood Reinvestment Corporation dba NeighborWorks America:</i>			
Expendable Grant	21.000	See Note 2	222,500
Lending and Loan Portfolio Management	21.000	See Note 2	50,000
Capacity Building	21.000	See Note 2	35,000
NeighborWorks Week	21.000	See Note 2	500
Total U.S. Department of Treasury			<u>308,000</u>
Total expenditures of federal awards			\$ <u>868,479</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") reflects the expenditures of Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary (the Organization) 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 the Organization, it is not intended to, and does not, present the financial position, activities and cash flows of the Organization for the year ended December 31, 2020.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR FEDERAL AWARD EXPENDITURES:**

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.

Pass-through entity identifying numbers are presented where available. In addition, the Organization passed through \$35,000 of Neighborhood Reinvestment Corporation federal awards to subrecipients during the year ended December 31, 2020.

The Organization has elected not to use the 10 percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

**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**

To the Board of Directors  
Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary  
Springfield, 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, the consolidated financial statements of Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary (the Organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 26, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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



**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio

May 26, 2021

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

To the Board of Directors  
Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary  
Springfield, Ohio

**Report on Compliance for Each Major Federal Program**

We have audited Neighborhood Housing Partnership of Greater Springfield, Inc. and Subsidiary's (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2020. The Organization's 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 each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

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

**Report on Internal Control Over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material 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.

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

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
May 26, 2021

## **Section I – Summary of Auditors’ Results**

### Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Noncompliance material to financial statements noted?	None noted

### Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance 2 CFR 200.516(a)?	None noted
Identification of major programs:	
CFDA# 14.239 – HOME Investment Partnerships Program	
CFDA# 14.218 – Community Development Block Grants	
Dollar threshold to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

## **Section II – Financial Statement Findings**

None noted

## **Section III – Federal Awards Findings and Questioned Costs**

None noted

## **Section IV – Summary Schedule of Prior Audit Findings**

No findings were reported in 2019.

