



# **Diocese of Cleveland Facilities Services Corporation and Subsidiaries**

**Consolidated Financial Statements and Supplementary Information with  
Report of Independent Auditors**

**December 31, 2020 and 2019**

**DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION  
AND SUBSIDIARIES**

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Report of Independent Auditors

To the Board of Trustees of  
Diocese of Cleveland Facilities Services Corporation and Subsidiaries  
Cleveland, Ohio

*Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of Diocese of Cleveland Facilities Services Corporation and Subsidiaries (“Corporation”), 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 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 did not audit the financial statements of St. Lucy Senior, LLC and St. Richard Senior, LLC, former subsidiaries, which statements reflect total assets of \$0 as of December 31, 2020, and total revenues of \$352,778 for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for St. Lucy Senior, LLC and St. Richard Senior, LLC, is based solely on the reports of the other auditors. 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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 auditors consider 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, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Diocese of Cleveland Facilities Services Corporation and Subsidiaries 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.

### *Emphasis of Matter*

As discussed in Note 1, the consolidated financial statements of Diocese of Cleveland Facilities Services Corporation and Subsidiaries do not include the consolidation of St. Lucy Senior, LLC and St. Richard Senior, LLC after July 17, 2020 and November 11, 2020, respectively. Our opinion is not modified with respect to this matter.

As discussed in Note 13, subsequent to the date of the financial statements, the Corporation sold its ownership interest in the remaining LIHTC partnerships/LLCs. Our opinion is not modified with respect to this matter.

### *Report on the Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 34 through 39 in the supplementary information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual companies, and is not a required part of the consolidated financial statements. The supplementary information on pages 31 to 33 is presented for purpose 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Novogradac & Company LLP*

Cleveland, Ohio  
July 28, 2021

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019

|   | 2020          | 2019          |
|---|---------------|---------------|
| ASSETS  |               |               |
| PROPERTY AND EQUIPMENT  |               |               |
| Land  | \$ 4,227,229  | \$ 4,227,229  |
| Buildings   | 32,991,480    | 31,968,798    |
| Building improvements   | 6,940,182     | 6,822,552     |
| Land improvements   | 1,090,121     | 1,090,121     |
| Fixed equipment   | 6,307,760     | 6,307,760     |
| Office equipment and fixtures   | 129,029       | 129,029       |
| Vehicles  | 139,461       | 139,461       |
| Construction in progress  | 13,225        | 135,766       |
| Total property and equipment  | 51,838,487    | 50,820,716    |
| Less accumulated depreciation   | (29,523,894)  | (28,228,109)  |
| Net property and equipment  | 22,314,593    | 22,592,607    |
| OTHER ASSETS  |               |               |
| Cash and cash equivalents   | 871,088       | 353,899       |
| Accounts receivable - related parties   | 72,677        | 196,406       |
| Accounts receivable - other   | 156,780       | 422,940       |
| Prepaid expenses  | 69,264        | 51,755        |
| Notes receivable - related parties, including interest, net of allowance<br>for uncollectible accounts of \$0 and \$1,066,850, respectively | 25,183        | 235,000       |
| Total assets in consolidated partnerships/LLCs  | 2,581,918     | 11,098,535    |
| Total other assets  | 3,776,910     | 12,358,535    |
| Total assets  | \$ 26,091,503 | \$ 34,951,142 |

See notes to consolidated financial statements

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
DECEMBER 31, 2020 AND 2019

|   | 2020              | 2019              |
|---|-------------------|-------------------|
| LIABILITIES AND NET ASSETS                                  |                   |                   |
| LIABILITIES   |                   |                   |
| Accounts payable - trade                                    | \$ 152,807        | \$ 125,567        |
| Accrued expenses  | 47,883            | 44,598            |
| Accrued interest  | 172,995           | 277,550           |
| Deferred revenues:  |                   |                   |
| Other   | 67,278            | 71,128            |
| Interest rate swap liability                                | 156,466           | 85,060            |
| Notes and mortgages payable                                 | 5,462,782         | 6,574,013         |
| Total liabilities in consolidated partnerships/LLCs         | 1,771,291         | 4,062,291         |
| Total liabilities   | 7,831,502         | 11,240,207        |
| NET ASSETS  |                   |                   |
| Non-controlling interest                                    | 481,469           | 5,304,506         |
| Without donor restrictions                                  | 19,110,882        | 18,585,106        |
| With donor restrictions                                     | 634,210           | 691,865           |
| Partners'/members' equity in consolidated partnerships/LLCs | (1,966,560)       | (870,542)         |
| Total net assets  | 18,260,001        | 23,710,935        |
| <br>Total liabilities and net assets                        | <br>\$ 26,091,503 | <br>\$ 34,951,142 |

See notes to consolidated financial statements

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2020

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|---|-------------------------------|----------------------------|----------------------|
| <b>REVENUE AND SUPPORT</b>  |                               |                            |                      |
| Rental income   | \$ 2,620,074                  | \$ -                       | \$ 2,620,074         |
| Catholic Charities - operating  | 155,412                       | -                          | 155,412              |
| Investment income   | 1,053                         | -                          | 1,053                |
| Diocese of Cleveland fees   | 408,636                       | -                          | 408,636              |
| Contributions from individuals, foundations, trusts, and miscellaneous income | 504,654                       | -                          | 504,654              |
| Total revenue from consolidated partnerships/LLC                              | 917,087                       | -                          | 917,087              |
| Net assets released from restriction  | 57,655                        | (57,655)                   | -                    |
| Total revenue and support   | <u>4,664,571</u>              | <u>(57,655)</u>            | <u>4,606,916</u>     |
| <b>EXPENDITURES</b>   |                               |                            |                      |
| Program services  | 3,906,780                     | -                          | 3,906,780            |
| Administrative and support  | 546,065                       | -                          | 546,065              |
| Total expenses from consolidated partnerships/LLC                             | <u>919,869</u>                | <u>-</u>                   | <u>919,869</u>       |
| Total expenditures  | <u>5,372,714</u>              | <u>-</u>                   | <u>5,372,714</u>     |
| Changes in net assets before other expenditures                               | (708,143)                     | (57,655)                   | (765,798)            |
| <b>OTHER EXPENDITURES</b>   |                               |                            |                      |
| Change in fair value interest rate swap                                       | <u>(71,406)</u>               | <u>-</u>                   | <u>(71,406)</u>      |
| Total other expenditures  | <u>(71,406)</u>               | <u>-</u>                   | <u>(71,406)</u>      |
| Changes in net assets from continuing operations                              | (779,549)                     | (57,655)                   | (837,204)            |
| <b>DISCONTINUED OPERATIONS</b>  |                               |                            |                      |
| Total revenues of discontinued partnerships/LLCs                              | 352,778                       | -                          | 352,778              |
| Total expenses of discontinued partnerships/LLCs                              | (636,701)                     | -                          | (636,701)            |
| Decrease in net assets of discontinued partnerships/LLCs                      | (5,550,654)                   | -                          | (5,550,654)          |
| Gain on disposal of partnerships/LLCs   | 106,439                       | -                          | 106,439              |
| Total discontinued operations   | <u>(5,728,138)</u>            | <u>-</u>                   | <u>(5,728,138)</u>   |
| Change in net assets before capital contributions and transfers of net assets | (6,507,687)                   | (57,655)                   | (6,565,342)          |
| Capital contributions   | 871,863                       | -                          | 871,863              |
| Transfer of net assets  | <u>242,545</u>                | <u>-</u>                   | <u>242,545</u>       |
| Change in net assets  | (5,393,279)                   | (57,655)                   | (5,450,934)          |
| NET ASSETS AT BEGINNING OF YEAR   | <u>23,019,070</u>             | <u>691,865</u>             | <u>23,710,935</u>    |
| NET ASSETS AT END OF YEAR   | <u>\$ 17,625,791</u>          | <u>\$ 634,210</u>          | <u>\$ 18,260,001</u> |

See notes to consolidated financial statements

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2019

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|---|-------------------------------|----------------------------|----------------------|
| <b>REVENUE AND SUPPORT</b>  |                               |                            |                      |
| Rental income   | \$ 2,533,252                  | \$ -                       | \$ 2,533,252         |
| Catholic Charities - operating  | 155,412                       | -                          | 155,412              |
| Investment income   | 3,551                         | -                          | 3,551                |
| Diocese of Cleveland fees   | 541,620                       | -                          | 541,620              |
| Contributions from individuals, foundations, trusts, and miscellaneous income | 719,597                       | -                          | 719,597              |
| Total revenue from consolidated partnerships/LLC                              | 1,274,492                     | -                          | 1,274,492            |
| Net assets received from restriction  | 57,655                        | (57,655)                   | -                    |
| Total revenue and support   | <u>5,285,579</u>              | <u>(57,655)</u>            | <u>5,227,924</u>     |
| <b>EXPENDITURES</b>   |                               |                            |                      |
| Program services  | 3,900,485                     | -                          | 3,900,485            |
| Administrative and support  | 614,492                       | -                          | 614,492              |
| Total expenses from consolidated partnerships/LLC                             | <u>1,924,285</u>              | <u>-</u>                   | <u>1,924,285</u>     |
| Total expenditures  | <u>6,439,262</u>              | <u>-</u>                   | <u>6,439,262</u>     |
| Change in net assets before other income (expenditures)                       | (1,153,683)                   | (57,655)                   | (1,211,338)          |
| <b>OTHER INCOME (EXPENDITURES)</b>  |                               |                            |                      |
| Change in fair value interest rate swap                                       | (66,508)                      | -                          | (66,508)             |
| Loss on sale of property and equipment  | (15,882)                      | -                          | (15,882)             |
| Total other income (expenditures)   | <u>(82,390)</u>               | <u>-</u>                   | <u>(82,390)</u>      |
| Change in net assets before capital contributions and transfers of net assets | (1,236,073)                   | (57,655)                   | (1,293,728)          |
| Capital contributions   | 471,863                       | -                          | 471,863              |
| Transfer of net assets  | <u>(542,805)</u>              | <u>-</u>                   | <u>(542,805)</u>     |
| Change in net assets  | (1,307,015)                   | (57,655)                   | (1,364,670)          |
| NET ASSETS AT BEGINNING OF YEAR   | <u>24,326,085</u>             | <u>749,520</u>             | <u>25,075,605</u>    |
| NET ASSETS AT END OF YEAR   | <u>\$ 23,019,070</u>          | <u>\$ 691,865</u>          | <u>\$ 23,710,935</u> |

See notes to consolidated financial statements



DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| EXPENDITURES                     | 2020                |                               |                     |
|----------------------------------|---------------------|-------------------------------|---------------------|
|                                  | Program<br>Services | Administrative<br>and Support | Total               |
| Salaries and benefits            | \$ 1,128,622        | \$ 260,518                    | \$ 1,389,140        |
| Education and awareness          | -                   | 6,135                         | 6,135               |
| Occupancy                        | 271,514             | 51,546                        | 323,060             |
| Professional services            | 19,544              | 148,010                       | 167,554             |
| Office expenses                  | 16,515              | 23,155                        | 39,670              |
| Organization and membership dues | 50                  | 2,564                         | 2,614               |
| Information technologies         | -                   | 42,860                        | 42,860              |
| Travel                           | 18,447              | 8,448                         | 26,895              |
| Bad debt                         | -                   | 1,598                         | 1,598               |
| Repairs and maintenance          | 392,631             | 346                           | 392,977             |
| Utilities                        | 492,396             | -                             | 492,396             |
| Real estate taxes                | 6,853               | 733                           | 7,586               |
| Insurance                        | 65,228              | 152                           | 65,380              |
| Interest                         | 199,195             | -                             | 199,195             |
| Depreciation                     | 1,295,785           | -                             | 1,295,785           |
| <b>Total expenditures</b>        | <b>\$ 3,906,780</b> | <b>\$ 546,065</b>             | <b>\$ 4,452,845</b> |

| EXPENDITURES                     | 2019                |                               |                     |
|----------------------------------|---------------------|-------------------------------|---------------------|
|                                  | Program<br>Services | Administrative<br>and Support | Total               |
| Salaries and benefits            | \$ 1,121,118        | \$ 248,004                    | \$ 1,369,122        |
| Education and awareness          | 96                  | 6,082                         | 6,178               |
| Occupancy                        | 236,540             | 52,183                        | 288,723             |
| Professional services            | 8,538               | 234,739                       | 243,277             |
| Office expenses                  | 8,162               | 20,080                        | 28,242              |
| Organization and membership dues | -                   | 3,250                         | 3,250               |
| Information technologies         | 559                 | 39,925                        | 40,484              |
| Travel                           | 30,620              | 8,593                         | 39,213              |
| Repairs and maintenance          | 434,992             | 69                            | 435,061             |
| Utilities                        | 527,533             | -                             | 527,533             |
| Real estate taxes                | (2,362)             | 1,407                         | (955)               |
| Insurance                        | 62,255              | 160                           | 62,415              |
| Interest                         | 191,059             | -                             | 191,059             |
| Depreciation                     | 1,281,375           | -                             | 1,281,375           |
| <b>Total expenditures</b>        | <b>\$ 3,900,485</b> | <b>\$ 614,492</b>             | <b>\$ 4,514,977</b> |

See notes to consolidated financial statements

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

|  | 2020           | 2019           |
|--|----------------|----------------|
| Cash flows from operating activities:  |                |                |
| Decrease in net assets   | \$ (6,565,342) | \$ (1,293,728) |
| Adjustments to reconcile decrease in net assets to net cash provided by operating activities:                      |                |                |
| Depreciation   | 1,295,785      | 1,281,375      |
| Change in fair value interest rate swap  | 71,406         | 66,508         |
| Loss on sale of property and equipment   | -              | 15,882         |
| Decrease in net assets of discontinued component entities  | 5,550,654      | -              |
| Gain on disposal of partnerships/LLCs  | (106,439)      | -              |
| Deferred interest in consolidated partnerships/LLCs  | 17,244         | 16,642         |
| Depreciation in consolidated partnerships/LLCs   | 430,356        | 563,241        |
| Amortization in consolidated partnerships/LLCs   | 11,042         | 8,957          |
| Debt issuance costs in consolidated partnerships/LLCs  | 17,244         | 16,642         |
| (Increase) decrease in operating assets:   |                |                |
| Accounts receivable - related parties  | 123,729        | (98,129)       |
| Accounts receivable - other  | 266,160        | (321,623)      |
| Prepaid expenses   | (17,509)       | (35,205)       |
| Increase (decrease) in operating liabilities:  |                |                |
| Accounts payable - trade   | 27,240         | 28,650         |
| Accrued expenses   | 3,285          | (41,661)       |
| Accrued interest   | (104,555)      | 30,947         |
| Net change in operating consolidated partnerships/LLCs   | (678,972)      | 75,897         |
| Net cash provided by operating activities  | 341,328        | 314,395        |
| Cash flows from investing activities:  |                |                |
| Purchases of property and equipment  | (1,017,771)    | (3,427,529)    |
| Proceeds from sale of property and equipment   | -              | 584,118        |
| Proceeds from sales of partnerships/LLCs   | 154,000        | -              |
| Interest on notes receivable - related party   | (25,183)       | -              |
| Net investments in consolidated partnerships/LLCs  | (27,154)       | -              |
| Net cash used in investing activities  | (916,108)      | (2,843,411)    |
| Cash flows from financing activities:  |                |                |
| Increase (decrease) in deferred revenues   | (3,850)        | 37,837         |
| Proceeds from notes and mortgages payable  | 539,753        | 2,486,838      |
| Payments on notes and mortgages payable  | (156,494)      | -              |
| Proceeds from contributions by non-controlling interest  | 871,863        | 471,863        |
| Transfer of cash received from (paid to) Catholic Charities Corporation  | 242,545        | (542,805)      |
| Repayments on financings in consolidated partnerships/LLCs   | (888,236)      | (497,189)      |
| Net cash provided by financing activities  | 605,581        | 1,956,544      |
| Net increase (decrease) in cash and cash equivalents   | 30,801         | (572,472)      |
| Cash and cash equivalents - beginning  | 1,246,020      | 1,818,492      |
| Cash and cash equivalents - ending*  | \$ 1,276,821   | \$ 1,246,020   |
| Supplemental Disclosure of Cash Flow Information:  |                |                |
| Cash paid during the year for interest   | \$ 199,195     | \$ 191,059     |
| * Ending cash and cash equivalents includes cash and restricted cash from consolidated partnerships/LLCs' totaling | \$ 405,733     | \$ 892,121     |

See notes to consolidated financial statements

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION  
AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

1. Organization

Purpose

Diocese of Cleveland Facilities Services Corporation (“DCFSC” or “Corporation”) f.k.a. Catholic Charities Facilities Corporation provides leadership and expertise in the planning, construction management, construction financing, maintenance and renovation of the buildings in which the charitable activities of Catholic Charities Corporation (“CCC”) and the Catholic Diocese of Cleveland occur. DCFSC and Catholic Charities Housing Corporation (“CCHC”) develop affordable housing within the Catholic Diocese of Cleveland (“Diocese”).

The consolidated financial statements include the accounts of:

Diocese of Cleveland Facilities Services Corporation,

Catholic Charities Housing Corporation which is a wholly-controlled subsidiary of DCFSC,

The Corporation holds 100% interest in Elder Housing Two Corporation, Elder Housing Four Corporation, and Elder Housing Eight Corporation, who are all wholly-owned subsidiaries of the Corporation and were carried at a cost of \$-0-.

The following Partnerships/LLCs were formed for the purpose of constructing and operating an affordable housing project located in Cuyahoga County, Ohio, Lorain County, Ohio, or Geauga County, Ohio. The following Partnerships/LLCs qualified for federal low-income housing tax credits (“LIHTC”) (collectively, “LIHTC Partnerships/LLCs”) in which the Corporation is the controlling partner/member:

| LIHTC Partnership/LLC Name<br>and Controlling Partner(s) | Ownership % | Date acquired   | Number of<br>rental units |
|--|-------------|-----------------|---------------------------|
| Ascension Village Limited Partnership                    |             | August 19, 1993 | 60                        |
| *Elder Housing One Corporation                           | 1.0000%     |                 |                           |
| **Catholic Charities Housing Corporation                 | 99.0000%    |                 |                           |
| Nativity Manor L.P.                                      |             | March 9, 2001   | 38                        |
| *Elder Housing Three Corporation                         | 0.0250%     |                 |                           |
| ***Catholic Charities Housing Corporation                | 99.9000%    |                 |                           |
| St. Richard Senior LLC                                   |             | N/A             | N/A                       |
| ****Elder Housing Five Corporation                       | 0.0000%     |                 |                           |
| Nativity Homes LLC                                       |             | August 11, 2006 | 18                        |
| *Elder Housing Six Corporation                           | 0.0510%     |                 |                           |
| St. Lucy Senior LLC                                      |             | N/A             | N/A                       |
| *****Elder Housing Seven Corporation                     | 0.0000%     |                 |                           |

\* Wholly-owned subsidiary of the Corporation.

\*\* Wholly-controlled subsidiary of the Corporation

\*\*\* Wholly-controlled subsidiary of the Corporation; effective 10/31/2020 upon transfer of partnership interest.

\*\*\*\* Wholly-owned subsidiary of the Corporation; effective 11/11/2020 upon sale of partnership interest.

\*\*\*\*\* Wholly-owned subsidiary of the Corporation; effective 7/17/2020 upon sale of partnership interest.

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION  
AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2020 and 2019

1. Organization (continued)

During the year ended December 31, 2020, the Corporation sold its ownership interests in St. Lucy Senior, LLC and St. Richard Senior, LLC totaling 68 units of affordable residential housing to a third party who will maintain the properties as affordable housing for an aggregate sales price of \$154,000. As a result of these sales, the Corporation no longer consolidates these entities. For the year ended December 31, 2020, the Corporation recognized aggregate losses of \$5,444,215 on the disposition of the formerly consolidated entities, which is included in decrease in net assets of discontinued partnerships/LLCs and gain on disposal of partnerships/LLCs on the accompanying consolidated statements of activities and changes in net assets.

Subsequent to year end, the Corporation sold its ownership interest in the remaining LIHTC partnerships/LLCs as further discussed in Note 13.

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Corporation prepares its consolidated financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Basis of presentation

The consolidated statements of financial position is formatted to report property and equipment (and the related debt, if applicable) above other assets in order to disclose operating, revenue-producing assets (and the related liabilities, if applicable) first. This format does not disclose assets and liabilities in order of liquidity.

The Corporation is required to report information regarding its financial position and activities according to the following net asset classifications:

***Net assets without donor restrictions:*** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose, at the discretion of the Corporation's management and the board of the directors, in performing the primary objectives of the Corporation.

***Net assets with donor restrictions:*** Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Principles of consolidation

The Corporation's consolidated financial statements include the accounts of majority-owned, controlled subsidiaries, and operating partnerships/LLCs that the Corporation controls.

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION  
AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2020 and 2019

2. Summary of significant accounting policies and nature of operations (continued)

Principles of consolidation (continued)

DCFSC is required to consolidate the LIHTC Partnerships/LLCs based on its controlling interest as managing general partner or managing member. The profits and losses are allocated between partners/members as defined in the respective partnership/operating agreements. The amount of equity allocated to the limited partners/investor members is reflected as non-controlling interest in the consolidated statements of financial position (see Note 5 for additional information related to the operations of the LIHTC Partnerships/LLCs). All material inter-company balances and transactions have been eliminated in consolidation.

DCFSC no longer controlled St. Lucy Senior LLC and St. Richard Senior LLC as of July 17, 2020 and November 11, 2020, respectively, and are no longer consolidated as of the aforementioned dates.

Estimates

The preparation of the consolidated financial statements in accordance 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.

Property and equipment and depreciation

Land at Fatima Family Center, Father Albert House and St. Clarence is recorded at cost; all other land, the St. Augustine Manor property, the St. Augustine Towers property, the Covenant property and the Philip Neri Ministry Center property are recorded at fair value at the time of their respective transfers; all other buildings are recorded at estimated replacement cost less accumulated depreciation at the date of transfer to DCFSC and CCHC. Additions and construction in progress for the Corporation are stated at cost when purchased. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Expenditures for normal repairs and maintenance are charged to expense as incurred. The useful lives of the assets are estimated as follows:

|                               |               |
|-------------------------------|---------------|
| Buildings                     | 20 – 40 years |
| Building improvements         | 10 – 20 years |
| Land improvements             | 10 – 20 years |
| Fixed equipment               | 5 – 20 years  |
| Office equipment and fixtures | 3 – 5 years   |
| Vehicles                      | 5 years       |

Land, building and improvements, and furnishings and equipment at the LIHTC Partnerships/LLCs are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations using straight-line and modified accelerated cost recovery system (“MACRS”), which approximates generally accepted accounting principles (“GAAP”). The life of the assets for depreciation purposes may be different than their actual economic useful lives.

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2. Summary of significant accounting policies and nature of operations (continued)

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Restricted cash is not considered cash and cash equivalents and includes cash held with financial institutions for refunds of tenant security deposits, real estate tax and insurance escrows, repairs or improvements to the buildings which extend their useful lives, funding of operating deficits, and funding certain costs during lease-up. Restricted cash does not fall under the criteria for net assets with donor restrictions as these funds are held for operational purposes rather than donor restricted purposes.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position to the total of the same such amounts shown on the statements of cash flows as of December 31,:

|   | 2020         | 2019         |
|---|--------------|--------------|
| Cash and cash equivalents   | \$ 871,088   | \$ 353,899   |
| Cash and cash equivalents, included in<br>investment assets in Partnerships/LLCs          | 21,576       | 89,225       |
| Restricted cash, included in<br>investment assets in Partnerships/LLCs                    | 384,157      | 802,896      |
| Total cash, cash equivalents and restricted cash<br>shown on the statements of cash flows | \$ 1,276,821 | \$ 1,246,020 |

Concentration of credit risk

The Corporation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. The Corporation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable

Accounts receivable for the Corporation is stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. The remaining outstanding balance after management has used reasonable collection efforts is generally written off through a charge to the valuation allowance and a credit to trade accounts receivable.

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2. Summary of significant accounting policies and nature of operations (continued)

Notes receivable

Notes receivable for the Corporation is stated at the amount of unpaid principal and accrued interest. Interest is recorded as deferred revenue due to the uncertainty of collections. Management monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of the accounts. The remaining outstanding balance after management has used reasonable collection efforts is written off through a charge to the valuation allowance and a credit to notes receivable.

Investments

Ownership interests in investee partnerships are stated at cost which approximates fair value as follows:

| Entity Name                               | Ownership % | Date acquired    | Cost, December 31, |      |
|---|-------------|------------------|--------------------|------|
|   |             |                  | 2020               | 2019 |
| Willoughbeach Terrace Limited Partnership | 0.0510%     | January 15, 2013 | \$ -               | \$ - |

Revenue recognition

Revenue is principally derived from one year or longer termed operating leases on buildings owned by the Corporation. Accordingly, rental revenue is recognized in accordance with the lease terms. The Diocese and CCC fees are an allocation of support for operating activities. CCC also provides fees for support for capital projects.

CCHC entered into mortgage note agreements with Cuyahoga County Developmental Disabilities Services (“CCDDS”) and Cuyahoga County Board of Mental Retardation and Developmental Disabilities (“CCBMRDD”) (collectively, “Payees”). The mortgage notes require no repayment as long as there is no breach of provisions as further discussed in Note 6. Revenue from the mortgage notes was recognized when received in 2016 and recorded as net assets with donor restrictions. The mortgage notes were forgiven subsequent to year end upon the sale of the Corporation’s ownership interest in Ascension Village Limited Partnership.

Grants are recognized when the donor makes a promise to give that is, in substance, unconditional. Upon recognition as revenue, grants are recorded as net assets with donor restrictions based on the directions of the donor.

Rental revenue at the LIHTC Partnerships/LLCs is attributable to residential leases and is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Other income includes fees for late payments, cleaning, damages, laundry facilities and other charges and is recorded when earned.

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2. Summary of significant accounting policies and nature of operations (continued)

Interest rate swap agreement

The interest rate swap agreement is recognized as an asset or liability at its fair values in the consolidated statements of financial position with the change in the fair value reported in the change in net assets. The instrument is classified on the consolidated statements of financial position as an interest swap rate liability and the change in the fair values is recorded on the statements of activities as change in fair value interest rate swap. For the years ended December 31, 2020 and 2019, the Corporation recognized a loss of \$71,406 and \$66,508, respectively.

Fair value measurements

The Corporation applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Unobservable inputs that reflect the Corporation's own assumptions.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the valuation methods are determined to be appropriate and consistent within the industry, the use of different methodologies or assumptions to determine the fair value of certain assets and liabilities could result in a different estimate of fair value at the report date.



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2. Summary of significant accounting policies and nature of operations (continued)

Fair value measurements (continued)

The table below presents amounts at December 31, 2020 and 2019 for significant items measured at fair value on a recurring basis. The fair values of the interest rate swaps are based on notional amounts, interest rates, maturity date and other contract terms. The fair values of the interest rate swap contracts are valued using third-party measurements as follows:

| December 31,                        | Level 2<br>2020 | Level 2<br>2019 |
|-------------------------------------|-----------------|-----------------|
| Interest rate swap liability - CCHC | \$ 156,466      | \$ 85,060       |

Income taxes

The Corporation is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Contributions, if any, would qualify as charitable contributions.

Elder Housing One, Two, Three, Four, Five, Six, Seven, and Eight Corporations are taxable entities under the Internal Revenue Code.

The entities are taxed at the individual corporation level. The LIHTC Partnerships/LLCs are taxable entities under the Internal Revenue Code. No provision or benefit for income taxes related to these entities has been included in these consolidated financial statements since taxable income passes through to, and is reportable by, the partners/members individually.

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires the Corporation to report information regarding its exposure to various tax positions taken by the Corporation. The Corporation has determined whether any tax positions have met the recognition threshold and has measured the Corporation's exposure to those tax positions. Management believes that the Corporation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Corporation are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying consolidated financial statements.

Functional expenses

The costs of providing program services and other activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of the Corporation. The primary expenses include salaries and benefits, occupancy costs, professional services, office expenses, information technologies, travel and insurance. The allocations are based on staff's time allocated, with the exception of insurance, which is allocated using specific property billing.

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December 31, 2020 and 2019

3. Liquidity and availability of financial assets

The following represents DCFSC's and CCHC's financial assets at December 31,:

|  |                     |                   |
|--|---------------------|-------------------|
| Financial assets at year end:  | 2020                | 2019              |
| Cash and cash equivalents  | \$ 871,088          | \$ 353,899        |
| Receivables collectible within one year  | 255,398             | 619,346           |
| Total financial assets   | <u>\$ 1,126,486</u> | <u>\$ 973,245</u> |
| Less amounts not available to be used within one year:                                 |                     |                   |
| Net assets with donor restrictions   | <u>(634,210)</u>    | <u>(691,865)</u>  |
|  | <u>(634,210)</u>    | <u>(691,865)</u>  |
| Financial assets available to meet general expenditures<br>over the next twelve months | <u>\$ 492,276</u>   | <u>\$ 281,380</u> |

The Corporation's goal is generally to maintain financial assets to meet 90 days of operating expenses and reasonably predictable levels of capital repair needs. These assets are held in short term investments and certificates of deposit to provide for immediate access as required.

The Corporation receives its support primarily from CCC through rental payments on facilities owned by the Corporation and leased by CCC, annual funding provided by CCC to support capital repairs on those facilities, and annual administrative support of \$155,412. The Diocese also provides annual support for services and management of its headquarters building which totaled \$408,636 and \$541,620 during the years ended December 31, 2020 and 2019, respectively.

4. Related party transactions

Accounts receivable - related parties

As of December 31, 2020 and 2019, related parties owed the Corporation \$72,677 and \$196,406, respectively, for additional support.

Notes receivable

DCFSC loaned Annunciation Terrace Limited Partnership ("Annunciation Terrace") \$545,000 to construct a 50 unit low-income housing project in Akron, Ohio, which included a \$245,000 note bearing interest at 5.10% due December 2019, of which \$235,000 remained outstanding. DCFSC also received a grant from the State of Ohio for \$301,000, of which \$300,000 was then loaned to Annunciation Terrace and remained outstanding. This note bore interest at 7.25% and was due December 2019. Interest began to accrue in January 2000.

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4. Related party transactions (continued)

Notes receivable (continued)

Effective January 1, 2017, interest on the State of Ohio Grant loaned to Annunciation Terrace was on a non-accruing status. Total notes and interest receivable at December 31, 2020 and 2019 was \$0 and \$235,000, respectively. DCFSC, through its ownership in Elder Housing Two Corporation, assisted with the coordination of activities related to the construction of Annunciation Terrace. The principal and deferred interest was written off during the year ended December 31, 2020 upon the sale of Annunciation Terrace.

During the year ended December 31, 2020, DCFSC advanced funds to an affiliate in the amount of \$25,183. The advance is unsecured, non-interest bearing and payable on demand. The amount outstanding at December 31, 2020 and 2019 was \$25,183 and \$0, respectively, and is included in notes receivable – related parties on the consolidated statements of financial position.

Support

During 2020 and 2019, DCFSC received funds from the Diocese which amounted to \$408,636 and \$541,620, respectively. The funds received were approximately 8% and 10% of total revenue for the years ended December 31, 2020 and 2019, respectively.

DCFSC received an allocation for support from CCC which amounted to \$155,412 for operations for each of the years ended December 31, 2020 and 2019.

Administrative and general

CCC provided administrative services to DCFSC. Total billings for such services amounted to \$3,600 for each of the years ended December 31, 2020 and 2019.

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5. Consolidation of Partnership/LLCs

The combined balance sheets and statements of operations of the LIHTC Partnerships/LLCs shown below are presented before the effects of eliminating entries and account combinations. Additionally, the subsequent disclosures are presented after the effect of the eliminations.

| Combined Balance Sheets       |  | 2020                | 2019                 |
|-------------------------------|--|---------------------|----------------------|
| December 31, 2020 and 2019    |  | <u>2020</u>         | <u>2019</u>          |
| Assets                        |  |                     |                      |
| Rental property               |  | \$ 5,889,892        | \$ 17,996,723        |
| Less accumulated depreciation |  | <u>(3,684,841)</u>  | <u>(6,852,146)</u>   |
| Net Rental Property           |  | 2,205,051           | 11,144,577           |
| Other Assets                  |  |                     |                      |
| Cash and cash equivalents     |  | 21,576              | 89,225               |
| Restricted cash               |  | 384,157             | 802,896              |
| Accounts receivable - other   |  | 2,275               | 11,012               |
| Prepaid expenses              |  | 21,139              | 126,590              |
| Capitalized costs, net        |  | <u>-</u>            | <u>74,086</u>        |
| Total other assets            |  | <u>429,147</u>      | <u>1,103,809</u>     |
| Total assets                  |  | <u>\$ 2,634,198</u> | <u>\$ 12,248,386</u> |

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5. Consolidation of Partnership/LLCs (continued)

| Combined Balance Sheets (Continued)                    |              |               |
|--|--------------|---------------|
| December 31, 2020 and 2019                             |              |               |
|  | 2020         | 2019          |
| Liabilities and Net Assets                             |              |               |
| Mortgage and notes payable, net of debt issuance costs | \$ 1,254,707 | \$ 3,303,588  |
| Other liabilities                                      |              |               |
| Accounts payable - trade                               | 46,529       | 82,136        |
| Accounts payable - other                               | 28,433       | 22,119        |
| Accounts payable - related party                       | 419,036      | 421,960       |
| Accrued expenses                                       | -            | 50,661        |
| Accrued interest                                       | 5,979        | 91,880        |
| Accrued management fee                                 | 2,760        | 4,368         |
| Accrued asset management fee                           | 12,557       | 41,188        |
| Accrued property taxes                                 | 98,476       | 134,349       |
| Tenant security deposits                               | 27,546       | 41,306        |
| Deferred development fee                               | 119,014      | 479,490       |
| Prepaid rents  | 1,365        | 4,674         |
| Deferred interest                                      | 304,739      | 287,796       |
| Due to affiliates                                      | 1,798,148    | 2,848,907     |
| Total other liabilities                                | 2,864,582    | 4,510,834     |
| Total liabilities                                      | 4,119,289    | 7,814,422     |
| Net assets   | (1,485,091)  | 4,433,964     |
| Total liabilities and net assets                       | \$ 2,634,198 | \$ 12,248,386 |

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2020 and 2019

5. Consolidation of Partnership/LLCs (continued)

| Combined Statements of Operations                        |                |              |
|--|----------------|--------------|
| Years Ended December 31, 2020 and 2019                   |                |              |
|  | 2020           | 2019         |
| Revenue and Support                                      |                |              |
| Rental income  | \$ 855,755     | \$ 1,274,994 |
| Vacancy loss   | (16,401)       | (26,436)     |
| Investment income  | 620            | 2,416        |
| Miscellaneous Income                                     | 77,113         | 23,518       |
| Total revenue and support                                | 917,087        | 1,274,492    |
| Expenses   |                |              |
| Payroll  | 169,346        | 273,617      |
| Administrative and general                               | 121,064        | 176,015      |
| Repairs and maintenance                                  | 81,271         | 168,729      |
| Utilities  | 149,358        | 207,562      |
| Real estate taxes  | 51,561         | 185,985      |
| Insurance  | 40,245         | 67,556       |
| Interest expense   | 158,284        | 229,849      |
| Depreciation   | 173,358        | 620,514      |
| Property management fee                                  | 53,916         | 83,818       |
| Asset management fee                                     | (5)            | 23,009       |
| Amortization   | -              | 8,957        |
| Bad debt   | 1,112          | 9,301        |
| Total expenses   | 999,510        | 2,054,912    |
| Discontinued operations                                  |                |              |
| Total revenues of discontinued partnerships/LLCs         | 352,778        | -            |
| Total expenses of discontinued partnerships/LLCs         | (689,429)      | -            |
| Decrease in net assets of discontinued partnerships/LLCs | (6,371,844)    | -            |
| Total discontinued operations                            | (6,708,495)    | -            |
| Net loss   | \$ (6,790,918) | \$ (780,420) |

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5. Consolidation of Partnership/LLCs (continued)

The LIHTC Partnership/LLCs entered into various loan agreements with the following terms:

| Partnership Name   | Payable to*        | Original Date<br>of Loan | Maturity Date  | Interest<br>Rate per<br>Annum | Original<br>Loan<br>Balance | Balance at<br>December 31,<br>2020 | Balance at<br>December 31,<br>2019 | Accrued/<br>Deferred<br>Interest at<br>December 31,<br>2020 | Accrued/<br>Deferred<br>Interest at<br>December 31,<br>2019 | Effective<br>interest<br>rate at<br>December 31,<br>2020 | Effective<br>interest<br>rate at<br>December 31,<br>2019 |
|--|--------------------|--------------------------|----------------|-------------------------------|-----------------------------|------------------------------------|------------------------------------|---|---|--|--|
| Ascension Village<br>Limited Partnership                         | NYCB               | Dec. 20, 2013            | Jan. 1, 2031   | 3.500%                        | \$ 690,000                  | \$ 467,897                         | \$ 499,974                         | \$ 2,500  | \$ 2,656  | 3.880%   | 3.880%   |
| Nativity Manor L.P.  | OHFA - Mortgage    | Dec. 22, 2015            | Dec. 22, 2025  | 4.880%                        | 400,000                     | 369,430                            | 376,132                            | 1,496   | 1,521   | 4.670%   | 5.060%   |
|  | OHFA - HDAP loan   | Sept. 17, 2003           | Sept. 17, 2038 | 6.750%                        | 250,000                     | 250,000                            | 250,000                            | 304,739   | 287,796   | 6.750%   | 6.750%   |
|  | OEF XII            | Dec. 22, 2015            | Dec. 21, 2021  | 3.250%                        | 400,000                     | -                                  | 400,000                            | -   | 55,575  | N/A  | 3.250%   |
| Nativity Homes LLC   | Citizens Bank      | Nov. 1, 2007             | Nov. 1, 2023   | 6.000%                        | 250,000                     | 193,509                            | 199,948                            | 1,033   | 1,033   | 6.240%   | 6.180%   |
| St. Lucy Senior LLC  | Key Bank, N.A.     | June 17, 2011            | Dec. 17, 2027  | 6.740%                        | 275,000                     | -                                  | 251,161                            | -   | 1,458   | N/A  | 6.900%   |
|  | OHFA - Bridge loan | Dec. 18, 2012            | April 15, 2022 | 2.000%                        | 3,500,000                   | -                                  | 1,360,091                          | -   | 29,637  | N/A  | 2.000%   |
| <b>Total outstanding balance of mortgages</b>                    |                    |                          |                |                               | \$ 5,765,000                | \$ 1,280,836                       | \$ 3,337,306                       | \$ 309,768  | \$ 379,676  |  |  |
| <b>Less: unamortized debt issuance costs</b>                     |                    |                          |                |                               |                             | (26,129)                           | (32,624)                           | -   | -   |  |  |
| <b>Mortgages payable, net of unamortized debt issuance costs</b> |                    |                          |                |                               |                             | \$ 1,254,707                       | \$ 3,304,682                       | \$ 309,768  | \$ 379,676  |  |  |

\*Key: Lender Name

New York Community Bank ("NYCB")

Ohio Housing Finance Agency ("OHFA")

Ohio Equity Fund for Housing Limited Partnership XII ("OEF XII")

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5. Consolidation of Partnership/LLCs (continued)

The NYCB, OHFA – Mortgage, and Key Bank, N.A. loans are secured by the first mortgage on the rental property. The OHFA – HDAP loan is secured by the rental real estate and assignment of rents and security. The OHFA – Bridge loan is secured by the investor’s assignment for future capital contribution installments. Principal and interest payments are made in monthly installments for all of the loans, except for Nativity Manor L.P.’s loans with OHFA, where there are no principal or interest payments due until the respective maturity date of Nativity Manor L.P.’s loans.

Future aggregate minimum principal payment requirements over each of the next five years and thereafter are as follows:

|            |    |              |
|------------|----|--------------|
| 2021       | \$ | 52,148       |
| 2022       |    | 54,279       |
| 2023       |    | 236,223      |
| 2024       |    | 51,217       |
| 2025       |    | 53,159       |
| Thereafter |    | 840,249      |
| Total      |    | \$ 1,287,275 |

Pursuant to the LIHTC Partnership/LLCs’ respective partnership/operating agreement, the non-controlling interest partner/member contributed the following capital:

| Partnership/LLC Name | Non-Controlling Interest Partner/Member             | Total Capital Commitment | Contributed at December 31, 2020 | Contributed at December 31, 2019 |
|----------------------|---|--------------------------|----------------------------------|----------------------------------|
| Nativity Homes LLC   | Ohio Equity Fund for Housing Limited Partnership XV | \$ 2,999,053             | \$ 2,999,053                     | \$ 2,999,053                     |

Subsequent to year end, the Corporation sold its partnership interest in Nativity Homes LLC as further discussed in Note 13.

6. Notes and mortgages payable

As part of the financing for Ascension Village Limited Partnership, DCFSC carries a non-recourse note payable to the City of Cleveland for \$363,000. The note bears interest at 1% and is due on June 30, 2031, its extended maturity date. Interest payments to the City of Cleveland on the note are contingent upon receipt of interest payments on the Ascension Village Limited Partnership notes receivable and are, therefore, expensed when paid. At both December 31, 2020 and 2019, the total outstanding balance was \$291,064. At December 31, 2020 and 2019, accrued and unpaid interest on the note totaled \$61,710 and \$58,080, respectively. Subsequent to year end, the note was assumed by the buyer and written off upon the sale of the CCHC’s ownership interest in Ascension Village Limited Partnership.



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6. Notes and mortgages payable (continued)

In order to finance the note to Annunciation Terrace for construction of the low-income housing project in Akron, Ohio, the Corporation entered into a non-recourse note agreement with an Ohio non-profit corporation for \$235,000. The note matured on December 31, 2019. The note was non-interest bearing and was collateralized by a mortgage on the Annunciation Terrace property. As of December 31, 2020 and 2019, the total outstanding balance was \$0 and \$235,000. The note was assumed by the buyer and written off during the year ended December 31, 2020 upon the sale of the LIHTC Partnership.

CCHC entered into a note payable with OHFA totaling \$250,000 and bearing interest at 2.0% annually. The funds are Housing Development Assistance Program (“HDAP”) funds and were secured for the purpose of constructing Nativity Homes LLC. This note is collateralized by Nativity Homes LLC’s real estate and assignment of rents and security. Principal and interest shall be deferred and payable to the extent that Nativity Homes LLC’s cash flow permits such payments as detailed in the promissory note. The entire unpaid principal balance and all accrued interest are due and payable on August 3, 2036, its maturity date. At both December 31, 2020 and 2019, the total outstanding balance was \$250,000. At December 31, 2020 and 2019, accrued and unpaid interest on the note totaled \$111,285 and \$99,252, respectively. Subsequent to year end, the note was assumed by the buyer and written off upon the sale of the CCHC’s ownership interest in Nativity Homes LLC.

CCHC entered into a note payable with OHFA totaling \$700,000 and bearing interest at 2.0% per annum, compounded semi-annually. The funds were HDAP funds and were secured for the purpose of constructing St. Lucy Senior LLC. This note was collateralized by St. Lucy Senior LLC’s real estate and assignment of rents and security. Principal and interest were deferred and payable to the extent that St. Lucy Senior LLC’s cash flow permits such payments as detailed in the promissory note. The entire unpaid principal balance and all accrued interest was due and payable on May 31, 2041, its maturity date. At both December 31, 2020 and 2019, the total outstanding balance was \$0 and \$700,000, respectively. At December 31, 2020 and 2019, accrued and unpaid interest on the note totaled \$0 and \$120,218, respectively. The note was assumed by the buyer and the \$700,000 receivable was written off during the year ended December 31, 2020 upon the sale of CCHC’s interest in the LIHTC Partnership and is included in the net assets of discontinued partnerships/LLCs on the consolidated statements of activities and changes in net assets.

CCHC entered into a note payable with the County of Cuyahoga, Ohio for \$300,000, with a zero percent interest rate per annum. The funds were part of the federal Home Investment Partnership Act and were secured for the purpose of constructing St. Richard Senior LLC. Payments were deferred and the note would have been ultimately be forgiven as long as the project is maintained as affordable housing for an additional 15 years after the initial 15 year compliance period. If the project was not maintained as affordable the loan shall bear interest at the rate of 5% per annum accrued from the date of default and shall become immediately due and payable to the County of Cuyahoga, Ohio without notice or demand. At December 31, 2020 and 2019, the total outstanding balance was \$0 and \$300,000, respectively. The note was assumed by the buyer and the \$300,000 principal receivable was written off during the year ended December 31, 2020 upon the sale of the LIHTC Partnership and is included in the net assets of discontinued partnerships/LLCs on the consolidated statements of activities and changes in net assets.

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December 31, 2020 and 2019

6. Notes and mortgages payable (continued)

CCHC entered into the Term Loan for the purpose of converting the Rose-Mary Center Homes project to fully amortizing debt. The Term Loan is secured by a Guaranty of Payment agreement by CCC and will bear interest on the outstanding principal amount at a rate per annum equaling the variable LIBOR rate plus 350 basis points (3.50%). Interest will be calculated in arrears, based on the actual number of days elapsed, computed on a daily basis using a 360-day year. Principal payments are due payable in monthly installments of \$14,444. Commencing on May 1, 2017, principal and interest payments are due payable on the first of each month, continuing until the maturity date, March 20, 2024, when the entire unpaid principal balance is due. At December 31, 2020 and 2019, the total outstanding balance was \$1,964,465 and \$2,121,772, respectively. For the years ended December 31, 2020 and 2019, interest expense on the Term Loan was \$117,744 and \$136,804, respectively.

The Corporation maintains an interest rate risk management strategy that uses interest rate swap derivative instruments to minimize significant, unanticipated earnings fluctuations caused by interest-rate volatility. The Corporation's specific goal is to lower (when possible) the cost of its borrowings.

As it relates to the Term Loan, CCHC and CCC entered into an interest rate swap agreement with Fifth Third, effective March 20, 2017. The original notional principal amount under this agreement was \$2,000,000, which reduces as notional reductions are made. The interest rate swap agreement matures on March 20, 2027. The notional amount at December 31, 2020 and 2019 is \$1,511,111, and \$1,644,444, respectively. Based on the swap agreement, CCHC receives payments equal to the prevailing USD-SIFMA rate from the counterparty to the swap. In return, CCHC makes payments to the counterparty based on the fixed rate of 2.69%. From January 1, 2020 to December 31, 2020, the variable rate ranged from 0.08% to 5.20%. From January 1, 2019 to December 31, 2019, the variable rate ranged from 1.06% to 2.30%. Only the net difference in payments is exchanged with the counterparty. The notional amount is not exchanged as it is only the basis on which the interest payments are calculated. CCHC is exposed to credit loss in the event of nonperformance by the counterparty to the interest rate swap agreement. However, CCHC does not anticipate nonperformance by the counterparty.

The interest rate swap liability in relation to the Term Loan is \$156,466 and \$85,060 at December 31, 2020 and 2019, respectively, and is included in interest rate swap liability on the consolidated statements of financial position.

On June 24, 2019, CCHC entered into a Revolving Line of Credit Note with Fifth Third for the purpose of purchasing and renovating six group homes from Cuyahoga County. The amount of the line of credit shall not exceed \$3,500,000 and was secured by a Continuing Guaranty Agreement by CCC. Each loan made on the line of credit bore interest on the outstanding principal amount at a floating rate per annum equal to 2.50% plus the LIBOR Rate, as defined in the agreement. Interest only payments were due and payable monthly commencing on July 24, 2019 and continuing through the original maturity date, June 30, 2020.

On June 30, 2020, the maturity date of the Revolving Line of Credit Note was extended to September 30, 2020 and the interest was reduced to a rate equal to 0.50% plus the LIBOR Rate, as defined in the amended agreement. Interest only payments were due and payable monthly commencing on June 30, 2020 and continuing through the extended maturity date, September 30, 2020.

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2020 and 2019

6. Notes and mortgages payable (continued)

On September 30, 2020, CCHC entered into a Second Term Loan for the purpose of converting the Revolving Line of Credit Note to fully amortizing debt in the amount of \$2,947,087. The Second Term Loan is secured by a Guaranty of Payment agreement by CCC and will bear interest on the outstanding principal amount at a rate per annum equaling the variable LIBOR rate plus 250 basis points (2.50%). Interest will be calculated in arrears, based on the actual number of days elapsed, computed on a daily basis using a 360-day year. Principal payments are due payable in monthly installments of \$16,373. Commencing on October 24, 2020, principal and interest payments are due payable on the first of each month, continuing until the maturity date, November 30, 2027, when the entire unpaid principal balance is due. At December 31, 2020 and 2019, the total outstanding balance was \$2,947,067 and \$2,407,334, respectively. For the years ended December 31, 2020 and 2019, interest expense on the line of credit was \$67,051 and \$54,255, respectively.

During the year ended December 31, 2019, funds were advanced from Rose-Mary Center in the amount of \$252,837 to fund the purchase and renovation of three waiver homes. These funds were non-interest bearing and due upon demand. Upon completion of the renovation, the excess or shortfall of total costs will be reimbursed to, or returned from, respectively, Rose-Mary Center. At December 31, 2020 and 2019, the total outstanding balance was \$-0- and \$252,837, respectively. During the year ended December 31, 2020, the total outstanding balance was forgiven.

During the year ended December 31, 2020, funds were advanced from Rose-Mary Center in the amount of \$10,186 to fund various operating expenses. These funds were non-interest bearing and due upon demand. At December 31, 2020 and 2019, the total outstanding balance was \$10,186 and \$-0-, respectively.

Future principal payments of the notes payable for the next five years and thereafter are as follows:

|            |    |           |
|------------|----|-----------|
| 2021       | \$ | 173,334   |
| 2022       |    | 173,334   |
| 2023       |    | 173,334   |
| 2024       |    | 173,334   |
| 2025       |    | 173,334   |
| Thereafter |    | 4,596,112 |
| Total      | \$ | 5,462,782 |

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2020 and 2019

6. Notes and mortgages payable (continued)

Forgivable loan programs

During 2016, CCHC entered into mortgage note agreements with the Payees to help fund the renovation of three of the Rose-Mary Center houses. The mortgage notes are secured by the real estate at each location. The mortgage notes bear no interest and require no payments as long as there is no breach of the following provisions:

- i) CCHC must pay when due any installment of taxes and assessments on the property, and
- ii) CCHC may not convey or transfer title or possession of the mortgaged premises or allow the premises to be vacant for more than 60 days, without express written consent of the Payees.

In the event that CCHC breaches either of the provisions above payment would be required on demand in the amounts as follows:

| Rose-Mary Center<br>House Address | Payee   | Date of Note | Balance of the notes at December 31, |                   |
|-----------------------------------|---------|--------------|--------------------------------------|-------------------|
|                                   |         |              | 2020                                 | 2019              |
| 1186 Edgecliff                    | CCDDS   | 3/1/2016     | \$ 97,350                            | \$ 106,200        |
| 1186 Edgecliff                    | CCBMRDD | 4/25/2016    | 87,450                               | 95,400            |
| 25438 Highland                    | CCDDS   | 3/1/2016     | 52,800                               | 57,600            |
| 25438 Highland                    | CCBMRDD | 4/25/2016    | 137,868                              | 150,401           |
| 18300 Sheldon                     | CCDDS   | 2/26/2016    | 89,100                               | 97,200            |
| 18300 Sheldon                     | CCBMRDD | 4/25/2016    | 169,642                              | 185,064           |
|                                   |         |              | <u>\$ 634,210</u>                    | <u>\$ 691,865</u> |

These contingent liabilities are not reflected as debt on the consolidated statements of financial position at December 31, 2020 and 2019. The Corporation concluded that the forgivable loans should be accounted for as revenue in the year in which the respective mortgage closed and included in net assets with donor restrictions due to the fact that the likelihood of not meeting the conditions surrounding the agreement is remote. Each year in which the provisions above are adhered to, the outstanding balance is reduced by such amount to reduce the balance to zero after 15 years. In the event breach of either provision occurs interest will accrue on the amount of the principal then due at a rate of 10% per annum.

7. Leases

The Corporation leases space to related agencies occupying various buildings on a month-to-month basis which vary as to terms and amounts. The leases are accounted for as operating leases. For the years ended December 31, 2020 and 2019, the Corporation billed these agencies for rent of the properties totaling \$2,250,944 and \$2,047,512, respectively, which is included in rental income on the consolidated statements of activities and changes in net assets.

DCFSC leased land at the Parmadale property to an unrelated party on a quarterly basis which calls for monthly payments of \$3,948 and \$3,850, respectively, for the years ended December 31, 2020 and 2019.

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION  
AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2020 and 2019

7. Leases (continued)

DCFSC leased space at Lorain North Ridge to an unrelated party on a month-to-month basis. DCFSC billed this party \$455 per month for each of the years ended December 31, 2020 and 2019.

DCFSC leased space at the Bishop William M. Cosgrove Center to an unrelated party on a month-to-month basis. DCFSC billed this party \$5,700 per month for each of the years ended December 31, 2020 and 2019, respectively.

DCFSC leased space at the Medical Office Building to three unrelated parties for monthly payments of \$17,347 and \$17,433 for the years ended December 31, 2020 and 2019, respectively.

DCFSC leases land to Emerald Village, an unrelated party. Under the terms of a long-term ground lease, DCFSC is entitled to outstanding ground rents. DCFSC has agreed to discount the outstanding ground rents to aid in the refinance process in exchange for keeping future ground rent payments current. DCFSC had not been previously accruing the ground rents due to the uncertainty of collectability. Emerald Village agrees to pay DCFSC in arrears, \$100,000 annually, subject to adjustment on each five year anniversary date of the lease based upon an appraisal from an independent appraiser mutually selected. In no event shall the rental payments be less than \$100,000. The term of the lease shall expire on November 1, 2042. During 2020 and 2019, DCFSC received lease payments totaling \$-0- for each year, with the remaining balance of \$91,667 receivable at both December 31, 2020 and 2019, and is included in accounts receivable – other on the consolidated statements of financial position.

Future rental payments to be received on the Emerald Village lease for the next five years and thereafter are as follows:

|            |    |              |
|------------|----|--------------|
| 2021       | \$ | 100,000      |
| 2022       |    | 100,000      |
| 2023       |    | 100,000      |
| 2024       |    | 100,000      |
| 2025       |    | 100,000      |
| Thereafter |    | 1,900,000    |
| Total      |    | \$ 2,400,000 |

8. Transfer of net assets

During 2020, CCC transferred net assets in the amount of \$73,216 and \$169,329 to DCFSC and CCHC, respectively. During 2019, CCC transferred net deficits in the amount of \$459,635 and \$83,170 to DCFSC and CCHC, respectively. Transfers of net assets (deficits) to DCFSC and CCHC were for capital projects.

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION  
AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2020 and 2019

9. Guarantees

Operating deficit guaranty

The partnership/operating agreements of LIHTC Partnerships/LLCs provide for an Operating Deficit Guaranty. The Operating Deficit Guaranty requires the General Partners/Managing Members, or an affiliate, to provide funds, as defined by the partnership/operating agreements, to satisfy any operating deficits in an amount necessary to meet all reasonable costs of operations over a defined period. Such funding shall be treated as a non-interest bearing loan and be payable as cash flow permits. The General Partners/Managing Members do not receive a fee for providing this guaranty.

Tax credit guaranty

The partnership/operating agreements of the LIHTC Partnerships/LLCs provide for a Tax Credit Guaranty. Nativity Manor L.P. and Nativity Homes LLC were allocated Federal Low-Income Housing Tax Credits under the program described by the IRC Section 42. However, the partnership/operating agreements provide for a credit reduction payment if the total amount of credits obtained is less than the total amount projected, there is a timing difference in the tax credits made available to the Limited Partners/Investor Members when compared to what was projected, or the Limited Partners/Investor Members is at any time obligated to recapture credits previously claimed. The Limited Partners/Investor Members shall reduce its required capital contribution by the amount of the shortfall.

In the event that the capital contribution cannot be reduced, the General Partners/Managing Members will pay the Limited Partners/Investor Members a defined amount for the credits lost. Amounts paid by the General Partners/Managing Members pursuant to the partnership/operating agreements shall be treated as a noninterest bearing loan and be payable as cash flow permits as determined by the partnership/operating agreement. The General Partners/Managing Members do not receive a fee for providing this guaranty.

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION  
AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2020 and 2019

10. Changes in consolidated net assets

The changes in the Corporation's consolidated net assets without donor restrictions are reconciled as follows:

|  | <u>Total</u>                | <u>Controlling<br/>Interests</u> | <u>Non-controlling<br/>interests</u> |
|--|-----------------------------|----------------------------------|--------------------------------------|
| Balance, January 1, 2019                           | \$ 24,326,085               | \$ 18,917,431                    | \$ 5,408,654                         |
| Change in net assets without<br>donor restrictions | (1,236,073)                 | (660,062)                        | (576,011)                            |
| Capital contributions                              | 471,863                     | -                                | 471,863                              |
| Transfer of net assets                             | (542,805)                   | (542,805)                        | -                                    |
| Balance, December 31, 2019                         | <u>23,019,070</u>           | <u>17,714,564</u>                | <u>5,304,506</u>                     |
| Change in net assets without<br>donor restrictions | (957,033)                   | (1,850,221)                      | 893,188                              |
| Capital contributions                              | 871,863                     | -                                | 871,863                              |
| Transfer of net assets                             | 242,545                     | 242,545                          | -                                    |
| Transfer of interest                               | -                           | 1,037,434                        | (1,037,434)                          |
| Net assets from discontinued<br>partnerships/LLCs  | (5,550,654)                 | -                                | (5,550,654)                          |
| Balance, December 31, 2020                         | <u><u>\$ 17,625,791</u></u> | <u><u>\$ 17,144,322</u></u>      | <u><u>\$ 481,469</u></u>             |

The changes in the Corporation's consolidated net assets with donor restrictions are reconciled as follows:

|   | <u>Total</u>             | <u>Controlling<br/>Interests</u> | <u>Non-controlling<br/>interests</u> |
|---|--------------------------|----------------------------------|--------------------------------------|
| Balance, January 1, 2019                        | \$ 749,520               | \$ 749,520                       | \$ -                                 |
| Change in net assets with<br>donor restrictions | (57,655)                 | (57,655)                         | -                                    |
| Balance, December 31, 2019                      | <u>691,865</u>           | <u>691,865</u>                   | <u>-</u>                             |
| Change in net assets with<br>donor restrictions | (57,655)                 | (57,655)                         | -                                    |
| Balance, December 31, 2020                      | <u><u>\$ 634,210</u></u> | <u><u>\$ 634,210</u></u>         | <u><u>\$ -</u></u>                   |

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION  
AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2020 and 2019

11. Gain on sale

On September 30, 2020, the Corporation sold its ownership interest in Mercedarian, Inc. to a third party and recognized a net gain of \$106,437 which is included in gain on disposal of partnerships/LLCs, net on the consolidated statements of activities and changes in net assets.

12. Vulnerability – Impact of COVID-19

The severity of the impact of COVID-19 on the Corporation's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Corporation's tenants and investees, all of which are uncertain and cannot be predicted. The Corporation's future results could be adversely impacted by delays in rent collections. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

13. Subsequent events

Subsequent events have been evaluated through July 28, 2021, which is the date the financial statements were available to be issued. The following is a summary of the subsequent events requiring disclosure:

The Corporation sold its ownership interests in the remaining LIHTC partnerships/LLCs, Ascension Village Limited Partnership, Nativity Homes, LLC, and Nativity Manor Limited Partnership on June 17, 2021, June 17, 2021, and July 22, 2021, respectively, totaling 116 units of affordable residential housing to a third party who will maintain the properties as affordable housing for an aggregate sales price of \$836,150. Upon completion of the transaction, approximately \$2.63 million of assets, \$4.12 million of liabilities, and \$1.49 million of net assets will be removed from the consolidated statements of financial position. The amount of the loss on the transaction is not estimable at December 31, 2020.





# **SUPPLEMENTARY INFORMATION**

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
 DETAILED SCHEDULE OF PROPERTY AND EQUIPMENT - DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND CATHOLIC CHARITIES HOUSING CORPORATION

December 31, 2020

|                                    | Land<br>(1)  | Buildings<br>(2) | Building<br>Improvements<br>(3) | Land<br>Improvements<br>(3) | Fixed<br>Equipment<br>(3) | Office<br>Equipment<br>and Fixtures,<br>Vehicles,<br>and CIP<br>(3) | Total<br>Fixed Assets | Accumulated<br>Depreciation | Net<br>Fixed Assets |
|------------------------------------|--------------|------------------|---------------------------------|-----------------------------|---------------------------|---|-----------------------|-----------------------------|---------------------|
| Parmadale                          | \$ 650,000   | \$ 582,442       | \$ 120,451                      | \$ 37,472                   | \$ 7,450                  | \$ 24,183   | \$ 1,421,998          | \$ 172,754                  | 1,249,244           |
| Catholic Center of Akron           | 61,000       | 2,062,289        | 622,110                         | 126,086                     | 184,744                   | -   | 3,056,229             | 2,254,534                   | 801,695             |
| St. Martin de Porres Family Center | 34,500       | 2,224,170        | 243,399                         | 43,375                      | 254,638                   | 1,483   | 2,801,565             | 2,067,980                   | 733,585             |
| OLA/St. Joseph                     | 117,000      | 1,354,116        | 973,147                         | 23,917                      | 209,793                   | -   | 2,677,973             | 1,915,427                   | 762,546             |
| Camp Christopher                   | 1,200,000    | 1,340,124        | 503,352                         | 439,620                     | 70,461                    | 13,206  | 3,566,763             | 1,561,771                   | 2,004,992           |
| Lorain Northridge                  | 23,500       | 182,074          | 21,786                          | -                           | 7,900                     | -   | 235,260               | 205,440                     | 29,820              |
| Administrative offices             | -            | -                | -                               | -                           | 3,061                     | 121,584   | 124,645               | 94,781                      | 29,864              |
| St. Augustine Manor                | 446,000      | 5,553,978        | 128,239                         | -                           | 1,141,622                 | -   | 7,269,839             | 6,761,307                   | 508,532             |
| St. Augustine Manor Apartments     | 54,000       | 811,499          | -                               | 10,118                      | -                         | -   | 875,617               | 821,948                     | 53,669              |
| St. Augustine Tower                | 197,000      | 3,456,659        | 818,731                         | 260,160                     | 3,646,389                 | 121,240   | 8,500,179             | 6,061,625                   | 2,438,554           |
| Fatima Family Center               | 31,950       | 4,369,189        | 61,222                          | 48,309                      | 59,952                    | -   | 4,570,622             | 3,101,966                   | 1,468,656           |
| Bishop William M. Cosgrove Center  | -            | 225,699          | 331,174                         | 57,638                      | 575,982                   | -   | 1,190,493             | 1,140,452                   | 50,041              |
| Father Albert House                | 5,000        | 55,000           | -                               | -                           | -                         | -   | 60,000                | 32,083                      | 27,917              |
| Holy Family Cancer Center          | 253,200      | 1,044,701        | 7,460                           | -                           | 3,111                     | -   | 1,308,472             | 549,432                     | 759,040             |
| Emerald Village                    | 601,320      | -                | -                               | -                           | -                         | -   | 601,320               | -                           | 601,320             |
| Medical Office Building            | -            | 496,000          | 864,264                         | -                           | 100,077                   | -   | 1,460,341             | 955,037                     | 505,304             |
| Philip Neri Ministry Center        | 53,200       | 281,900          | 181,212                         | 34,926                      | 24,885                    | -   | 576,123               | 223,045                     | 353,078             |
| Covenant                           | 81,900       | 903,800          | 390,687                         | -                           | -                         | -   | 1,376,387             | 536,904                     | 839,483             |
| Transfiguration Convent            | 6,605        | 66,782           | 89,788                          | 8,500                       | -                         | -   | 171,675               | 46,129                      | 125,546             |
| Lorain Shelter                     | -            | 39,000           | 1,583,160                       | -                           | -                         | -   | 1,622,160             | 278,851                     | 1,343,309           |
| RMC - 4383 Ammon                   | 43,787       | 992,444          | -                               | -                           | -                         | -   | 1,036,231             | 149,394                     | 886,837             |
| RMC - 9349 W. Ridgewood            | 44,917       | 984,932          | -                               | -                           | -                         | -   | 1,029,849             | 155,650                     | 874,199             |
| RMC - 391 Cary Jay                 | 23,500       | 413,206          | -                               | -                           | -                         | -   | 436,706               | 59,634                      | 377,072             |
| RMC - 5900 Sunset                  | 7,500        | 593,721          | -                               | -                           | 17,695                    | -   | 618,916               | 97,070                      | 521,846             |
| RMC - 25438 Highland               | 8,250        | 316,569          | -                               | -                           | -                         | -   | 324,819               | 40,046                      | 284,773             |
| RMC - 18300 Sheldon                | 13,500       | 425,885          | -                               | -                           | -                         | -   | 439,385               | 50,948                      | 388,437             |
| RMC - 1186 Edgecliff               | 14,750       | 311,548          | -                               | -                           | -                         | -   | 326,298               | 37,860                      | 288,438             |
| RMC - 6701 Karen                   | 18,650       | 308,739          | -                               | -                           | -                         | -   | 327,389               | 11,616                      | 315,773             |
| RMC - 622 Cynthia                  | 21,000       | 379,762          | -                               | -                           | -                         | -   | 400,762               | 11,876                      | 388,886             |
| RMC - 29400 Cedar                  | 36,500       | 424,486          | -                               | -                           | -                         | -   | 460,986               | 23,791                      | 437,195             |
| RMC - 19853 Grand                  | 38,000       | 425,812          | -                               | -                           | -                         | -   | 463,812               | 23,810                      | 440,002             |
| RMC - 19855 Grand                  | 39,000       | 429,829          | -                               | -                           | -                         | -   | 468,829               | 22,648                      | 446,181             |
| RMC - 1905 Green                   | 37,000       | 424,298          | -                               | -                           | -                         | -   | 461,298               | 23,754                      | 437,544             |
| RMC - 4285 Verona                  | 30,000       | 328,309          | -                               | -                           | -                         | -   | 358,309               | 17,541                      | 340,768             |
| RMC - 399 Douglas                  | 20,500       | 403,234          | -                               | -                           | -                         | -   | 423,734               | 10,111                      | 413,623             |
| RMC - 25462 Chardon                | 14,200       | 779,284          | -                               | -                           | -                         | 19  | 793,503               | 6,679                       | 786,824             |
|                                    | \$ 4,227,229 | \$ 32,991,480    | \$ 6,940,182                    | \$ 1,090,121                | \$ 6,307,760              | \$ 281,715  | \$ 51,838,487         | \$ 29,523,894               | \$ 22,314,593       |

- (1) At cost for Fatima Family Center, St. Clarence and Father Albert House, and RMC homes. At fair market value as of October 10, 2014 for Parmadale. At appraised fair market value at date of transfer for all other land.
- (2) At fair market value at date of transfer for St. Augustine Manor and St. Augustine Towers. At fair market value as of October 10, 2014 for Parmadale. At estimated replacement cost less accumulated depreciation at date of transfer for all other buildings.
- (3) At fair market value as of October 10, 2014 for Parmadale. At cost for all other fixed equipment, office equipment and fixtures, vehicles, and CIP.

See Report of Independent Auditors

DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
 DETAILED SCHEDULE OF PROPERTY AND EQUIPMENT - DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND CATHOLIC CHARITIES HOUSING CORPORATION

December 31, 2019

|                                    | Land<br>(1)         | Buildings<br>(2)     | Building<br>Improvements<br>(3) | Land<br>Improvements<br>(3) | Fixed<br>Equipment<br>(3) | Office<br>Equipment<br>and Fixtures,<br>Vehicles,<br>and CIP<br>(3) | Total<br>Fixed Assets | Accumulated<br>Depreciation | Net<br>Fixed Assets  |
|------------------------------------|---------------------|----------------------|---------------------------------|-----------------------------|---------------------------|---|-----------------------|-----------------------------|----------------------|
| Parmadale                          | \$ 650,000          | \$ 582,442           | \$ 88,305                       | \$ 37,472                   | \$ 7,450                  | \$ 24,183   | \$ 1,389,852          | \$ 135,475                  | \$ 1,254,377         |
| Catholic Center of Akron           | 61,000              | 2,062,289            | 622,110                         | 126,086                     | 184,744                   | -   | 3,056,229             | 2,157,910                   | 898,319              |
| St. Martin de Porres Family Center | 34,500              | 2,224,170            | 238,424                         | 43,375                      | 254,638                   | 1,483   | 2,796,590             | 1,987,044                   | 809,546              |
| OLA/St. Joseph                     | 117,000             | 1,354,116            | 958,434                         | 23,917                      | 209,793                   | -   | 2,663,260             | 1,824,301                   | 838,959              |
| Camp Christopher                   | 1,200,000           | 1,340,124            | 503,352                         | 439,620                     | 70,461                    | 13,206  | 3,566,763             | 1,496,036                   | 2,070,727            |
| Lorain Northridge                  | 23,500              | 182,074              | 21,786                          | -                           | 7,900                     | -   | 235,260               | 204,695                     | 30,565               |
| Administrative offices             | -                   | -                    | -                               | -                           | 3,061                     | 121,584   | 124,645               | 94,781                      | 29,864               |
| St. Augustine Manor                | 446,000             | 5,553,978            | 128,239                         | -                           | 1,141,622                 | -   | 7,269,839             | 6,754,350                   | 515,489              |
| St. Augustine Manor Apartments     | 54,000              | 811,499              | -                               | 10,118                      | -                         | -   | 875,617               | 821,948                     | 53,669               |
| St. Augustine Tower                | 197,000             | 3,456,659            | 787,907                         | 260,160                     | 3,646,389                 | 121,241   | 8,469,356             | 5,836,179                   | 2,633,177            |
| Fatima Family Center               | 31,950              | 4,369,189            | 54,079                          | 48,309                      | 59,952                    | -   | 4,563,479             | 2,946,918                   | 1,616,561            |
| Bishop William M. Cosgrove Center  | -                   | 225,699              | 321,687                         | 57,638                      | 575,982                   | -   | 1,181,006             | 1,125,642                   | 55,364               |
| Father Albert House                | 5,000               | 55,000               | -                               | -                           | -                         | -   | 60,000                | 30,250                      | 29,750               |
| Holy Family Cancer Center          | 253,200             | 1,044,701            | 7,460                           | -                           | 3,111                     | -   | 1,308,472             | 513,800                     | 794,672              |
| Emerald Village                    | 601,320             | -                    | -                               | -                           | -                         | -   | 601,320               | -                           | 601,320              |
| Medical Office Building            | -                   | 496,000              | 853,877                         | -                           | 100,077                   | -   | 1,449,954             | 895,380                     | 554,574              |
| Philip Neri Ministry Center        | 53,200              | 281,900              | 181,212                         | 34,926                      | 24,885                    | -   | 576,123               | 202,832                     | 373,291              |
| Covenant                           | 81,900              | 903,800              | 388,152                         | -                           | -                         | -   | 1,373,852             | 460,490                     | 913,362              |
| Transfiguration Convent            | 6,605               | 66,782               | 89,788                          | 8,500                       | -                         | -   | 171,675               | 36,063                      | 135,612              |
| Lorain Shelter                     | -                   | 39,000               | 1,577,740                       | -                           | -                         | -   | 1,616,740             | 198,989                     | 1,417,751            |
| RMC - 4383 Ammon                   | 43,787              | 992,444              | -                               | -                           | -                         | -   | 1,036,231             | 114,243                     | 921,988              |
| RMC - 9349 W. Ridgewood            | 44,917              | 984,932              | -                               | -                           | -                         | -   | 1,029,849             | 120,409                     | 909,440              |
| RMC - 391 Cary Jay                 | 23,500              | 413,206              | -                               | -                           | -                         | -   | 436,706               | 47,612                      | 389,094              |
| RMC - 5900 Sunset                  | 7,500               | 593,721              | -                               | -                           | 17,695                    | -   | 618,916               | 73,182                      | 545,734              |
| RMC - 25438 Highland               | 8,250               | 316,569              | -                               | -                           | -                         | -   | 324,819               | 31,382                      | 293,437              |
| RMC - 18300 Sheldon                | 13,500              | 425,885              | -                               | -                           | -                         | -   | 439,385               | 40,301                      | 399,084              |
| RMC - 1186 Edgecliff               | 14,750              | 311,548              | -                               | -                           | -                         | -   | 326,298               | 30,071                      | 296,227              |
| RMC - 6701 Karen                   | 18,650              | 308,739              | -                               | -                           | -                         | -   | 327,389               | 3,859                       | 323,530              |
| RMC - 622 Cynthia                  | 21,000              | 188,128              | -                               | -                           | -                         | 91,411  | 300,539               | 2,352                       | 298,187              |
| RMC - 29400 Cedar                  | 36,500              | 424,486              | -                               | -                           | -                         | -   | 460,986               | 7,931                       | 453,055              |
| RMC - 19853 Grand                  | 38,000              | 425,812              | -                               | -                           | -                         | -   | 463,812               | 7,948                       | 455,864              |
| RMC - 19855 Grand                  | 39,000              | 429,829              | -                               | -                           | -                         | -   | 468,829               | 7,560                       | 461,269              |
| RMC - 1905 Green                   | 37,000              | 424,298              | -                               | -                           | -                         | -   | 461,298               | 7,929                       | 453,369              |
| RMC - 4285 Verona                  | 30,000              | 328,309              | -                               | -                           | -                         | -   | 358,309               | 5,854                       | 352,455              |
| RMC - 399 Douglas                  | 20,500              | 182,110              | -                               | -                           | -                         | 23,367  | 225,977               | 2,276                       | 223,701              |
| RMC - 25462 Chardon                | 14,200              | 169,360              | -                               | -                           | -                         | 7,781   | 191,341               | 2,117                       | 189,224              |
|                                    | <u>\$ 4,227,229</u> | <u>\$ 31,968,798</u> | <u>\$ 6,822,552</u>             | <u>\$ 1,090,121</u>         | <u>\$ 6,307,760</u>       | <u>\$ 404,256</u>   | <u>\$ 50,820,716</u>  | <u>\$ 28,228,109</u>        | <u>\$ 22,592,607</u> |

- (1) At cost for Fatima Family Center, St. Clarence and Father Albert House, and RMC homes. At fair market value as of October 10, 2014 for Parmadale. At appraised fair market value at date of transfer for all other land.
- (2) At fair market value at date of transfer for St. Augustine Manor and St. Augustine Towers. At fair market value as of October 10, 2014 for Parmadale. At estimated replacement cost less accumulated depreciation at date of transfer for all other buildings.
- (3) At fair market value as of October 10, 2014 for Parmadale. At cost for all other fixed equipment, office equipment and fixtures, vehicles, and CIP.

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DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
 DETAILED SCHEDULES OF REPAIRS AND MAINTENANCE  
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

|   | 2020              | 2019              |
|---|-------------------|-------------------|
| Repairs and Maintenance - Owned Properties                      |                   |                   |
| St. Augustine Tower   | \$ 88,503         | \$ 87,556         |
| Bishop William M. Cosgrove Center                               | 55,011            | 70,837            |
| Rose-Mary Center  | 57,350            | 63,518            |
| Parmadale   | -                 | 1,310             |
| Philip Neri Ministry Center                                     | 21,574            | 19,710            |
| Fatima Family Center  | 10,286            | 12,797            |
| Catholic Center of Akron  | 23,400            | 40,572            |
| OLA/St. Joseph  | 20,597            | 21,454            |
| Medical Office Building   | 10,286            | 16,072            |
| Covenant  | 30,772            | 23,211            |
| St. Martin de Porres Family Center                              | 10,254            | 16,257            |
| Transfiguration Convent   | 10,393            | 15,176            |
| Lorain North Ridge  | 880               | 1,045             |
| Lorain Eighth Street/Catholic Charities Family Center of Lorain | 73                | 144               |
| Lorain Shelter  | 10,731            | 7,025             |
| Father Albert House   | 14,025            | 16,361            |
| RMC - 25438 Highland  | 6,103             | 5,978             |
| RMC - 18300 Sheldon   | 5,959             | 8,044             |
| RMC - 1186 Edgecliff  | 7,043             | 6,835             |
| RMC - 5701 Karen  | 3,867             | 254               |
| RMC - 399 Douglas   | 1,793             | -                 |
| RMC - 622 Cynthia   | 4,077             | -                 |
|   | 392,977           | 434,156           |
| Renovations and repairs   |                   |                   |
| Managed Properties  | -                 | 2,180             |
|   |                   |                   |
| <b>Total repairs and maintenance</b>                            | <b>\$ 392,977</b> | <b>\$ 436,336</b> |

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DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
 DETAILS OF CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
 December 31, 2020

| ASSETS   | Diocese of<br>Cleveland<br>Facilities<br>Services | Catholic<br>Charities<br>Housing<br>Corporation | Ascension<br>Village<br>LP | Nativity<br>Manor<br>LP | St. Richard<br>Senior<br>LLC | Nativity<br>Homes<br>LLC | St. Lucy<br>Senior<br>LLC | Totals               | Eliminations          | Consolidated<br>Subtotals | Account<br>Combinations | <b>Consolidated<br/>Totals</b> |
|--|---|---|----------------------------|-------------------------|------------------------------|--------------------------|---------------------------|----------------------|-----------------------|---------------------------|-------------------------|--------------------------------|
| <b>Property and Equipment</b>  |   |   |                            |                         |                              |                          |                           |                      |                       |                           |                         |                                |
| Land   | \$ 3,815,389                                      | \$ 411,840                                      | \$ -                       | \$ -                    | \$ -                         | \$ -                     | \$ -                      | \$ 4,227,229         | \$ -                  | \$ 4,227,229              | \$ -                    | \$ 4,227,229                   |
| Buildings  | 24,996,223  | 7,995,257                                       | -                          | -                       | -                            | -                        | -                         | 32,991,480           | -                     | 32,991,480                | -                       | 32,991,480                     |
| Building improvements  | 5,357,022   | 1,583,160                                       | -                          | -                       | -                            | -                        | -                         | 6,940,182            | -                     | 6,940,182                 | -                       | 6,940,182                      |
| Land improvements  | 1,090,121   | -   | -                          | -                       | -                            | -                        | -                         | 1,090,121            | -                     | 1,090,121                 | -                       | 1,090,121                      |
| Fixed equipment  | 6,290,065   | 17,695  | -                          | -                       | -                            | -                        | -                         | 6,307,760            | -                     | 6,307,760                 | -                       | 6,307,760                      |
| Office equipment and fixtures  | 129,029   | -   | -                          | -                       | -                            | -                        | -                         | 129,029              | -                     | 129,029                   | -                       | 129,029                        |
| Vehicles   | 139,461   | -   | -                          | -                       | -                            | -                        | -                         | 139,461              | -                     | 139,461                   | -                       | 139,461                        |
| Construction in progress   | 13,225  | -   | -                          | -                       | -                            | -                        | -                         | 13,225               | -                     | 13,225                    | -                       | 13,225                         |
| Rental property  | -   | -   | 3,167,915                  | 542,796                 | -                            | 2,179,181                | -                         | 5,889,892            | (125,000)             | 5,764,892                 | (5,764,892)             | -                              |
| Total property and equipment   | 41,830,535  | 10,007,952                                      | 3,167,915                  | 542,796                 | -                            | 2,179,181                | -                         | 57,728,379           | (125,000)             | 57,603,379                | (5,764,892)             | 51,838,487                     |
| Less accumulated depreciation  | (28,502,614)                                      | (1,021,280)                                     | (2,118,252)                | (171,782)               | -                            | (1,394,807)              | -                         | (33,208,735)         | 72,720                | (33,136,015)              | 3,612,121               | (29,523,894)                   |
| <b>Net property and equipment</b>  | <b>13,327,921</b>                                 | <b>8,986,672</b>                                | <b>1,049,663</b>           | <b>371,014</b>          | <b>-</b>                     | <b>784,374</b>           | <b>-</b>                  | <b>24,519,644</b>    | <b>(52,280)</b>       | <b>24,467,364</b>         | <b>(2,152,771)</b>      | <b>22,314,593</b>              |
| <b>Other Assets</b>  |   |   |                            |                         |                              |                          |                           |                      |                       |                           |                         |                                |
| Cash and cash equivalents  | 25,376  | 845,712   | 300                        | 10,814                  | -                            | 10,462                   | -                         | 892,664              | -                     | 892,664                   | (21,576)                | 871,088                        |
| Restricted cash  | -   | -   | 86,289                     | 185,094                 | -                            | 112,774                  | -                         | 384,157              | -                     | 384,157                   | (384,157)               | -                              |
| Accounts receivable:   |   |   |                            |                         |                              |                          |                           |                      |                       |                           |                         |                                |
| Related parties  | 449,769   | 53,745  | -                          | -                       | -                            | -                        | -                         | 503,514              | (430,837)             | 72,677                    | -                       | 72,677                         |
| Other  | 100,453   | 56,327  | 2,275                      | -                       | -                            | -                        | -                         | 159,055              | -                     | 159,055                   | (2,275)                 | 156,780                        |
| Prepaid expenses   | 16,538  | 52,726  | 10,009                     | 7,040                   | -                            | 4,090                    | -                         | 90,403               | -                     | 90,403                    | (21,139)                | 69,264                         |
| Notes receivable - related parties<br>including interest, net of allowance<br>for uncollectible accounts | 1,147,987   | 794,357   | -                          | -                       | -                            | -                        | -                         | 1,942,344            | (1,917,161)           | 25,183                    | -                       | 25,183                         |
| Investments  | -   | 191,402   | -                          | -                       | -                            | -                        | -                         | 191,402              | (191,402)             | -                         | -                       | -                              |
| Total assets in consolidated<br>partnerships/LLCs  | -   | -   | -                          | -                       | -                            | -                        | -                         | -                    | -                     | -                         | 2,581,918               | 2,581,918                      |
| <b>Total other assets</b>  | <b>1,740,123</b>                                  | <b>1,994,269</b>                                | <b>98,873</b>              | <b>202,948</b>          | <b>-</b>                     | <b>127,326</b>           | <b>-</b>                  | <b>4,163,539</b>     | <b>(2,539,400)</b>    | <b>1,624,139</b>          | <b>2,152,771</b>        | <b>3,776,910</b>               |
| <b>Total assets</b>  | <b>\$ 15,068,044</b>                              | <b>\$ 10,980,941</b>                            | <b>\$ 1,148,536</b>        | <b>\$ 573,962</b>       | <b>\$ -</b>                  | <b>\$ 911,700</b>        | <b>\$ -</b>               | <b>\$ 28,683,183</b> | <b>\$ (2,591,680)</b> | <b>\$ 26,091,503</b>      | <b>\$ -</b>             | <b>\$ 26,091,503</b>           |

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DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
 DETAILS OF CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
 December 31, 2020

| LIABILITIES AND NET ASSETS  | Diocese of<br>Cleveland<br>Facilities<br>Services | Catholic<br>Charities<br>Housing<br>Corporation | Ascension<br>Village<br>LP | Nativity<br>Manor<br>LP | St. Richard<br>Senior<br>LLC | Nativity<br>Homes<br>LLC | St. Lucy<br>Senior<br>LLC | Totals               | Eliminations          | Consolidated<br>Subtotals | Account<br>Combinations | Consolidated<br>Totals |
|---|---|---|----------------------------|-------------------------|------------------------------|--------------------------|---------------------------|----------------------|-----------------------|---------------------------|-------------------------|------------------------|
| <b>Liabilities</b>  |   |   |                            |                         |                              |                          |                           |                      |                       |                           |                         |                        |
| Accounts payable - trade  | \$ 109,682  | \$ 43,125                                       | \$ 20,393                  | \$ 15,559               | \$ -                         | \$ 10,577                | \$ -                      | \$ 199,336           | \$ -                  | \$ 199,336                | \$ (46,529)             | \$ 152,807             |
| Accounts payable - other  | -   | -   | -                          | -                       | -                            | 28,433                   | -                         | 28,433               | -                     | 28,433                    | (28,433)                | -                      |
| Accounts payable - related party                                      | -   | -   | 193,736                    | 208,668                 | -                            | 16,632                   | -                         | 419,036              | (419,036)             | -                         | -                       | -                      |
| Accrued expenses  | 47,883  | -   | -                          | -                       | -                            | -                        | -                         | 47,883               | -                     | 47,883                    | -                       | 47,883                 |
| Accrued interest  | 61,710  | 111,285   | 2,500                      | 1,496                   | -                            | 1,983                    | -                         | 178,974              | -                     | 178,974                   | (5,979)                 | 172,995                |
| Accrued management fee  | -   | -   | 2,760                      | -                       | -                            | -                        | -                         | 2,760                | -                     | 2,760                     | (2,760)                 | -                      |
| Accrued asset management fee  | -   | -   | -                          | -                       | -                            | 12,557                   | -                         | 12,557               | -                     | 12,557                    | (12,557)                | -                      |
| Accrued property taxes  | -   | -   | 67,307                     | 24,894                  | -                            | 6,275                    | -                         | 98,476               | -                     | 98,476                    | (98,476)                | -                      |
| Tenant security deposits  | -   | -   | 8,899                      | 10,782                  | -                            | 7,865                    | -                         | 27,546               | -                     | 27,546                    | (27,546)                | -                      |
| Deferred development fee  | -   | -   | -                          | 119,014                 | -                            | -                        | -                         | 119,014              | (119,014)             | -                         | -                       | -                      |
| Prepaid rents   | -   | -   | 1,267                      | 72                      | -                            | 26                       | -                         | 1,365                | -                     | 1,365                     | (1,365)                 | -                      |
| Deferred revenues:  |   |   |                            |                         |                              |                          |                           |                      |                       |                           |                         |                        |
| Interest  | 525,347   | 283,160   | -                          | -                       | -                            | -                        | -                         | 808,507              | (808,507)             | -                         | -                       | -                      |
| Other   | 67,278  | -   | -                          | -                       | -                            | -                        | -                         | 67,278               | -                     | 67,278                    | -                       | 67,278                 |
| Interest rate swap liability  | -   | 156,466   | -                          | -                       | -                            | -                        | -                         | 156,466              | -                     | 156,466                   | -                       | 156,466                |
| Notes payable   | 291,064   | 5,171,718                                       | -                          | -                       | -                            | -                        | -                         | 5,462,782            | (1,917,161)           | 3,545,621                 | 1,917,161               | 5,462,782              |
| Mortgage and notes payable, net of<br>unamortized debt issuance costs | -   | -   | 445,748                    | 616,890                 | -                            | 192,069                  | -                         | 1,254,707            | -                     | 1,254,707                 | (1,254,707)             | -                      |
| Deferred interest   | -   | -   | -                          | 304,739                 | -                            | -                        | -                         | 304,739              | -                     | 304,739                   | (304,739)               | -                      |
| Due to affiliates   | -   | -   | 878,121                    | 275,582                 | -                            | 644,445                  | -                         | 1,798,148            | 107,213               | 1,905,361                 | (1,905,361)             | -                      |
| Total liabilities in consolidated<br>partnerships/LLCs                | -   | -   | -                          | -                       | -                            | -                        | -                         | -                    | -                     | -                         | 1,771,291               | 1,771,291              |
| <b>Total liabilities</b>  | <b>1,102,964</b>                                  | <b>5,765,754</b>                                | <b>1,620,731</b>           | <b>1,577,696</b>        | <b>-</b>                     | <b>920,862</b>           | <b>-</b>                  | <b>10,988,007</b>    | <b>(3,156,505)</b>    | <b>7,831,502</b>          | <b>-</b>                | <b>7,831,502</b>       |
| <b>Net Assets</b>   |   |   |                            |                         |                              |                          |                           |                      |                       |                           |                         |                        |
| Non-controlling interest  | -   | -   | -                          | -                       | -                            | -                        | -                         | -                    | 481,469               | 481,469                   | -                       | 481,469                |
| Without donor restrictions  | 13,965,080  | 4,580,977                                       | -                          | -                       | -                            | -                        | -                         | 18,546,057           | 564,825               | 19,110,882                | -                       | 19,110,882             |
| With donor restrictions   | -   | 634,210   | -                          | -                       | -                            | -                        | -                         | 634,210              | -                     | 634,210                   | -                       | 634,210                |
| Operating   | -   | -   | (472,195)                  | (1,003,734)             | -                            | (9,162)                  | -                         | (1,485,091)          | (481,469)             | (1,966,560)               | -                       | (1,966,560)            |
| <b>Total net assets</b>   | <b>13,965,080</b>                                 | <b>5,215,187</b>                                | <b>(472,195)</b>           | <b>(1,003,734)</b>      | <b>-</b>                     | <b>(9,162)</b>           | <b>-</b>                  | <b>17,695,176</b>    | <b>564,825</b>        | <b>18,260,001</b>         | <b>-</b>                | <b>18,260,001</b>      |
| <b>Total liabilities and net assets</b>                               | <b>\$ 15,068,044</b>                              | <b>\$ 10,980,941</b>                            | <b>\$ 1,148,536</b>        | <b>\$ 573,962</b>       | <b>\$ -</b>                  | <b>\$ 911,700</b>        | <b>\$ -</b>               | <b>\$ 28,683,183</b> | <b>\$ (2,591,680)</b> | <b>\$ 26,091,503</b>      | <b>\$ -</b>             | <b>\$ 26,091,503</b>   |

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DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
 DETAILS OF CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
 December 31, 2019

| ASSETS  | Diocese of<br>Cleveland<br>Facilities<br>Services | Catholic<br>Charities<br>Housing<br>Corporation | Ascension<br>Village<br>LP | Nativity<br>Manor<br>LP | St. Richard<br>Senior<br>LLC | Nativity<br>Homes<br>LLC | St. Lucy<br>Senior<br>LLC | Total                | Eliminations          | Consolidated<br>Subtotals | Account<br>Combinations | Consolidated<br>Totals |
|---|---|---|----------------------------|-------------------------|------------------------------|--------------------------|---------------------------|----------------------|-----------------------|---------------------------|-------------------------|------------------------|
| <b>Property and Equipment</b>   |   |   |                            |                         |                              |                          |                           |                      |                       |                           |                         |                        |
| Land  | \$ 3,815,389                                      | \$ 411,840                                      | \$ -                       | \$ -                    | \$ -                         | \$ -                     | \$ -                      | \$ 4,227,229         | \$ -                  | \$ 4,227,229              | \$ -                    | \$ 4,227,229           |
| Buildings   | 24,996,223  | 6,972,575                                       | -                          | -                       | -                            | -                        | -                         | 31,968,798           | -                     | 31,968,798                | -                       | 31,968,798             |
| Building improvements   | 5,244,812   | 1,577,740                                       | -                          | -                       | -                            | -                        | -                         | 6,822,552            | -                     | 6,822,552                 | -                       | 6,822,552              |
| Land improvements   | 1,090,121   | -   | -                          | -                       | -                            | -                        | -                         | 1,090,121            | -                     | 1,090,121                 | -                       | 1,090,121              |
| Fixed equipment   | 6,290,065   | 17,695  | -                          | -                       | -                            | -                        | -                         | 6,307,760            | -                     | 6,307,760                 | -                       | 6,307,760              |
| Office equipment and fixtures   | 129,029   | -   | -                          | -                       | -                            | -                        | -                         | 129,029              | -                     | 129,029                   | -                       | 129,029                |
| Vehicles  | 139,461   | -   | -                          | -                       | -                            | -                        | -                         | 139,461              | -                     | 139,461                   | -                       | 139,461                |
| Construction in progress  | 13,206  | 122,560   | -                          | -                       | -                            | -                        | -                         | 135,766              | -                     | 135,766                   | -                       | 135,766                |
| Rental property   | -   | -   | 3,140,761                  | 542,796                 | 6,321,033                    | 2,179,181                | 5,812,952                 | 17,996,723           | (1,575,000)           | 16,421,723                | (16,421,723)            | -                      |
| Total property and equipment  | 41,718,306  | 9,102,410                                       | 3,140,761                  | 542,796                 | 6,321,033                    | 2,179,181                | 5,812,952                 | 68,817,439           | (1,575,000)           | 67,242,439                | (16,421,723)            | 50,820,716             |
| Less accumulated depreciation   | (27,524,094)                                      | (704,015)                                       | (2,052,896)                | (142,394)               | (1,581,027)                  | (1,316,193)              | (1,759,636)               | (35,080,255)         | 425,149               | (34,655,106)              | 6,426,997               | (28,228,109)           |
| <b>Net property and equipment</b>   | <b>14,194,212</b>                                 | <b>8,398,395</b>                                | <b>1,087,865</b>           | <b>400,402</b>          | <b>4,740,006</b>             | <b>862,988</b>           | <b>4,053,316</b>          | <b>33,737,184</b>    | <b>(1,149,851)</b>    | <b>32,587,333</b>         | <b>(9,994,726)</b>      | <b>22,592,607</b>      |
| <b>Other Assets</b>   |   |   |                            |                         |                              |                          |                           |                      |                       |                           |                         |                        |
| Cash and cash equivalents   | 3,314   | 350,585   | 800                        | 10,559                  | 9,375                        | 3,792                    | 64,699                    | 443,124              | -                     | 443,124                   | (89,225)                | 353,899                |
| Restricted cash   | -   | -   | 105,250                    | 165,924                 | 209,424                      | 106,071                  | 216,227                   | 802,896              | -                     | 802,896                   | (802,896)               | -                      |
| Accounts receivable:  |   |   |                            |                         |                              |                          |                           |                      |                       |                           |                         |                        |
| Related parties   | 485,415   | 131,144   | -                          | -                       | -                            | -                        | -                         | 616,559              | (420,153)             | 196,406                   | -                       | 196,406                |
| Other   | 93,872  | 329,068   | 372                        | 2,152                   | 150                          | 2,381                    | 5,957                     | 433,952              | -                     | 433,952                   | (11,012)                | 422,940                |
| Prepaid expenses  | 15,315  | 36,440  | 8,864                      | 6,227                   | 55,345                       | 4,015                    | 52,139                    | 178,345              | -                     | 178,345                   | (126,590)               | 51,755                 |
| Notes receivable - related parties,<br>including interest, net of allowance<br>for uncollectible accounts | 1,334,717   | 2,232,261                                       | -                          | -                       | -                            | -                        | -                         | 3,566,978            | (3,331,978)           | 235,000                   | -                       | 235,000                |
| Property - available for sale   | -   | -   | -                          | -                       | -                            | -                        | -                         | -                    | -                     | -                         | -                       | -                      |
| Investments   | -   | 491,402   | -                          | -                       | -                            | -                        | -                         | 491,402              | (491,402)             | -                         | -                       | -                      |
| Capitalized costs - net   | -   | -   | -                          | -                       | 43,649                       | -                        | 30,437                    | 74,086               | -                     | 74,086                    | (74,086)                | -                      |
| Total assets in consolidated<br>partnerships/LLCs   | -   | -   | -                          | -                       | -                            | -                        | -                         | -                    | -                     | -                         | 11,098,535              | 11,098,535             |
| <b>Total other assets</b>   | <b>1,932,633</b>                                  | <b>3,570,900</b>                                | <b>115,286</b>             | <b>184,862</b>          | <b>317,943</b>               | <b>116,259</b>           | <b>369,459</b>            | <b>6,607,342</b>     | <b>(4,243,533)</b>    | <b>2,363,809</b>          | <b>9,994,726</b>        | <b>12,358,535</b>      |
| <b>Total assets</b>   | <b>\$ 16,126,845</b>                              | <b>\$ 11,969,295</b>                            | <b>\$ 1,203,151</b>        | <b>\$ 585,264</b>       | <b>\$ 5,057,949</b>          | <b>\$ 979,247</b>        | <b>\$ 4,422,775</b>       | <b>\$ 40,344,526</b> | <b>\$ (5,393,384)</b> | <b>\$ 34,951,142</b>      | <b>\$ -</b>             | <b>\$ 34,951,142</b>   |

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DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
 DETAILS OF CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
 December 31, 2019

| LIABILITIES AND NET ASSETS  | Diocese of<br>Cleveland<br>Facilities<br>Services | Catholic<br>Charities<br>Housing<br>Corporation | Ascension<br>Village<br>LP | Nativity<br>Manor<br>LP | St. Richard<br>Senior<br>LLC | Nativity<br>Homes<br>LLC | St. Lucy<br>Senior<br>LLC | Totals               | Eliminations          | Consolidated<br>Subtotals | Account<br>Combinations | Consolidated<br>Totals |
|---|---|---|----------------------------|-------------------------|------------------------------|--------------------------|---------------------------|----------------------|-----------------------|---------------------------|-------------------------|------------------------|
| <b>Liabilities</b>  |   |   |                            |                         |                              |                          |                           |                      |                       |                           |                         |                        |
| Accounts payable - trade  | \$ 124,493  | \$ 1,074  | \$ 20,323                  | \$ 23,222               | \$ 9,101                     | \$ 18,156                | \$ 11,334                 | \$ 207,703           | \$ -                  | \$ 207,703                | \$ (82,136)             | \$ 125,567             |
| Accounts payable - other  | -   | -   | -                          | -                       | -                            | 22,119                   | -                         | 22,119               | -                     | 22,119                    | (22,119)                | -                      |
| Accounts payable - related party                                      | -   | -   | 206,656                    | 198,672                 | -                            | 16,632                   | -                         | 421,960              | (421,960)             | -                         | -                       | -                      |
| Accrued expenses  | 44,598  | -   | -                          | -                       | 50,661                       | -                        | -                         | 95,259               | -                     | 95,259                    | (50,661)                | 44,598                 |
| Accrued interest  | 58,080  | 219,470   | 2,656                      | 57,096                  | -                            | 1,033                    | 31,095                    | 369,430              | -                     | 369,430                   | (91,880)                | 277,550                |
| Accrued management fee  | -   | -   | 3,405                      | -                       | -                            | 963                      | -                         | 4,368                | -                     | 4,368                     | (4,368)                 | -                      |
| Accrued asset management fee  | -   | -   | -                          | 22,959                  | -                            | 18,229                   | -                         | 41,188               | -                     | 41,188                    | (41,188)                | -                      |
| Accrued property taxes  | -   | -   | 65,635                     | 24,434                  | -                            | 6,278                    | 38,002                    | 134,349              | -                     | 134,349                   | (134,349)               | -                      |
| Tenant security deposits  | -   | -   | 9,366                      | 9,932                   | 6,782                        | 7,865                    | 7,361                     | 41,306               | -                     | 41,306                    | (41,306)                | -                      |
| Deferred development fee  | -   | -   | -                          | 119,014                 | -                            | -                        | 360,476                   | 479,490              | (479,490)             | -                         | -                       | -                      |
| Prepaid rents   | -   | -   | 363                        | 2,444                   | -                            | 364                      | 1,503                     | 4,674                | -                     | 4,674                     | (4,674)                 | -                      |
| Deferred revenues:  |   |   |                            |                         |                              |                          |                           |                      |                       |                           |                         |                        |
| Interest  | 505,889   | 252,402   | -                          | -                       | -                            | -                        | -                         | 758,291              | (758,291)             | -                         | -                       | -                      |
| Other   | 71,128  | -   | -                          | -                       | -                            | -                        | -                         | 71,128               | -                     | 71,128                    | -                       | 71,128                 |
| Interest rate swap liability  | -   | 85,060  | -                          | -                       | -                            | -                        | -                         | 85,060               | -                     | 85,060                    | -                       | 85,060                 |
| Notes payable   | 526,064   | 6,047,949                                       | -                          | -                       | -                            | -                        | -                         | 6,574,013            | -                     | 6,574,013                 | -                       | 6,574,013              |
| Mortgage and notes payable, net of<br>unamortized debt issuance costs | -   | -   | 475,473                    | 1,021,159               | -                            | 198,001                  | 1,608,955                 | 3,303,588            | -                     | 3,303,588                 | (3,303,588)             | -                      |
| Deferred interest   | -   | -   | -                          | 287,796                 | -                            | -                        | -                         | 287,796              | -                     | 287,796                   | (287,796)               | -                      |
| Due to affiliates   | -   | -   | 855,033                    | 275,582                 | 300,000                      | 599,470                  | 818,822                   | 2,848,907            | (2,850,681)           | (1,774)                   | -                       | (1,774)                |
| Total liabilities in consolidated<br>partnerships/LLCs                | -   | -   | -                          | -                       | -                            | -                        | -                         | -                    | -                     | -                         | 4,064,065               | 4,064,065              |
| <b>Total liabilities</b>  | <b>1,330,252</b>                                  | <b>6,605,955</b>                                | <b>1,638,910</b>           | <b>2,042,310</b>        | <b>366,544</b>               | <b>889,110</b>           | <b>2,877,548</b>          | <b>15,750,629</b>    | <b>(4,510,422)</b>    | <b>11,240,207</b>         | <b>-</b>                | <b>11,240,207</b>      |
| <b>Net Assets</b>   |   |   |                            |                         |                              |                          |                           |                      |                       |                           |                         |                        |
| Non-controlling interest  | -   | -   | -                          | -                       | -                            | -                        | -                         | -                    | 5,304,506             | 5,304,506                 | -                       | 5,304,506              |
| Without donor restrictions  | 14,796,593  | 4,671,475                                       | -                          | -                       | -                            | -                        | -                         | 19,468,068           | (882,962)             | 18,585,106                | -                       | 18,585,106             |
| With donor restrictions   | -   | 691,865   | -                          | -                       | -                            | -                        | -                         | 691,865              | -                     | 691,865                   | -                       | 691,865                |
| Operating   | -   | -   | (435,759)                  | (1,457,046)             | 4,691,405                    | 90,137                   | 1,545,227                 | 4,433,964            | (5,304,506)           | (870,542)                 | -                       | (870,542)              |
| <b>Total net assets</b>   | <b>14,796,593</b>                                 | <b>5,363,340</b>                                | <b>(435,759)</b>           | <b>(1,457,046)</b>      | <b>4,691,405</b>             | <b>90,137</b>            | <b>1,545,227</b>          | <b>24,593,897</b>    | <b>(882,962)</b>      | <b>23,710,935</b>         | <b>-</b>                | <b>23,710,935</b>      |
| <b>Total liabilities and net assets</b>                               | <b>\$ 16,126,845</b>                              | <b>\$ 11,969,295</b>                            | <b>\$ 1,203,151</b>        | <b>\$ 585,264</b>       | <b>\$ 5,057,949</b>          | <b>\$ 979,247</b>        | <b>\$ 4,422,775</b>       | <b>\$ 40,344,526</b> | <b>\$ (5,393,384)</b> | <b>\$ 34,951,142</b>      | <b>\$ -</b>             | <b>\$ 34,951,142</b>   |

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DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
 DETAILS OF CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
 For the Year Ended December 31, 2020

|  | Diocese of<br>Cleveland<br>Facilities<br>Services | Catholic<br>Charities<br>Housing<br>Corporation | Ascension<br>Village<br>LP | Nativity<br>Manor<br>LP | St. Richard<br>Senior<br>LLC | Nativity<br>Homes<br>LLC | St. Lucy<br>Senior<br>LLC | Total                | Eliminations      | Consolidated<br>Subtotals | Account<br>Combinations | Consolidated<br>Totals |
|--|---|---|----------------------------|-------------------------|------------------------------|--------------------------|---------------------------|----------------------|-------------------|---------------------------|-------------------------|------------------------|
| <b>Revenue and Support</b>   |   |   |                            |                         |                              |                          |                           |                      |                   |                           |                         |                        |
| Rental income  | \$ 1,986,749                                      | 633,325   | \$ 427,503                 | \$ 261,639              | \$ -                         | \$ 166,613               | \$ -                      | \$ 3,475,829         | \$ -              | \$ 3,475,829              | \$ (855,755)            | \$ 2,620,074           |
| Vacancy loss   | -   | -   | (9,620)                    | (6,738)                 | -                            | (43)                     | -                         | (16,401)             | -                 | (16,401)                  | 16,401                  | -                      |
| Catholic Charities - operating   | 155,412   | -   | -                          | -                       | -                            | -                        | -                         | 155,412              | -                 | 155,412                   | -                       | 155,412                |
| Investment income  | 104   | 949   | 58                         | 419                     | -                            | 143                      | -                         | 1,673                | -                 | 1,673                     | (620)                   | 1,053                  |
| Diocese of Cleveland fees  | 408,636   | -   | -                          | -                       | -                            | -                        | -                         | 408,636              | -                 | 408,636                   | -                       | 408,636                |
| Contributions from individuals, foundations,<br>trusts, and miscellaneous income | 174,389   | 355,145   | 7,072                      | 68,464                  | -                            | 1,577                    | -                         | 606,647              | (24,880)          | 581,767                   | (77,113)                | 504,654                |
| Total revenue from consolidated<br>partnerships/LLCs                             | -   | -   | -                          | -                       | -                            | -                        | -                         | -                    | -                 | -                         | 917,087                 | 917,087                |
| <b>Total revenue and support</b>   | <b>2,725,290</b>                                  | <b>989,419</b>                                  | <b>425,013</b>             | <b>323,784</b>          | <b>-</b>                     | <b>168,290</b>           | <b>-</b>                  | <b>4,631,796</b>     | <b>(24,880)</b>   | <b>4,606,916</b>          | <b>-</b>                | <b>4,606,916</b>       |
| <b>Expenditures</b>  |   |   |                            |                         |                              |                          |                           |                      |                   |                           |                         |                        |
| Operating expenses:  |   |   |                            |                         |                              |                          |                           |                      |                   |                           |                         |                        |
| Payroll  | 1,387,676   | 1,464   | 84,777                     | 53,946                  | -                            | 30,623                   | -                         | 1,558,486            | -                 | 1,558,486                 | (169,346)               | 1,389,140              |
| Administrative and general   | 493,251   | 115,537   | 77,345                     | 25,144                  | -                            | 18,575                   | -                         | 729,852              | (24,880)          | 704,972                   | (96,184)                | 608,788                |
| Repairs and maintenance  | 350,529   | 42,448  | 40,183                     | 25,614                  | -                            | 15,474                   | -                         | 474,248              | -                 | 474,248                   | (81,271)                | 392,977                |
| Utilities  | 454,954   | 37,442  | 69,077                     | 43,249                  | -                            | 37,032                   | -                         | 641,754              | -                 | 641,754                   | (149,358)               | 492,396                |
| Real estate taxes  | 1,325   | 6,261   | 19,934                     | 25,355                  | -                            | 6,272                    | -                         | 59,147               | -                 | 59,147                    | (51,561)                | 7,586                  |
| Insurance  | 58,279  | 7,101   | 18,873                     | 13,267                  | -                            | 8,105                    | -                         | 105,625              | -                 | 105,625                   | (40,245)                | 65,380                 |
| Interest expense   | -   | 199,195   | 56,231                     | 42,575                  | -                            | 59,478                   | -                         | 357,479              | (50,216)          | 307,263                   | (108,068)               | 199,195                |
| Depreciation   | 978,520   | 317,265   | 65,356                     | 29,388                  | -                            | 78,614                   | -                         | 1,469,143            | (4,545)           | 1,464,598                 | (168,813)               | 1,295,785              |
| Property management fee  | -   | -   | 29,673                     | 16,543                  | -                            | 7,700                    | -                         | 53,916               | -                 | 53,916                    | (53,916)                | -                      |
| Asset management fee   | -   | -   | -                          | (5,705)                 | -                            | 5,700                    | -                         | (5)                  | -                 | (5)                       | 5                       | -                      |
| Amortization   | -   | -   | -                          | -                       | -                            | -                        | -                         | -                    | -                 | -                         | -                       | -                      |
| Bad debt   | 1,598   | -   | -                          | 1,096                   | -                            | 16                       | -                         | 2,710                | -                 | 2,710                     | (1,112)                 | 1,598                  |
| Total expenses from consolidated<br>partnerships/LLCs                            | -   | -   | -                          | -                       | -                            | -                        | -                         | -                    | -                 | -                         | 919,869                 | 919,869                |
| <b>Total expenditures</b>  | <b>3,726,132</b>                                  | <b>726,713</b>                                  | <b>461,449</b>             | <b>270,472</b>          | <b>-</b>                     | <b>267,589</b>           | <b>-</b>                  | <b>5,452,355</b>     | <b>(79,641)</b>   | <b>5,372,714</b>          | <b>-</b>                | <b>5,372,714</b>       |
| <b>Changes in net assets before other expenditures</b>                           | <b>(1,000,842)</b>                                | <b>262,706</b>                                  | <b>(36,436)</b>            | <b>53,312</b>           | <b>-</b>                     | <b>(99,299)</b>          | <b>-</b>                  | <b>(820,559)</b>     | <b>54,761</b>     | <b>(765,798)</b>          | <b>-</b>                | <b>(765,798)</b>       |
| Other Expenditures   |   |   |                            |                         |                              |                          |                           |                      |                   |                           |                         |                        |
| Change in fair value of hedge - interest rate swap                               | -   | (71,406)  | -                          | -                       | -                            | -                        | -                         | (71,406)             | -                 | (71,406)                  | -                       | (71,406)               |
| <b>Total other expenditures</b>  | <b>-</b>  | <b>(71,406)</b>                                 | <b>-</b>                   | <b>-</b>                | <b>-</b>                     | <b>-</b>                 | <b>-</b>                  | <b>(71,406)</b>      | <b>-</b>          | <b>(71,406)</b>           | <b>-</b>                | <b>(71,406)</b>        |
| Changes in net assets from continuing operations                                 | <b>(1,000,842)</b>                                | <b>191,300</b>                                  | <b>(36,436)</b>            | <b>53,312</b>           | <b>-</b>                     | <b>(99,299)</b>          | <b>-</b>                  | <b>(891,965)</b>     | <b>54,761</b>     | <b>(837,204)</b>          | <b>-</b>                | <b>(837,204)</b>       |
| <b>Discontinued operations</b>   |   |   |                            |                         |                              |                          |                           |                      |                   |                           |                         |                        |
| Total revenues of discontinued partnerships/LLCs                                 | -   | -   | -                          | -                       | 218,333                      | -                        | 134,445                   | 352,778              | -                 | 352,778                   | -                       | 352,778                |
| Total expenses of discontinued partnerships/LLCs                                 | -   | -   | -                          | -                       | (400,194)                    | -                        | (289,235)                 | (689,429)            | 52,728            | (636,701)                 | -                       | (636,701)              |
| Decrease in net assets of discontinued partnerships/LLCs                         | -   | (519,108)                                       | -                          | -                       | (4,509,544)                  | -                        | (1,862,300)               | (6,890,952)          | 1,340,298         | (5,550,654)               | -                       | (5,550,654)            |
| Gain on disposition of partnerships/LLCs, net                                    | -   | 106,439   | -                          | -                       | -                            | -                        | 106,439                   | -                    | -                 | 106,439                   | -                       | 106,439                |
| <b>Total discontinued operations</b>   | <b>-</b>  | <b>(412,669)</b>                                | <b>-</b>                   | <b>-</b>                | <b>(4,691,405)</b>           | <b>-</b>                 | <b>(2,017,090)</b>        | <b>(7,121,164)</b>   | <b>1,393,026</b>  | <b>(5,728,138)</b>        | <b>-</b>                | <b>(5,728,138)</b>     |
| Change in net assets before contributions<br>and transfer of net assets          | (1,000,842)                                       | (221,369)                                       | (36,436)                   | 53,312                  | (4,691,405)                  | (99,299)                 | (2,017,090)               | (8,013,129)          | 1,447,787         | (6,565,342)               | -                       | (6,565,342)            |
| Capital contributions  | -   | -   | -                          | 400,000                 | -                            | -                        | 471,863                   | 871,863              | -                 | 871,863                   | -                       | 871,863                |
| Transfer of net assets (deficits)  | 169,329   | 73,216  | -                          | -                       | -                            | -                        | -                         | 242,545              | -                 | 242,545                   | -                       | 242,545                |
| <b>Change in Net assets</b>  | <b>(831,513)</b>                                  | <b>(148,153)</b>                                | <b>(36,436)</b>            | <b>453,312</b>          | <b>(4,691,405)</b>           | <b>(99,299)</b>          | <b>(1,545,227)</b>        | <b>(6,898,721)</b>   | <b>1,447,787</b>  | <b>(5,450,934)</b>        | <b>-</b>                | <b>(5,450,934)</b>     |
| Net assets at beginning of year  | 14,796,593  | 5,363,340                                       | (435,759)                  | (1,457,046)             | 4,691,405                    | 90,137                   | 1,545,227                 | 24,593,897           | (882,962)         | 23,710,935                | -                       | 23,710,935             |
| <b>Net assets at end of year</b>   | <b>\$ 13,965,080</b>                              | <b>\$ 5,215,187</b>                             | <b>\$ (472,195)</b>        | <b>\$ (1,003,734)</b>   | <b>\$ -</b>                  | <b>\$ (9,162)</b>        | <b>\$ -</b>               | <b>\$ 17,695,176</b> | <b>\$ 564,825</b> | <b>\$ 18,260,001</b>      | <b>\$ -</b>             | <b>\$ 18,260,001</b>   |

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DIOCESE OF CLEVELAND FACILITIES SERVICES CORPORATION AND SUBSIDIARIES  
 DETAILS OF CONSOLIDATING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
 For the Year Ended December 31, 2019

|  | Diocese of<br>Cleveland<br>Facilities<br>Services | Catholic<br>Charities<br>Housing<br>Corporation | Ascension<br>Village<br>LP | Nativity<br>Manor<br>LP | St. Richard<br>Senior<br>LLC | Nativity<br>Homes<br>LLC | St. Lucy<br>Senior<br>LLC | Total                | Eliminations        | Consolidated<br>Subtotals | Account<br>Combinations | Consolidated<br>Totals |
|--|---|---|----------------------------|-------------------------|------------------------------|--------------------------|---------------------------|----------------------|---------------------|---------------------------|-------------------------|------------------------|
| <b>Revenue and Support</b>   |   |   |                            |                         |                              |                          |                           |                      |                     |                           |                         |                        |
| Rental income  | \$ 1,973,457                                      | 559,795   | \$ 411,703                 | \$ 245,570              | \$ 222,618                   | \$ 154,771               | \$ 240,332                | \$ 3,808,246         | \$ -                | \$ 3,808,246              | \$ (1,274,994)          | \$ 2,533,252           |
| Vacancy loss   | -   | -   | (9,872)                    | (7,521)                 | (1,791)                      | (3,424)                  | (3,828)                   | (26,436)             | -                   | (26,436)                  | 26,436                  | -                      |
| Catholic Charities - operating   | 155,412   | -   | -                          | -                       | -                            | -                        | -                         | 155,412              | -                   | 155,412                   | -                       | 155,412                |
| Investment income  | 1,187   | 2,364   | 91                         | 1,293                   | 625                          | 407                      | -                         | 5,967                | -                   | 5,967                     | (2,416)                 | 3,551                  |
| Diocese of Cleveland fees  | 541,620   | -   | -                          | -                       | -                            | -                        | -                         | 541,620              | -                   | 541,620                   | -                       | 541,620                |
| Contributions from individuals, foundations,<br>trusts, and miscellaneous income | 172,439   | 572,038   | 6,934                      | 6,220                   | 3,146                        | 51                       | 7,167                     | 767,995              | (24,880)            | 743,115                   | (23,518)                | 719,597                |
| Total revenue from consolidated<br>partnerships/LLCs                             | -   | -   | -                          | -                       | -                            | -                        | -                         | -                    | -                   | -                         | 1,274,492               | 1,274,492              |
| <b>Total revenue and support</b>   | <b>2,844,115</b>                                  | <b>1,134,197</b>                                | <b>408,856</b>             | <b>245,562</b>          | <b>224,598</b>               | <b>151,805</b>           | <b>243,671</b>            | <b>5,252,804</b>     | <b>(24,880)</b>     | <b>5,227,924</b>          | <b>-</b>                | <b>5,227,924</b>       |
| <b>Expenditures</b>  |   |   |                            |                         |                              |                          |                           |                      |                     |                           |                         |                        |
| <b>Operating expenses:</b>   |   |   |                            |                         |                              |                          |                           |                      |                     |                           |                         |                        |
| Payroll  | 1,369,122   | -   | 91,410                     | 59,579                  | 43,955                       | 35,592                   | 43,081                    | 1,642,739            | -                   | 1,642,739                 | (273,617)               | 1,369,122              |
| Administrative and general   | 597,129   | 50,963  | 74,463                     | 23,121                  | 29,508                       | 16,481                   | 32,442                    | 824,107              | (24,880)            | 799,227                   | (151,135)               | 648,092                |
| Repairs and maintenance  | 397,457   | 38,879  | 46,304                     | 31,138                  | 38,351                       | 20,862                   | 32,074                    | 605,065              | -                   | 605,065                   | (168,729)               | 436,336                |
| Utilities  | 495,465   | 32,068  | 64,518                     | 46,422                  | 25,669                       | 42,733                   | 28,220                    | 735,095              | -                   | 735,095                   | (207,562)               | 527,533                |
| Real estate taxes  | 29,575  | (30,530)  | 65,635                     | 24,433                  | 51,251                       | 6,649                    | 38,017                    | 185,030              | -                   | 185,030                   | (185,985)               | (955)                  |
| Insurance  | 56,143  | 6,272   | 17,448                     | 12,203                  | 14,391                       | 7,867                    | 15,647                    | 129,971              | -                   | 129,971                   | (67,556)                | 62,415                 |
| Interest expense   | -   | 191,059   | 58,203                     | 52,213                  | -                            | 50,365                   | 69,068                    | 420,908              | (48,474)            | 372,434                   | (181,375)               | 191,059                |
| Depreciation   | 1,020,284   | 261,091   | 64,662                     | 29,388                  | 229,476                      | 78,614                   | 218,374                   | 1,901,889            | (57,273)            | 1,844,616                 | (563,241)               | 1,281,375              |
| Property management fee  | -   | -   | 28,566                     | 16,835                  | 15,982                       | 8,400                    | 14,035                    | 83,818               | -                   | 83,818                    | (83,818)                | -                      |
| Asset management fee   | -   | -   | -                          | 6,648                   | 5,333                        | 5,700                    | 5,328                     | 23,009               | -                   | 23,009                    | (23,009)                | -                      |
| Amortization   | -   | -   | -                          | -                       | 4,944                        | -                        | 4,013                     | 8,957                | -                   | 8,957                     | (8,957)                 | -                      |
| Bad debt   | -   | -   | (55)                       | 6,121                   | -                            | 3,235                    | -                         | 9,301                | -                   | 9,301                     | (9,301)                 | -                      |
| Total expenses from consolidated<br>partnerships/LLCs                            | -   | -   | -                          | -                       | -                            | -                        | -                         | -                    | -                   | -                         | (1,924,285)             | 1,924,285              |
| <b>Total expenditures</b>  | <b>3,965,175</b>                                  | <b>549,802</b>                                  | <b>511,154</b>             | <b>308,101</b>          | <b>458,860</b>               | <b>276,498</b>           | <b>500,299</b>            | <b>6,569,889</b>     | <b>(130,627)</b>    | <b>6,439,262</b>          | <b>(3,848,570)</b>      | <b>6,439,262</b>       |
| <b>Changes in net assets before other income (expenditures)</b>                  | <b>(1,121,060)</b>                                | <b>584,395</b>                                  | <b>(102,298)</b>           | <b>(62,539)</b>         | <b>(234,262)</b>             | <b>(124,693)</b>         | <b>(256,628)</b>          | <b>(1,317,085)</b>   | <b>105,747</b>      | <b>(1,211,338)</b>        | <b>-</b>                | <b>(1,211,338)</b>     |
| <b>Other Income (Expenditures)</b>   |   |   |                            |                         |                              |                          |                           |                      |                     |                           |                         |                        |
| Change in fair value of hedge - interest rate swap                               | -   | (66,508)  | -                          | -                       | -                            | -                        | -                         | (66,508)             | -                   | (66,508)                  | -                       | (66,508)               |
| Gain on sale of property and equipment   | (15,882)  | -   | -                          | -                       | -                            | -                        | -                         | (15,882)             | -                   | (15,882)                  | -                       | (15,882)               |
| <b>Total other income (expenditures)</b>   | <b>(15,882)</b>                                   | <b>(66,508)</b>                                 | <b>-</b>                   | <b>-</b>                | <b>-</b>                     | <b>-</b>                 | <b>-</b>                  | <b>(82,390)</b>      | <b>-</b>            | <b>(82,390)</b>           | <b>-</b>                | <b>(82,390)</b>        |
| <b>Change in net assets before contributions<br/>and transfer of net asset</b>   | <b>(1,136,942)</b>                                | <b>517,887</b>                                  | <b>(102,298)</b>           | <b>(62,539)</b>         | <b>(234,262)</b>             | <b>(124,693)</b>         | <b>(256,628)</b>          | <b>(1,399,475)</b>   | <b>105,747</b>      | <b>(1,293,728)</b>        | <b>-</b>                | <b>(1,293,728)</b>     |
| Capital contributions  | -   | -   | -                          | -                       | -                            | -                        | 471,863                   | 471,863              | -                   | 471,863                   | -                       | 471,863                |
| Transfer of net assets   | (459,635)   | (83,170)  | -                          | -                       | -                            | -                        | -                         | (542,805)            | -                   | (542,805)                 | -                       | (542,805)              |
| <b>Change in net assets</b>  | <b>(1,596,577)</b>                                | <b>434,717</b>                                  | <b>(102,298)</b>           | <b>(62,539)</b>         | <b>(234,262)</b>             | <b>(124,693)</b>         | <b>215,235</b>            | <b>(1,470,417)</b>   | <b>105,747</b>      | <b>(1,364,670)</b>        | <b>-</b>                | <b>(1,364,670)</b>     |
| Net assets at beginning of year  | 16,393,170  | 4,928,623                                       | (333,461)                  | (1,394,507)             | 4,925,667                    | 214,830                  | 1,329,992                 | 26,064,314           | (988,709)           | 25,075,605                | -                       | 25,075,605             |
| <b>Net assets at end of year</b>   | <b>\$ 14,796,593</b>                              | <b>\$ 5,363,340</b>                             | <b>\$ (435,759)</b>        | <b>\$ (1,457,046)</b>   | <b>\$ 4,691,405</b>          | <b>\$ 90,137</b>         | <b>\$ 1,545,227</b>       | <b>\$ 24,593,897</b> | <b>\$ (882,962)</b> | <b>\$ 23,710,935</b>      | <b>\$ -</b>             | <b>\$ 23,710,935</b>   |

See Report of Independent Auditors