STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED MARCH 31, 2020

OHIO AUDITOR OF STATE
KEITH FABER

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY
MARCH 31, 2020

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KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Stark Metropolitan Housing Authority
Stark County
400 Tuscarawas Street East
Canton, Ohio 44702

To the Board of Commissioners:

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 the Stark Metropolitan Housing Authority, Stark County, Ohio (the Authority), as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We did not audit the financial statements of the Alliance Senior Tower, LLC and the Hunter House PSH, LLC, which represent 29 and 60 percent, 26 and 74 percent, and 62 and 35 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Alliance Senior Tower, LLC and the Hunter House PSH, LLC, are based solely on the report of other auditors. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement. The other auditors audited the financial statements of Hunter House PSH, LLC in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards.*

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, based on our audit and the report 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 the Authority, as of March 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole.

The Financial Data Schedules present additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 the Authority's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2020

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Stark Metropolitan Housing Authority's ("the Authority") management discussion and analysis (MDA) complies with Governmental Accounting Standards Board ("GASB") Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis–for State and Local Governments: Omnibus "and Statement No. 38, "Certain Financial Statement Disclosures". Purpose of MDA is to assist reader on significant financial issues, provide an overview of Authority's financial activity, identify changes in Authority's financial position, and identify individual fund issues or concerns. MDA is designed to focus on fiscal year end March 31, 2020 activities, resulting changes, and currently known facts of primary government. Please read it in conjunction with Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's financial position at March 31, 2020, reflected total assets and deferred outflows of $62,180,646 and total liabilities and deferred inflows of $26,098,062. Total net position was $36,082,584. Financial operations were in accordance with expectations and approved budget plan. Net position decreased by $489,816 or approximately 1.3 percent.

- Operating Revenue increased $627,063 or 2.26 percent in fiscal year 2020. The Operating Revenue was $28,366,121 in fiscal year 2020 and $27,739,058 in fiscal year 2019.

- Operating Expenses were $31,761,587 in fiscal year 2020 and $31,388,280 million in fiscal year 2019.

- The Authority issued a tax-exempt $3,675,000 Certificate of Participation, Series 2019 in August 2019. The proceeds are funding the Energy Efficiency Improvement Project.

FINANCIAL STATEMENTS

The Financial Statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business.

Statement of Net Position reports all financial and capital resources of the Authority. The Statement is presented in a format where assets and deferred outflow of resources minus liabilities and deferred inflow of resources equal Net Position. Assets and liabilities are in order of liquidity and classified as "current" (convertible into cash within one year) and "non-current". The Statement of Net Position presents the financial position of the Authority at the end of fiscal year and includes all assets and liabilities. Net position, difference between total assets and deferred outflow of resources and total liabilities and deferred inflow of resources, is an important indicator of current financial condition, while change in net position is an indicator of whether overall financial position has improved or worsened during the year.

Focus of the Statement of Net Position (the "unrestricted" net position) is designed to represent net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net position (formerly net assets) is reported in three broad categories.

Net Investment in Capital Assets: This component of net position consists of capital assets, reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of net position consists of restricted assets. Restricted assets are assets with constraints placed by creditors (such as debt covenants), grantors, contributors, laws, and regulations.

Unrestricted Net Position: Consists of net position that does not meet definition of "Net Investment in Capital Assets", or "Restricted Net Position".

Financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position, which is similar to an income statement. This Statement includes Operating Revenues, such as rental income; Operating Expenses, such as administrative, utilities, maintenance, and depreciation; and Non-Operating Revenue and Expenses, such as capital grant revenue, investment income, and interest expense. Focus of Statement of Revenues, Expenses, and Changes in Net Position is "Changes in Net Position", which is similar to Net Income or Loss.

Statement of Cash Flows is included, which discloses net cash provided by or used for operating activities, investing activities, and from capital and related financing activities.

The Notes to the Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

The Authority's Programs

Conventional Public Housing - Under Conventional Public Housing Program, the Authority rents units it owns to income eligible households. Operation of Conventional Public Housing Program is under an Annual Contributions Contract (ACC) with US Department of Housing and Urban Development (HUD). HUD provides Operating Subsidy and Capital Grant funding. Subsidy enables the Authority to provide housing and sets participants' rent at 30 percent of household income. Capital Fund Program is the primary funding for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program - Under HUD's Housing Choice Voucher Program, the Authority administers contracts with independent property owners. The Authority subsidizes participant's rent through a housing assistance payment made to the property owner. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Budget Authority to enable the Authority to structure a lease that sets participants' rent at 30 percent of household income.

Capital Fund Program (CFP) - This is the primary funding source for the Authority's physical and management improvements in Conventional Public Housing. HUD's formula funding for CFP utilizes, size and age of units to determine the Authority's funding.

Continuum of Care Program - This grant program, funded by HUD, is designed to link rental assistance to supportive services for hard-to-reach homeless persons with disabilities (primarily those who are seriously mentally ill, have chronic problems with alcohol, drugs, or both, or have acquired immune deficiency syndrome (AIDS) and related diseases), and their families.

Family Self-Sufficiency Program (FSS) **–** This grant program, funded by HUD, enables families in Conventional Public Housing and Housing Choice Voucher program to increase their earned income and reduce dependency on public assistance and rental subsidies. The participants are provided opportunities for education, job training, counseling and other forms of social assistance to obtain the skills necessary to achieve self-sufficiency. The program provides funds for FSS coordinators salary and related fringes. Program has an escrow account requirement for its participants.

Component Unit - These resources were developed from a variety of activities.

State and Local Activities - These non-HUD resources were developed from a variety of activities.

AUTHORITY-WIDE STATEMENTS

Table 1 - Condensed Statement of Net Position Compared to Prior Year
Primary Government (Business Type Activities)

	2020	2019
Assets and Deferred Outflows		
Current Assets	$ 11,102,665	$ 8,958,750
Capital Assets	47,806,229	46,778,558
Deferred Outflows	1,721,234	2,568,440
Other Non-Current Assets	1,550,518	884,165
Total Assets and Deferred Outflows	62,180,646	59,189,913
Liabilities		
Current Liabilities	3,349,032	2,754,040
Non-Current Liabilities	20,497,373	19,520,870
Total Liabilities	23,846,405	22,274,910
Deferred Inflows	2,251,657	342,603
Net Position		
Net Investment in Capital Assets	40,433,739	42,690,751
Restricted	1,701,350	63,121
Unrestricted	(6,052,505)	(6,181,472)
Total Net Position	36,082,584	36,572,400
Total Liabilities, Deferred Inflows and Net Position	$ 62,180,646	$ 59,189,913

Total Assets and Deferred Outflows increased by $2,990,730 or 5.05 percent. The change includes $2,143,915 increase in current assets, $1,027,671 increase in capital assets and $ 847,206 decrease in GASB 68 pension and GASB 75 OPEB Deferred outflows. Total liabilities increased by $1,571,495 or 7.1 percent. Increase in Total Liabilities is primarily due to a Current Liabilities increase in Accounts Payable of $243,181, an increase in Current Portion of Long-Term Debt of 380,142 along with Non-Current Liabilities increase in Long Term Debt-Net of Current Portion of $3,133,480 and decrease in Net Pension Liability of $2,202,737.

Table 2 - Change of Unrestricted Net Position - Primary Government

	2020
Beginning Balance - March 31, 2019	$ (6,181,469)
Results of Operations	(489,816)
Adjustments:	
Current Year Depreciation Expense (1)	4,068,402
Capital Expenditures plus deletion of assets (2)	(1,426,393)
Debt Principal Payments	(385,000)
Transfer to Restricted Net Position	(1,638,229)
Ending Balance - March 31, 2020	$ (6,052,505)

(1) Depreciation is treated as an expense and reduces results of operations but does not have an impact on Unrestricted Net Position.

(2) Capital expenditures represent an outflow of unrestricted net position, but are not treated as an expense against Results of Operations, and therefore must be deducted.

While Results of Operations are a significant measure of the Authority's activities, the analysis of changes in Unrestricted Net Position provides a clearer change in financial well-being.

Table 3 - Statement of Revenue, Expenses and Changes in Net Position
Primary Government

	2020	2019
Revenues		
Operating Subsidies and Grants	$ 21,776,200	$ 21,319,939
Tenant Revenue - Rent and Other	5,958,786	5,830,070
Capital Grants	3,169,369	2,977,414
Investment Income	156,489	87,253
Other Revenues	631,135	589,049
Gain on Disposal of Assets	1,600	20,841
Total Revenues	31,693,579	30,824,566
Expenses		
Administrative	6,657,277	6,190,485
Utilities	3,213,637	3,481,247
Maintenance	6,710,961	7,245,191
Tenant Services	224,156	160,198
General and Protective Services	2,170,436	1,881,974
Interest Expense	174,201	133,350
Housing Assistance Payments	8,716,718	8,640,519
Depreciation	4,068,402	3,788,666
Casulaty Loss	247,607	117,950
Total Expenses	32,183,395	31,639,580
Net Increase (Decrease)	$ (489,816)	$ (815,014)
Beginning Net Position	36,572,400	37,387,414
Ending Net Position	$ 36,082,584	$ 36,572,400

Total revenues increased by $869,013 or 2.82 percent. Operating Subsidies and Capital Grants contributed $ 648,216 to the increase. Total expenses increase by $543,815 or 1.72 percent. GASB 68 pension and GASB 75 OPEB contribution was $ 987,489.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 4 - Capital Assets at Year-End (Net of Depreciation) - Primary Government

	2020	2019
Land	$ 12,801,672	$ 12,801,672
Construction in Progress	3,634,208	1,827,684
Buildings	157,490,436	155,136,230
Equipment	7,924,715	7,147,311
Accumulated Depreciation	(134,044,802)	(130,134,339)
Total	$ 47,806,229	$ 46,778,558

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in the notes on capital asset

As of year-end, the Authority had $47,806,229 invested in a variety of capital assets as reflected in following schedule, which represents a net increase (addition, deductions, and depreciation) of $1,027,671 from end of last year.

Table 5 - Change in Capital Assets - Primary Government

	2020
Beginning Balance - April 1, 2019	$ 46,778,558
Current Year Additions	5,172,716
Current Year Disposal	(76,643)
Current Year Depreciation Expense	(4,068,402)
Ending Balance - March 31, 2020	47,806,229

DEBT OUTSTANDING

As of year-end, the Authority had $7,372,430 in debt outstanding compared to $4,087,807 last year, a $3,284,623 increase related to Certificate of Participation proceeds, $3,680,490 for financing the Energy Efficiency Improvement Project.

Table 6 - Outstanding Debt, at Year-End - Primary Government

	2020	2019
Beginning Balance - April 1, 2019	$ 4,087,807	$ 4,498,674
Current Year Debt Issued	3,680,490	0
Current Year Prinicpal Payments	(395,867)	(410,867)
Ending Balance - March 31, 2020	$ 7,372,430	$ 4,087,807

NET PENSION/OPEB LIABILITY

The net pension liability (NPL) is the largest single liability reported by the Authority at March 31, 2020 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In addition, the Authority reports financial balances pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OBEP liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASB 68 and GASB 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. To further explain the impact of these accounting standards on the Authority's net position, additional information is presented below.

	2020	2019
Deferred Outflows of Resources - Pension	$ 800,488	$ 2,213,518
Deferred Outflows of Resources - OPEB	920,746	354,922
Deferred Inflows of Resources - Pension	(1,538,700)	(324,455)
Deferred Inflows of Resources - OPEB	(712,957)	(18,148)
Net Pension Asset	113,825	51,215
Net Pension Liability	(6,893,083)	(9,095,820)
OPEB Liability	(4,986,348)	(4,489,772)
Impact of Gasb 68 & 75 on net position	$ (12,296,029)	$ (11,308,540)

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding and subsidies provided by U.S. Department of Housing and Urban Development.
- The United States and State of Ohio declared a state of emergency in March 2020 due to COVID-19 pandemic. The financial impact from the pandemic cannot be estimated.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, employee health care costs, insurances, rents, supplies, and other costs.

FINANCIAL CONTACT

Questions concerning any information provided in this report or request for additional information should be addressed to Herman Hill, Executive Director, Stark Metropolitan Housing Authority, 400 Tuscarawas Street East, Canton, Ohio 44702-1131, or call 330-454-8051.

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STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
MARCH 31, 2020

	Primary Government	Component Units
ASSETS		
Current Assets:		
Cash - Unrestricted	$ 7,944,447	$ 458,132
Cash - Restricted	2,548,230	835,925
Accounts Receivable - Net of Allowance	270,912	20,500
Inventories - Net of Allowance	317,432	-
Prepaid Expense	21,644	29,557
Total Current Assets	11,102,665	1,344,114
Non-Current Assets:		
Capital Assets - Non-Depreciated	16,435,880	250,701
Depreciable Capital Assets - Net	31,370,349	7,627,820
Note Receivable from Component Units	1,373,263	-
Other Non-Current Assets	63,430	-
Other Non-Current Assets - Pension	113,825	-
Total Non-Current Assets	49,356,747	7,878,521
Deferred Outflow of Resources		
Deferred Outflow of Resources - Pension	800,488	-
Deferred Outflow of Resources - OPEB	920,746	-
Total Deferred Outflow of Resources	1,721,234	-
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 62,180,646	$ 9,222,635
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 632,399	$ 37,285
Current Portion of Long-Term Debt	765,142	290,581
Intergovernmental Payable	284,937	30,715
Accrued Wages and Payroll Taxes	385,007	1,140
Tenant Security Deposits	388,693	36,526
Other Current Liabilities	892,854	813,880
Total Current Liabilities	3,349,032	1,210,127
Non-Current Liabilities:		
Long-Term Debt - Net of Current Portion	6,836,287	3,022,663
Notes Payable to Primary Government	-	1,373,263
Net Pension Liability	6,893,083	-
Net OPEB Liability	4,986,348	-
Other Long-Term Liabilities and Compensated Absences	1,781,655	70,931
Total Non-Current Liabilities	20,497,373	4,466,857
Total Liabilities	23,846,405	5,676,984
Deferred Inflow of Resources		
Deferred Inflow of Resources - Pension	1,538,700	-
Deferred Inflow of Resources - OPEB	712,957	-
Total Deferred Inflow of Resources	2,251,657	-
NET POSITION		
Net Investment in Capital Assets	40,433,739	3,192,014
Restricted	1,701,350	-
Unrestricted	(6,052,505)	353,637
Total Net Position	36,082,584	3,545,651
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	$ 62,180,646	$ 9,222,635

The accompanying notes to the basic financial statements are an integral part of these statements.

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED MARCH 31, 2020

	Primary Government	Component Units
Operating Revenues		
Program Operating Grants/Subsidy	$ 21,776,200	$ 51,579
Tenant Revenues	5,958,786	1,199,815
Other Income	631,135	137,026
Total Operating Revenues	28,366,121	1,388,420
Operating Expenses		
Administrative	6,657,277	373,359
Utilities Expense	3,213,637	189,259
Maintenance Expense	6,710,961	156,674
Tenant Services	224,156	48,036
Protective Services	406,979	107,447
Housing Assistance Payments	8,716,718	$ -
Other General Expenses	1,763,457	174,267
Depreciation	4,068,402	330,745
Total Operating Expenses	31,761,587	1,379,787
Operating Income (Loss)	(3,395,466)	8,633
Non-Operating Revenue (Expenses)		
Interest Income	156,489	2,045
Interest Expense	(174,201)	(112,357)
Total Non-Operating Revenue (Expenses)	(17,712)	(110,312)
Excess (Deficiency) of Revenue Over (Under) Expenses before Capital Revenue and Transfers	(3,413,178)	(101,679)
Capital Grants, Contributions and Special Items		
Capital Grants/Contributions	3,169,369	272,867
Casualty Loss	(247,607)	0
Gain on Disposal of Capital Assets	1,600	0
Total Capital Grants, Contributions and Special Items	2,923,362	272,867
Results of Operations	(489,816)	171,188
Beginning Net Position	36,572,400	3,297,393
Prior Period Adjustment	0	77,070
Beginning Net Position - Revised	36,572,400	3,374,463
ENDING NET POSITION	$ 36,082,584	$ 3,545,651

The accompanying notes to the basic financial statements are an integral part of these statements.

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED MARCH 31, 2020

	Primary Government
Cash Flows from Operating Activities	
Cash Received from HUD and Other Governments	$ 21,806,616
Cash Received from Tenants	5,957,471
Cash Received from Other Sources	764,552
Cash Payments for Housing Assistance Payments	(8,716,718)
Cash Payments for Administration	(6,003,345)
Cash Payments for Other Operating Expenses	(11,628,908)
Net Cash Provided by Operating Activities	2,179,668
Cash Flows from Capital and Related Financing Activities	
Proceeds from Bonds	3,680,490
Payments to HUD	(408,000)
Principal Payments on Debt	(395,867)
Cash from Capital Asset Sale	1,600
Interest Expense	(174,201)
Acquisition of Capital Assets	(5,096,073)
Capital Grants and Contributions	3,169,369
Casualty Loss	(247,607)
Net Cash (Used for) Capital and Other Related Financing Activities	529,711
Cash Flows from Investing Activities	
Increase in Notes Receivable	(603,743)
Investment Income	156,489
Net Cash (Used for) by Investing Activities	(447,254)
Net Increase (Decrease) in Cash and Cash Equivalents	2,262,125
Cash and Cash Equivalents, Beginning	8,230,552
Cash and Cash Equivalents, Ending	$ 10,492,677
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Net Operating Income (Loss)	$ (3,395,466)
Net Cash Provided by Operating Activities	
Depreciation	4,068,402
(Increase) Decrease in:	
Receivables, Current and Non-Current	119,429
Inventory and Prepaid Expense	(1,219)
Deferred Outflows of Resources and Pension Asset	784,596
Increase (Decrease) in:	
Accounts Payable	243,181
Net Pension/OPEB Liability	(1,706,161)
Non-Current Liabilities	(42,816)
Accrued Wages/Payroll Taxes	157,579
Intergovernmental Payable	(6,525)
Deferred Inflow of Resources	1,909,054
Tenant Security Deposits	(15,269)
Deferred Credits/Other Liabilities	64,883
Net Cash Provided by Operating Activities	$ 2,179,668

The accompanying notes to the basic financial statements are an integral part of these statements.

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NOTE 1: DESCRIPTION OF THE ENTITY

Stark Metropolitan Housing Authority (the Authority) is a political subdivision created under Ohio Revised Code Section 3735.27 to engage in acquisition, development, leasing, and administration of a various subsidized public housing programs for eligible Stark County residents. These programs provide housing for eligible families under the United States Housing Act of 1937, as amended. The Authority contracts with United States Department of Housing and Urban Development (HUD) to provide low and moderate-income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on subsidies from HUD to operate.

The Authority participates in low-rent public housing program (Conventional Public Housing). Under this Program, the Authority manages constructed or financed public housing units using grant funds from HUD. Tenants of these facilities pay a percentage of his/her adjusted gross income towards rent and utilities.

In addition, the Authority participates in Housing Choice Voucher program and other programs supported by HUD. These programs help assist families in payment of rent. Under these HUD Programs, subsidy payments are made directly to landlord on behalf of participants living in their respective unit.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Summary of Significant Accounting Policies

Financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of Authority's are described below.

B. Reporting Entity

For financial reporting purposes, the reporting entity is defined to include the primary government, component units and other organizations that are included to ensure that financial statements are not misleading and consistent with GASB's Statement No. 14, *The Financial Reporting Entity.* Based on application of criteria set forth in GASB Statement No. 14 (as amended by GASB Statement No. 61), the Authority evaluated potential component units (PCU) for inclusion based on financial accountability, nature and significance of their relationship to the Authority, and whether exclusion would cause basic financial statements to be misleading or incomplete.

Among factors considered were whether the Authority holds PCU's corporate power, appoints a voting majority of PCU's board, is able to impose its will on or whether a financial benefit / burden relationship exists with PCU.

Primary government of the Authority consists of all funds, agencies, departments and offices that are not legally separate from the Authority. Preceding financial statements include all funds and account groups of the Authority (the primary government) and the Authority's component units. Following organizations are described due to their relationship to the Authority.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. ***Discretely Presented Component Units***

Component unit's column in combined financial statements identifies financial data of the Authority's three component units: Alliance Senior Tower, LLC, Hunter House, LLC, and Progressive Housing Solutions Corporation, Inc. They are reported separately to emphasize that they are legally separate from the Authority and provide services to clients of the Authority and others.

Alliance Senior Tower, LLC, is a for-profit limited liability corporation formed under the laws of the State of Ohio. Corporation formed for purpose of acquiring and operating Alliance Tower, a multi-family residential housing project in Stark County, Ohio. Separately issued audited financial statements are available from the Authority.

Hunter House, LLC, is a for-profit limited liability corporation formed under the laws of the State of Ohio. The entity formed for purpose of acquiring and operating Hunter House, a multi-family residential housing project in Stark County, Ohio. Hunter House, LLC has a December 31 fiscal year end. Separately issued audited financial statements are available from the Authority.

Progressive Housing Solutions Corporation, is a nonprofit limited corporation formed under the laws of the State of Ohio under Section 501(c)(3) of the Internal Revenue Code of 1986. The entity formed for purpose of acquiring and operating housing developments in Stark County, Ohio. Progressive Housing Solutions Corporation has a December 31 fiscal year end. Separately issued financial statements are available from the Authority.

Management believes financial statements included in this report represent all of the funds of the Authority over which the Authority is financially accountable.

D. **Fund Accounting**

The Authority uses enterprise funds to report on its financial position and results of its operations for Section 8 and public housing programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary and fiduciary. The Authority uses the proprietary category for its programs.

E. **Proprietary Fund Types**

Proprietary funds are used to account for the Authority's ongoing activities, which are similar to those found in private sector. Following is the proprietary fund type:

Enterprise Fund - Fund used to account for operations financed and operated in a manner similar to private business enterprises. Intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

F. **Measurement Focus/Basis of Accounting**

Proprietary funds are accounted for on accrual basis of accounting. Revenues are recognized in period earned and expenses are recognized in period incurred.

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance, Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority follows GASB guidance as applicable to enterprise funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. The Authority's operating revenues and expenses generally result from providing service and producing and delivering goods in connection with a propriety fund's principal ongoing operation. The Authority's principal operating revenues result from providing housing which results in charges to tenants for rent and the related operating subsidizes from HUD. The majority of operating expenses of the Authority's propriety fund include the cost of facility maintenance, housing assistance payments, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Authority maintains inventory warehouses at various low-rent public housing sites. This inventory consists of materials, parts and operating supplies for the efficient operation of the program. Value of inventory is based on cost using the "First In First Out" (FIFO) method of accounting in accordance with General Accepted Accounting Principles (GAAP).

The Authority is required to follow GAAP's Proprietary Fund accounting. GAAP requires the Authority to account for transactions using the accrual basis of accounting. Accrual basis of accounting requires revenues and expenses to be recognized in the period incurred. Contributions and subsidizes received from HUD are generally recognized as revenues based on the Annual Contributions contract year. Tenant rents are recognized as revenues in the month of occupancy. Contributions under the Capital Fund Program (CFP) are recognized as revenue in the period in which expenses related to CFP projects were incurred. Rents or grants received in advance of the period in which they are recognized are recorded as deferred inflows of resources.

G. **Investments**

Investments are restricted by provisions of HUD Regulations (See Note 2). Investments are valued at market value. Interest income earned in fiscal year 2020 totaled $156,489 for primary government and $2,045 for component units.

H. **Capital Assets**

Capital assets are stated at cost. Capitalization policy of the Authority is to depreciate all non-expendable personal property that have a useful life of more than one year and purchase price of $5,000 or more per unit. Capital assets are depreciated using straight line method with a half year convention in year of acquisition and disposal. Cost of normal maintenance and repairs that do not add to value of asset or materially extend asset life are not capitalized.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Estimated useful lives for each major class of depreciable assets are as follows:

Buildings	40 years
Building and Improvements	15 Years
Furniture and Equipment Dwellings	5 to 10 Years

I. **Cash and Cash Equivalents**

For purpose of Statement of Cash Flows, cash and cash equivalents include all liquid debt instruments with original maturities of three months or less.

J. **Compensated Absences**

The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability. Amounts based on sick leave are accumulated at balance sheet date by those employees who currently are eligible to receive termination payments. To calculate liability, accumulations are reduced to maximum amount allowed as a termination payment. All employees who meet termination policy of the Authority for years of service are included in calculation of compensated absences accrual amount.

Also accrued as a liability are vacation leave and other compensated absences with similar characteristics. Value is based on benefits as earned by employees. For accrual the following conditions must be met: **(1)** employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside control of employer and employee; and **(2)** it is probable employer will compensate employees for benefits through paid time off or some other means, such as cash payments at termination or retirement.

In proprietary fund accounting, compensated absences are expensed when earned with balance reported as a fund liability.

K. **Capital Grants and Contributions**

Capital Grants are made available by HUD with respect to all federally aided projects under an annual contributions contract. Hunter House, LLC capital contributions in its fiscal year 2020 came from private investors.

L. **Budgetary Accounting**

The Authority annually prepares its budget as prescribed by HUD. Budget is adopted by the Board of the Authority and then submitted to HUD when required.

M. **Estimates**

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

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

N. **Inter-Program Loans**

Inter-Program Due to and Due from are reflected on supplemental Financial Data Schedules (FDS) and are eliminated in total on both FDS and Statement of Net Position.

O. **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports 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 on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 7 and 8.

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 of resources are reported on the statement of net position for pension and OPEB. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 7 and 8.

P. **Pensions and Post-Employment Benefits**

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

Q. **Change in Accounting Principle**

For fiscal year 2020, the Authority implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 83, *Certain Asset Retirement Obligations.* The objective of this Statement is to provide financial statement users with information about asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. This implementation of GASB Statement No. 83 did not have an effect on the financial statements of the Authority.

GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The implementation of GASB Statement No. 84 did not have an effect on the financial statements of the Authority.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61.* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the Authority.

A prior period adjustment was made on a component unit, Alliance Senior Tower, LLC for $77,070, see discussion under footnote 13 – Condensed Financial Statements information – Component Units.

During the report year, the Authority funded and organized a new entity, Progressive Housing Solutions Corp (PHS). PHS was established as a non-profit, 501(c)(3) tax exempt organization. The Authority records PHS as a discretely presented component unit.

NOTE 3: **DEPOSITS AND INVESTMENTS**

A. **Deposits**

State statutes classify monies held by the Authority into three categories.

Active deposits are public deposits necessary to meet demands on treasury. Such monies maintained as cash in the Authority's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the Authority has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits either evidenced by certificates of deposit maturing no later than end of current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

At year-end, carrying amount of the Authority's deposits was $8,345,296 of which $2,548,230 was restricted funds and $4,070 was petty cash, and its bank balances were $8,428,964.

Custodial Credit Risk
Custodial credit risk is the risk, in event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 105 percent of deposits, as permitted by Chapter 135 of the Ohio Revised Code. As of year-end, deposits of the primary government totaling $250,000 were covered by Federal Depository Insurance, and deposits totaling $8,178,964 were uninsured and collateralized with securities held by the financial institution's trust department or agent, but not in the Authority's name.

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

B. **Investments**

HUD, State Statute, and Board resolutions authorize the Authority to invest in obligations of the U. S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository funds, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer's investment pool. Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. Issuance of taxable notes for purpose of arbitrage, use of leverage, and short selling are also prohibited. An investment must mature within five years from date of purchase unless matched to a specific obligation or debt of the Authority and must be purchased with expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of securities representing investments to Treasurer or, if securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The Authority has a formal investment policy. Objective of this policy shall be to maintain liquidity and protection of principal while earning investment interest. Safety of principal is primary objective of investment program. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value.

The Authority categorizes its fair value of measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to insure the fair value of the asset. Level I inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The Authority's investments are measured at fair value and valued using methodologies that incorporate market inputs such as benchmark yields, repo1ied trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk
As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires funds which are not operating reserve funds be invested in investments with a maximum term of one year or Authority's operating cycle. For investments of the Authority's operating reserve
funds, maximum term can be up to three years. The intent of policy is to avoid the need to sell securities prior to maturity.

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

As of March 31, 2020, the Authority had the following investments and investment maturities:

Investment Type	Value	Rating	Maturity	Level	Investments
U.S. Treasury and Government Securities	$ 1,413,616	AAA	Various Maturities	2	65.83%
U.S. Treasury and Government Securities	$ 733,765	AAA	Various Maturities	2	34.17%
Total Investments	$ 2,147,381				100.00%

	Cash and Cash Equivalents	Investments
Per Statement of Net Position	$ 10,492,677	$ -
Huntington National Bank Escrow	(1,413,616)	1,413,616
Wells Fargo 100 % Treasury Money Market Fund	(733,765)	733,765
Per GASB Statement No. 3	$ 8,345,296	$ 2,147,381

C. **Component Units**

At March 31, 2020, each component unit maintains cash accounts at a single financial institution, respectively, where balances at times may exceed the $250,000 insured limit. The Component Units also have escrows and reserves held by the mortgage lender, and the balances may exceed $250,000. The total carrying value of cash for the component units was $1,294,057.

NOTE 4: **RESTRICTED CASH**

Restricted cash balances as of March 31, 2020 represents cash on hand for following:

	Primary Government	Component Units
Tenant Security Deposits	$ 388,693	$ 36,526
Bond Proceeds to be Used for Capital Improvement	2,147,380	-
Other Restricted Cash	12,157	799,399
Total Restricted Cash	$ 2,548,230	$ 835,925

NOTE 5: **INSURANCE COVERAGE** (Primary Government)

The Authority is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority covered for property damage and general liability through HAI Group or its affiliates. Auto liability and physical damage are covered through Travelers Insurance. Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation program, in which rates are calculated retrospectively. There was no significant reduction in coverages and no claims exceeded insurance coverage during the past three years.

NOTE 6: **CAPITAL ASSETS**

The following is a summary of the Authority's capital assets:

	Primary Government	Component Units
Capital Assets Not Being Depreciated Land	$ 12,801,672	$ 250,701
Construction in Progress	3,634,208	0
Total Capital Assets Not Being Depreciated	16,435,880	250,701
Capital Assets Being Depreciated		
Buildings and Building Improvements	157,490,437	9,882,746
Furniture and Equipment Dwelling	7,924,715	210,247
Less: Accumulated Depreciation	(134,044,802)	(2,465,173)
Total Capital Assets Being Depreciated	31,370,350	7,627,820
Total Capital Assets	$ 47,806,230	$ 7,878,521

The following is a summary of changes:

Primary Government

	Balance 3/31/2019	Reclasses	Additions	Deletions	Balance 3/31/2020
Capital assest not being Depreciated					
Land	$ 12,801,672	$ -	$ -	$ -	$ 12,801,672
Construction in Progress	$ 1,827,684	$ (2,833,842)	$ 4,751,170	$ (110,805)	$ 3,634,207
Total Capital Assets not being Depreciated	$ 14,629,356	$ (2,833,842)	$ 4,751,170	$ (110,805)	$ 16,435,879
Capital Assets Being Depreciated					
Buildings and Building Improvements	$ 155,136,230	$ 2,093,520	$ 260,687	$ -	$ 157,490,437
Furniture and Equipment Dwelling	$ 7,147,311	$ 740,322	$ 195,021	$ (157,939)	$ 7,924,715
Total Capital Assets Being Depreciated	$ 162,283,541	$ 2,833,842	$ 455,708	$ (157,939)	$ 165,415,152
Accumulated Depreciation					
Buildings and Improvements	$ (124,747,700)	$ -	$ (3,600,383)	$ -	$ (128,348,083)
Furniture and Equipment	$ (5,386,639)	$ -	$ (468,019)	$ 157,939	$ (5,696,719)
Subtotal Accumulated Depreciation	$ (130,134,339)	$ -	$ (4,068,402)	$ 157,939	$ (134,044,802)
Net Capital Assets being Depreciated	$ 32,149,202	$ 2,833,842	$ (3,612,694)	$ -	$ 31,370,350
Total Primary Government	$ 46,778,558	$ -	$ 1,138,476	$ (110,805)	$ 47,806,229

NOTE 6: **CAPITAL ASSETS** (Continued)

Component Units

	Balance 3/31/2019	Reclasses	Additions	Deletions	Balance 3/31/2020
Capital assest not being Depreciated					
Land	$ 58,401	$ -	$ 192,300	$ -	$ 250,701
Construction in Progress	$ -	$ -	$ -	$ -	$ -
Total Capital Assets not being Depreciated	$ 58,401	$ -	$ 192,300	$ -	$ 250,701
Capital Assets Being Depreciated					
Buildings and Building Improvements	$ 9,133,563	$ -	$ 749,183	$ -	$ 9,882,746
Furniture and Equipment Dwelling	$ 210,247	$ -	$ -	$ -	$ 210,247
Total Capital Assets Being Depreciated	$ 9,343,810	$ -	$ 749,183	$ -	$ 10,092,993
Accumulated Depreciation					
Buildings and Improvements	$ (1,940,123)	$ -	$ (330,137)	$ -	$ (2,270,260)
Furniture and Equipment	$ (194,306)	$ -	$ (607)	$ -	$ (194,913)
Subtotal Accumulated Depreciation	$ (2,134,429)	$ -	$ (330,744)	$ -	$ (2,465,173)
Net Capital Assets being Depreciated	$ 7,209,381	$ -	$ 418,439	$ -	$ 7,627,820
Total Component Units	$ 7,267,782	$ -	$ 610,739	$ -	$ 7,878,521

NOTE 7: **NOTES RECEIVABLE**

In September 2019, the Authority entered into a promissory note with Progressive Housing Solutions Corporation, an affiliate of the Authority, for the acquisition of The Villas at Meadowview, a market-rent apartment complex, in the amount of $1,000,000. The Villas at Meadowview serve as collateral for the note. The note has an annual interest rate of 3.0 percent. No payments are required prior to September 30, 2024. Commencing on October 1, 2024 and on the 1st day of each month thereafter, interest payments shall be due and made payable to the Authority. Commencing on October 1, 2029 and on the 1st day of the month thereafter, principal payments, interest, and accrued interest shall be due and made payable to the Authority. The note matures September 1, 2049, at which time any unpaid principle and interest shall be due and payable. As of March 31, 2020, the outstanding principal balance and accrued interest are $1,000,000 and $15,000, respectively.

In August 2014, the Authority entered into a Surplus Cash Note with Alliance Senior Tower, LLC for the acquisition of Alliance Senior Tower, in the amount of $200,000. The Alliance Senior Tower serves as collateral for the note. The note has an annual interest rate of 4.0 percent. No payments are required prior to September 30, 2024. Principal and interest are payable to the Authority out of surplus cash as defined in the Surplus Cash Note. The note matures November 1, 2031, at which time any unpaid principal and interest shall be due and payable. As of March 31, 2020, the outstanding principal balance and accrued interest are $200,000 and $63,431, respectively.

NOTE 8: DEFINED BENEFIT PENSION PLAN

Net Pension Liability/Asset

The net pension liability/asset reported on the statement of net position represents a liability/asset 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 already have occurred.

The net pension liability/asset 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/asset 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.

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 pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit 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 includes 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 the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability*. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable*.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Authority 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 and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary 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 the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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 plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

Group A	**Group B**	**Group C**
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements:	**Age and Service Requirements:**	**Age and Service Requirements:**
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 62 with 60 months of service credit or Age 57 with 25 years of service credit
Formula:	**Formula:**	**Formula:**
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of the annual cost-of-living adjustment.

When a traditional plan 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.

A death benefit of $500 - $2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of OPERS contributing members hired in 2022 and beyond. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the members' contributions plus or minus the investment gains or losses resulting from the members' investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2019-2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2019-2020 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within combined plan are not used to fund the defined benefit retirement allowance

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with remainder going to pension.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of the employer’s contribution allocated to health care was 0% for calendar years 2019-2020 for the Traditional and Combined plans. The portion of the employer’s contribution allocated to health care was 4% for the Member-Directed plan for calendar years 2019-2020. The Authority’s contractually required contributions used to fund pension benefits was $759,227 for fiscal year ending March 31, 2020.

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

The net pension liability/asset for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability/asset was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.033211%	0.045800%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.034874%	0.054586%	
Change in Proportionate Share	0.001663%	0.008786%	
Proportionate Share of the Net Pension Liability/(Asset)	$ 6,893,083	$ (113,825)	$ 6,779,258
Pension Expense	$ 578,079	$ (16,103)	$ 561,976

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NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

At March 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Changes of assumptions	$ 368,171	$ 11,736	$ 379,907
Changes in proportion and differences between Authority contributions and proportionate share of contributions	218,165	2,368	220,533
Authority contributions subsequent to the measurement date	190,755	9,293	200,048
Total Deferred Outflows of Resources	$ 777,091	$ 23,397	$ 800,488
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 1,375,016	$ 14,764	$ 1,389,780
Differences between expected and actual experience	87,153	26,718	113,871
Changes in proportion and differences between Authority contributions and proportionate share of contributions	19,739	15,310	35,049
Total Deferred Inflows of Resources	$ 1,481,908	$ 56,792	$ 1,538,700

$200,048 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 March 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending March 31:	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
2021	$ (40,374)	$ (9,267)	$ (49,641)
2022	(366,166)	(8,987)	(375,153)
2023	56,941	(4,874)	52,067
2024	(545,973)	(10,274)	(556,247)
2025	0	(3,208)	(3,208)
Thereafter	0	(6,078)	(6,078)
Total	$ (895,572)	$ (42,688)	$ (938,260)

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions - OPERS

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.

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 prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple
	Post 1/7/2013 retirees; 1.40 percent, simple
	through 2020, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple
	Post 1/7/2013 retirees; 1.40 percent, simple
	through 2020, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement 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. Post-retirement 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. Post-retirement 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 previously described tables. The most recent experience study was completed for the five-year period ended December 31, 2015.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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.

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of 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 investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2 percent for 2019.

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	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
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
Total	100.00 %	5.61 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent, post-experience study results. 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 contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits 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.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

Authority's proportionate share of the net pension liability/(asset)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Traditional Pension Plan	$ 11,368,924	$ 6,893,083	$ 2,869,433
Combined Plan	$ (68,778)	$ (113,825)	$ (146,290)

Changes between Measurement Date and Report Date

Subsequent to December 31, 2019, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2020 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

NOTE 9: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the Authority's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB 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 these estimates annually.

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 OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including OPEB.

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability*. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable*.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. During 2019, health care is not being funded.

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In calendar years 2019-2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar years 2019-2020. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019-2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution allocated to health care was $12,776 for fiscal year 2020.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Liability:	
Prior Measurement Date	0.034437%
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.036100%
Change in Proportionate Share	0.001663%
Proportionate Share of the Net OPEB Liability	$ 4,986,348
OPEB Expense	$ 628,903

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

At March 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Differences between expected and actual experience	$ 134
Changes of assumptions	789,285
Changes in proportion and differences between Authority contributions and proportionate share of contributions	127,985
Authority contributions subsequent to the measurement date	3,342
Total Deferred Outflows of Resources	$ 920,746
Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 253,904
Differences between expected and actual experience	456,025
Changes in proportion and differences between Authority contributions and proportionate share of contributions	3,028
Total Deferred Inflows of Resources	$ 712,957

$3,342 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in fiscal year 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending March 31:	OPERS
2021	$ 200,754
2022	111,987
2023	200
2024	(108,494)
Total	$ 204,447

Actuarial Assumptions - OPERS

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 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

Projections of benefits 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 OPERS 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. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	2.75 percent
Health Care Cost Trend Rate	10.5 percent initial, 3.50 percent ultimate in 2030
Actuarial Cost Method	Individual Entry Age

Pre-retirement 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. Post-retirement 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. Post-retirement 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 above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected rate of return on health care 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 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 mid-year. 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 was 19.70 percent for 2019.

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees 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 the 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	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

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. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. 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.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
Authority's proportionate share of the net OPEB liability	$6,021,480	$4,986,348	$3,660,901

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	$4,524,052	$4,986,348	$4,916,820

Changes between Measurement Date and Report Date

Subsequent to December 31, 2019, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2020 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

NOTE 10: **COMPENSATED ABSENCES**

Board of Commissioners based on local and state laws establishes all leave policies.
Union employees and non-union employees earn 4.6 and 4 hours, respectively of sick leave per eighty hours of service. Unused sick leave is accumulated without limit. At time of separation, if an employee states separation is due to retirement, employee will be eligible to receive payment for 50 percent of their accumulated sick leave balance. Employees hired on or after April 1, 2008, payment on sick leave is reduced from 50 percent to 33.33 percent. Employees hired on or after April 1, 2011, payment on sick leave is reduced from 50 percent to 25 percent. All permanent employees earn vacation hours accumulated based on length of service. Vacation time earned may be accumulated up to three times the annual amount that can be accrued in a calendar year. Employees hired after April 1, 2011 vacation time earned may be accumulated up to one times

annual amount that can be earned in a calendar year.

NOTE 10: **COMPENSATED ABSENCES** (Continued)

Following is a summary of changes in compensated absences liability for the year ended March 31, 2020:

Balances at 3/31/2019	Increase	Decrease	Balances at 3/31/2020	Due Within One Year
$ 459,369	113,665	(131,180)	$ 441,854	50,373

NOTE 11: **LONG-TERM OBLIGATIONS**

Changes in the Authority's long-term obligations during fiscal year 2020 are as follows:

Primary Government	Balance at 3/31/19	Additions	Deletions	Balance at 3/31/20	Due Within One Year
Long-Term Debt:					
Ohio Housing Finance Agency					
Serial Bonds 2018A	$ 4,087,807	$ -	$ 395,867	$ 3,691,940	$405,867
Energy Performance Contract					
EPC Series 2019 COPs	-	3,680,490	-	3,680,490	130,275
HUD CF Repayment	1,835,507	-	408,000	1,427,507	204,000
Knights of Columbus	216,667	-	25,000	191,667	25,000
Net Pension Liability	9,095,820		2,202,737	6,893,083	-
Net OPEB Liability	4,489,772	496,576	-	4,986,348	-
Total Primary Government	$19,725,573	$4,177,066	$3,031,604	$20,871,035	$765,142
Component Units					
Alliance Senior Tower, LLC	$ 1,780,350	$ -	$ 259,040	$ 1,521,310	$ 33,459
Hunter House, LLC	2,334,774	-	169,577	2,165,197	257,122
Progressive Housing Solutions Corp.	-	1,000,000	-	1,000,000	-
Total Component Units	$ 4,115,124	$1,000,000	$ 428,617	$ 4,686,507	$290,581

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NOTE 11: **LONG-TERM OBLIGATIONS** (Continued)

The Authority was obligated on the following notes as of March 31, 2020:

Ohio Housing Finance Agency	**2020**
Serial Bond 2018A - Bond dated March 13, 2018, due April 2027, funding by a bond issue in the principal amount of $22,585,000, of which the Authority's share is $4,390,000. Payments are due semi-annually beginning April 1, 2018, totaling approximately $500,000 annually. This series replaces Serial Bond 2007A with a lower fixed interest rates between 3.00% and 4.00%. The bond is repaid from the Capital Fund Program and were issued to provide major renovations at three high-rise buildings: W.L. Hart Apartments, Plaza Apartments, and Lincoln Apartments. Premium on the bond of $108,675 was added to the debt and is being amortized over the life of the bond.	3,691,940
Stark Metropolitan Housing Authority	
Series 2019 COPs - COP proceeds, dated August 29, 2019 for $ 3,675,000, being used to fund a Public Housing Energy Efficiency Improvement Project. The bonds bear interest at varying amounts from 2 percent - 3 percent with the final maturity date of August 1, 2039. Premium on the bond of $5,490 was added to the debt and is being amortized over the life of the bond.	3,680,490
HUD Capital Fund Repayment	
The Authority entered into the repayment agreement on September 28, 2017 for $ 3,789,507 as result of ineligible expenditures in the Capital Fund Program for grant years 2005-2012. An initial payment of $ 1,750,000 was paid with the remaining balance, $ 2,039,507, paid in 10 equal annual installments. Payments will be made through a reduction in the annual Capital Fund Program starting with 2017 Capital Grant Year.	1,427,507
Knights of Columbus Settlement	
The Authority entered into a settlement agreement on November 20, 2015 for $300,000 as result of litigation between the Authority and the Knights of Columbus. The settlement obligates the Authority to make 144 monthly payments of $2,083 payable to the Knights of Columbus. The balance owed as of March 31, 2020 is $191,667.	191,667
Total	$ 8,991,604

NOTE 11: **LONG-TERM DEBT** (Continued)

Total payments including interest necessary over the next five years for the primary government on the above notes are as follows:

	Principal	Interest	Total
2021	$ 765,142	$ 218,225	$ 983,367
2022	775,141	203,600	978,741
2023	795,141	188,525	983,666
2024	810,141	170,800	980,941
2025	835,141	150,250	985,391
Thereafter	5,010,896	821,975	5,832,871
Total	$ 8,991,602	$ 1,753,375	$ 10,744,977

	CFFP 2018a Series Bond		Certificates of Participation		HUD Repaym't	Knights of Columbus	Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Principal	Interest
2021	$ 405,867	$ 115,875	$ 130,275	$ 102,350	$ 204,000	$ 25,000	$ 765,142	$ 218,225
2022	420,867	103,800	125,275	99,800	204,000	25,000	775,142	203,600
2023	435,867	91,275	130,275	97,250	204,000	25,000	795,142	188,525
2024	445,867	76,200	135,275	94,600	204,000	25,000	810,142	170,800
2025	465,867	58,400	140,275	91,850	204,000	25,000	835,142	150,250
Thereafter	1,517,605	70,250	3,019,113	751,725	407,507	66,667	5,010,892	821,975
Total	$ 3,691,940	$ 515,800	$ 3,680,488	$ 1,237,575	$ 1,427,507	$ 191,667	$ 8,991,602	$ 1,753,375

Debt schedule for component units is as follows:

Alliance Senior Tower LLC:	
First Mortgage - Principal Amount - Interest Rate of 1.0%	
$922,900 - Interest Rate of 1.0%	$ 603,780
2nd Mortgage - Payable to Department of HUD - Interest Rate of 1.0%	573,616
3rd Mortgage - Payable to Department of HUD - Interest Rate of 1.0%	143,914
Notes Payable Affiliates	200,000
Hunter House PSH, LLC-	
OHFA Loan	786,905
HDAP Loan	1,100,000
Home Loan: Stark County	83,792
Home Loan: City of Canton	62,000
Managing Member	132,500
Progressive Housing Solutions Corp.	
The Authority's Note	1,000,000
Total	**$ 4,686,507**

NOTE 12: **CONDENSED FINANCIAL STATEMENT INFORMATION - COMPONENT UNITS**

	FYE 12/2019	FYE 3/2020	FYE 12/2019	
Balance Sheet	House PSH, LLC	Senior Tower, LLC	Housing Solutions	Total
Current and Other Assets	$ 478,335	$ 794,376	$ 154,279	$ 1,426,990
Capital Assets	5,087,158	1,909,096	882,266	7,878,520
Current Liabilities	733,019	175,042	34,030	942,091
Non-Current Liabilities	2,165,197	1,562,196	1,007,500	4,734,893
Net Position	$ 2,667,277	$ 966,234	$ (4,985)	$ 3,628,526
Revenues, Expenses, and Changes in Equity				
Total Revenues	$ 484,196	$ 855,501	$ 50,768	$ 1,390,465
Operating Expenses	489,369	546,539	47,010	1,082,918
Depreciation, Amorization & Other Expenses	265,367	89,912	8,743	364,022
Excess Revenue Over Expenses	(270,540)	219,050	(4,985)	(56,475)
Beginning Net Position	2,664,950	724,511	-	3,389,461
Capital Contributions	272,867	(54,397)	-	218,470
Prior Period Adjustment	-	77,070	-	77,070
Ending Net Position:	$ 2,667,277	$ 966,234	$ (4,985)	$ 3,628,526
Detailed Ending Net Position:				
Unrestricted	$ (254,684)	$ 578,447	$ 112,749	$ 436,512
Restricted	-	-	-	-
Net Investments in Capital Assets	2,921,961	387,787	(117,734)	3,192,014
	$ 2,667,277	$ 966,234	$ (4,985)	$ 3,628,526

Hunter House PSH, LLC

Hunter House PSH, LLC (HH) was formed in 2010 as a partnership for the purchase, development and operation of a 48 unit complex serving homeless individuals with drug and alcohol dependencies. Currently HH general and managing member is Hunter House PSH. Inc. which is owed 76% by the Authority and 24% by Emerald Development and Economic Network, Inc (EDEN). HH is operated with subsidy from Department of Housing and Urban Development. The Authority did not provide any services and did not receive any fees or income from Hunter House PSH, LLC.

Alliance Senior Tower, LLC

Alliance Senior Tower, LLC (AT) was incorporated in April 2012 for the purpose of acquiring a 100 unit property at 350 South Arch Street in Alliance, Ohio. AT is a corporation which is 100% owned by the Authority. AT acquired property in August 2012. Currently, The Authority is the managing agent and bookkeeper. AT is operated with assistance from the Department of Housing and Urban Development. The Authority collected $145,052 form AT.

On November 15, 2017, HUD's Departmental Enforcement Center (DEC) began a review of the Alliance Senior Tower, LLC's (AT) audited financial statements for the periods ending March 31, 2014 through March 31, 2017. DEC's finding for $77,070 directly relates to the above periods under review. The final report from DEC was received on August 20, 2018.

NOTE 12: **CONDENSED FINANCIAL STATEMENT INFORMATION - COMPONENT UNITS** (Continued)

During the fiscal year ended March 31, 2019, the Authority, the managing member, returned and deposited $77,070 to AT. During the fiscal year ending March 31, 2020, AT sent $77,070 to HUD, thereby reducing its HUD mortgage. The amount of $77,070 related to previous fiscal periods and, therefore, is recorded as a prior period adjustment in Alliance Senior Tower, LLC's fiscal year ending March 31, 2020 audited financial statements.

Progressive Housing Solutions Corp.

Progressive Housing Solutions Crop. (PHS) was incorporated in 2018 as an instrumentality of the Authority to assist with the development of housing for income eligible person. PHS received a IRS Determination Letter as a tax exempt 501(c)(3) entity. PHS is discreetly presented component units in the financial statements. During 2019 PHS acquired Meadowview, a property with 13 units. SHMA is the managing and bookkeeping Agent and received fees totaling $8,561.

NOTE 13: **CONTINGENCIES**

Litigations and Claims

In normal course of operations, the Authority may be subjected to litigation and claims. At March 31, 2020, the Authority is involved in several matters. One matter involves an U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) investigation. The Authority received a discussion draft report dated April 3, 2020 from OIG. The Authority strongly disagrees with report and provided a written rebuttal on May 7, 2020. The matter is disputed and is under review by OIG. No final report from OIG has been issued as of the date of this report. However, the effect of this OIG matter on the overall financial position of the Authority at March 31, 2020, cannot be determined.

In addition, the Authority has an ongoing alleged wrongful termination law suit which is represented by counsel retained by insurance company and is a matter covered under the Authority's insurance policy. While the outcome of this wrongful termination matter cannot presently be determined, management believes that the ultimate resolution will not have a material effect on financial statements.

HUD has been in discussion with the Authority to resolve prior year audit findings covering the fiscal year end 2011 through fiscal year end 2013 for the Authority lending Low Rent Public Housing funds to the Central Office Cost Center (COCC). In a letter dated May 9, 2019, HUD requested a repayment of $1,123,368 from the COCC to the Public Housing Program. The Authority believes this amount has been included in the Repayment Agreement amount of $6,793,413 described in Note 15. As of March 31, 2020, the outcome of this matter is still unresolved.

The Authority entered into a Security Support Agreement on February 23, 2020 to financially support security services for Hunter House, LLC. The Authority received a two-year operating grant from Ohio Supportive Housing Program in January 2019 in the amount of $245,000 ($122,500 per year) to cover security costs incurred from January 1, 2019 thru December 31, 2020. In the event the grant is not renewed, the Authority is obligated to cover the shortfall annually through the end of the Compliance Period which ends December 31, 2027. The shortfall amount is capped at $122,500 per year.

NOTE 13: **CONTINGENCIES** (Continued)

The Authority, as majority member of the General Partner / Managing Member (Hunter House PSH, Inc.) of Hunter House PSH, LLC, will provide financial assistance in an amount of up to $235,000 as stated in Hunter House PSH, LLC's Amended and Restated Operating Agreement. The Operating Deficit Guaranty in the agreement covers any operating deficits Hunter House PSH, LCC may incur. These funds are payable out of future excess cash flows of Hunter House PSH, LLC. As of March 31, 2020, the Operating Deficit Guaranty due to the Authority is $132,500.

NOTE 14: **RESTRICTED NET POSITION**

The Housing Choice Voucher Program and the Veteran's Affairs Supportive Housing Program require the equity portion attributable to the excess housing assistance payments be reflected as restricted net position. The corresponding funds are reflected in the cash and investment accounts.

Housing Assistance Payments – Section 8	$12,157
Efficiency Improvement Project	1,413,616
Capital Fund Financing Program	275,577
Total Restricted Net Position	$ 1,701,350

NOTE 15: **HUD REPAYMENT AGREEMENTS**

The Authority entered into two repayment agreements with the U.S. Department of Housing and Urban Development (HUD) on September 28, 2017. Note 10 discusses the repayment agreement of capital grant funds. The other repayment agreement is for operating funds and is in the amount of $6,793,413. The agreement obligates the Authority to make 38 annual payments of $178,744 from non-federal funds to reimburse the Low-Rent Public Housing Program. The balance owed as of March 31, 2020 is $6,257,091. This inter-program transaction is eliminated on the Authority's financial statements**.**

NOTE 16: **SUBSEQUENT EVENT**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will likely impact subsequent periods of the Authority. However, because the values of individual investments fluctuate with market conditions, due to market volatility the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Stark Metropolitan Housing Authority

Stark County

Required Supplementary Information

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

Last Seven Fiscal Years (1)

Traditional Plan	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.03%	0.03%	0.03%	0.04%	0.04%	0.04%	0.04%
Authority's Proportionate Share of the Net Pension Liability	$6,893,083	$9,095,820	$5,266,168	$8,207,461	$6,421,164	$4,268,911	$4,172,491
Authority's Covered Payroll	$4,904,826	$4,485,696	$4,435,990	$4,672,291	$4,613,808	$4,389,276	$4,463,332
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.54%	202.77%	118.71%	175.66%	139.17%	97.26%	93.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Combined Plan	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Asset	0.05%	0.05%	0.04%	0.05%	0.04%	0.02%	0.02%
Authority's Proportionate Share of the Net Pension (Asset)	(113,825)	(51,215)	(60,146)	(28,169)	(20,273)	(8,858)	(2,414)
Authority's Covered Payroll	$242,990	$195,882	$180,948	$197,008	$151,627	$144,204	$146,681
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	46.84%	26.15%	33.24%	14.30%	13.37%	6.14%	1.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

(1) - Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as the information becomes available.

Amounts presented as of the Authority's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

Stark Metropolitan Housing Authority

Stark County

Required Supplementary Information

Schedule of the Authority's Contributions - Pension

Ohio Public Employees Retirement System

Last Eight Fiscal Years (1)

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contributions								
Traditional Plan	$722,801	$634,933	$589,854	$550,035	$556,134	$522,711	$538,107	$572,085
Combined Plan	36,426	27,941	24,991	23,028	18,277	17,178	17,684	18,801
Total Required Contributions	$759,227	$662,874	$614,845	$573,063	$574,411	$539,889	$555,791	$590,886
Contributions in Relation to the Contractually Required Contribution	(759,227)	(662,874)	(614,845)	(573,063)	(574,411)	(539,889)	(555,791)	(590,886)
Contribution Deficiency / (Excess)	$0	$0	$0	$0	$0	$0	$0	$0
Authority's Covered Payroll								
Traditional Plan	$5,162,866	$4,535,236	$4,455,591	$4,482,494	$4,634,450	$4,355,925	$4,484,225	$4,400,654
Combined Plan	$260,184	$199,579	$188,775	$187,667	$152,308	$143,150	$147,367	$144,623
Pension Contributions as a Percentage of Covered Payroll								
Traditional Plan	14.00%	14.00%	13.24%	12.27%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	14.00%	13.24%	12.27%	12.00%	12.00%	12.00%	13.00%

(1) - Information prior to 2013 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as the informa

See accompanying notes to the required supplementary information

Stark Metropolitan Housing Authority

Stark County

Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net OPEB Liability

Ohio Public Employees Retirement System

Last Four Fiscal Years (1)

	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability 0.036100%	0.036100%	0.034437%	0.034560%	0.036890%
Authority's Proportionate Share of the Net OPEB Liability	$4,986,348	$4,489,772	$3,752,961	$3,726,015
Authority's Covered Payroll	$5,454,075	$4,994,943	$4,895,787	$5,098,046
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	91.42%	89.89%	76.66%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.05%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as the information becomes available.

Amounts presented as of the Authority's measurement date, which is the prior calendar year end.

See accompanying notes to the required supplementary information

Stark Metropolitan Housing Authority

Stark County

Required Supplementary Information

Schedule of the Authority's Contributions - OPEB

Ohio Public Employees Retirement System

Last Six Fiscal Years (1)

	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$12,776	$12,449	$46,963	$91,756	$97,614	$94,244
Contributions in Relation to the Contractually Required Contribution	(12,776)	(12,449)	(46,963)	(91,756)	(97,614)	(94,244)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0
Authority Covered Payroll	$5,742,451	$5,046,054	$4,917,411	$4,902,245	$ 4,967,620 0	$4,650,833
Contributions as a Percentage of Covered Payroll	0.22%	0.25%	0.96%	1.87%	1.97%	2.03%

(1) Information prior to 2015 is not available. Schedule is intended to show ten years of information, and additional years will be displayed as the information becomes available.

See accompanying notes to the required supplementary information

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014- 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018- 2020.

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%.

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STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY
SUPPLEMENTAL FINACIAL DATA SCHEDULES
ENTITY WIDE BALANCE SHEET
FOR THE FISCAL PERIOD ENDED MARCH 31,2020

Description	Low Income Public Housing Program	2 State/Local	14.896 PIH Family Self-Sufficiency Program	6.1 Component Unit - Discretely Presented	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.267 Continuum of Care Program	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_ Section 8	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$5,971,987	$274,728	$0	$458,132	$112,557	$125,003	$60,349	$86,829	$1,312,994	$8,402,579		$8,402,579
112 Cash - Restricted - Modernization and	$2,147,380			$0				$0	$0	$2,147,380		$2,147,380
113 Cash - Other Restricted	$0			$799,399			$12,157	$0	$0	$811,556		$811,556
114 Cash - Tenant Security Deposits	$383,039	$5,654		$36,526				$0	$0	$425,219		$425,219
115 Cash - Restricted for Payment of Current Liabilities	$0			$0			$0	$0	$0	$0		$0
100 Total Cash	$8,502,406	$280,382	$0	$1,294,057	$112,557	$125,003	$72,506	$86,829	$1,312,994	$11,786,734	$0	$11,786,734
121 Accounts Receivable - PHA Projects	$0			$0				$0		$0		$0
122 Accounts Receivable - HUD Other Projects	$58,338		$13,000	$12,520	$536		$0	$0	$0	$84,394		$84,394
124 Accounts Receivable - Other Government	$0			$0				$0		$0		$0
125 Accounts Receivable - Miscellaneous	$0			$0			$11,705	$5,895	$85,631	$103,231		$103,231
126 Accounts Receivable - Tenants	$90,181	$1,051		$12,393				$0		$103,625		$103,625
126.1 Allowance for Doubtful Accounts - Tenants	-$18,705	-$628		-$4,413				$0		-$23,746		-$23,746
127 Notes, Loans, & Mortgages Receivable - Current	$187,682							$0		$187,682	-$178,774	$8,908
128 Fraud Recovery	$0					$1,387	$7,183	$0		$8,570		$8,570
128.1 Allowance for Doubtful Accounts - Fraud	$0					-$1,387	-$7,183	$0		-$8,570		-$8,570
129 Accrued Interest Receivable	$0							$0	$15,000	$15,000		$15,000
120 Total Receivables, Net of Allowances for Doubtful	$317,496	$423	$13,000	$20,500	$536	$0	$11,705	$5,895	$100,631	$470,186	-$178,774	$291,412
142 Prepaid Expenses and Other Assets	$0			$29,557			$5,244	$0	$16,400	$51,201		$51,201
143 Inventories	$423,461			$0				$0		$423,461		$423,461
143.1 Allowance for Obsolete Inventories	-$106,029			$0				$0		-$106,029		-$106,029
144 Inter Program Due From	$0			$0				$0		$0		$0
145 Assets Held for Sale	$0			$0				$0		$0		$0
150 Total Current Assets	$9,137,334	$280,805	$13,000	$1,344,114	$113,093	$125,003	$89,455	$92,724	$1,430,025	$12,625,553	-$178,774	$12,446,779
161 Land	$12,293,459			$250,701				$0	$508,213	$13,052,373		$13,052,373
162 Buildings	$154,132,538	$961,182		$9,882,746				$0	$2,396,716	$167,373,182		$167,373,182
163 Furniture, Equipment & Machinery - Dwellings	$4,277,865			$0				$0		$4,277,865		$4,277,865
164 Furniture, Equipment & Machinery - Administration	$2,277,834			$210,247			$5,650	$0	$1,363,366	$3,857,097		$3,857,097
166 Accumulated Depreciation	-$130,987,735	-$491,881		-$2,465,173			-$1,211	$0	-$2,563,975	-$136,509,975		-$136,509,975
167 Construction in Progress	$3,634,208			$0				$0		$3,634,208		$3,634,208
168 Infrastructure	$0			$0				$0		$0		$0
160 Total Capital Assets, Net of Accumulated	$45,628,169	$469,301	$0	$7,878,521	$0	$0	$4,439	$0	$1,704,320	$55,684,750	$0	$55,684,750
171 Notes, Loans and Mortgages Receivable - Non-Current	$6,078,317						$0	$0	$1,472,341	$7,550,658	-$6,113,965	$1,436,693
173 Grants Receivable - Non Current								$0				
174 Other Assets	$68,313						$5,699	$538	$39,275	$113,825		$113,825
180 Total Non-Current Assets	$51,774,799	$469,301	$0	$7,878,521	$0	$0	$10,138	$538	$3,215,936	$63,349,233	-$6,113,965	$57,235,268
200 Deferred Outflow of Resources	$1,033,053	$0	$0	$0	$0	$0	$86,184	$8,135	$593,862	$1,721,234	$0	$1,721,234
290 Total Assets and Deferred Outflow of Resources	$61,945,186	$750,106	$13,000	$9,222,635	$113,093	$125,003	$185,777	$101,397	$5,239,823	$77,696,020	-$6,292,739	$71,403,281

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENTITY WIDE BALANCE SHEET
FOR THE FISCAL PERIOD ENDED MARCH 31,2020

Description	Low Income Public Housing Program	2 State/Local	14.896 PIH Family Self-Sufficiency Program	6.1 Component Unit - Discretely Presented	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.267 Continuum of Care Program	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program_ Section 8	COCC	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	571,987	2,097	-	37,285	-	5,626	2,409	15	50,265	669,684		669,684
313 Accounts Payable > 90 Days Past Due	-			-				-		-		-
321 Accrued Wage/ Payroll Taxes Payable	168,876	1,005	1,295	1,140	86	605	9,786	858	202,496	386,147		386,147
322 Accrued Compensated Absences - Current Portion	28,035			-			2,065	-	20,273	50,373		50,373
324 Accrued Contingency Liability	-			-				-		-		-
325 Accrued Interest Payable	69,538			190,363				-		259,901		259,901
331 Accounts Payable - HUD PHA Programs	-			-			12,252	34,400	-	46,652		46,652
333 Accounts Payable - Other Government	238,285			30,715				-		269,000		269,000
341 Tenant Security Deposits	383,039	5,654		36,526				-		425,219		425,219
342 Unearned Revenue	570,135	33,920		7,593		52,086	53	-	-	663,787		663,787
343 Current Portion of Long-term Debt - Capital Projects/Mortgage	536,141			33,459				-	-	569,600		569,600
344 Current Portion of Long-term Debt - Operating Borrowings	-			-				-		-		-
345 Other Current Liabilities	204,000		11,705	614,614				5,895	178,774	1,014,988	(178,774)	836,214
346 Accrued Liabilities - Other	92,809			1,310				-	31,340	125,459		125,459
310 Total Current Liabilities	2,862,845	42,676	13,000	953,005	86	58,317	26,565	41,168	483,148	4,480,810	(178,774)	4,302,036
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	6,836,288			4,653,048			-	-	-	11,489,336		11,489,336
353 Non-current Liabilities - Other	1,223,507			70,931			35,648	-	6,244,984	7,575,070	(6,113,965)	1,461,105
354 Accrued Compensated Absences - Non Current	217,873						16,049	-	157,559	391,481		391,481
357 Accrued Pension and OPEB Liabilities	7,129,809	-	-	-	-	-	594,818	56,155	4,098,649	11,879,431		11,879,431
350 Total Non-Current Liabilities	15,407,477	-	-	4,723,979	-	-	646,515	56,155	10,501,192	31,335,318	(6,113,965)	25,221,353
300 Total Liabilities	18,270,322	42,676	13,000	5,676,984	86	58,317	673,080	97,323	10,984,340	35,816,128	(6,292,739)	29,523,389
400 Deferred Inflow of Resources	1,351,403			-			112,744	10,645	776,865	2,251,657	-	2,251,657
508.3 Nonspendable Fund Balance								-				
508.4 Net Investment in Capital Assets	38,255,680	469,300		3,192,014			4,439	-	1,704,320	43,625,753		43,625,753
511.4 Restricted Net Position	1,689,193						12,157	-	-	1,701,350		1,701,350
512.4 Unrestricted Net Position	2,378,588	238,130	-	353,637	113,007	66,686	(616,643)	(6,571)	(8,225,702)	(5,698,868)		(5,698,868)
513 Total Equity - Net Assets / Position	42,323,461	707,430	-	3,545,651	113,007	66,686	(600,047)	(6,571)	(6,521,382)	39,628,235	-	39,628,235
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	61,945,186	750,106	13,000	9,222,635	113,093	125,003	185,777	101,397	5,239,823	77,696,020	(6,292,739)	71,403,281

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL PERIOD ENDED MARCH 31,2020

Description	Low Income Public Housing Program	State/Local	14.896 PIH Family Self-Sufficiency	Component Unit - Discretely Presented	14.249 Section 8 Moderate Rehabilitation on Single	14.267 Continuum of Care Program	14.871 Housing Choice Vouchers	14.856 Section 8 Moderate Rehab	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$5,571,025	$129,490		$1,198,229				$0		$6,898,744		$6,898,744
70400 Tenant Revenue - Other	$257,881	$360		$1,586				$0		$259,827		$259,827
70500 Total Tenant Revenue	$5,828,906	$129,850	$0	$1,199,815	$0	$0	$0	$0	$0	$7,158,571	$0	$7,158,571
70600 HUD PHA Operating Grants	$11,941,535	$0	$13,000		$114,475	$663,959	$8,468,905	$434,308		$21,636,182		$21,636,182
70610 Capital Grants	$3,169,369							$0	$0	$3,169,369		$3,169,369
70710 Management Fee								$0	$2,428,265	$2,428,265	-$2,368,190	$60,075
70720 Asset Management Fee								$0	$295,823	$295,823	-$295,823	$0
70730 Book Keeping Fee								$0	$313,297	$313,297	-$304,146	$9,151
70740 Front Line Service Fee								$0	$677,377	$677,377	-$576,710	$100,667
70750 Other Fees								$0	$82,305	$82,305		$82,305
70700 Total Fee Revenue								$0	$3,797,067	$3,797,067	-$3,544,869	$252,198
70800 Other Government Grants	$0	$140,018		$51,579				$0		$191,597		$191,597
71100 Investment Income - Unrestricted	$109,299			$1,927			$15	$0	$47,175	$158,416		$158,416
71200 Mortgage Interest Income	$0							$0		$0		$0
71300 Proceeds from Disposition of Assets Held for Sale	$0							$0		$0		$0
71310 Cost of Sale of Assets	$0							$0		$0		$0
71400 Fraud Recovery	$0	$0			$484	$1,591	$12,636	$0		$14,711		$14,711
71500 Other Revenue	$284,637	$464		$137,026	$22	$357	$13,587	$0	$65,189	$501,282		$501,282
71600 Gain or Loss on Sale of Capital Assets	$1,600							$0		$1,600		$1,600
72000 Investment Income - Restricted	$0			$118			$0	$0		$118		$118
70000 Total Revenue	$21,335,346	$270,332	$13,000	$1,390,465	$114,981	$665,907	$8,495,143	$434,308	$3,909,431	$36,628,913	-$3,544,869	$33,084,044
91100 Administrative Salaries	$973,521	$29,690	$9,482	$98,378	$2,091	$32,253	$288,501	$27,236	$1,708,426	$3,169,578		$3,169,578
91200 Auditing Fees	$15,607	$98		$12,475	$221	$595	$8,589	$547	$1,342	$39,474		$39,474
91300 Management Fee	$2,182,760	$13,063	$0	$60,076	$3,872	$2,068	$158,669	$7,757		$2,428,265	-$2,368,190	$60,075
91310 Book-keeping Fee	$214,952	$1,358		$9,150	$3,075	$9,352	$67,992	$7,418		$313,297	-$304,146	$9,151
91400 Advertising and Marketing	$0	$0		$0				$0	$10,751	$10,751		$10,751
91500 Employee Benefit Contributions - Administrative	$595,466	$17,990	$3,403	$10,267	$712	$11,941	$250,394	$17,149	$1,108,452	$2,015,774		$2,015,774
91600 Office Expenses	$276,997	$1,264	$0	$33,564	$81	$4,732	$44,237	$1,771	$229,208	$591,854		$591,854
91700 Legal Expense	$85,702	$0		$2,925		$367	$2,970	$0	$32,482	$124,446	-$48,782	$75,664
91800 Travel	$25,532	$2,006	$0	$5,138		$2,886	$2,864	$0	$63,823	$102,249		$102,249
91810 Allocated Overhead	$0	$0		$0				$0		$0		$0
91900 Other	$423,990	$92,490	$0	$141,386		$66,577	$25,775	$333	$205,515	$956,066		$956,066
91000 Total Operating - Administrative	$4,794,527	$157,959	$12,885	$373,359	$10,052	$130,771	$849,991	$62,211	$3,359,999	$9,751,754	-$2,721,118	$7,030,636
92000 Asset Management Fee	$295,823			$0				$0		$295,823	-$295,823	$0
92100 Tenant Services - Salaries	$102,078			$33,823				$0	$1,034	$136,935		$136,935
92200 Relocation Costs	$56,008			$0				$0		$56,008		$56,008
92300 Employee Benefit Contributions - Tenant Services	$41,672			$6,386				$0	$441	$48,499		$48,499
92400 Tenant Services - Other	$20,240			$7,827			$2,683	$0		$30,750		$30,750
92500 Total Tenant Services	$219,998	$0	$0	$48,036	$0	$0	$2,683	$0	$1,475	$272,192	$0	$272,192
93100 Water	$601,024	$8,705		$34,346			$474	$0	$2,689	$647,238		$647,238
93200 Electricity	$880,418	$744		$124,907			$6,028	$111	$33,412	$1,045,620		$1,045,620
93300 Gas	$1,038,368	$0		$15,134			$680	$0	$6,840	$1,061,022		$1,061,022
93400 Fuel	$0	$0		$0				$0		$0		$0
93500 Labor	$0	$0		$0				$0		$0		$0
93600 Sewer	$628,738	$4,815		$14,872			$81	$0	$510	$649,016		$649,016
93700 Employee Benefit Contributions - Utilities	$0	$0		$0				$0		$0		$0
93800 Other Utilities Expense	$0	$0		$0				$0		$0		$0
93000 Total Utilities	$3,148,548	$14,264	$0	$189,259	$0	$0	$7,263	$111	$43,451	$3,402,896	$0	$3,402,896
94100 Ordinary Maintenance and Operations - Labor	$2,215,524	$0						$0	$278,486	$2,494,010		$2,494,010
94200 Ordinary Maintenance and Operations - Materials and Other	$982,474	$2,420		$28,864				$0	$32,724	$1,046,482		$1,046,482
94300 Ordinary Maintenance and Operations Contract	s $2,253,212	$22,269		$127,810			$1,508	$0	$73,054	$2,477,853	-$527,928	$1,949,925
94500 Employee Benefit Contributions - Ordinary Maintenance	$1,240,736	$0						$0	$136,482	$1,377,218		$1,377,218
94000 Total Maintenance	$6,691,946	$24,689	$0	$156,674	$0	$0	$1,508	$0	$520,746	$7,395,563	-$527,928	$6,867,635
95100 Protective Services - Labor	$166,037			$0				$0		$166,037		$166,037
95200 Protective Services - Other Contract Costs	$125,363			$100,449				$0		$225,812		$225,812
95300 Protective Services - Other	$7,232			$6,998			$8,271	$0	$32,414	$54,915		$54,915
95500 Employee Benefit Contributions - Protective Services	$67,662			$0				$0		$67,662		$67,662
95000 Total Protective Services	$366,294	$0	$0	$107,447	$0	$0	$8,271	$0	$32,414	$514,426	$0	$514,426

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY
SUPPLEMENTAL FINANCIAL DATA SCHEDULES
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL PERIOD ENDED MARCH 31,2020

Description	Low Income Public Housing Program	State/Local	14.896 PIH Family Self-Sufficiency Program	Component Unit - Discretely Presented	14.249 Section 8 Moderate Rehabilitation on Single	14.267 Continuum of Care Program	14.871 Housing Choice Vouchers	14.856 Section 8 Moderate Rehab	COCC	Subtotal	ELIM	Total
96110 Property Insurance	$440,380	$4,889		$52,698			0	$0	6373	$504,340		$504,340
96120 Liability Insurance	$129,520	$946		$5,746			11057	$0	2071	$149,340		$149,340
96130 Workmen's Compensation	$45,300	$382	$115	$19,185	$29	$424	$3776	$11	$25374	$94,596		$94,596
96140 All Other Insurance	51340	42	0	5598	0	33	9587	30	10456	77086		77086
96100 Total insurance Premiums	$666,540	$6259	$115	83227	$29	$457	$24,420	$41	44274	$825,362	0	$825,362
96200 Other General Expenses	257183	1575		80460	781	2308	36082	$1997	$39,876	$420,262		$420,262
96210 Compensated Absences	105894						-8191	$0	$33,475	$131,178		$131178
96300 Payments in Lieu of Taxes	243954							$0		$243,954		$243,954
96400 Bad debt - Tenant Rents	306388			10580				$0		$316,968		$316,968
96500 Bad debt - Mortgages	0							$0		$0		$0
96600 Bad debt - Other	0							$0		$0		$0
96800 Severance Expense	0							0		0		0
96000 Total Other General Expenses	$913419	$1,575	0	$91,040	781	2308	27891	$1997	73351	$1,112,362	0	$1,112,362
96710 Interest of Mortgage (or Bonds) Payable	$174201			104857				$0		$279058		$279058
96720 Interest on Notes Payable (Short and Long Term)	$0			7500				$0		$7500		$7500
96730 Amortization of Bond Issue Costs	$0							$0		$0		$0
96700 Total Interest Expense and Amortization Cost	$174201	$0	0	112357	$0	$0	$0	$0	0	$286,558	0	$286,558
96900 Total Operating Expenses	$17,271,296	204746	13000	1161399	10862	133536	922027	$64360	4075710	$23,856,936	-3544869	$20,312,067
97000 Excess of Operating Revenue over Operating Expenses	$4,064,050	$65,586	$0	$229,066	$104,119	$532,371	$7,573,116	$369,948	-$166,279	$12,771,977	$0	$12,771,977
97200 Casualty Losses - Non-	$240,317							$0	$7,290	$247,607		$247,607
97300 Housing Assistance Payments	$0	$0			$88115	$528018	$7,732,839	$367746		$8,716,718		$8,716,718
97350 HAP Portability-In	$0							$0		$0		$0
97400 Depreciation Expense	$3,892,163	$44,695		$330,745			$807	$0	130737	$4,399,147		$4,399,147
90000 Total Expenses	$21403776	$249441	13000	$1492144	98977	661554	9E+06	$432106	$4,213,737	$37,220,408	-3544869	$33,675,539
10010 Operating Transfer In	$4,449,812							$0		$4,449,812	-4449812	$0
10020 Operating transfer Out	-$4,449,812							$0		-$4,449,812	$4,449,812	$0
10080 Special Items (Net Gain/Loss)				$272,867				$0		$272,867		$272,867
10100 Total Other Financing Sources (Uses)	$0	$0	0	$272867	0	0	0	$0	0	$272867	0	$272867
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-$68,430	$20,891	$0	$171,188	$16,004	$4,353	-$160,530	$2,202	-$304,306	-$318,628	$0	-$318,628
11020 Required Annual Debt Principal Payments	$385,000	0	0	$404901	0	0	0	$0	0	$789,901		$789901
11030 Beginning Equity	$42,391,891	686539	0	$3,297,393	97003	62333	-439517	-$8773	-$6,217,076	$39,869,793		$39,869,793
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	0	0	$77070	0	0	0	$0	0	$77,070		$77,070
11170 Administrative Fee Equity							-612205	$0		-$612,205		-$612,205
11180 Housing Assistance Payments Equity							$12,158	$0		$12,158		$12,158
11190 Unit Months Available	$29,872	$192		$2,439	$432	$1320	$19,800	$1086		$55,141		$55,141
11210 Number of Unit Months Leased	28650	178		2410	408	1251	17245	985		51127		51127
11270 Excess Cash	$2,444,356							$0		$2,444,356		$2,444,356
11620 Building Purchases	$2,491,994							$0	$0	$2,491,994		$2,491,994
13510 CFFP Debt Service Payments	$512,575							$0	$0	$512,575		$512,575
93400 Fuel	$0	$0		$0				$0		$0		$0
93500 Labor	$0	$0		$0				$0		$0		$0
93600 Sewer	$628,738	$4,815		$14,872			$81	$0	$510	$649,016		$649,016
93700 Employee Benefit Contributions - Utilities	$0	$0		$0				$0		$0		$0
93800 Other Utilities Expense	$0	$0		$0				$0		$0		$0
93000 Total Utilities	$3,148,548	$14,264	$0	$189,259	$0	$0	$7,263	$111	$43,451	$3,402,896	$0	$3,402,896
94100 Ordinary Maintenance and Operations - Labor	$2,215,524	$0						$0	$278,486	$2,494,010		$2,494,010
94200 Ordinary Maintenance and Operations - Materials and Other	$982,474	$2,420		$28,864				$0	$32,724	$1,046,482		$1,046,482
94300 Ordinary Maintenance and Operations Contract	s $2,253,212	$22,269		$127,810			$1,508	$0	$73,054	$2,477,853	-$527,928	$1,949,925
94500 Employee Benefit Contributions - Ordinary Maintenance	$1,240,736	$0						$0	$136,482	$1,377,218		$1,377,218
94000 Total Maintenance	$6,691,946	$24,689	$0	$156,674	$0	$0	$1,508	$0	$520,746	$7,395,563	-$527,928	$6,867,635
95100 Protective Services - Labor	$166,037			$0				$0		$166,037		$166,037
95200 Protective Services - Other Contract Costs	$125,363			$100,449				$0		$225,812		$225,812
95300 Protective Services - Other	$7,232			$6,998			$8,271	$0	$32,414	$54,915		$54,915
95500 Employee Benefit Contributions - Protective Services	$67,662			$0				$0		$67,662		$67,662
95000 Total Protective Services	$366,294	$0	$0	$107,447	$0	$0	$8,271	$0	$32,414	$514,426	$0	$514,426

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2020

Federal Grantor *Pass Through Grantor/* Program/Title	**Federal CFDA Number**	**Provided to Subrecepients**	**Federal Expenditures**
U.S. Department of Housing and Urban Development			
Direct Programs			
Public and Indian Housing	14.850		$ 9,711,606
Section 8 Project Based Cluster			
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249		114,475
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856		434,308
Total Section 8 Project Based Cluster			548,783
Section 8 Tenant Based Programs			
Family Self-Sufficiency Program	14.896		13,000
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871		8,468,905
Total Housing Voucher Cluster			8,468,905
Public Housing Capital Fund	14.872		5,399,298
Continuum of Care Program	14.267	$ 65,353	663,959
Total Direct Programs			24,805,551
Total U.S. Department of Housing and Urban Development			24,805,551
TOTAL EXPENDITURES OF AWARDS		$ -	$ 24,805,551

See accompanying notes to the Schedule of Expenditures of Federal Awards

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED MARCH 31, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Stark Metropolitan Housing Authority (the Authority's) under programs of the federal government for the year ended March 31, 2020. The information on this Schedule is prepared 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* (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 B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the Authority to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Authority has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE E - SUBRECIPIENTS

The Authority passes certain federal awards received from U.S. Department of Housing and Urban Development (HUD) to other not-for-profit agencies (subrecipients). As Note B describes, the Authority reports expenditures of Federal awards to subrecipients when paid in cash, except expenditures passed through HUD are presented on an accrual basis.

As a subrecipient, the Authority has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Stark Metropolitan Housing Authority
Stark County
400 Tuscarawas Street east
Canton, Ohio 44702

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the business-type activities and the aggregate discretely presented component units, of the Stark Metropolitan Housing Authority, Stark County, (the Authority) as of and for the year ended March 31, 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 21, 2020, wherein we noted the Authority referred to the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods. Our report refers to other auditors who audited the financial statements of the Alliance Senior Tower, LLC and the Hunter House PSH, LLC, as described in our report on the 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 those auditors separately reported. The financial statements of the Hunter House PSH, LLC were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2020

OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Stark Metropolitan Housing Authority
Stark County
400 E. Tuscarawas Street
Canton, Ohio 44702

To the Board of Commissioners:

Report on Compliance for each Major Federal Program

We have audited the Stark Metropolitan Housing Authority's (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Stark Metropolitan Housing Authority's major federal programs for the year ended March 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Authority's major federal programs.

Management's Responsibility

The Authority's Management is responsible for complying 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 opine on the Authority's compliance for each of the Authority's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on each of the Authority's major programs. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on each Major Federal Program

In our opinion, the Stark Metropolitan Housing Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended March 31, 2020.

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2020

STARK METROPOLITAN HOUSING AUTHORITY
STARK COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
MARCH 31, 2020

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	14.850 Public and Indian Housing 14.872 Public Housing Capital Fund
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE
KEITH FABER

STARK COUNTY METROPOLITAN HOUSING AUTHORITY

STARK 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 1/5/2021

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