CINCINNATI METROPOLITAN HOUSING AUTHORITY

HAMILTON COUNTY

FINANCIAL STATEMENT & SINGLE AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2020

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Commissioners
Cincinnati Metropolitan Housing Authority
1627 Western Avenue
Cincinnati, Ohio 45214

We have reviewed the *Independent Auditor's Report* of Cincinnati Metropolitan Housing Authority, Hamilton County, prepared by Plante & Moran, PLLC, for the audit period July 1, 2019 through June 30, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Cincinnati Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

January 14, 2021

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Independent Auditor's Report

To the Board of Commissioners
Cincinnati Metropolitan Housing Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Cincinnati Metropolitan Housing Authority (the "Authority") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise Cincinnati Metropolitan Housing Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Springdale Senior, LP; Reserve on South Martin, LP; West Union Square, LLC; Cary Crossing, LLC; and Sutter View, LLC, which represent 100 percent of the assets, net position, and revenue of the aggregate discretely presented component units. Those financial 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 Springdale Senior, LP; Reserve on South Martin, LP; West Union Square, LLC; Cary Crossing, LLC; and Sutter View, LLC, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Springdale Senior, LP; Reserve on South Martin, LP; West Union Square, LLC; Cary Crossing, LLC; and Sutter View, LLC were not audited under *Government Auditing Standards.*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Cincinnati Metropolitan Housing Authority as of June 30, 2020 and the respective changes in its financial position and its business-type activities cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Commissioners
Cincinnati Metropolitan Housing Authority

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cincinnati Metropolitan Housing Authority's basic financial statements. The financial data schedules, closed grant schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The financial data schedules and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedules and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The closed grant schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020 on our consideration of Cincinnati Metropolitan Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cincinnati Metropolitan Housing Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

December 15, 2020

Management's Discussion and Analysis

This discussion and analysis provides the reader with a narrative overview and financial analysis of the Cincinnati Metropolitan Housing Authority's (CMHA) financial activities and performance for the year ended June 30, 2020. This section should be read in conjunction with the audited financial statements and accompanying notes.

Financial Highlights

- CMHA's total assets and deferred outflows of resources were $325.7 million, total liabilities and deferred inflows of resources were $85.9 million; therefore, net position was $239.8 million as of June 30, 2020.

- Total revenues, including capital contributions and total expenses were $141.7 million and $142.3 million, respectively, is resulting in a $ .6 million reduction in net position for fiscal year 2020.

Overview of the Financial Statements

Management's Discussion and Analysis – The Management's Discussion and Analysis is intended to serve as an introduction to the Authority-wide financial statements. The Authority- wide financial statements and Notes to the Financial Statements included in the Audit Report were prepared in accordance with GAAP applicable to governmental entities in the United States of America for Proprietary Fund types and in compliance with the regulations set forth in GASB Statement No. 34.

Authority-wide Financial Statements - The Authority-wide financial statements are designed to provide readers with a broad overview of the CMHA's finances, in a manner similar to a private- sector business. The statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

Notes to Financial Statements – The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Authority-wide financial statements.

The Authority's Programs

CMHA has many programs that are consolidated into a single enterprise fund. The major programs consist of the following:

Conventional Public Housing - Under the Conventional or Low Rent Housing Program, CMHA rents units that it owns to low income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD), and HUD provides Operating Subsidy and Capital Grant funding to enable CMHA to provide the housing at a rent that is based upon approximately 30 percent of household income.

Capital Fund Program - The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the CMHA's properties. The formula funding methodology used is based upon the number of units, including the bedroom sizes and the age of the buildings/units.

Choice Neighborhood Grant - In 2011, Cincinnati Metropolitan Housing Authority applied for a Choice Neighborhood Planning Grant for the Fairmount neighborhood, which included the former English Woods public housing site, as well as the Cincinnati neighborhoods of North and South Fairmount. The awarded grant of $201,844 supports the development of a comprehensive revitalization plan focused on the following three goals: Housing, People and Neighborhoods. As of the end of fiscal year 2016, CMHA and the Community Building Institute, its planning partner, significantly completed most of the activities associated with this plan.

Neighborhood Stabilization Program 2 (NSP2) - During fiscal year 2010, CMHA, as part of a consortium with Hamilton County, the City of Cincinnati, and the Local Initiative Support Corporation was awarded funds through the competitive NSP2. Of the $24 million award to the consortium, CMHA expended $11.2 million of which was for the primary use to purchase foreclosed and abandoned property and replace with a new development of senior housing in Mt Healthy along with program administrative costs. Activities under this grant were completed as of June 30, 2013.

Hope VI Grant - The Hope VI grants are programs funded by HUD for redevelopment of CMHA's properties. It is a mixed financing and mixed-use development with homeownership opportunities for public housing residents.

Housing Choice Voucher Program - Under the Housing Choice Voucher Program, CMHA administers contracts with independent landlords who own the properties. CMHA subsidizes a participants' rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable CMHA to structure a lease that sets a participants' rent at approximately 30 percent of household income.

Component Units

As defined by GAAP, the reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component units' board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government, or (c) the component unit is financially dependent on the primary government.

Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the primary government.

The Authority has established eight component unit entities as of June 30, 2020. Two are wholly-owned by the Authority and, as such, are considered blended component units. The other component units are mixed-finance low-income housing entities or created under the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration Program (RAD). Two are limited partnerships and four are limited liability companies. The Authority has 0.1% or less ownership interest in these six organizations. Therefore, these organizations are considered discretely presented component units of the Authority. A description of each of the component units are included below.

Blended Component Unit

- Touchstone Property Services, an Ohio corporation for non-profit, was established by the Authority as a wholly-owned subsidiary. Touchstone Property Services, Inc. was established for public, charitable, and educational purposes to revitalize neighborhoods in Hamilton County, and, in particular, the City of Cincinnati, through planning and rebuilding, to assist the Authority in the planning, undertaking, developing, construction, and operation of housing for families who are low income; to develop, construct, renovate, acquire, own, lease, manage, and sell interest in real and personal property; and to promote and participate in other housing related or educational activities that assist residents of the Authority.

- Evanston Park Eden RAD LLC, a Domestic Limited Liability Company, was established by the Authority under HUD's RAD Program as a wholly-owned subsidiary. Evanston Park Eden RAD LLC owns and operates an 86 – unit apartment complex that is being rehabilitated through proceeds from an approximately $3 million FHA insured loan. The property provides housing for low-income families under a Project Based Rental Assistance (PBRA) contract.

Discretely Presented Component Units

- Springdale Senior Limited Partnership (the "Partnership"), an Ohio Limited Partnership, was formed under the laws of the State of Ohio to construct, own, and operate Baldwin Grove, (the "Property"), a 100 unit apartment community located in Springdale, Ohio. The Property is intended to serve seniors with low and moderate income located in Hamilton County, Ohio. The Property is developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code.

- Reserve on South Martin (the "Partnership"), an Ohio Limited partnership, was formed under the laws of the state of Ohio, to acquire, rehabilitate, and manage the Reserve on South Martin property, (the "Property"), which consists of 60 rental units in Mt. Healthy, Ohio. The Property is developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code.

- Cary Crossing, LLC (the "LLC"), a Domestic Limited Liability Company, was formed under the laws of the state of Ohio, to construct, own and operate Cary Crossing, (the "Property"), which consists of 36 rental units in Mt. Healthy, Ohio. The Property is intended to serve the disabled with low and moderate income located in Hamilton County, Ohio. The Property is developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code.

- West Union Square, LLC (the "LLC"), a Domestic Limited Liability Company, was formed under the laws of the state of Ohio, to construct, own and operate West Union Square, (the "Property"), which will consist of a 70 unit apartment community located in Colerain Township, Ohio. The Property will be intended to serve seniors with low and moderate income located in Hamilton County, Ohio. The property is developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code.

- Sutter View, LLC (the "LLC"), a Domestic Limited Liability Company, was formed under the laws of the state of Ohio, to construct, own and operate Sutter View Apartments, (the "Property") under HUD's RAD Program, which consists of a 114-unit apartment community located in North Fairmount, Ohio. The Property is being developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code.

- Pinecrest RAD, LLC (the “LLC”), a Domestic Limited Liability Company, was formed under the laws of the state of Ohio, to construct, own and operate Pinecrest Apartments (the “Property”) under the HUD’s RAD program, which consists of 190 rental units rented to low-income individuals in Cincinnati, Ohio. The property is being developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code. On June 29, 2020, Pinecrest RAD, LLC purchased Pinecrest Apartments from and entered into 75-year ground lease with the Authority in exchange for a seller note in the amount of $9,080,000. The project will be developed using proceeds from a mortgage insured by the U.S. Department of Housing and Urban Development under Section 221(d)(4) of the National Housing Act. Operations of Pinecrest RAD, LLC have not begun as of June 30, 2020. The reporting period of Pinecrest RAD, LLC is December 31. Given the timing of the reporting period, financial results for Pinecrest RAD, LLC are not included in the accompanying combining statements as of June 30, 2020; however, the closing activity affecting the Authority that has taken place as of June 30, 2020 has been reflected in the financial statements of the Authority.

For purposes of this report, the discretely presented component units report financials at calendar year end December 31, 2019, rather than fiscal year ending June 30, 2020.

Overview of the Authority's Financial Position and Operations

Statement of Net Position

CMHA's total assets and deferred outflows of resources increased by $10.4 million during fiscal year 2020 due to the net effect of a decrease in investment in net capital assets by $4.9 million, an increase in current assets by $5.5 million, an increase in other assets by $12.1 million and a decrease in deferred outflows of resources of $2.3 million.

Total liabilities and deferred inflow of resources increased in fiscal year 2020 by $110 million. This was attributed to the net effect of a decrease of net pension and OPEB liabilities by $4.5 million, an increase of current liabilities by $12.9 million, a decrease in long-term liabilities by $1.1 million and an increase in deferred inflow of resources by $3.7 million.

Statement of Net Position (in Millions)
(Condensed)

		2020		2019		Change
Assets and Deferred Outflows of Resources						
Current Assets	$	29.4	$	23.9	$	5.5
Other Assets		61.1		49.0		12.1
Capital Assets - Net		231.9		236.8		(4.9)
Deferred Outflows of Resources		3.3		5.6		(2.3)
Total Assets and Deferred Outflows of Resources		**325.7**		**315.3**		**10.4**
Liabilities, Deferred Inflows of Resources and Net Position						
Current Liabilities	$	27.9	$	15.0	$	12.9
Long-term Liabilities		30.3		31.4		(1.1)
Net Pension and OPEB Liability		23.1		27.6		(4.5)
Deferred Inflows of Resources		4.6		0.9		3.7
Total Liabilities and Deferred Inflows of Resources		**85.9**		**74.9**		**11.0**
Net Investment in Capital Assets	$	217.6	$	223.8	$	(6.2)
Restricted Net Position		6.7		3.5		3.2
Unrestricted Net Position		15.5		13.1		2.4
Total Net Position		**239.8**		**240.4**		**(0.6)**
Total Assets and Deferred Outflows of Resources		**325.7**		**315.3**		**10.4**

Revenues Expenses and Changes in Net Position

CMHA's operating revenues for fiscal year 2020 increased by $3.9 million. Operating expenses increased by $1.9 million, non-operating expenses remained steady, and capital grants decreased by $2.0 million from prior year. The changes in revenues and expenses resulted in a negative net change in net position of $0.6 million on a consolidated basis.

The change in operating expenses consisted primarily of the net effect of an increase in housing assistance payments of $5.7 million and a decrease in general operating expenses of $3.5 million.

Statement of Revenues, Expenses and Change in Net Position (Millions)
(Condensed)

	2020	2019	Change
Operating Revenues			
Rental Revenue	$ 11.0	$ 10.4	$ 0.6
Governmental Revenue	114.3	106.3	8.0
Other Revenue	3.1	7.8	(4.7)
Total Operating Revenue	**128.4**	**124.5**	**3.9**
Operating Expenses			
Administrative, Operating & Maintenance, Utilities, Insurance, and Other	$ 53.0	$ 56.5	$ (3.5)
Housing Assistance Payments	80.5	74.8	5.7
Depreciation Expense	8.8	9.1	(0.3)
Total Operating Expenses	**142.3**	**140.4**	**1.9**
Net Operating Income	**(13.9)**	**(15.9)**	**2.0**
Nonoperating Revenue (Expenses)	1.0	1.0	(0.0)
Capital Grants	12.3	14.3	(2.0)
Distributions	-	(1.4)	1.4
Total Change in Net Position	**(0.6)**	**(2.0)**	**1.4**
Net Position, Beginning of Year	**240.4**	**242.4**	**(2.0)**
Net Position, End of Year	**$ 239.8**	**$ 240.4**	**$ (0.6)**

Capital Assets and Debt Administration

As of June 30, 2020, CMHA's net investment in capital assets balance for its Proprietary Fund was $217.6 million (net of accumulated depreciation and related debt). This represents a decrease of $6.2 million over fiscal year 2019 due to disposition of buildings due to RAD conversion.

See Note 5 to the financial statements for more information regarding Capital Assets.

CMHA's outstanding long-term debt as of June 30, 2020 was $31.2 million. The long-term debt decreased by $0.5 million over fiscal year 2019. This decrease was primarily due to payments made on existing debt of $3.5 million while there was new borrowing of $3.0 million for the rehabilitation of The Evanston project.

See Note 7 to the financial statements for more information regarding outstanding debt.

Authority Budget Information

Annual budgets for individual programs including grants are prepared by CMHA management and approved by the Board of Commissioners. The budgets are primarily used as a management tool and have no legal stature. The budgets are prepared in accordance with the fiscal and programmatic goals established by the Authority.

Budgetary Considerations for FY 2020

The greatest budgetary challenges faced by CMHA involve the ongoing reduction of operating funds due to the pro-ration factors used in the funding calculations by HUD. The following economic factors were considered in preparing the Authority's budget for FY 2020:

- Maintaining occupancy and utilization in the Housing Choice Voucher Program, after the forced reduction of utilized vouchers due to sequestration, many housing authorities are struggling to maintain 98% utilization

- Change in funding methods, levels, and pro-ration factors for Housing Choice Voucher, Low Income Public Housing, Capital Fund, and Replacement Housing Factor programs

- Rental Assistance Demonstration (RAD) - CMHA was awarded six Commitments to enter into a Housing Assistance Payments Contract (CHAPS) and will undergo the conversions in FY 2020 and FY 2021

- Aging properties

- On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. Changes to the operating environment may increase operating costs. HUD was allocated additional funding through the CARES Act to help combat the anticipated impact to public housing. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

Contacting CMHA

Questions concerning any of the information provided in this report or requests for additional information should be addressed to Gregory Johnson, Chief Executive Officer, Cincinnati Metropolitan Housing Authority, and 1627 Western Avenue, Cincinnati, Ohio 45214.

Statement of Net Position

June 30, 2020

		CMHA		Discretely Presented Component Units
Assets				
Current assets:				
Cash and investments	$	18,143,858	$	726,523
Accounts receivables - Tenant, grant, and other		4,070,482		151,090
Due from component units		819,690		-
Prepaid expenses and other assets		1,272,630		3,475
Cash and cash equivalents - Restricted		5,073,929		4,898,003
Total current assets		29,380,589		5,779,091
Noncurrent assets:				
Capital assets:				
Assets not subject to depreciation (Note 5)		44,236,178		16,196,392
Assets subject to depreciation - Net (Note 5)		187,659,614		37,635,319
Other		196,634		1,352,476
Notes receivable - Net of allowance (Note 4)		58,396,173		-
Cash and cash equivalents - Restricted		2,548,650		-
Total noncurrent assets		293,037,249		55,184,187
Total assets		322,417,838		60,963,278
Deferred Outflows of Resources				
Deferred pension costs (Note 8)		1,637,919		-
Deferred OPEB costs (Note 9)		1,704,302		-
Total deferred outflows of resources		3,342,221		-
Liabilities				
Current liabilities:				
Accounts payable		3,333,133		156,839
Due to component units		-		10,680,257
Accrued liabilities and other		2,583,261		2,133,064
Unearned revenue		17,558,494		47,236
Tenant security deposits		952,948		117,320
Accrued compensated absences (Note 6)		358,650		-
Current portion of long-term debt (Note 7)		3,154,769		1,827,732
Total current liabilities		27,941,255		14,962,448
Noncurrent liabilities:				
Accrued compensated absences (Note 6)		765,679		-
Net pension liability (Note 8)		13,081,431		-
Net OPEB liability (Note 9)		10,030,432		-
Long-term debt - Net of current portion (Note 7)		28,434,539		36,375,571
Other noncurrent liabilities		1,114,878		-
Total noncurrent liabilities		53,426,959		36,375,571
Total liabilities		81,368,214		51,338,019
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 8)		3,134,711		-
Deferred OPEB cost reductions (Note 9)		1,485,696		-
Total deferred inflows of resources		4,620,407		-
Net Position				
Net investment in capital assets		217,612,435		4,454,446
Restricted		6,669,631		4,780,683
Unrestricted		15,489,372		390,130
Total net position	**$**	**239,771,438**	**$**	**9,625,259**

See notes to financial statements.

Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2020

	Primary Government (CMHA)	Discretely Presented Component Units
Operating Revenue		
Rental revenue	$ 10,999,011	$ 2,155,596
Grant and subsidy revenue	114,303,450	-
Other revenue	3,119,026	7,320
Total operating revenue	128,421,487	2,162,916
Operating Expenses		
Administrative expenses	17,001,211	660,735
Utility expenses	8,262,614	265,574
Operating and maintenance	15,713,802	475,382
Insurance	1,000,473	42,893
Tenant services	505,302	10,477
Protective services	2,241,798	456
Other general expenses	8,299,384	114,397
HUD subsidy payments	80,494,427	-
Depreciation and amortization (Note 5)	8,841,243	1,912,807
Total operating expenses	142,360,254	3,482,721
Operating Loss	(13,938,767)	(1,319,805)
Nonoperating Revenue (Expense)		
Interest income	3,900,429	10,640
Net loss on sale of assets (Note 5)	(2,400,889)	-
Interest expense	(520,681)	(519,226)
Net loss on involuntary conversion	(14,665)	-
Total nonoperating revenue (expense)	964,194	(508,586)
Loss - Before capital grants and contributions	(12,974,573)	(1,828,391)
Capital Grants	12,305,960	-
Contributions	-	3,407,345
Total capital grants and contributions	12,305,960	3,407,345
Change in Net Position	(668,613)	1,578,954
Net Position - Beginning of year	240,440,051	8,046,305
Net Position - End of year	**$ 239,771,438**	**$ 9,625,259**

See notes to financial statements.

Statement of Cash Flows

Year Ended June 30, 2020

	Primary Government (CMHA)
Cash Flows from Operating Activities	
Receipts from tenants	$ 10,726,830
Receipts from grants and subsidy payments	115,509,600
Other receipts	1,376,121
Cash payments for administrative expenses	(15,694,054)
Payments for housing assistance	(80,494,427)
Payments for other operating expenses	(30,638,462)
Net cash and cash equivalents provided by operating activities	785,608
Cash Flows from Capital and Related Financing Activities	
Proceeds from capital debt	3,011,500
Receipt of capital grants	12,305,960
Purchase of capital assets	(7,478,389)
Principal and interest paid on capital debt	(3,527,918)
Net cash and cash equivalents provided by capital and related financing activities	4,311,153
Cash Flows Used in Investing Activities - Advances of notes receivable	(1,608,344)
Net Increase in Cash and Cash Equivalents	3,488,417
Cash and Cash Equivalents - Beginning of year	22,278,020
Cash and Cash Equivalents - End of year	**$ 25,766,437**
Classification of Cash and Cash Equivalents	
Unrestricted	$ 18,143,858
Restricted (current)	5,073,929
Restricted (noncurrent)	2,548,650
Total cash and cash equivalents	**$ 25,766,437**

Year Ended June 30, 2020

	Primary Government (CMHA)
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	$ (13,938,767)
Adjustments to reconcile operating loss to net cash and cash equivalents from operating activities:	
Depreciation and amortization	8,841,243
Allowance of notes and interest receivable	3,922,338
Debt forgiveness	(684,928)
Bad debts - Tenant and other	948,184
Changes in assets and liabilities:	
Receivables	(1,659,040)
Prepaid expenses and other assets	(358,071)
Unearned revenue	1,340,659
Net pension and OPEB liability and deferrals related to pension and OPEB	1,607,275
Accounts payable	529,508
Security deposits	(37,889)
Accrued and other liabilities	275,096
Total adjustments	14,724,375
Net cash and cash equivalents provided by operating activities	**$ 785,608**

Combining Statement of Net Position for Discrete Presented Component Units

December 31, 2019

	Springdale Senior, LP	Reserve on South Martin, LP	Cary Crossing, LLC	West Union Square, LLC	Sutter View, LLC	Total
Assets						
Cash and investments	$ 32,013	$ 284,822	$ 40,822	$ 168,584	$ 200,282	$ 726,523
Receivables	61,921	26,292	8,201	8,436	46,240	151,090
Prepaid expenses and other assets	1,804	1,671	-	-	-	3,475
Cash and cash equivalents - Restricted	1,079,076	546,489	128,957	157,784	2,985,697	4,898,003
Capital assets: (Note 5)						
Assets not subject to depreciation	888,411	2,784,413	279,606	-	12,243,962	16,196,392
Assets subject to depreciation - Net	7,643,228	6,556,655	5,851,840	13,185,050	4,398,546	37,635,319
Other	159,128	66,483	113,028	301,260	712,577	1,352,476
Total assets	9,865,581	10,266,825	6,422,454	13,821,114	20,587,304	60,963,278
Liabilities						
Accounts payable	60,358	12,253	17,990	18,249	47,989	156,839
Due to component units	3,222,488	226,876	240,726	-	6,990,167	10,680,257
Accrued liabilities and other	32,409	155,792	45,984	715,122	1,183,757	2,133,064
Unearned revenue	17,930	5,861	4,639	2,727	16,079	47,236
Tenant security deposits	29,428	25,886	8,005	41,305	12,696	117,320
Noncurrent liabilities:						
Due within one year (Note 7)	78,580	-	421,405	1,327,747	-	1,827,732
Due in more than one year (Note 7)	7,380,072	10,870,943	3,439,754	4,862,802	9,822,000	36,375,571
Total liabilities	10,821,265	11,297,611	4,178,503	6,967,952	18,072,688	51,338,019
Net Position (Deficit)						
Net investment in capital assets	1,072,987	(1,529,875)	2,270,287	6,994,501	(4,353,454)	4,454,446
Restricted for required reserves	1,049,648	520,603	120,952	116,479	2,973,001	4,780,683
Unrestricted	(3,078,319)	(21,514)	(147,288)	(257,818)	3,895,069	390,130
Total net position (deficit)	**$ (955,684)**	**$ (1,030,786)**	**$ 2,243,951**	**$ 6,853,162**	**$ 2,514,616**	**$ 9,625,259**

Cincinnati Metropolitan Housing Authority

Combining Statement of Activities for Discrete Presented Component Units

Year Ended December 31, 2019

	Springdale Senior, LP	Reserve on South Martin, LP	Cary Crossing, LLC	West Union Square, LLC	Sutter View, LLC	Total
Operating Revenue						
Rental revenue	$ 675,359	$ 346,495	$ 279,525	$ 494,302	$ 359,915	$ 2,155,596
Other revenue	176	601	341	4,511	1,691	7,320
Total operating revenue	675,535	347,096	279,866	498,813	361,606	2,162,916
Operating Expenses						
Administrative expenses	207,638	134,795	99,390	144,967	73,945	660,735
Utility expenses	54,177	33,391	65,320	35,506	77,180	265,574
Operating and maintenance	177,990	110,998	58,603	86,323	41,468	475,382
Insurance	8,365	14,603	7,907	9,229	2,789	42,893
Tenant services	3,015	3,964	50	3,448	-	10,477
Protective services	-	-	-	-	456	456
Other general expenses	36,762	28,649	12,618	36,368	-	114,397
Depreciation and amortization	530,328	326,954	336,653	637,418	81,454	1,912,807
Total operating expenses	1,018,275	653,354	580,541	953,259	277,292	3,482,721
Operating (Loss) Income	(342,740)	(306,258)	(300,675)	(454,446)	84,314	(1,319,805)
Nonoperating Revenue (Expense)						
Interest income	7,968	1,229	974	-	469	10,640
Interest expense	(333,842)	(10,389)	(60,976)	(114,019)	-	(519,226)
Total nonoperating (expense) revenue	(325,874)	(9,160)	(60,002)	(114,019)	469	(508,586)
(Loss) Income - Before contributions	(668,614)	(315,418)	(360,677)	(568,465)	84,783	(1,828,391)
Capital Contributions	222,802	-	518,933	235,777	2,429,833	3,407,345
Change in Net Position	(445,812)	(315,418)	158,256	(332,688)	2,514,616	1,578,954
Net Position (Deficit) - Beginning of year	(509,872)	(715,368)	2,085,695	7,185,850	-	8,046,305
Net Position (Deficit) - End of year	**$ (955,684)**	**$ (1,030,786)**	**$ 2,243,951**	**$ 6,853,162**	**$ 2,514,616**	**$ 9,625,259**

Note 1 - Nature of Business

Organization and Reporting Entity

Cincinnati Metropolitan Housing Authority (the "Authority") is organized under the laws of the State of Ohio for the purpose of acquiring, developing, leasing, operating, and administering low-rent and other housing-related programs for qualified individuals.

The governing body of the Authority is a board of commissioners, which is composed of seven members. The members are appointed as follows: two by the city manager of Cincinnati, Ohio; one by the Hamilton County Commissioners; one by the Court of Common Pleas; one by the Probate Court; one by the Township Association of Hamilton County; and one by the Municipal League of Hamilton County. The board appoints a chief executive officer to administer the business of the Authority. The Authority is not considered a component unit of the City of Cincinnati, Ohio, as the board independently oversees the Authority’s operations, and the City of Cincinnati, Ohio is not financially accountable for the Authority.

The nucleus of the financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, is the primary government. A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluation of how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the appointment of a voting majority plus the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. In accordance with GASB Statement No. 14, as amended (which defines a primary government and those organizations that should be reported as component units), the Authority has included Springdale Senior, LP; Reserve on South Martin, LP; Cary Crossing, LLC; West Union Square, LLC; Sutter View, LLC; and Pinecrest RAD, LLC as discretely presented component units and Touchstone Property Services, Inc. and Park Eden Evanston, LLC as blended component units in the accompanying financial statements.

Blended Component Units

Some component units, despite being legally separate, are so integrated with the primary government that they are in substance part of the primary government. The Authority's basic financial statements include the following entities as blended component units in accordance with GASB Statement No. 14, as amended:

- Touchstone Property Services, Inc., an Ohio nonprofit corporation, was established by the Authority as a wholly owned subsidiary. Touchstone Property Services, Inc. was established for public, charitable, and educational purposes to revitalize neighborhoods in Hamilton County, and, in particular, the City of Cincinnati, Ohio, through planning and rebuilding; to assist the Authority in the planning, undertaking, developing, construction, and operation of housing for families who are low income; to develop, construct, renovate, acquire, own, lease, manage, and sell interest in real and personal property; and to promote and participate in other housing-related or educational activities that assist residents of the Authority.

- Park Eden Evanston, LLC, a domestic limited liability company, was formed under the laws of the State of Ohio by the Authority as sole member of the company. Park Eden Evanston, LLC was established to acquire, hold, invest in, secure financing for, construct, rehabilitate, develop, improve, maintain, operate, and lease the Evanston, a 100-unit apartment community located in Cincinnati, Ohio, in a manner that furthers the purposes of the Authority, by providing decent, safe, sanitary, and affordable housing for low-income persons and families.

Note 1 - Nature of Business (Continued)

The above entities are included in the accompanying basic financial statements as blended component units based on the following factors:

(1) The entity is fiscally dependent upon the Authority because the Authority approves its annual budget.

(2) The Authority is able to impose its will on the entity because the Authority can significantly influence its programs, projects, and activities.

(3) The governing body is substantively the same as the governing body of the Authority.

Discretely Presented Component Units

The following component units meet the criteria for discrete component unit presentation and are presented separately from the primary government in the basic financial statements to clearly distinguish the component unit balances and transactions from the primary government. These entities follow all applicable Financial Accounting Standards Board (FASB) standards, and financial statements are prepared on the accrual basis of accounting in accordance with GAAP. Since they do not follow governmental accounting for presentation purposes, certain transactions may be reflected differently in these financial statements than in the separately issued discrete component unit financial statements in order for them to conform to the presentation of the primary government.

All of the discrete component units have a calendar year end of December 31, which differs from the Authority's year end of June 30, 2020. For reporting purposes, the information reported in the basic financial statements is presented as of and for the 12-month period ended December 31, 2019 for these discrete component units.

Due to fiscal year-end differences between the Authority and the discrete component units, certain related receivables of the Authority do not have offsetting equal liabilities reflected in the discrete component units. Each of the discrete component units is independent of the Authority; however, the Authority has an economic interest in each of the respective properties.

- Springdale Senior, LP, an Ohio limited partnership, was formed under the laws of the State of Ohio to construct, own, and operate Baldwin Grove, a 100-unit apartment community located in Springdale, Ohio. The property is intended to serve seniors with low income located in Hamilton County, Ohio. The property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.

- Reserve on South Martin, LP, an Ohio limited partnership, was formed under the laws of the State of Ohio to acquire, rehabilitate, and manage the Reserve on South Martin property, which consists of 60 rental units rented to low-income individuals in Mt. Healthy, Ohio. The property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.

- Cary Crossing, LLC, a domestic limited liability company, was formed under the laws of the State of Ohio to construct, own, and operate Cary Crossing, which consists of 36 rental units rented to low-income individuals in Mt. Healthy, Ohio. The property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.

- West Union Square, LLC, a domestic limited liability company, was formed under the laws of the State of Ohio to acquire, construct, own, and operate West Union Square, which consists of 70 rental units rented to low-income individuals in Colerain Township, Ohio. The property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.

Note 1 - Nature of Business (Continued)

- Sutter View, LLC, a domestic limited liability company, was formed under the laws of the State of Ohio to acquire, rehabilitate, own, and operate Sutter View Apartments under the U.S. Department of Housing and Urban Development's (HUD) rental assistance demonstration (RAD) program, which consists of 114 rental units rented to low-income individuals in North Fairmount, Ohio. The property is developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code.
- Pinecrest RAD, LLC, a domestic limited liability company, was formed under the laws of the State of Ohio to acquire, rehabilitate, own, and operate Pinecrest Apartments under the U.S. Department of Housing and Urban Development's rental assistance demonstration program, which consists of 190 rental units rented to low-income individuals in Cincinnati, Ohio. The property is being developed and operated under the low-income housing tax credit program, as provided for in Section 42 of the Internal Revenue Code. On June 29, 2020, Pinecrest RAD, LLC purchased Pinecrest Apartments from and entered into a 75-year ground lease with the Authority in exchange for a seller note in the amount of $9,080,000. The project will be developed using proceeds from a mortgage insured by the U.S. Department of Housing and Urban Development under Section 221(d)(4) of the National Housing Act. Operations of Pinecrest RAD, LLC have not begun as of June 30, 2020. The reporting period of Pinecrest RAD, LLC is December 31. Given the timing of the reporting period, financial results for Pinecrest RAD, LLC are not included in the accompanying combining statements as of June 30, 2020; however, the closing activity affecting the Authority that has taken place as of June 30, 2020 has been reflected in the financial statements of the Authority.

Note 2 - Significant Accounting Policies

Basis of Accounting and Presentation

The basic financial statements of the Authority have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board and in accordance with uniform financial reporting standards for HUD housing programs. The Authority follows the business-type activities reporting requirements of GASB Statement No. 34, which provide a comprehensive one-line look at the Authority's financial activities. The Authority reports all of its operations as a single business activity in a single enterprise fund. The enterprise fund is a proprietary fund, which distinguishes operating revenue and expenses from nonoperating items. The operating revenue of the Authority primarily consists of rental charges to tenants, operating grants from HUD, and other operating revenue that offsets operating expenses. Operating expenses include the cost of administration, tenant services, utilities, maintenance, protective services, general operations, depreciation, and housing assistance payments.

As a proprietary fund, revenue is recorded when earned, and expenses are recognized in the period the liability is incurred, regardless of the timing of related cash flows. The Authority's financial activities operate in a manner similar to private business enterprises and are financed through fees and charges assessed primarily to the user of the services.

The Authority considers all grants from HUD as operating revenue, as HUD is the primary revenue source, with the exception of capital grants, which have been recognized within contributions on the statement of revenue, expenses, and changes in net position. The Authority has the following programs:

- Low-rent housing program - This program is used to account for the components of the low-rent housing programs subsidized by HUD. The Authority owns and operates apartments and single-family housing units. Funding is provided by tenant rent payments and HUD subsidies.

Note 2 - Significant Accounting Policies (Continued)

- Capital grants - Substantially all additions to land, structures, and equipment are accomplished through the capital grants and replacement housing factor programs. These programs replace or materially upgrade deteriorated portions of the Authority's housing units. Funding is provided through grants. The Authority enters into significant construction contract obligations in relation to this modernization and development activity on an ongoing basis.
- Housing choice vouchers (Section 8) - Under the Section 8 Housing Program, low-income tenants lease housing units directly from private landlords, rather than from the Authority. HUD contracts with the Authority, which, in turn, contracts with private landlords and makes assistance payments for the difference between the approved contract rent and the actual rent paid by the low-income tenants.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an original maturity of three months or less.

Restricted Cash

Restricted cash represents amounts held in escrow, Section 8 funds, tenants' escrows, other escrows, and replacement reserves. Restrictions for use in operations and approval are governed by HUD, lender requirements, or other outside parties. In accordance with GASB Statement No. 62, cash that is restricted as to withdrawal or use in the acquisition or construction of noncurrent assets or that is segregated for the liquidation of long-term debts has been presented as noncurrent.

Accounts Receivable

Tenant accounts receivable are stated at net rent amounts. Tenants in possession of a unit generally do not have outstanding amounts unless court action is underway. Once a tenant is evicted or voluntarily vacates a unit, collection of outstanding balances is difficult and sporadically realized. Therefore, when a tenant vacates a unit, any balance owed to the Authority is set up as uncollectible in the month the move-out occurred.

The Authority receives grants from federal agencies to be used for specific programs. The excess of reimbursable expenditures over cash receipts is included in grants receivable, and any excess of cash receipts over reimbursable expenditures is included in unearned revenue.

Notes Receivable

Notes receivable are stated at net of allowance. Collectibility is evaluated annually based on payments received and cash flow of each individual entity. If amounts are deemed to be uncollectible, the Authority establishes an allowance for doubtful accounts. The allowance totaled $55,693,896 at June 30, 2020 and relates to the notes receivable and accrued interest. The bad debt expense is recorded in other general expenses in the statement of revenue, expenses, and changes in net position and totaled $3,922,338 for the year ended June 30, 2020.

Note 2 - Significant Accounting Policies (Continued)

Capital Assets

Capital assets are recorded at historical cost. Donated capital assets are recorded at their fair value on the date donated. The Authority capitalizes all building, site improvements, dwelling and nondwelling equipment, and office equipment that has a cost or fair value on the date of acquisition greater than $5,000 and a useful life greater than one year.

Depreciation is calculated on a straight-line method using the half-year convention over the estimated useful lives as follows:

	Depreciable Life - Years
Buildings	40
Buildings and site improvements	20
Equipment and vehicles	5

When depreciable property is disposed of or sold, the cost and related accumulated depreciation are removed from the accounts, with any gain or loss recognized in the statement of revenue, expenses, and changes in net position. If an indicator of impairment is identified and the decline in service utility was unexpected and significant, an impairment loss is calculated in consideration of whether the capital asset will continue to be used by the Authority. An impairment loss is generally measured by identifying the historical cost of the service utility of the capital asset that cannot be used due to the impairment event or circumstance. Impaired capital assets that will no longer be used by the Authority are reported at the lower of carrying value or fair value or written off entirely. During the year ended June 30, 2020, no impairments were recorded.

Interest costs incurred during the period in which capital assets are being prepared for their intended use are capitalized. The Authority had no capitalized construction interest for the year ended June 30, 2020.

Construction in Progress

Construction in progress consists of capital projects in progress funded primarily by capital contributions and grant income.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported for pension and other postemployment benefits, as further explained in Notes 8 and 9, respectively.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows are reported for pension and other postemployment benefits, as further explained in Notes 8 and 9, respectively.

Unearned Revenue

Unearned revenue consists primarily of prepaid subsidy, prepaid tenant rent payments, and prepaid ground lease revenue recognized at year end. Prepaid subsidy and tenant rent payments are recognized in the period during which the associated use of premises occurs. Prepaid ground lease revenue is amortized over the term of the lease.

Note 2 - Significant Accounting Policies (Continued)

Compensated Absences

The Authority allows employees to accumulate earned sick leave and vacation (annual) pay. Compensated absences are accrued as they are earned by employees, using the vesting method, if the following two conditions are met:

- The employees' rights to receive compensation are attributable to services rendered.
- It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment. The current portion of accrued compensation absences is included in accrued expenses.

Pensions and Other Postemployment Benefits

For the purpose of measuring the net pension and other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the pension and OPEB plans and additions to/deductions from their fiduciary net position has been determined on the same basis as they are reported by the pension and OPEB system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension and OPEB systems report investments at fair value.

Net Position

Net position is composed of three categories: (1) net investment in capital assets, (2) restricted for required reserves, and (3) unrestricted. The Authority's positive value of unrestricted net position in the primary government may be used to meet ongoing obligations. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Authority's policy is to apply restricted resources first. Each component of net assets is reported separately on the statement of net position.

- Net investment in capital assets - This category consists of all capital assets, net of accumulated depreciation and reduced by any outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted for required reserves - This category equals the restricted cash of the Authority and consists of net assets restricted in their use by (1) external groups such as grantors, creditors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- Unrestricted - This category includes all of the remaining net assets that do not meet the definition of the other two categories.

Revenue Recognition

The Authority routinely receives funds from HUD and other grantors. Funds are recognized as revenue in accordance with GASB 33 when all eligibility requirements have been met. Receivables are recorded based upon amounts expensed for a program for which no funds have been received. Tenant rental revenue is recognized during the period of corresponding occupancy. Other receipts are recognized when the related expenses are incurred.

Capital Grants

The Authority records grants received for capital outlay as contributions of capital grants.

Note 2 - Significant Accounting Policies (Continued)

Nonoperating Revenue and Expenses

Nonoperating revenue and expense are derived from transactions other than those associated with the Authority's primary housing operations and are reported as incurred, including investment activity.

Contributions - Discretely Presented Component Units

Contributions to discretely presented component units represent capital contributed by the members in accordance with each respective discretely presented component units' operating agreements.

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2022.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement are effective for the Authority's financial statements for the June 30, 2022 fiscal year.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including December 15, 2020, which is the date the financial statements were available to be issued.

Note 3 - Cash and Cash Equivalents

Deposits

The State of Ohio statutes classify moneys held by the Authority into two categories:

- Active deposits - These are public deposits necessary to meet current demands for the Authority. Such moneys must be maintained either as cash in the Authority's commercial checking accounts or withdrawal-on-demand accounts, including negotiable order-of-withdrawal accounts, or in money market deposit accounts.

- Interim deposits - These are deposits of interim moneys. Interim moneys are those that are not needed for immediate use but that will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit (CDs) maturing no more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Note 3 - Cash and Cash Equivalents (Continued)

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation and by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution. The general depository agreement required by HUD has additional collateral requirements.

Interim deposits are to be deposited or invested in the following securities:

- U.S. Treasury notes, bills, bonds, or other obligations or securities issued by the U.S. Treasury or any other obligation guaranteed as to principal or interest by the United States
- Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association; all federal agency securities shall be direct issuances of the federal government agencies or instrumentalities.
- Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days
- Bonds and other obligations of the State of Ohio
- No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions
- The State of Ohio treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio), and STARPLUS

Cash equivalents include short-term, highly liquid investments that are both readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less qualify under this definition.

Deposits - Primary Government

The Authority's total cash and cash equivalents held with financial institutions was $25,588,438 as of June 30, 2020. Of this balance, $750,000 is covered by federal depository insurance, and the remaining $24,838,438 is uncollateralized, as defined by the GASB (covered by collateral pools held by third-party trustees pursuant to Section 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions but not in the Authority's name).

Custodial credit risk is the risk that, in the event of the bank failure, the Authority's deposits may not be returned to it. The Authority does not have a custodial credit risk policy that extends beyond what HUD regulations require. HUD regulations require that all deposits exceeding FDIC insurance be fully and continuously collateralized by the financial institution.

Note 3 - Cash and Cash Equivalents (Continued)

Deposits - Discretely Presented Component Units

All of the discretely presented component units' cash is held in bank deposits, checking accounts, savings accounts, and money market accounts. Regardless of the nature of funds on deposit, protection is provided by the Federal Deposit Insurance Corporation and by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

The restricted cash balances consist of tenant security deposits and funded reserves as follows:

	Tenant Security Deposits	Operating Reserve	Replacement Reserve	ACC Reserve	Total
Springdale Senior, LP	$ 28,132	$ 265,206	$ 675,411	$ 110,327	$ 1,079,076
Reserve on South Martin, LP	25,260	357,942	163,287	-	546,489
Cary Crossing, LLC	7,700	87,977	33,280	-	128,957
West Union Square, LLC	40,363	69,910	27,511	20,000	157,784
Sutter View, LLC	12,696	2,647,707	325,294	-	2,985,697
Total	$ 114,151	$ 3,428,742	$ 1,224,783	$ 130,327	$ 4,898,003

Investments - Primary Government

The Authority's investments at June 30, 2020 are summarized below:

Investment	Maturity	Balance June 30, 2020	Credit Rating: S&P
Fifth Third Inst. Gov't MMkt.	0-1 year	$ 1,079,229	AAAm

Custodial Credit Risk

Custodial credit risk of investments is the risk that, in the event of a failure of a counterparty, the Authority will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The Authority employs the use of safekeeping accounts to hold and maintain custody of its investments, as identified within this policy and as a means of mitigating this risk.

Interest Rate Risk

Interest rate risk is defined as the risk that the Authority will incur fair value losses arising from rising interest rates. Such risk is mitigated by the investment policy, which limits investments to certain maximum maturities. As a rule, unless specified otherwise within the policy, investments are to have a maximum maturity of three years unless the investment is matched to a specific expenditure. The context of a specific investment purchase must be weighed in proportion to the remainder of the existing investment portfolio and the prudent investor rule to attempt to limit such risk.

Note 4 - Notes Receivable

At June 30, 2020, the Authority's related notes receivable consisted of the following:

	Balance July 1, 2019	Additions	Reductions	Allowance June 30, 2020	Net Balance June 30, 2020
Lincoln Court Partnerships Phases I - IV: Principal	$ 10,389,773	$ -	$ -	$ (6,262,002)	$ 4,127,771
Lincoln Court Partnerships Phases I - IV: Accrued interest	18,344,720	1,707,028	-	(20,051,748)	-
Laurel Home Partnerships, Phases I, II, IV, and V: Principal	13,754,414	-	-	(7,871,459)	5,882,955
Laurel Home Partnerships, Phases I, II, IV, and V: Accrued interest	16,358,158	1,615,087	-	(17,973,245)	-
Reserve on South Martin: Principal	10,446,418	-	-	-	10,446,418
Reserve on South Martin: Accrued interest	67,202	10,386	-	(77,588)	-
Springdale Senior: Principal	7,010,273	-	-	-	7,010,273
Springdale Senior: Accrued interest	2,843,684	297,734	-	(3,141,418)	-
Cary Crossing: Principal	1,467,534	-	-	-	1,467,534
Cary Crossing: Accrued interest	3,027	3,035	-	(6,062)	-
Central YMCA	1,865,859	-	-	-	1,865,859
West Union Square: Principal	2,334,302	-	-	-	2,334,302
West Union Square: Accrued interest	39,566	22,085	-	(61,651)	-
Sutter View: Principal	13,090,134	-	-	-	13,090,134
Sutter View: Accrued interest	18,055	227,637	-	(245,692)	-
Pinecrest: Principal	-	12,170,927	-	-	12,170,927
Pinecrest: Accrued Interest	-	3,031	-	(3,031)	-
Total	$ 98,033,119	$ 16,056,950	$ -	$ (55,693,896)	$ 58,396,173

Notes receivable from Lincoln Court Partnerships Phases I - IV from the periods from 2001 through 2003. Payments are due based on available cash flow with the unpaid balance due on maturity. Maturity dates range from 2041 through 2043. Interest rates range between 0 percent and 6.09 percent, accruing monthly. The notes are collateralized by the related building and land.

Notes receivable from Laurel Home Partnerships, Phases I, II, IV, and V from the periods from 2002 through 2006. Payments are due based on available cash flow with the unpaid balance due on maturity. Maturity dates range from 2042 through 2046. Interest rates range between 0 percent and 5.7 percent, accruing monthly. The notes are collateralized by the related building and land.

Notes receivable from Reserve on South Martin, LP due based on available cash flow, with the unpaid balance due on maturity, which is in October 2056. Interest rates range between 0 percent and 0.1 percent, accruing monthly. The notes are collateralized by the related building and land.

Notes receivable from Springdale Senior, LP due based on available cash flow, with the unpaid balance due on maturity, which ranges from 2057 to 2081. Interest accrues monthly at rates ranging from 0 percent to 3.5 percent. The notes are collateralized by the related building.

Notes receivable from Cary Crossing, LLC due based on available cash flow, with the unpaid balance due on maturity, which ranges from 2026 to 2051. Interest accrues monthly at rates ranging from 0 percent to 0.25 percent. The notes are collateralized by the related building.

Notes receivable from Central YMCA, due based on available cash flow with the unpaid balance due on maturity, which is in July 2038. The notes are non-interest bearing and collateralized by the related building and land.

Note 4 - Notes Receivable (Continued)

Notes receivable from West Union Square due based on available cash flow, with the unpaid balance due on maturity, which is in April 2057. Interest accrues per annum at rates ranging from 0 percent to 1.0 percent. The notes are collateralized by the related building.

Notes receivable from Sutter View, due based on available cash flow with the unpaid balance due on maturity, which is in June 2059. Interest rates range between 1.0 percent and 2.89 percent, accruing monthly. The notes are collateralized by the related building.

Notes receivable from Pinecrest, due based on available cash flow with the unpaid balance due on maturity, which is in June 2070. Interest rates range between 2.28 and 3.5 percent, accruing monthly. The notes are collateralized by the related building.

Note 5 - Capital Assets

Capital asset activity of the Authority's governmental activities was as follows:

Primary Government

	Balance July 1, 2019	Additions and Transfers In	Disposals and Transfers Out	Balance June 30, 2020
Capital assets not being depreciated:				
Land	$ 31,122,498	$ -	$ -	$ 31,122,498
Construction in progress	7,102,709	7,144,575	(1,133,604)	13,113,680
Subtotal	38,225,207	7,144,575	(1,133,604)	44,236,178
Capital assets being depreciated:				
Buildings and improvements	400,289,324	2,130,376	(13,044,386)	389,375,314
Furniture and equipment	7,030,817	7,539	(372,590)	6,665,766
Infrastructure	31,091,350	-	(555,256)	30,536,094
Leasehold improvements	667,550	579,341	-	1,246,891
Subtotal	439,079,041	2,717,256	(13,972,232)	427,824,065
Accumulated depreciation	240,520,414	8,841,243	(9,197,206)	240,164,451
Net capital assets being depreciated	198,558,627	(6,123,987)	(4,775,026)	187,659,614
Net governmental activities capital assets	$ 236,783,834	$ 1,020,588	$ (5,908,630)	$ 231,895,792

Depreciation expense for the year ended June 30, 2020 was $8,841,243 and is included in depreciation and amortization on the statement of revenue, expenses, and changes in net position. During the year ended June 30, 2020, the Authority disposed of the capital assets associated with Pinecrest RAD, LLC in connection with the RAD conversion (as discussed in Note 1), resulting in a net loss of $2,400,889.

Note 5 - Capital Assets (Continued)

Discretely Presented Component Units

Presented below are summaries of the Authority's discretely presented component units' capital asset balances and a summary of changes in their respective capital asset balances for the year ended December 31, 2019:

	Springdale Senior, LP	Reserve on South Martin, LP	Cary Crossing, LLC	West Union Square, LLC	Sutter View, LLC	Total
Land	$ 888,411	$ 2,784,413	$ 279,606	$ -	$ 1,070,000	$ 5,022,430
Construction in progress	-	-	-	-	11,173,962	11,173,962
Buildings and improvements	13,143,297	8,406,066	6,758,639	13,722,809	4,480,000	46,510,811
Furniture and equipment	1,167,043	424,477	190,914	337,705	-	2,120,139
Accumulated depreciation	(6,667,112)	(2,273,888)	(1,097,713)	(875,464)	(81,454)	(10,995,631)
Total	$ 8,531,639	$ 9,341,068	$ 6,131,446	$ 13,185,050	$ 16,642,508	$ 53,831,711

	Beginning Balance	Additions and Transfers In	Disposals and Transfers Out	Ending Balance
Capital assets not being depreciated:				
Land	$ 3,952,430	$ 1,070,000	$ -	$ 5,022,430
Construction in progress	6,963	11,173,962	(6,963)	11,173,962
Subtotal	3,959,393	12,243,962	(6,963)	16,196,392
Capital assets being depreciated:				
Buildings and improvements	42,034,262	4,480,000	(3,451)	46,510,811
Furniture and equipment	2,108,610	11,529	-	2,120,139
Subtotal	44,142,872	4,491,529	(3,451)	48,630,950
Accumulated depreciation	9,124,838	1,870,793	-	10,995,631
Net capital assets being depreciated	35,018,034	2,620,736	(3,451)	37,635,319
Net capital assets	$ 38,977,427	$ 14,864,698	$ (10,414)	$ 53,831,711

Note 6 - Accrued Compensated Absences

The Authority follows GASB Statement No. 16, *Accounting for Compensated Absences,* to account for compensated absences. Accrued vacation is paid to all employees upon termination.

Exempt employees shall receive, at resignation from employment for any reason except for termination, 5 percent of their accumulated sick leave balance per full completed year of service, up to a maximum of 50 percent.

For members of the AFSCME union, unused sick leave shall be forfeited upon the employee’s separation for any reason except retirement, in which case the payout will be 50 percent of a maximum base of 1,600 hours, with a maximum of 800 hours paid.

Note 6 - Accrued Compensated Absences (Continued)

For members of the IUOE union hired before July 1, 2003, sick leave shall be paid upon the employee’s separation for any reason except termination, in which case the level of payout will be a maximum of 50 percent of the first 1,600 hours with 30 or more years of continuous service, with a maximum of 800 hours paid. Members with over 1,600 hours of accrued sick leave will receive 5 percent per year of service of those additional hours, with a maximum of 40 percent. Those members hired after July 1, 2003 and with a minimum of five years of service will receive a payout of 5 percent of their sick leave per five-year increments of service, with a maximum of 40 percent.

For members of the Building Trades union, sick leave shall be paid upon the employee’s separation for any reason except for termination, in which case the level of payout will be a percentage of unused leave based on years of service with a maximum of 40 percent with 30 or more years of continuous service. Members must be employed for a minimum of 5 years to receive any payout.

At June 30, 2020, total compensated absences liability is $1,124,329, of which $358,650 is current and $765,679 is long term.

Note 7 - Long-term Debt

A summary of the Authority's long-term debt, all of which constitute direct borrowings, at June 30, 2020 is as follows:

Business-type Activities

	Interest Rate	Principal Maturity	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Hamilton County, Ohio	2.00%	11/1/2021	$ 200,000	$ -	$ (100,000)	$ 100,000	$ 100,000
Hamilton County, Ohio	2.00%	9/1/2023	407,469	-	(101,868)	305,601	101,868
Hamilton County, Ohio	2.00%	8/1/2024	600,000	-	(120,000)	480,000	120,000
Hamilton County, Ohio	2.00%	9/1/2025	540,000	-	(90,000)	450,000	90,000
Hamilton County, Ohio	2.00%	3/1/2027	920,000	-	(115,000)	805,000	115,000
Bank loans	4.25 - 5.60%	12/1/2033	850,000	-	(40,000)	810,000	40,000
Capital fund financing	4.55%	9/1/2026	9,474,768	-	(1,128,945)	8,345,823	1,181,439
HUD EPC repayment	0.00%	11/30/2028	16,834,973	-	(1,353,902)	15,481,071	900,000
HOPE VI repayment	0.00%	1/2/2024	2,281,101	-	(456,211)	1,824,890	456,211
Park Eden Evanston, LLC mortgage loan	2.99%	12/1/2054	-	3,011,500	(24,577)	2,986,923	50,251
Total long-term debt			$ 32,108,311	$ 3,011,500	$ (3,530,503)	$ 31,589,308	$ 3,154,769

Hamilton County, Ohio (HOME and CDBG) Loans

Hamilton County, Ohio provided HOME and CDBG funds for the development of low-rent housing units in Hamilton County. These loans (and interest of 2 percent per annum) will be forgiven at the rate of 10 percent annually commencing in the 16th year, provided the units are preserved as low-income housing and there are no plans to convert the units to market rate.

Bank Loans

These loans were acquired to expand the affordable housing program using locally available funds.

Capital Fund Financing

This loan was acquired as part of a capital fund financing program to be used to fund capital improvements to existing public housing. This loan is repaid through the use of capital fund grants.

HUD EPC Repayment

The Authority entered into the repayment agreement as a result of overpayment of operating subsidy through an energy performance contract with the Low Income Public Housing Program.

Note 7 - Long-term Debt (Continued)

HOPE VI Repayment

The Authority entered into the repayment agreement as a result of an overpayment of the operating subsidy through an energy performance contract with the Low Income Public Housing Program.

Park Eden Evanston, LLC Mortgage Loan

The mortgage is payable in monthly installments of $11,573, including interest, through maturity. The mortgage is collateralized by the real property consisting of the Evanston Apartments and is insured by HUD under Section 223(f). The mortgage imposes certain conditions on the Park Eden Evanston, LLC, including, among others, prescribed operating policies, use of housing, and preventing any other liens or encumbrances on corporation property.

The following is a summary of the Authority's future annual debt service requirements for the notes payable listed above:

Years Ending	Principal Amount	Interest Amount	Total
2021	$ 3,154,769	$ 488,624	$ 3,643,393
2022	3,116,151	430,412	3,546,563
2023	3,180,156	369,266	3,549,422
2024	3,140,013	305,291	3,445,304
2025	2,628,362	238,006	2,866,368
2026-2030	13,694,857	571,702	14,266,559
2031-2035	624,861	367,292	992,153
2036-2040	417,812	276,565	694,377
2041-2045	485,096	209,282	694,378
2046-2050	563,214	131,163	694,377
2051-2055	584,017	40,899	624,916
Total	$ 31,589,308	$ 3,428,502	$ 35,017,810

Discretely Presented Units

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Springdale Senior, LP:					
Mortgage note - Fifth Third Bank	$ 1,037,204	$ -	$ (73,825)	$ 963,379	$ 78,580
Mortgage notes - CMHA	5,985,273	-	-	5,985,273	-
Ground lease	510,000	-	-	510,000	-
Bridge loan	218,441	-	(218,441)	-	-
Reserve on South Martin, LP - Mortgage - CMHA	10,870,943	-	-	10,870,943	-
Cary Crossing, LLC:					
Bridge loan - CMHA	1,202,000	-	-	1,202,000	-
OHFA note	3,072,247	-	(413,088)	2,659,159	421,405
West Union Square, LLC:					
Mortgage note	1,837,279	682,853	-	2,520,132	1,119,830
Surplus cash note	456,000	44,000	-	500,000	-
Authority note	1,670,417	-	-	1,670,417	-
OHFA loan	1,500,000	-	-	1,500,000	207,917
Sutter View, LLC:					
Surplus cash notes	-	9,097,000	-	9,097,000	-
Mortgage note	-	725,000	-	725,000	-
Total principal outstanding	$ 28,359,804	$ 10,548,853	$ (705,354)	$ 38,203,303	$ 1,827,732

Note 7 - Long-term Debt (Continued)

Springdale Senior, LP Mortgage Note - Fifth Third Bank

In September 2007, Springdale Senior, LP obtained permanent financing from Fifth Third Bank in an amount not to exceed $7,500,000. A total balance of $6,927,792 was drawn on the mortgage. Springdale Senior, LP made a principal payment in the amount of $5,943,000 in April 2009. The remaining principal amount of $1,557,000 bears interest at a monthly rate of LIBOR plus 2.15 percent. The mortgage matures on May 1, 2024. The loan is secured by the rental property. Accrued interest totaled $5,673 at December 31, 2019.

Springdale Senior, LP Mortgage Note - CMHA

Mortgage notes payable to the Authority, the first ($3,035,000) bearing interest at 3.5 percent, the second ($1,260,987) bearing interest at the AFR (3.32 percent at December 31, 2019), the third ($885,000) bearing 0 percent interest, the fourth ($358,481) bearing interest at 3.5 percent, and the fifth ($445,805) bearing interest at the AFR, secured by the rental property. The loans are due during 2057 and are payable as income and cash flow permit, as defined in the partnership agreement. Interest is compounded annually. Accrued but unpaid interest was $2,203,583 at December 31, 2019.

Springdale Senior, LP Ground Lease and Bridge Loan

Ground lease payable to the Authority, bearing interest at 4.79 percent, payable at final closing of permanent financing. The ground lease is for a period of 75 years. Accrued interest was $462,919 at December 31, 2019.

Bridge loan payable to the Ohio Housing Finance Agency (OHFA). This loan bears interest at 2 percent, payable annually. Accrued interest amounted to $0 at December 31, 2019.

Reserve on South Martin, LP Mortgage and Note - CMHA

Reserve on South Martin, LP holds a mortgage payable with the Authority totaling $10,308,550 and bearing interest at 0.10 percent per annum. The entire unpaid principal balance and all accrued interest are due and payable at maturity in December 2051. The mortgage is collateralized by the real estate and assignment of rents and security. As of December 31, 2019, accrued interest for the mortgage payable amounted to $72,395.

Reserve on South Martin, LP entered into a note payable with the Authority totaling $797,524 bearing interest at 0.0 percent per annum. As of December 31, 2019, the outstanding balance was $562,393. The entire unpaid principal balance is due and payable in October 2056.

Cary Crossing, LLC - Bridge Loan

Cary Crossing, LLC entered into a bridge loan agreement on July 9, 2015 with the Authority in the amount of $1,202,000 bearing interest at 0.25 percent, compounding annually. Interest and principal payments are payable from available cash flow, as defined in the operating agreement. The entire unpaid principal balance and all accrued interest are due and payable on the maturity date of July 9, 2050. The loan is collateralized by the real estate and assignments of rents and security. As of December 31, 2019, accrued interest for the loan payable amounted to $15,105.

Cary Crossing, LLC - OHFA Note

Cary Crossing, LLC entered into a promissory note with the Ohio Housing Finance Agency in the amount of $3,500,000. The note is unsecured and non-interest bearing for the first two years (the initial period). The interest rate will be 2 percent after the initial period. Eight annual principal and interest payments of $474,932 are due commencing on April 15, 2018. Note payment dates correspond to the collection dates for the remaining member capital contributions. As of December 31, 2019, the outstanding principal was $2,659,159. Accrued interest as of December 31, 2019 was $40,145.

Note 7 - Long-term Debt (Continued)

West Union Square, LLC - Mortgage Note

In April 2017, West Union Square, LLC entered into a mortgage note with The Huntington National Bank in the amount of $1,392,000 and bearing interest at 5.9 percent. Principal and interest payments are due in monthly installments of $8,256 and will commence following the conversion from a construction to permanent loan. The entire unpaid principal balance and all accrued interest are due and payable upon maturity in November 2036. At December 31, 2019, the outstanding principal balance was $2,520,132, and accrued interest was $9,155.

West Union Square, LLC - Surplus Cash Note

On April 24, 2017, West Union Square, LLC entered into a surplus cash note with the Authority in the amount of $500,000. The note bears interest at 1 percent per annum, compounding annually. The financing received from the Authority was HOME Investment Partnership Program (HOME) funds ($440,000) and Neighborhood Stabilization Program 1 funds ($60,000) granted to the Authority by the U.S. Department of Housing and Urban Development. The note is subordinate to the Authority Note (see below). Payments of principal and interest are available to be made out of available cash flow, as defined in the operating agreement. The note matures in April 2057 and is secured by real estate. At December 31, 2019, the outstanding principal balance was $500,000, and accrued interest was $11,080.

West Union Square, LLC - Authority Note

On April 24, 2017, West Union Square, LLC entered into a surplus cash note (the "Authority Note") with the Authority in the amount of $1,670,417. The note bears interest at 1 percent per annum, compounding annually. Payments of principal and interest are available to be made out of available cash flow, as defined in the operating agreement. The note matures in April 2057 and is secured by real estate. At December 31, 2019, the outstanding principal balance was $1,670,417, and accrued interest was $38,087.

West Union Square, LLC - OHFA Loan

In July 2017, West Union Square, LLC entered into a promissory note with Ohio Housing Finance Agency in the amount of $1,500,000. The note is secured by the investor member's capital contribution obligation and bears no interest for the period from July 2017 through June 2019. Beginning in July 2019, the note bears interest at 2.5 percent per annum. Commencing in April 2020, annual principal and interest payments are due in the amount of $207,917 through maturity in April 2027. At December 31, 2019, the outstanding principal balance was $1,500,000, and accrued interest was $16,563.

Sutter View, LLC - Surplus Cash Notes

On June 1, 2019, Sutter View, LLC entered into two separate surplus cash notes with the Authority. The first is in the amount of $4,000,000. The note bears interest at 1 percent per annum, compounding annually. Payments of principal and interest are available to be made out of available cash flow as defined in the operating agreement. The note matures in June 2059 and is secured by real estate. At December 31, 2019, the outstanding principal balance was $4,000,000. The second note is in the amount of $5,097,000. The note bears interest at 2.89 percent per annum, compounding annually. Payments of principal and interest are available to be made out of available cash flow, as defined in the operating agreement. The note matures in June 2059 and is secured by real estate. At December 31, 2019, the outstanding principal balance was $5,097,000.

Sutter View, LLC - Mortgage Note

On June 1, 2019, Sutter View, LLC entered into a note with ORIX Real Estate Capital, LLC in the amount of $7,250,000. The note bears interest at 4.67 percent per annum. Payments of interest only are to be made from July 1, 2019 through April 1, 2021. Thereafter, monthly installments of principal and interest are to be made in the amount of $33,390. The note matures in April 2061 and is secured by real estate. At December 31, 2019, the outstanding principal balance was $725,000.

Note 7 - Long-term Debt (Continued)

Years Ending December 31	Principal	Interest	Total
2020	$ 1,827,732	$ 393,400	$ 2,221,132
2021	750,190	434,257	1,184,447
2022	793,225	447,092	1,240,317
2023	816,593	459,649	1,276,242
2024	1,357,385	451,546	1,808,931
Thereafter	32,658,178	15,083,200	47,741,378
Total	$ 38,203,303	$ 17,269,144	$ 55,472,447

Note 8 - Pension Plan

Plan Description

The Authority's employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., the Authority's employees) may elect the Member-Directed Plan and the Combined Plan, the majority of employee members are in OPERS’ Traditional Pension Plan; therefore, the following disclosures focus on the Traditional Pension Plan.

OPERS provides retirement, disability, survivor, and death benefits and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code (ORC).

OPERS issues a publicly available stand-alone financial report that includes financial statements, required supplemental information, and detailed information about OPERS’ fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml; by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, OH 43215-4642; or by calling 800-222-7377.

Benefits Provided

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement, and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan, as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

Group A Eligible to Retire Prior to January 7, 2013 or Five Years after January 7, 2013	Group B 20 Years of Service Credit Prior to January 7, 2013 or Eligible to Retire 10 Years after January 7, 2013	Group C Members not in Other Groups and Members Hired on or after January 7, 2013
Age and service requirements: Age 60 with 60 months of service credit or age 55 with 25 years of service credit	Age and service requirements: Age 60 with 60 months of service credit or age 55 with 25 years of service credit	Age and service requirements: Age 57 with 25 months of service credit or age 62 with five years of service credit
Formula: 2.2 percent of FAS multiplied by years of service for the first 30 years and 2.5 percent for service years in excess of 30	Formula: 2.2 percent of FAS multiplied by years of service for the first 30 years and 2.5 percent for service years in excess of 30	Formula: 2.2 percent of FAS multiplied by years of service for the first 35 years and 2.5 percent for service years in excess of 35

Note 8 - Pension Plan (Continued)

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy

The ORC provides statutory authority for member and employer contributions. For both plan years ended December 31, 2019 and 2018, member contribution rates were 10.0 percent of salary and employer contribution rates were 14.0 percent. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan was 0.0 percent during both plan years ended December 31, 2019 and 2018. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contributions to OPERS totaled $1,541,505 for the year ended June 30, 2020, all of which was allocated to pension.

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that have already occurred.

The net pension liability represents the Authority's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments, and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation, including pensions.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer because (1) it benefits from employee services and (2) state statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also include costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the state Legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to net pension liability would be effective when the changes are legally enforceable.

Note 8 - Pension Plan (Continued)

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. For reporting purposes, the Authority combined the amounts for both the Traditional and Combined plans due to the insignificance of the amounts that related to the Combined Plan. The Authority reported a net pension liability of $13,081,431 as its proportionate share. The Authority's proportion of the Traditional Plan was 0.068380 percent.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the Authority recognized pension expense of $474,636.

At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,101	$ (272,267)
Changes in assumptions	766,867	-
Net difference between projected and actual investment earnings	-	(2,752,958)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	136,599	(109,486)
Employer contributions subsequent to measurement date	725,352	-
Total	$ 1,637,919	$ (3,134,711)

The amount of $725,352 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
2021	$ (308,550)
2022	(858,627)
2023	94,460
2024	(1,108,547)
2025	(12,570)
Thereafter	(28,310)
Total	$ (2,222,144)

Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Note 8 - Pension Plan (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Actuarial Assumptions
Valuation date	December 31, 2019
Actuarial cost method	Individual entry age
Cost of living adjustments	Pre-January 7, 2013 Retirees: 3 percent; Post-January 7, 2013 Retirees: 1.40 percent simple through 2020, then 2.15 percent simple
Salary increases, including inflation	3.25% - 10.75%
Inflation	3.25%
Investment rate of return	7.20%
Experience study date	Period of five years ended December 31, 2015
Mortality basis	RP-2014 Healthy Annuitant Mortality Table

Preretirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the tables described above.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During the plan year ended December 31, 2019, OPERS managed investments in three investment portfolios: the defined benefit portfolio, the health care portfolio, and the defined contribution portfolio. The defined benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan, and the annuitized accounts of the Member-Directed Plan. Within the defined benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the defined benefit portfolio was 17.20 percent for 2019.

Note 8 - Pension Plan (Continued)

The allocation of investment assets with the defined benefit portfolio is approved by the board of trustees, as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	25.00 %	1.83 %
Domestic equities	19.00	5.75
Real estate	10.00	5.20
Private equity	12.00	10.70
International equities	21.00	7.66
Other investments	13.00	4.98

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table represents the Authority's proportionate share of net pension liability at the 7.20 percent discount rate, as well as the sensitivity to a 1 percent increase and a 1 percent decrease in the current discount rate:

	1 Percentage Point Decrease (6.20%)	Current Discount Rate (7.20%)	1 Percentage Point Increase (8.20%)
Proportionate share of the net pension liability	$ 22,029,512	$ 13,081,431	$ 5,067,716

Note 9 - Other Postemployment Benefit Plan

Plan Description and Benefits Provided

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits, including postemployment health care coverage.

Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning on January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age.

Contributions

OPERS' Postemployment Healthcare Plan was established under, and is administered in accordance with, Internal Revenue Code (IRC) Section 401(h). Each year, the OPERS board of trustees determines the portion of the employer contribution rate that will be set aside for the funding of postemployment health care coverage. Health care funding is discretionary and dependent on both the pension funding and future projections. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 0.0 percent in 2019. The 2020 allocation is expected to be 0.0 percent for health care funding and expected to continue at that rate thereafter. Contributions to the plan from the Authority were $0 for the year ended June 30, 2020.

Note 9 - Other Postemployment Benefit Plan (Continued)

Net OPEB Liability

At June 30, 2020, the Authority reported a liability of $10,030,432 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on the Authority's actuarially required contribution for the year ended December 31, 2019 relative to all other contributing employers. At December 31, 2019, the Authority’s proportion was 0.072618 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Authority recognized OPEB expense of $1,132,639.

At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 269	$ (917,329)
Changes in assumptions	1,587,711	-
Net difference between projected and actual earnings on OPEB plan investments	-	(510,747)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	116,322	(57,620)
Total	$ 1,704,302	$ (1,485,696)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	Amount
2021	$ 270,243
2022	166,204
2023	406
2024	(218,247)
Total	$ 218,606

Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the system and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019.

Note 9 - Other Postemployment Benefit Plan (Continued)

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

	Actuarial Assumptions
Actuarial valuation date	December 31, 2018
Rolled-forward measurement date	December 31, 2019
Experience study	Five-year period ended December 31, 2015
Actuarial cost method	Individual entry age normal
Single discount rate	3.16%
Investment rate of return	6.00%
Municipal bond rate	2.75%
Wage inflation	3.25%
Projected salary increases, including inflation	3.25 - 10.75%
Health care cost trend rate	10.5 percent initial, 3.50 percent ultimate in 2030

Preretirement mortality rates are based on the RP-2014 employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates are based on the RP-2014 healthy annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees are based on the RP-2014 disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

Discount Rate

A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Note 9 - Other Postemployment Benefit Plan (Continued)

Investment Rate of Return

The allocation of investment assets within the health care portfolio is approved by the board, as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the board-approved asset allocation policy for 2019 and the long-term expected real rates of return.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	21.00 %	5.75 %
International equity	23.00	7.66
Fixed income	36.00	1.53
REITs	6.00	5.69
Other investments	14.00	4.90

During 2019, OPERS managed investments in three investment portfolios: the defined benefit portfolio, the health care portfolio, and the defined contribution portfolio. The health care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan, and Member-Directed Plan eligible members. Within the health care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur midyear. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the health care portfolio is 19.70 percent for 2019.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 3.16 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (2.16%)	Current Discount Rate (3.16%)	1 Percentage Point Increase (4.16%)
Net OPEB liability of the Ohio Public Employees Retirement System	$ 13,126,430	$ 10,030,432	$ 7,551,546

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the Authority, calculated using the health care cost trend rate of 10.50 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (9.5%)	Current Health Care Cost Trend Rate (10.5%)	1 Percentage Point Increase (11.5%)
Net OPEB liability of the Ohio Public Employees Retirement System	$ 9,734,443	$ 10,030,432	$ 10,322,649

Note 9 - Other Postemployment Benefit Plan (Continued)

Assumption Changes

A discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019, which represents a change from a discount rate of 3.96 percent used on the measurement date of December 31, 2018.

Note 10 - Risk Management - Primary Government

The Authority maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. The Authority also maintains employee major medical, vision, and dental coverage with private carriers.

The Authority is a member in Ohio Housing Authority Property Casualty, Inc. (OHAPCI) and the Public Entity Risk Consortium (PERC). OHAPCI is an insurance risk-sharing and purchasing pool composed of three Ohio housing authorities. PERC is an Ohio public entity joint self-insurance pool restricted to midsize public entities, including pools (of which OHAPCI is a member).

OHAPCI is a corporation governed by a board of trustees, consisting of a representative appointed by each of the member housing authorities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. There were no changes to the policies during the current fiscal year. Claims experience over the past three years indicates that there were no instances of losses exceeding insurance coverage. The following is a summary of insurance coverage at year end:

Primary property	$500 million/occurrence
Automobile liability	$6 million/occurrence
Casualty/General liability	$6 million/occurrence
Crime	$500,000/occurrence
Pollution	$1 million/$2 million (aggregate)

Note 11 - Commitments and Contingencies

The Authority is a defendant in several lawsuits arising from its normal course of business. Where possible, estimates have been made and reflected in the financial statements for the effect, if any, of such contingencies. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Authority's attorney that resolution of these matters will not have a materially adverse effect on the financial condition of the Authority.

The Authority received financial assistance from federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at June 30, 2020.

Note 12 - Blended Component Units

A condensed statement of net position for the Authority's blended component units as of June 30, 2020 is presented as follows:

	Touchstone Property Services, Inc.	Park Eden Evanston, LLC
Assets		
Current assets	$ 133,551	$ 2,355,117
Noncurrent assets	1	2,962,325
Total assets	133,552	5,317,442
Liabilities		
Current liabilities	670,722	92,789
Noncurrent liabilities	229,412	2,986,932
Total liabilities	900,134	3,079,721
Net Position (Deficit)	$ (766,582)	$ 2,237,721

A condensed statement of activities for the Authority's blended component unit for the year ended June 30, 2020 is presented as follows:

	Touchstone Property Services, Inc.	Park Eden Evanston, LLC
Operating Revenue	$ 260,719	$ 488,061
Operating Expense	485,199	244,016
Operating (Loss) Income	(224,480)	244,045
Contributions - Capital assets transferred from the Authority	-	1,993,676
Change in Net Position	(224,480)	2,237,721
Net Position (Deficit) - Beginning of year	(542,102)	-
Net Position (Deficit) - End of year	$ (766,582)	$ 2,237,721

Note 12 - Blended Component Units (Continued)

A condensed statement of cash flows for the Authority's blended components unit for the year ended June 30, 2020 is presented as follows:

	Touchstone Property Services, Inc.	Park Eden Evanston, LLC
Cash Flows (Used in) Provided by Operating Activities	$ (80,182)	$ 123,172
Cash Flows Provided by Capital and Related Financing Activities	-	2,018,283
Net (Decrease) Increase in Cash and Cash Equivalents	(80,182)	2,141,455
Cash and Cash Equivalents - Beginning of year	98,330	-
Cash and Cash Equivalents - End of year	$ 18,148	$ 2,141,455
Classification of Cash		
Cash and investments	$ 424	$ 70,677
Restricted cash (current)	17,724	2,070,778
Total cash	$ 18,148	$ 2,141,455
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities		
Operating (loss) income	$ (224,480)	$ 244,045
Adjustments to reconcile operating (loss) income to net cash from operating activities:		
Depreciation and amortization	404	-
Changes in assets and liabilities	143,894	(120,873)
Net cash (used in) provided by operating activities	$ (80,182)	$ 123,172
Significant Noncash Transactions - Capital assets transferred from the Authority	$ -	$ 1,993,676

Note 13 - Subsequent Events

On August 19, 2020, the Authority closed on a transaction to convert 176 public housing units to project-based voucher units under HUD's Rental Assistance Demonstration Program. Park Eden Apartments Development Corporation, a wholly owned subsidiary of the Authority, has committed as the managing member of the new entity, Park Eden Apartments, LLC. As part of this conversion, the newly formed Park Eden Apartments, LLC has committed to entering into a mortgage insured under HUD’s Section 221(d)(4) program in the amount of $8,422,000 and approximately $11,500,000 in soft debt. These proceeds will be utilized to complete a rehabilitation of the facility. Full rehabilitation is estimated to be completed during the fiscal year ending June 30, 2022.

Required Supplemental Information

Required Supplemental Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System

Last Six Plan Years

Plan Years Ended December 31

	2019	2018	2017	2016	2015	2014
The Authority's proportion of the net pension liability	0.06838 %	0.06742 %	0.06817 %	0.07526 %	0.07649 %	0.08286 %
The Authority's proportionate share of the net pension liability - Net	$ 13,081,431	$ 18,291,775	$ 10,501,520	$ 17,018,192	$ 13,186,934	$ 9,753,026
The Authority's covered employee payroll	$ 10,981,901	$ 10,309,453	$ 10,237,829	$ 11,395,353	$ 11,736,175	$ 11,963,253
The Authority's proportionate share of the net pension liability as a percentage of its covered employee payroll	119.12 %	177.43 %	102.58 %	149.34 %	112.36 %	81.52 %
Plan fiduciary net position as a percentage of total pension liability	82.17 %	74.70 %	84.66 %	77.39 %	81.20 %	86.36 %

Amounts presented for each year were determined as of the Authority's measurement date (December 31). Information prior to 2014 is not available. The Authority will continue to present information for years available until a full 10-year trend is compiled.

Required Supplemental Information
Schedule of the Authority's Contributions
Ohio Public Employees Retirement System

Last Six Fiscal Years

Years Ended June 30

	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,541,505	$ 1,496,109	$ 1,440,532	$ 1,567,893	$ 1,548,032	$ 1,600,214
Contributions in relation to the contractually required contribution	1,541,505	1,496,109	1,440,532	1,567,893	1,548,032	1,600,214
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
The Authority's Covered Payroll	$ 11,010,747	$ 10,686,615	$ 10,247,325	$ 11,199,235	$ 11,057,371	$ 11,430,100
Contributions as a Percentage of Covered Payroll	14.00 %	14.00 %	14.06 %	14.00 %	14.00 %	14.00 %

Years listed represent the Authority's fiscal year (June 30). Information prior to 2015 is not available. The Authority will continue to present information for years available until a full 10-year trend is compiled.

Required Supplemental Information
Schedule of the Authority's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System

Last Three Plan Years

Plan Years Ended December 31

	2019	2018	2017
The Authority's proportion of the net OPEB liability	0.07262 %	0.07108 %	0.07264 %
The Authority's proportionate share of the net OPEB liability	$ 10,030,432	$ 9,267,284	$ 7,888,168
The Authority's covered payroll	$ 10,981,901	$ 10,309,453	$ 10,237,829
The Authority's proportionate share of the net OPEB liability as a percentage of its covered payroll	91.34 %	89.89 %	77.05 %
Plan fiduciary net position as a percentage of total OPEB liability	47.80 %	46.33 %	54.14 %

Amounts presented for each year were determined as of the Authority's measurement date (December 31). Information prior to 2017 is not available. The Authority will continue to present information for years available until a full 10-year trend is compiled.

Required Supplemental Information
Schedule of the Authority's OPEB Contributions
Ohio Public Employees Retirement System

Last Three Fiscal Years

Years Ended June 30

	2020	2019	2018
Statutorily required contribution	$ -	$ -	$ 51,544
Contributions in relation to the statutorily required contribution	-	-	51,544
Contribution Deficiency	**$ -**	**$ -**	**$ -**
Authority's Covered-employee Payroll	$ 11,010,747	$ 10,686,615	$ 10,247,325
Contributions as a Percentage of Covered-employee Payroll	- %	- %	0.50 %

Years listed represent the Authority's fiscal year (June 30). Information prior to 2018 is not available. The Authority will continue to present information for years available until a full 10-year trend is compiled.

Other Supplemental Information

Cincinnati Metropolitan Housing Authority

Financial Data Schedules

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.MRC Moderate Rehabilitation CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	7,406,428	-	-	726,823	71,101	-	-	-	110,234	2,032,728	1,423,790	-	45,471	1,665,394	781,566	-	69,231	3,332,687	17,665,453		17,665,453
112 Cash - Restricted - Modernization and Development	1,536,560	-	-	4,783,932	2,088,502	-	-	-	105,493	-	-	-	-	193,815	-	-	-	1,012,098	9,720,399		9,720,399
113 Cash - Other Restricted	-	-	-	-	-	-	-	134,278	-	1,050,953	-	-	154,635	2,402	-	-	150,006	68,224	1,560,498		1,560,498
114 Cash - Tenant Security Deposits	840,564	-	-	114,151	-	-	-	-	79,048	-	-	-	-	45,177	-	-	-	-	1,078,939		1,078,939
115 Cash - Restricted for Payment of Current Liabilities	100,777	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,777		100,777
100 Total Cash	9,884,329	-	-	5,624,906	2,159,603	-	-	134,278	294,774	3,083,681	1,423,790	-	200,106	1,906,787	781,566	-	219,237	4,413,009	30,126,066	-	30,126,066
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-		-
122 Accounts Receivable - HUD Other Projects	246,913	336,359	-	1,652	97,136	14,470	128,678	-	362	-	29,464	-	4,360	-	-	-	48,118	108,040	1,015,553	(23,338)	992,215
124 Accounts Receivable - Other Government	-	-	-	3,473	-	-	-	-	1,928	-	-	-	-	20,537	-	-	-	-	25,938		25,938
125 Accounts Receivable - Miscellaneous	1,920,129	-	-	15,123	88,799	-	-	-	88,792	-	-	-	-	1,642,816	-	-	-	1,906,596	5,662,254	(3,522,793)	2,139,461
126 Accounts Receivable - Tenants	1,030,662	-	-	126,277	303,968	-	-	-	82,814	1,088,565	-	-	-	191,613	-	-	-	-	2,823,899		2,823,899
126.1 Allowance for Doubtful Accounts -Tenants	-	-	-	-	-	-	-	-	(8,317)	(1,088,565)	-	-	-	(95,491)	-	-	-	-	(1,192,373)		(1,192,373)
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91,725	-	-	-	91,725		91,725
128 Fraud Recovery	239,749	-	-	-	-	-	-	-	-	120,063	-	-	-	2,650	-	-	-	-	362,461		362,461
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
129 Accrued Interest Receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
120 Total Receivables, Net of Allowances for Doubtful Accounts	3,437,453	336,359	-	146,525	489,903	14,470	128,678	-	165,579	120,063	29,464	-	4,360	1,762,124	91,725	-	48,118	2,014,636	8,789,457	(3,546,131)	5,243,326
131 Investments - Unrestricted	1,079,229	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,079,229		1,079,229
132 Investments - Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
142 Prepaid Expenses and Other Assets	398,412	-	-	3,474	1,759	-	-	-	-	1,599	-	-	228	-	-	-	228	635,032	1,040,733		1,040,733
143 Inventories	2,147	-	-	4,566	-	-	-	-	-	-	-	-	-	-	-	-	-	408,904	415,617		415,617
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
144 Inter Program Due From	528,878	-	-	-	-	-	-	-	-	59,041	-	-	-	-	-	-	-	-	587,919	(587,919)	0
145 Assets Held for Sale		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
150 Total Current Assets	15,330,449	336,359	-	5,779,471	2,651,265	14,470	128,678	134,278	460,353	3,264,384	1,453,254	-	204,694	3,668,912	873,291	-	267,583	7,471,580	42,039,021	(4,134,050)	37,904,971
				-																	
161 Land	26,406,867	-	-	4,338,245	-	-	-	-	1,578,043	-	-	-	-	2,695,983	-	-	-	469,398	35,488,537		35,488,537
162 Buildings	349,757,614	-	-	46,124,997	1,820,645	-	-	-	6,396,100	366,286	-	-	-	1,454,313	-	-	-	28,338,480	434,258,434		434,258,434
163 Furniture, Equipment & Machinery - Dwellings	2,370,438	-	-	2,115,542	8,883	-	-	-	1,422	385,536	-	-	-	-	-	-	-	2,486,493	7,368,313		7,368,313
164 Furniture, Equipment & Machinery - Administration	1,178,297	-	-	1,857,551	15,403	-	-	-	-	165,525	-	-	-	36,425	-	-	-	17,344	3,270,545		3,270,545
165 Leasehold Improvements	-	-	-		-	-	-	-	28,780	-	-	-	-	579,340	30,536,094	-	-	667,551	31,811,765		31,811,765
166 Accumulated Depreciation	(205,761,506)	-	-	(11,138,685)	16,747	-	-	-	(3,224,786)	(863,951)	-	-	-	(483,861)	(5,442,997)	-	-	(24,199,578)	(251,098,617)		(251,098,617)
167 Construction in Progress	11,566,006	-	-	11,886,539	1,134,183	-	-	-	553	-	-	-	-	30,015	-	-	-	11,231	24,628,527		24,628,527
168 Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
160 Total Capital Assets, Net of Accumulated Depreciation	185,517,717	-	-	55,184,187	2,995,861	-	-	-	4,780,111	53,396	-	-	-	4,312,215	25,093,097	-	-	7,790,920	285,727,503	-	285,727,503
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	161	-	-	-	-	885,000	-	-	-	57,737,393	-	-	-	-	58,622,554	(229,412)	58,393,142
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	3,031	3,031		3,031
173 Grants Receivable - Non Current		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
174 Other Assets	1,352,475	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	1,352,475		1,352,475
176 Investments in Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
180 Total Non-Current Assets	186,870,192	-	-	55,184,187	2,996,022	-	-	-	4,780,111	938,396	-	-	-	62,049,608	25,093,097	-	-	7,793,951	345,705,564	(229,412)	345,476,152
200 Deferred Outflow of Resources	1,484,683	-	-	-	-	-	-	-	-	715,124	-	-	-		-	-		1,142,413	3,342,221		3,342,221
290 Total Assets and Deferred Outflow of Resources	203,685,323	336,359	-	60,963,658	5,647,287	14,470	128,678	134,278	5,240,464	4,917,904	1,453,254	-	204,694	65,718,520	25,966,388	-	267,583	16,407,945	391,086,805	(4,363,462)	386,723,343

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.MRC Moderate Rehabilitation CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
311 Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-		-
312 Accounts Payable <= 90 Days	1,710,445	101,308	-	1,515,337	636,348	-	-	-	619,241	463,674	-	-	4,472	83,959	-	-	-	2,319,672	7,454,455	(3,546,131)	3,908,324
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-		-
321 Accrued Wage/Payroll Taxes Payable	120,658	-	-	8,331	5,279	-	-	-	1,940	73,807	-	-	495	3,369	-	-	547	144,111	358,537		358,537
322 Accrued Compensated Absences - Current Portion	108,555	-	-	-	1,187	-	-	-		49,920	-	-	65	1,486	-	-	864	197,624	359,702		359,702
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-		-
325 Accrued Interest Payable	-	-	-	2,968,120	-	-	-	-	484,298	-	-	-	-		-	-	-	-	3,452,418		3,452,418
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-		-
333 Accounts Payable - Other Government	639,738	-	-	106,307	-	-	-	-	-	-	-	-	-	61,627	-	-	-	-	807,672		807,672
341 Tenant Security Deposits	840,564	-	-	115,668	-	-	-	-	67,206	-	-	-	-	11,794	-	-	-	-	1,035,232		1,035,232
342 Unearned Revenue	163,195	-	-	38,596	1,488	-	-	-	-	8,202	1,423,790	-	-	14,795,094	-	-	-	588	16,430,953		16,430,953
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	1,181,439	-	-	2,354,857	-	-	-	-	795,505	-	-	-	-		-	-	-	456,211	4,788,012		4,788,012
344 Current Portion of Long-term Debt - Operating Borrowings	1,497,371	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,497,371		1,497,371
345 Other Current Liabilities	355,946	-	-	7,855,232	-	-	-	-	-	-	-	-	-	-	-	-	-	881,221	9,092,399		9,092,399
346 Accrued Liabilities - Other	-	-	-	-	82,467	-	-	-		-	-	-	-	35,784	-	-	-	-	118,251		118,251
347 Inter Program - Due To	-	235,051	-	-	-	14,470	-	-	-	86,290	29,464	-	-	22,014	-	-	-	587,919	975,208	(587,919)	387,289
348 Loan Liability - Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
310 Total Current Liabilities	6,617,910	336,359	-	14,962,448	726,769	14,470	-	-	1,968,190	681,893	1,453,254	-	5,032	15,015,128	-	-	1,411	4,587,346	46,370,209	(4,134,050)	42,236,159
				-																	
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	21,148,083	-	-	36,373,571	3,228,835	-	-	-	2,600,873	-	-	-	-	1,166,137	-	-	-	1,368,669	65,886,169	(229,412)	65,656,757
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	100,777	-	-		-	-	-	-	-	834,560	-	-	-		-	-	-		935,337		935,337
354 Accrued Compensated Absences - Non Current	226,814	-	-	-	-	-	-	-	-	116,555	-	-	-	-	-	-	996	421,312	765,676	-	765,676
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
356 FASB 5 Liabilities	5,465,615	-	-	-	-	-	-	-	-	2,804,458	-	-	-	-	-	-	-	4,811,357	13,081,430	-	13,081,430
357 Accrued Pension and OPEB Liabilities	4,025,681	-	-	-	-	-	-	-	-	2,149,195	-	-	-		-	-	-	3,855,556	10,030,432	-	10,030,432
350 Total Non-Current Liabilities	30,966,970	-	-	36,373,571	3,228,835	-	-	-	2,600,873	5,904,768	-	-	-	1,166,137	-	-	996	10,456,893	90,699,044	(229,412)	90,469,632
300 Total Liabilities	37,584,880	336,359	-	51,336,019	3,955,604	14,470	-	-	4,569,063	6,586,661	1,453,254	-	5,032	16,181,265	-	-	2,407	15,044,239	137,069,253	(4,363,462)	132,705,791
400 Deferred Inflow of Resources	1,794,338	-	-	-	-	-	-	-	-	987,889	-	-	-	-	-	-	-	1,838,181	4,620,407	-	4,620,407
508.3 Nonspendable Fund Balance		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-			
508.4 Net Investment in Capital Assets	161,690,823	-	-	4,454,446	(232,974)	-	-	-	1,383,732	53,396	-	-	-	3,146,078	25,093,097	-	-	5,966,040	213,555,952	8,510,929	222,066,881
509.3 Restricted Fund Balance		-	-		-	-	-	-	-	-	-	-	-		-	-	-	-			
510.3 Committed Fund Balance		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-			
511.3 Assigned Fund Balance		-	-		-	-	-	-	-	-	-	-	-		-	-	-	-			
511.4 Restricted Net Position	2,477,901	-	-	4,780,683	2,088,502	-	-	134,278	184,540	1,050,953	-	-	154,635	241,394	-	-	150,006	1,080,322	12,460,613	(1,010,299)	11,450,314
512.3 Unassigned Fund Balance		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-			
512.4 Unrestricted Net Position	137,382	-	-	392,510	(163,844)	-	128,678	-	(896,872)	(3,760,995)	-	-	45,027	46,149,783	873,291	-	115,170	(7,520,836)	23,380,581	(7,500,630)	15,879,951
513 Total Equity - Net Assets / Position	164,306,106	-	-	9,627,639	1,691,683	-	128,678	134,278	671,401	(2,656,646)	-	-	199,662	49,537,255	25,966,388	-	265,176	(474,474)	249,397,145	-	249,397,145
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	203,685,323	336,359	-	60,963,658	5,647,287	14,470	128,678	134,278	5,240,464	4,917,904	1,453,254	-	204,694	65,718,520	25,966,388	-	267,583	16,407,945	391,086,805	(4,363,462)	386,723,343

Cincinnati Metropolitan Housing Authority

Financial Data Schedules

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.MRC Moderate Rehabilitation CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	9,392,181	-	-	2,145,262	714,702	-	-	-	939,964	-	-	-	-	180,406	-	-	-	-	13,372,516		13,372,516
70400 Tenant Revenue - Other	161,542	-	-	5,745	1,182	-	-	-	1,543	369	-	-	-	(10,490)	-	-	-	-	159,890		159,890
70500 Total Tenant Revenue	9,553,723	-	-	2,151,007	715,884	-	-	-	941,507	369	-	-	-	169,916	-	-	-	-	13,532,406	-	13,532,406
70600 HUD PHA Operating Grants	31,999,280	336,359	-	-	-	343,674	-	134,278	-	87,010,559	29,464	-	69,452	-	-	-	200,765	-	120,123,831		120,123,831
70610 Capital Grants	6,485,607	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,485,607		6,485,607
70710 Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	5,914,663	5,914,663	(5,914,663)	0
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	569,370	569,370	(569,370)	-
70730 Book Keeping Fee	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	1,415,550	1,415,550	(1,415,550)	-
70740 Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	940,495	940,495	(940,495)	0
70750 Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	185,359	185,359		185,359
70700 Total Fee Revenue	38,484,887	336,359	-	-	-	343,674	-	134,278	-	87,010,559	29,464	-	69,452	-	-	-	200,765	9,025,438	135,634,875	(8,840,078)	126,794,797
70800 Other Government Grants	1,434,437	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,434,437		1,434,437
71100 Investment Income - Unrestricted	16,408	-	-	9,692	975	-	-	-	158,088	245	-	-	-	3,892,504	-	-	-	5,513	4,083,424		4,083,424
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
71400 Fraud Recovery	-	-	-	-	-	-	-	-	-	144,108	-	-	-	-	-	-	-	-	144,108		144,108
71500 Other Revenue	844,766	-	-	2,216	14,100	-	128,678	-	-	83,434	-	-	-	102,502	-	-	231	830,613	2,006,541	(390,970)	1,615,571
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-		-
72000 Investment Income - Restricted	-	-	-	-	-	-	-	-	-	304	-	-	-		-	-	-	19	323		323
70000 Total Revenue	50,334,220	336,359	-	2,162,916	730,959	343,674	128,678	134,278	1,099,595	87,239,019	29,464	-	69,452	4,164,922	-	-	200,996	9,861,583	156,836,115	(9,231,048)	147,605,067
91100 Administrative Salaries	1,338,972	923	-	308,280	237,997	158,496	-	-	153,324	2,158,180	-	-	10,977	82,430	-	-	16,037	4,340,762	8,806,379		8,806,379
91200 Auditing Fees	57,886	-	-	-	-	-	-	-	-	11,066	-	-	-	-	-	-	-	16,174	85,127		85,127
91300 Management Fee	4,302,531	76,741	-	-	25,308	-	-	-	58,282	1,612,116	16,845	-	-	14,549	-	-	-	-	6,106,372	(6,106,372)	0
91310 Book-keeping Fee	407,978	10,528	-	-	-	-	-	-	-	1,007,573	10,528	-	-	-	-	-	-	-	1,436,607	(1,436,610)	(4)
91400 Advertising and Marketing	-	-	-	592	256	-	-	-	-	8,057	-	-	-	583	-	-	-	36,460	45,947		45,947
91500 Employee Benefit contributions - Administrative	649,193	-	-	14,811	7,266	53,718	-	-	5,955	1,122,591	-	-	5,020	38	-	-	7,065	2,121,562	3,987,218		3,987,218
91600 Office Expenses	1,101,454	2,372	-	78,879	15,894	129,482	-	-	17,405	740,950	2,091	-	(1,870)	96	-	-	2,042	2,056,802	4,145,597	(69,911)	4,075,686
91700 Legal Expense	76,311	-	-	493	162	-	-	-	151	37,771	-	-	-	675	-	-	-	126,161	241,724		241,724
91800 Travel	362	-	-	1,273	-	-	-	-	-	48	-	-	-	-	-	-	-	38,823	40,506		40,506
91810 Allocated Overhead	414,651	-	-	45,777	55,448	-	-	-	11,526	4,450	-	-	-	-	-	-	-	15,774	547,626	(475,483)	72,143
91900 Other	50,921	-	-	210,630	553	-	-	-	19	32,747	-	-	-	420,122	-	-	-	34,135	749,127	(132,385)	616,742
91000 Total Operating - Administrative	8,400,258	90,564	-	660,735	342,884	341,696	-	-	246,662	6,735,549	29,464	-	14,127	518,493	-	-	25,144	8,786,653	26,192,230	(8,220,761)	17,971,469
				0																	
92000 Asset Management Fee	566,995	14,037	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	581,032	(580,312)	720
92100 Tenant Services - Salaries	-	-	-	4,725	-	-	-	-	-	-	-	-	-	-	-	-	-	222,538	227,263		227,263
92200 Relocation Costs	142,171	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	142,171		142,171
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
92400 Tenant Services - Other	640,926	-	-	5,752	-	-	-	-	-	-	-	-	-	-	-	-	-	8,556	655,235	(429,975)	225,260
92500 Total Tenant Services	1,350,093	14,037	-	10,477	-	-	-	-	-	-	-	-	-	-	-	-	-	231,094	1,605,701	(1,010,287)	595,414

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.MRC Moderate Rehabilitation CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
93100 Water	1,418,973	-	-	80,118	32,075	-	-	-	73,809	-	-	-	-	-	-	-	-	15,364	1,620,338		1,620,338
93200 Electricity	1,798,701	-	-	112,114	40,637	-	-	-	15,178	-	-	-	-	-	-	-	-	89,628	2,056,259		2,056,259
93300 Gas	1,147,790	-	-	3,600	1,430	-	-	-	12,601	-	-	-	-	-	-	-	-	15,073	1,180,494		1,180,494
93400 Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
93500 Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
93600 Sewer	3,423,604	-	-	61,881	-	-	-	-	-	-	-	-	-	-	-	-	-		3,485,485		3,485,485
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,300	34,300		34,300
93800 Other Utilities Expense	134,613	-	-	7,861	497	-	-	-	716	-	-	-	-	-	-	-	-	7,624	151,311		151,311
93000 Total Utilities	7,923,681	-	-	265,574	74,639	-	-	-	102,304	-	-	-	-	-	-	-	-	161,989	8,528,187	-	8,528,187
94100 Ordinary Maintenance and Operations - Labor	2,602,291	4,475	-	21,967	4,670	-	-	-	58,522	-	-	-	-	-	-	-	-	55,917	2,747,842	-	2,747,842
94200 Ordinary Maintenance and Operations - Materials and Other	1,582,705	2,349	-	58,429	6,407	-	-	-	25,821	7,182	-	-	-	578	-	-	-	174,920	1,858,392	-	1,858,392
94300 Ordinary Maintenance and Operations Contracts	8,960,708	224,934	-	394,986	60,094	-	-	-	161,801	106,228	-	-	-	23,410	-	-	-		9,932,161	-	9,932,161
94500 Employee Benefit Contributions - Ordinary Maintenance	1,324,157	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	285,528	1,609,685	-	1,609,685
94000 Total Maintenance	14,469,861	231,758	-	475,382	71,171	-	-	-	246,144	113,410	-	-	-	23,989	-	-	-	516,366	16,148,080	-	16,148,080
95100 Protective Services - Labor	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	2,189,167	-	-	456	51	-	-	-	-	40,231	-	-	-	11,950	-	-	-	449	2,242,304	-	2,242,304
95300 Protective Services - Other	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
95000 Total Protective Services	2,189,167	-	-	456	51	-	-	-	-	40,231	-	-	-	11,950	-	-	-	449	2,242,304	-	2,242,304
96110 Property Insurance	895,498	-	-	42,892	10,645	-	-	-	7,167	31,751	-	-	-	-	-	-	-	55,411	1,043,364	-	1,043,364
96120 Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96130 Workmen's Compensation	-	-	-	1,103	-	1,978	-	-	-	-	-	-	165	4	-	-	130	-	3,380	-	3,380
96140 All Other Insurance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96100 Total insurance Premiums	895,498	-	-	43,994	10,645	1,978	-	-	7,167	31,751	-	-	165	4	-	-	130	55,411	1,046,744	-	1,046,744
96200 Other General Expenses	2,090,685	-	-	927	-	-	-	-	10,762	40,739	-	-	9,136		-	-	-	6,952	2,159,201	-	2,159,201
96210 Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96300 Payments in Lieu of Taxes	655,015	-	-	93,765	-	-	-	-	-	-	-	-	-	19,577	-	-	-	-	768,357	-	768,357
96400 Bad debt - Tenant Rents	305,059	-	-	-	-	-	-	-	-	-	-	-	-	18,361	-	-	-	-	323,420	-	323,420
96500 Bad debt - Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	3,895,269	-	-	-	-	3,895,269	-	3,895,269
96600 Bad debt - Other	-	-	-	472	90	-	-	-	-	-	-	-	-	-	-	-	-	-	562	-	562
96800 Severance Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	3,050,759	-	-	95,164	90	-	-	-	10,762	40,739	-	-	9,136	3,933,207	-	-	-	6,952	7,146,809	-	7,146,809
				24,761																	
96710 Interest of Mortgage (or Bonds) Payable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	616,914	-	-	519,226	42,086	-	-	-	40,203	-	-	-	-	-	-	-	-	30,640	1,249,069	-	1,249,069
96730 Amortization of Bond Issue Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	616,914	-	-	519,226	42,086	-	-	-	40,203	-	-	-	-	-	-	-	-	30,640	1,249,069	-	1,249,069
96900 Total Operating Expenses	38,896,231	336,359	-	2,071,009	541,566	343,674	-	-	653,242	6,961,680	29,464	-	23,428	4,487,643	-	-	25,274	9,789,554	64,159,124	(9,231,048)	54,928,076
97000 Excess of Operating Revenue over Operating Expenses	11,437,989	-	-	91,907	189,393	-	128,678	134,278	446,353	80,277,339	-	-	46,024	(322,721)	-	-	175,722	72,029	92,676,991	-	92,676,991

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	14.879 Mainstream Vouchers	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.MRC Moderate Rehabilitation CARES Act Funding	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	COCC	Subtotal	ELIM	Total
97100 Extraordinary Maintenance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	14,666	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,666	-	14,666
97300 Housing Assistance Payments	-	-	-	10,640	-	-	-	-	-	80,332,858	-	-	61,857	-	-	-	171,133	-	80,576,488	-	80,576,488
97350 HAP Portability-In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400 Depreciation Expense	7,419,916	-	-	1,912,805	404	-	-	-	164,355	33,208	-	-	-	53,877	610,804	-	-	441,093	10,636,462	-	10,636,462
97500 Fraud Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90000 Total Expenses	46,330,813	336,359	-	3,994,454	541,970	343,674	-	-	817,597	87,327,746	29,464	-	85,285	4,541,520	610,804	-	196,407	10,230,647	155,386,739	(9,231,048)	146,155,691
10010 Operating Transfer In	3,871,989	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	3,871,989	(3,871,989)	-
10020 Operating transfer Out	(3,871,989)	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	(3,871,989)	3,871,989	-
10030 Operating Transfers from/to Primary Government	(18,338)	-	-	-	18,338	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
10040 Operating Transfers from/to Component Unit	(100,867)	-	-	100,867	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
10060 Proceeds from Property Sales		-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	(10,392,037)	-	-	3,312,005	991,964	-	-	-	527,342	-	-	-	-	3,003,317	-	-	-	(242,622)	(2,800,031)	-	(2,800,031)
10080 Special Items (Net Gain/Loss)	2,281,427	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	2,281,427	-	2,281,427
10091 Inter Project Excess Cash Transfer In	670,640	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	670,640	(670,640)	-
10092 Inter Project Excess Cash Transfer Out	(670,640)	-	-	-	-	-	-	-	-	-	-	-	-	(20,967)	-	-	-	-	(691,607)	670,640	(20,967)
10093 Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10100 Total Other financing Sources (Uses)	(8,229,815)	-	-	3,412,872	1,010,302	-	-	-	527,342	-	-	-	-	2,982,350	-	-	-	(242,622)	(539,571)	-	(539,571)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(4,226,408)	-	-	1,581,334	1,199,291	-	128,678	134,278	809,340	(88,727)	-	-	(15,833)	2,605,752	(610,804)	-	4,589	(611,686)	909,804	-	909,804
																				-	
11020 Required Annual Debt Principal Payments	1,122,150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,122,150	-	1,122,150
11030 Beginning Equity	170,930,133	-	-	8,046,305	(542,102)	-	-	-	(137,939)	(2,567,919)	-	-	280,292	45,823,879	26,577,192	-	195,790	(118,288)	248,487,343	-	248,487,343
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(2,397,618)	-	-		1,034,494	-	-	-	-	-	-	-	(64,797)	1,107,624	-	-	64,797	255,500	-	-	-

REAC Supplemental Information Requirement

As required by HUD for REAC reporting purposes, the Authority prepares its financial data schedules in accordance with HUD requirements in a prescribed format. The HUD-prescribed format differs from the required classification of several balances under accounting principles generally accepted in the United States of America as follows: (1) depreciation expense and housing assistance payments are excluded from operating activities; (2) gain (loss) on sales of capital assets, interest income, and capital grants are included in operating activities; (3) tenant receivable and allowance for doubtful accounts are reflected separately; and (4) the blended component unit activities are presented in the other business activities column, which is included in total programs.

In addition, the financial data schedules prepared by the Authority include minor differences from the statement of net position and the statement of revenue, expenses, and changes in net position that management has determined to be immaterial.

Cincinnati Metropolitan Housing Authority

Federal Awards Supplemental Information

June 30, 2020

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

plante moran

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Commissioners
Cincinnati Metropolitan Housing Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of Cincinnati Metropolitan Housing Authority (the "Authority") as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 15, 2020. Our report includes a reference to other auditors who audited the financial statements of Cary Crossing, LLC; Reserve on South Martin, LP; Springdale Senior, LP; West Union Square, LLC; and Sutter View, LLC, which represent 100 percent of the assets and revenue of the aggregate discretely presented component units, as described in our report on Cincinnati Metropolitan Housing Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Cary Crossing, LLC; Reserve on South Martin, LP; Springdale Senior, LP; West Union Square, LLC; and Sutter View, LLC were not audited in accordance with *Government Auditing Standards.*

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

To Management and the Board of Commissioners
Cincinnati Metropolitan Housing Authority

Purpose of This Report

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

Plante & Moran, PLLC

December 15, 2020

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Commissioners
Cincinnati Metropolitan Housing Authority

Report on Compliance for Each Major Federal Program

We have audited Cincinnati Metropolitan Housing Authority's (the "Authority") compliance with the types of compliance requirements described in the U.S Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2020. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The Authority's basic financial statements include the operations of the Cary Crossing, LLC; Reserve on South Martin, LP; Springdale Senior, LP; West Union Square, LLC; and Sutter View, LLC. Our audit, described below, did not include the operations of Cary Crossing, LLC; Reserve on South Martin, LP; Springdale Senior LP; West Union Square, LP; and Sutter View, LLC because these discretely presented component units engaged the use of other auditors to perform separate audits.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above.

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

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2020.

To the Board of Commissioners
Cincinnati Metropolitan Housing Authority

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2020-001, that we consider to be a significant deficiency.

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

Plante & Moran, PLLC

December 15, 2020

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Federal Agency/Program Title	CFDA Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Section 8 project-based cluster:			
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	$ -	$ 200,765
Single Room Occupancy Program - Section 8 Moderate Rehabilitation	14.249	-	69,451
Section 8 project-based cluster total		-	270,216
Housing voucher cluster:			
Section 8 Housing Choice Vouchers	14.871	-	87,010,559
COVID-19 - Section 8 Housing Choice Vouchers	14.871	-	29,463
Section 8 Mainstream Vouchers	14.879	-	134,278
Housing voucher cluster total		-	87,174,300
Public Housing Capital Fund Program	14.872	-	12,305,960
Public and Indian Housing - Low-income Public Housing:			
Public and Indian Housing - Low-income Public Housing	14.850	-	26,178,927
COVID-19 - Public and Indian Housing - Low-income Public Housing	14.850	-	336,358
Public and Indian Housing - Low-Income Public Housing total		-	26,515,285
Family Self Sufficiency Program	14.896	-	343,674
Total federal awards		**$ -**	**$ 126,609,435**

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Cincinnati Metropolitan Housing Authority (the "Authority") under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The Authority has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	None reported

Federal Awards

Internal control over major programs:				
• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	X	Yes		None reported
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?		Yes	X	No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
14.872	Public Housing Capital Fund Program	Unmodified
14.850	Public and Indian Housing - Low-income Public Housing	Unmodified

Dollar threshold used to distinguish between type A and type B programs:	$3,000,000			
Auditee qualified as low-risk auditee?	X	Yes		No

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
2020-001	**CFDA Number, Federal Agency, and Program Name** - U.S. Department of Housing and Urban Development - Direct programs - Public and Indian Housing - Low-income Public Housing - 14.850 **Federal Award Identification Number and Year** - Not applicable **Pass-through Entity** - Not applicable **Finding Type** - Significant deficiency **Repeat Finding** - No **Criteria** - 24 CFR sections 960.202 - 960.206: The Authority must establish and adopt written policies for admission of tenants. The Authority's tenant selection policies must include requirements for applications and waiting lists, description of the policies for selection of applicants from the waiting lists, and policies for verification and documentation of information relevant to acceptance or rejections of an applicant. **Condition** - Some of the applicants admitted into the program were not selected in accordance with the Authority's tenant selection policy. **Questioned Costs** - None **Identification of How Questioned Costs Were Computed** - Not applicable **Context** - Identified errors for 2 out of 40 move-ins tested, which led to the applicants not being selected in accordance with the Authority's tenant selection policy due to the following: (1) One applicant was incorrectly assigned preference points without any support, resulting in them being pulled in the incorrect order prior to other applicants with valid preference points. (2) One applicant with no preference points was pulled in the incorrect order prior to other applicants with valid preference points. **Cause and Effect** - Controls in place have not resulted in the Authority consistently following procedures to ensure proper compliance to appropriately select tenants from the waitlist. **Recommendation** - The Authority should follow established procedures to ensure participant selection from the waitlist is properly supported.	None

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding	Questioned Costs
2020-001 (cont.)	**Views of Responsible Officials and Corrective Action Plan** - To address the findings identified, Cincinnati Metropolitan Housing Authority (CMHA) has the following planned corrective action: (1) CMHA recognizes this error and will move to ensure preferences are allocated in accordance with the Admissions and Continued Occupancy Policy (ACOP). A 10 percent internal file review process of preferences will be implemented to ensure preferences are applied accurately. CMHA will conduct a three-part training on waitlist preferences, verifications, and the ACOP components. Also, a new eligibility preference checklist will be implemented for the applicant files confirming that all preferences have been verified and applied in accordance with the ACOP. Furthermore, as a result of PIH Notice 2019-26, which rescinded HUD’s previous notice on working preferences, CMHA has since removed the working preference as ones of its local preferences from its ACOP. (2) To ensure the accuracy of the asset management program housing offers and the waitlist sorting process, CMHA established a supervisory review process. This unit offer was not submitted through this process, and, therefore, the sorting error was not recognized prior to the housing offer. CMHA will reinstitute a monthly waitlist training for the next 12 months. Additionally, CMHA is completing the migration of its data to a new software system, Yardi. CMHA is confident this new software will produce more accurate reporting and system controls that were unavailable in the previous software.	

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2017)

Capital Fund Program (CFP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C.20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

PHA Name:	Modernization Project Number:
Cincinnati Metropolitan Housing Authority	OH10R004502-14

The PHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Funds Approved	$ 869,306.00
B. Funds Disbursed	$ 869,306.00
C. Funds Expended (Actual Modernization Cost)	$ 869,306.00
D. Amount to be Recaptured (A–C)	$
E. Excess of Funds Disbursed (B-C)	$

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work;
5. That the time in which such liens could be filed has expired; and
6. That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.
7. Please mark one:

☑ **A.** This grant **will** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

☐ **B.** This grant **will not** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name & Title of Authorized Signatory (type or print clearly):

Gregory D. Johnson, MS, PHM, EDEP , Chief Executive Officer

Signature of Executive Director (or Authorized Designee):	Date:
X Gregory D. Johnson — Digitally signed by Gregory D. Johnson Date: 2020.08.26 15:21:23 -04'00'	

For HUD Use Only

The Cost Certificate is approved for audit (if box 7A is marked):

Approved for Audit (Director. Office of Public Housing)	Date:
X Digitally signed by: Brian D. Murray Date: 2020.08.28 10:07:20 -04'00'	8/28/20

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):

Approved: (Director, Office of Public Housing)	Date:
X	

form **HUD-53001** (10/96)
ref Handbooks 7485.1 & 3

Cincinnati Metropolitan Housing Authority

June 30, 2020

Corrective Action Plan

Finding Number: 2020-001

Condition:
Some of the applicants admitted into the program were not selected in accordance with the Authority's tenant selection policy, as follows:

(1) One applicant who was incorrectly assigned preference points without any support, resulting in them being pulled in the incorrect order prior to other applicants with valid preference points

(2) One applicant with no preference points being pulled in the incorrect order prior to other applicants with valid preference points

Planned Corrective Action:
To address the findings identified, Cincinnati Metropolitan Housing Authority (CMHA) has the following planned corrective action:

(1) CMHA recognizes this error and will move to ensure preferences are allocated in accordance with the Admissions and Continued Occupancy Policy (ACOP). A 10% internal file review process of preferences will be implemented to ensure preferences are applied accurately. Will conduct a three-part training on wait list preferences, verifications and the ACOP components. Also, a new eligibility preference checklist will be implemented for the applicant files confirming that all preferences have been verified and applied in accordance with the ACOP. Furthermore, as a result of PIH Notice 2019-26 which rescinded HUD's previous notice on working preferences; CMHA has since removed the working preference as ones of its local preferences from its ACOP.

(2) To ensure the accuracy of the Asset Management program housing offers and the wait list sorting process, CMHA established a supervisory review process. This unit offer was not submitted through this process and therefore the sorting error was not recognized prior to the housing offer. CMHA will re-institute a monthly Wait List Training for the next 12 months. Additionally, CMHA is completing the migration of its data to a new software system, Yardi. CMHA is confident this new software will produce more accurate reporting and system controls that were unavailable in the previous software.

Contact person responsible for corrective action:
Marquita Flowers, Director of Property Management Services

Anticipated Completion Date: 12/31/2020

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OHIO AUDITOR OF STATE
KEITH FABER

CINCINNATI METROPOLITAN HOUSING AUTHORITY

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 1/26/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370