



**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021**

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Board of Commissioners
Ashtabula Metropolitan Housing Authority
3526 Lake Avenue
Ashtabula, Ohio 44004

We have reviewed the *Independent Auditor's Report* of the Ashtabula Metropolitan Housing Authority, Ashtabula County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 05, 2022

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**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY
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INDEPENDENT AUDITOR'S REPORT

Ashtabula Metropolitan Housing Authority
Ashtabula County
3526 Lake Avenue
Ashtabula, Ohio 44004

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the **Ashtabula Metropolitan Housing Authority**, Ashtabula County, Ohio (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Ashtabula Metropolitan Housing Authority, Ashtabula County, Ohio as of December 31, 2021, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
Members: American Institute of Certified Public Accountants
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedule as required by the U.S. Department of Housing and Urban Development and the Schedule of Expenditures of Federal Awards 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 28, 2022

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

As management of the Ashtabula Metropolitan Housing Authority, we offer the readers of the Authority’s financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the Authority’s financial statements.

The financial statements included in this annual audit report are those of a special-purpose government engaged in a business-type activity. The following statements are included.

Statement of Net Position

This Statement reports all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflows of resources minus liabilities and deferred inflows of resources equals “Net Position”, similar to equity. Assets and liabilities are presented in order of liquidity and are classified as “Current” (convertible into cash within one year), and “Non-current”.

The focus of the Statement of Net Position (the “Unrestricted” Net Position) is designed to represent the net available liquid (non-capital) assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net position is reported in three broad categories, as applicable:

Net Investment in Capital Assets

This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted

This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted

Consists of Net Position that do not meet the definition of “Net Investment in Capital Assets”, or “Restricted”.

The Authority’s financial statements include a Statement of Revenue, Expenses, and Changes in Fund Net Position, similar to an Income Statement. This Statement includes Operating Revenues, such as rental income, operating grants, and other revenues; Operating Expense, such as administrative, utilities, maintenance, general, insurance, housing assistance payments, and depreciation; and Non-Operating Revenues and Expenses, such as capital grant revenue, investment/interest income, gain/loss on disposition of capital assets, and interest expense.

The focus of the Statement of Revenues, Expenses, and Changes in Fund Net Position is the “Change in Net Position”, which is similar to Net Income or Loss.

Statement of Cash Flows

Presents information on the effects changes in assets and liabilities have on cash during the course of the Fiscal Year.

Notes to the Financial Statements

Provide additional information that is essential to a full understanding of the data provided in the Authority-wide financial statements.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)**

The following is a brief description of the programs of the Authority which are consolidated into a single Enterprise Fund.

Housing Authority Programs

Low Income Public Housing (LIPH)

The Authority has 555 units in its Public Housing inventory. The Authority is responsible for the management and maintenance costs for all units. The units must be maintained in accordance with the U.S. Department of Housing and Urban Development (HUD) established housing quality standards. An annual inspection of each unit must be performed by the Authority to ensure that they meet these standards.

Each Authority Public Housing building, and the units that comprise those buildings, are subject to random third-party inspections as directed by HUD. In addition, the Authority must annually recertify each of the tenants' family composition and their respective household income.

On an annual basis, the Authority submits a request for funding known as the Calculation of Operating Fund Grant. The basic concept of the Calculation of Operating Fund Grant is that the Authority has a Project Expense Level (PEL). The PEL reflects estimated allowable operating expenditures and is calculated by HUD in accordance with the results of the Harvard Cost Study which was performed for HUD.

HUD funds the difference between these allowable costs incurred for all units leased units and the actual tenant revenue generated. Tenant rent is based on 30 percent of their adjusted household income. Actual funding received from HUD is made by the results of this formula calculation, subject to pro-ration in accordance with total funds actually appropriated by Congress. Actual funding is made by HUD, by formula, in accordance with total funds appropriated by Congress.

Section 8 Housing Voucher Cluster

Under the Housing Choice Voucher and Mainstream Voucher programs, independent landlords rent units to eligible low-income families and the Authority provides a Housing Assistance Payment to the landlord to make the tenant rent affordable.

The Housing Assistance Payment matches the difference between the total rent that the Landlord can charge, at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay based on 30% of their respective adjusted income.

For each unit that the Authority administers, HUD pays the Authority an administrative fee. The Authority is not responsible for the upkeep and maintenance of the units and properties associated with this Program, however, they are responsible for annually inspecting the units to ensure that they meet or exceed HUD established housing quality standards.

South Ridge Village

The Authority owns a 40-unit apartment complex providing housing for eligible low-income persons. Tenant rents are based on family income and composition to make them affordable. A loan issued by the U.S. Department of Agriculture (USDA) provided funding to develop the property and HUD provides rental assistance to the Authority through a project-based multi-family funding program in an amount equal to the difference between the affordable rent of the tenant family and the contract rent of the dwelling unit. The USDA provides an interest subsidy on the debt paid by the Authority.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Business Activities/Shelter Plus Care

This Authority assists the local mental health group in administering a Shelter Plus Care Program. This Program provides rental assistance for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immune deficiency syndrome (AIDS), and related diseases. Rental assistance must be matched by an equal value in cash or in-kind provided by the grantee from federal or private sources to be used for supportive services.

Capital Fund Program

Tenant revenues generated by the Authority are supplemented by operating subsidy from HUD. These two amounts combined are intended to cover only day to day routine expenses. This leaves the Authority with little funding for modernizing of the structures and/or for the completion of non-routine maintenance.

The purpose of the Capital Fund Program grants is to give funds to the Authority for improvement of the sites, to complete non-routine maintenance, and to assist with the improvement of the management of the Authority.

This grant program is awarded by HUD, by formula allocation, on an annual basis. The Authority generally has two years to obligate the funds from these capital fund grants, and four years to fully expend them. As formal contracts are awarded from this Program, funds are requisitioned from HUD to pay periodic requests from the contractors.

Condensed Comparative Financial Statements

Table 1 - Condensed Statement of Net Position Compared to Prior Year

	2021	Restated 2020
<u>Assets and Deferred Outflows of Resources</u>		
<u>Assets</u>		
Cash and Cash Equivalents	\$ 3,107,855	\$ 3,251,268
Receivables	213,680	102,573
Other Current Assets	332,164	279,882
Capital Assets	8,050,976	8,809,390
Other Non-Current Assets	164,351	0
Total Assets	11,869,026	12,443,113
Deferred Outflows of Resources	283,192	500,453
Total Assets and Deferred Outflows of Resources	12,152,218	12,943,566
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
<u>Liabilities</u>		
Current Liabilities	517,926	469,127
Non-Current Liabilities	1,652,900	3,427,512
Total Liabilities	2,170,826	3,896,639
Deferred Inflows of Resources	1,179,646	752,508
<u>Net Position</u>		
Net Investment in Capital Assets	8,024,295	8,780,417
Restricted Net Position	102,738	295,909
Unrestricted Net Position	674,713	(781,907)
Total Net Position	8,801,746	8,294,419
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 12,152,218	\$ 12,943,566

For more detail information, see Statement of Net Position presented elsewhere in this report.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Total current assets, cash and cash equivalents, receivables and other current assets, remained virtually unchanged increasing just less than \$20,000. Total current liabilities likewise changed minimally, increasing just about \$49,000. The notable changes on the statement were to balances reported in accordance with GASB 68 and GASB 75, OPEB asset and deferred outflows of resources on the asset side of the statement, and non-current liabilities and deferred inflows of resources on the liability and net position side of the statement. 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 other post-employment benefits (OPEB) and their net liabilities to the reported net position, and subtracting their related deferred outflows, and the pension and OPEB assets.

Increases and decreases related to pension and OPEB were realized in deferred inflow and outflow of resources and non-current liabilities and OPEB assets reported on the Statements of Net Position. These balances reported pursuant to the accounting standards GASB 68 and 75 truly do not reflect an operating issue at the Authority, but rather reflect changes at the Ohio Public Employees Retirement System. The standards require the Authority to report on its financial statements what is determined to be its share of the unfunded pension and OPEB liability, its estimated share of any surplus funding of the pension and OPEB plans, and related balances of the Ohio Public Employees Retirement System (OPERS). The concept behind the standards is for OPERS to resolve the unfunded pension and OPEB liability it has, it will have to impose an additional funding burden on the entities that contribute to it. State law mandates that employees of the Authority are participants in OPERS and that the Authority makes retirement contributions to OPERS on behalf of all of its employees.

There is no repayment schedule for the net pension liability, and OPEB liability when there is one. As explained above, changes in pension and OPEB benefits, contribution rates, and return on investments affect the balance of the net pension and OPEB liability, 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 pension payments, State statute does not assign/identify the responsible party for the unfunded portion. The net pension liability is \$1,466,715 of the \$1,652,900 non-current liabilities reported on the Statement of Net Position.

In accordance with GASB 68 and 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension and OPEB expense for their proportionate share of each plan's *change* in net pension and OPEB liability not accounted for as deferred inflows/outflows. As a result of GASB 68 and 75, the Authority is reporting a net pension liability and OPEB asset, as well as deferred inflows/outflows of resources related to pension and OPEB on the accrual basis of accounting. All of these balances changed significantly from the prior year-end.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Table 2 - Change in Condensed Statement of Net Position Compared to Prior Year

	2021	2020
Revenue		
Total Tenant Revenue	\$ 1,628,368	\$ 1,489,769
HUD Operating Grants	6,361,268	6,393,182
HUD Capital Grants	382,611	655,156
Investment Income	1,994	21,075
Other Revenue	396,526	494,385
Total Revenue	8,770,767	9,053,567
Expenses		
Administrative	\$ 585,679	\$ 1,649,260
Tenant Services	323,088	96,640
Utilities	797,336	756,629
Maintenance	2,097,898	1,796,947
Protective Services	60,024	55,015
General Expense	382,333	275,346
Housing Assistance Payments	2,876,057	3,105,970
Depreciation Expense	1,141,025	1,218,441
Total Expenses	8,263,440	8,954,248
Change in Net Position	507,327	99,319
Beginning Net Position, 2021 Restated	8,294,419	8,311,992
Ending Net Position	\$ 8,801,746	\$ 8,411,311

Total income decreased just over 3 percent, a decrease of \$282,800. The increase in tenant revenues is due to increases in charges for other than rents (charges for damages), was offset by decreases in capital grant revenue and other income. The drop in capital grant revenue is due to routine fluctuations in the flow of funding and not due to lost funding streams available to the Authority. The Capital Fund Program (CFP) program is a reimbursing grant program, as funds are spent the income is recognized. HUD provides the funding on an annual basis via a formula but PHAs typically have up to 4 years to spend the money. Spending depends on when work projects are planned and resources are in place to fund planned work projects. It is normal for fluctuations in spending from year to year, a result of when planned work items are carried out. The change in other income is more a return to normal. Last year other income was a bit higher thanks to a BWC rebate issued the Authority by the state insurance program to help Ohio businesses deal with the emergence of the COVID-19 pandemic.

Expenses overall decreased almost \$691,000 (nearly 8 percent), with larger increases in tenant services, maintenance and general expenses more than offset by reductions in administrative and HAP expenses. The increase in tenant services expense is due to an increase in costs incurred preparing for, preventing and responding to the COVID-19 pandemic. The increase in maintenance expense was due largely to increased staffing and costs incurred turning over vacant units for re-rental. The increase in general expense was due to an increase in bad debt expense, a result of tenant charges for other than rents and charges for repairs upon vacating the units that went unpaid as of year-end.

HAP expense is the expense recorded when the Authority makes rental assistance payments on behalf of families assisted by the Housing Choice Voucher (HCV) and Mainstream Voucher (MSV) programs. The lease up rate under the HCV program temporarily dipped in 2021 and the expense related to payment of rental assistance under the program also dipped. The lease up rate is expected to rebound in 2022.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

Administrative expenses decreased significantly, decreasing by more than \$1 million (or 64 percent). This decrease however was caused to a large extent by the reduction in pension and OPEB expense. Pension and OPEB expense is incurred by changes in the balances reported in accordance with GASB 68 and GASB 75 discussed in the section following Table 1 of this MD&A about changes to the Statement of Net Position and the expense is allocated to administrative expense and maintenance expense. Changes in the balances reported in accordance with GASB 68 and GASB 75 were so significant that pension expense was a negative \$1,273,092 in 2021, a change of \$1,366,401 from 2020. This part of the reduction in administrative expense then does not reflect changes in operations at AMHA but rather changes in the retirement system’s estimated funding of future retirement and health care commitments.

ANALYSIS OF CAPITAL ASSET ACTIVITY

The table below illustrates the changes in capital assets experienced from January 1, 2021 through December 31, 2021.

Table 3 - Changes in Capital Assets

	2021	Restated 2020
	Land	\$ 1,132,718
Buildings	36,374,230	35,567,496
Furniture, Equipment, and Machinery -		
Dwelling	705,218	705,218
Administrative	1,089,818	1,089,818
Construction in Process	391,535	815,658
Total Capital Assets	<u>39,693,519</u>	<u>39,310,908</u>
Accumulated Depreciation	<u>(31,642,543)</u>	<u>(30,501,518)</u>
Net Capital Assets	<u>\$ 8,050,976</u>	<u>\$ 8,809,390</u>

Increases in the various capital asset accounts, in the amount of \$382,611, have been offset by the net change to accumulated depreciation, in the amount of \$1,141,025. This reflects a net decrease in capital assets in the amount of \$758,414, or of 8.6 percent.

Debt

The Authority had one loan payable to the Rural Economic and Community Development Services. The total balance due on the loan at December 31, 2020 was \$28,973, and the balance at December 31, 2021 was \$26,681. Further detailed information is available in Note 9 to the financial statements.

Special Conditions and Economic Factors

Management is not aware of any facts, decisions, or conditions that would have a significant effect on the future operation of the Authority.

Contacting the Authority

This financial report is designed to provide a general overview of the Authority’s finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director of the Ashtabula Metropolitan Housing Authority.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets

Current Assets

Cash and Cash Equivalents - Unrestricted	\$ 2,930,723
Cash and Cash Equivalents - Restricted	177,132
Accounts Receivables, Net	213,680
Inventory, Net	250,606
Prepaid Expenses	81,558
Total Current Assets	3,653,699

Noncurrent Assets

Capital Assets:

Non-Depreciable Capital Assets	1,524,253
Depreciable Capital Assets, Net	6,526,723

Net Capital Assets	8,050,976
Net OPEB Asset	164,351
Total Noncurrent Assets	8,215,327
Total Assets	11,869,026

Deferred Outflows of Resources

Pension	198,164
OPEB	85,028

Total Deferred Outflows of Resources	283,192
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 12,152,218

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Liabilities

Current Liabilities

Accounts Payable	217,402
Accrued Wages and Payroll Taxes	107,458
Accrued Compensated Absences, Current	17,998
Interest Payable	152
Accounts Payable - Other Governments	56,197
Tenant Security Deposits	74,394
Unearned Revenues	27,406
Other Current Liabilities	14,438
Current Portion of Long-Term Debt	2,481
Total Current Liabilities	517,926

Non-Current Liabilities

Accrued Compensated Absences, Net of Current Portion	161,985
Long-Term Debt, Net of Current	24,200
Net Pension Liability	1,466,715

Total Non-Current Liabilities	1,652,900
Total Liabilities	2,170,826

Deferred Inflows of Resources

Pension	660,373
OPEB	519,273

Total Deferred Inflows of Resources	1,179,646
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Net Position

Net Investment in Capital Assets	8,024,295
Restricted Net Position	102,738
Unrestricted Net Position	674,713

Total Net Position	8,801,746
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 12,152,218

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

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>OPERATING REVENUES</u>	
Governmental Grants	\$ 6,361,268
Tenant Revenue	1,628,368
Other Revenue	396,526
Total Operating Revenues	<u>8,386,162</u>
<u>OPERATING EXPENSES</u>	
Administrative	585,679
Tenant Services	323,088
Utilities	797,336
Maintenance	2,097,898
Protective Services	60,024
Insurance and General	380,598
Housing Assistance Payments	2,876,057
Depreciation	1,141,025
Total Operating Expenses	<u>8,261,705</u>
Operating Income	<u>124,457</u>
<u>NON-OPERATING REVENUES / (EXPENSES)</u>	
Interest and Investment Revenue	1,994
Interest Expense	(1,735)
Total Non-Operating Revenues/(Expenses)	<u>259</u>
Change in Net Position before Capital Grants	124,716
Capital Grants	382,611
Change in Net Position	<u>507,327</u>
Total Net Position - Beginning, Restated	8,294,419
Total Net Position - Ending	<u><u>\$ 8,801,746</u></u>

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from HUD	\$ 6,090,741
Cash Received from Tenants	1,653,993
Cash Received from Other Sources	398,042
Cash Payment for Housing Assistance	(2,876,057)
Cash Payment for Administrative and Operating Expenses	(5,408,799)
Net Cash Provided (Used) by Operating Activities	<u>(142,080)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Cash Received for Interest Income	2,693
Net Cash Provided (Used) by Investing Activities	<u>2,693</u>

CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES

Capital Grant Funding Received from HUD	382,611
Property and Equipment Purchased	(382,611)
Payments of Related Debt	(2,292)
Payments for Interest on Debt	(1,734)
Net Cash Provided (Used) by Capital and Related Activities	<u>(4,026)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(143,413)

Cash and Cash Equivalents - Beginning of Year	3,251,268
Cash and Cash Equivalents - End of Year	<u>\$ 3,107,855</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Net Operating Income	\$ 124,457
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating	
Depreciation	1,141,025
(Increase) Decreases in	
Receivables	(111,806)
Inventories	(24,694)
Prepaid Expenses and Other Assets	(27,588)
OPEB Asset	(164,351)
Deferred Outflows	217,261
(Decreases) Increase in	
Accounts Payable	98,351
Accrued Liabilities	86,218
Intergovernmental Payables	(2,270)
Tenant Security Deposits	(548)
Unearned Revenue	(131,032)
Accrued Compensated Absences	(21,101)
Pension and OPEB Liability	(1,753,140)
Deferred Inflows	427,138
Net Cash Provided (Used) by Operating Activities	<u>\$ (142,080)</u>

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

Organization and Reporting Entity

The Ashtabula Metropolitan Housing Authority (the Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and the U.S. Department of Housing and Urban Development (HUD) under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the “primary government”. A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. The Authority has no component units based on the above considerations.

Basis of Presentation

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Authority will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board. The Authority’s basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Change in Net Position, and a Statement of Cash Flows.

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus and Basis of Accounting

The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the Authority are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates

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

Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Capital Assets

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight-line method based on the following estimated useful lives:

Buildings	40 years
Building Improvements	15 years
Land Improvements	15 years
Equipment	7 years
Autos	5 years
Computers	3 years

Investments

Investments are stated at fair value. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

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

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability. Information regarding compensated absences is detailed in Note 8.

Pensions / Other Postemployment Benefits (OPEB)

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.

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 6 and 7.

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 6 and 7.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)**

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing, used for the acquisition, construction, or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on their use by internal or external restrictions. The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted amounts are available.

Restatement of Net Position

The Authority has determined that the net position as of the end of 2020 should be restated based on corrections to Construction in Progress:

Net Postion - December 31, 2020	\$ 8,411,311
Restatement for Change in Construction in Progress	<u>(116,892)</u>
Net Position - Decmeber 31, 2020, Restated	<u>\$ 8,294,419</u>

NOTE 2: **CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2021, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest cost Incurred before the End of a Construction Period*. The objectives of this Statement are: (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and (2) to simplify accounting for interest cost incurred before the end of a construction period. These changes were incorporated in the Authority's financial statements; however, there was no effect on the beginning net position/fund balance.

NOTE 3: **DEPOSITS AND INVESTMENTS**

Deposits

At December 31, 2021, the carrying amount of the Authority's cash deposits was \$3,107,855 and its bank balance was \$3,197,719. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2021, deposits totaling \$341,023 were covered by Federal Depository Insurance and deposits totaling \$2,856,696 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, in the Authority's name.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

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

Deposits (Continued)

Custodial credit is the risk that, in the 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 ensure public deposits must maintain collateral in excess of 110 percent of deposits. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to at least 110 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve System in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held in the name of the Authority.

Investments

The Authority complies with HUD regulations that provide a list of financial instruments in which PHAs are permitted to invest. Investments are valued at market value. At December 31, 2021, the Authority had no investments.

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 that operating funds be invested primarily in short-term investments maturing within 2 years from the date of purchase and that its investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk

The credit risks of the Authority's investments are in the table below. The Authority has no investment policy that would further limit its investment choices.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the controller or qualified trustee.

Concentration of Credit Risk

The Authority places no limit on the amount it may invest in any one insurer. The Authority's deposits in financial institutions represent 100 percent of its deposits.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

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

Restricted Cash

The restricted cash balance of \$177,132 on the financial statements represents the following:

Cash Held for South Ridge Village Reserve for Replacements	\$ 91,023
Cash Held for South Ridge Village Escrows	6,000
Unspent Funding Provided for Payment of Section 8 Housing Assistance Payments - Housing Choice Voucher and Mainstream Vouchers	5,715
Tenant Security Deposits Liability	74,394
Total Restricted Cash	<u><u>\$ 177,132</u></u>

NOTE 4: **ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2021 consisted of the following:

HUD	\$ 160,264
Tenants, net of allowance of \$123,299	27,403
Accounts Receivable - Other Government	26,013
Total Accounts Receivable	<u><u>\$ 213,680</u></u>

NOTE 5: **CAPITAL ASSETS**

A summary of capital assets at December 31, 2021 by class is as follows:

	Balance 1/1/2021	Reclasses	Additions	Deletions	Balance 12/31/2021
<u>Capital Assets Not Being Depreciated</u>					
Land	\$ 1,132,718	\$ 0	\$ 0	\$ 0	\$ 1,132,718
Construction in Progress	815,658	(806,734)	382,611	0	391,535
Total Capital Assets Not Being Depreciated	<u>1,948,376</u>	<u>(806,734)</u>	<u>382,611</u>	<u>0</u>	<u>1,524,253</u>
<u>Capital Assets Being Depreciated</u>					
Buildings and Improvements	35,567,496	806,734	0	0	36,374,230
Furniture, Machinery, and Equipment - Dwelling	705,218	0	0	0	705,218
Administrative	1,089,818	0	0	0	1,089,818
Total Capital Assets Being Depreciated	<u>37,362,532</u>	<u>806,734</u>	<u>0</u>	<u>0</u>	<u>38,169,266</u>
<u>Accumulated Depreciation</u>					
Buildings	(28,886,019)	0	(1,083,175)	0	(29,969,194)
Furniture, Machinery, and Equipment	(1,615,499)	0	(57,850)	0	(1,673,349)
Total Accumulated Depreciation	<u>(30,501,518)</u>	<u>0</u>	<u>(1,141,025)</u>	<u>0</u>	<u>(31,642,543)</u>
Capital Assets Being Depreciated, Net	<u>6,861,014</u>	<u>806,734</u>	<u>(1,141,025)</u>	<u>0</u>	<u>6,526,723</u>
Total Capital Assets, Net	<u><u>\$ 8,809,390</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (758,414)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 8,050,976</u></u>

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS**

Net Pension Liability

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

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

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 accrued wages and payroll taxes.

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.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (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.

During 2019, the OPERS Board of Trustees approved changes to the Combined Plan and the Member-Directed Plan. Beginning in 2022, the Combined Plan will be consolidated under the Traditional Plan. Effective January 1, 2022, the Combined Plan option will no longer be available for new hires. The Member-Directed Plan will be modified with changes to the vesting schedule, annuitization, mitigating rate, cost-of-living adjustment and retiree medical account funding. These changes would impact future new members and are in the process of being implemented and the final implementation date will be determined in conjunction with Group D, discussed below.

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’ comprehensive annual financial report 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 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 62 with 60 months of service credit or Age 57 with 25 years of service credit
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	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	Formula: 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.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

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 2019, the COLA is 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.

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 future new OPERS contributing members. 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. The date of implementation will be determined when finalized changes are approved.

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.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)**

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2021 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.

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 postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2021 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 2021. The Authority's contractually required contributions used to fund pension benefits was \$193,322 for fiscal year ending December 31, 2021. Of this amount, \$ 31,675 is reported as accrued wages and payroll taxes.

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

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

	OPERS Traditional Pension Plan
Proportion of the Net Pension Liability:	
Prior Measurement Date	0.009868%
Proportion of the Net Pension Liability:	
Current Measurement Date	0.009905%
Change in Proportionate Share	0.000037%
Proportionate Share of the Net Pension Liability	\$ 1,466,715
Pension Expense	\$ (41,970)

At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan
Deferred Outflows of Resources	
Changes in proportion and differences between Authority contributions and proportionate share of contributions	\$ 4,842
Authority contributions subsequent to the measurement date	193,322
Total Deferred Outflows of Resources	\$ 198,164
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 571,683
Differences between expected and actual experience	61,353
Changes in proportion and differences between Authority contributions and proportionate share of contributions	27,337
Total Deferred Inflows of Resources	\$ 660,373

\$193,322 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 December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan
Year Ending December 31:	
2022	\$ (265,459)
2023	(79,065)
2024	(233,038)
2025	(77,969)
Total	\$ (655,531)

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (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, 2020, 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 COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 0.50 percent, simple through 2021, 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.

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.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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, 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 11.7 percent for 2020.

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 2020 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	<u>100.00 %</u>	5.43 %

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.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 6: **DEFINED BENEFIT PENSION PLANS** (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:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Authority's proportionate share of the net pension liability	\$ 2,797,766	\$ 1,466,715	\$ 359,948

NOTE 7: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Asset

The net OPEB asset reported on the statement of net position represents an asset 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 asset 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 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 these estimates annually.

Ohio Revised Code limits the Authority's obligation for this asset 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.

GASB 75 assumes any 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 asset. Resulting adjustments to the net OPEB asset 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.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
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(CONTINUED)

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Net OPEB Asset (Continued)

The proportionate share of each plan's funded benefits is presented as a long-term *net OPEB asset*. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in accrued wages and payroll taxes.

Plan Description – Ohio Public Employees Retirement System (OPERS)

The 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' Comprehensive Annual Financial Report 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. Beginning in 2018, health care was no longer being funded.

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ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS) (Continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, 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.

As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. 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 2021 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 \$2,681 for 2021.

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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 asset 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	0.009190%
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.009225%
Change in Proportionate Share	0.000035%
Proportionate Share of the Net OPEB Asset	\$ 164,351
OPEB Expense	\$ (1,035,119)

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NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Changes of assumptions	\$ 80,797
Changes in proportion and differences between Authority contributions and proportionate share of contributions	1,550
Authority contributions subsequent to the measurement date	2,681
Total Deferred Outflows of Resources	\$ 85,028
Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 87,538
Differences between expected and actual experience	148,326
Changes of assumptions	266,297
Changes in proportion and differences between Authority contributions and proportionate share of contributions	17,112
Total Deferred Inflows of Resources	\$ 519,273

\$2,681 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 asset in fiscal year 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending December 31:	
2022	\$ (236,156)
2023	(152,415)
2024	(38,039)
2025	(10,316)
Total	\$ (436,926)

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.

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ASHTABULA COUNTY, OHIO
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(CONTINUED)

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (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, 2019, rolled forward to the measurement date of December 31, 2020. 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	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	2.00 percent
Health Care Cost Trend Rate	8.50 percent initial, 3.50 percent ultimate in 2035
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.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

During 2020, 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 10.5 percent for 2020.

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 2020 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	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 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 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 7: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

Sensitivity of the Authority’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the Authority’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the Authority’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority’s proportionate share of the net OPEB asset	\$ 40,867	\$ 164,351	\$ 265,865

Sensitivity of the Authority’s Proportionate Share of the Net OPEB Asset 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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset 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 2021 is 8.50 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 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 asset	\$ 168,356	\$ 164,351	\$ 159,869

NOTE 8: **COMPENSATED ABSENCES**

Vacation and sick leave policies are established by the Board of Directors based on local and state laws.

All permanent employees will earn 4.64 hours sick leave per eighty (80) hours of service. Unused sick leave may be accumulated up to 960 hours. Upon separation employees are not paid for sick leave not taken, except for one-fourth (1/4) accumulated sick leave upon retirement. All permanent employees will earn vacation hours accumulated based on length of service. All vacation time earned must be used in the year earned without accumulation. Upon separation, no payment for unused vacation is made to employees.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

NOTE 8: COMPENSATED ABSENCES (Continued)

At December 31, 2021, based on the vesting method, \$179,983 was accrued by the Authority for unused vacation and sick time. The current portion is \$17,998 and the long-term portion is \$161,985.

NOTE 9: LONG-TERM DEBT – DIRECT BORROWINGS

Changes in the Authority’s long-term liabilities during fiscal year 2021 are as follows:

	Balance at 1/1/2021	Additions	Deletions	Balance at 12/31/2021	Due Within One Year
Loan Payable - Rural Economic and Community Development - 8% Interest - \$37,926 dated January 1, 2016	\$ 28,973	\$ 0	\$ (2,292)	\$ 26,681	\$ 2,481
Compensated Absences	201,084	0	(21,101)	179,983	17,998
Net Pension Liability	1,950,477	0	(483,762)	1,466,715	0
Net OPEB Liability	1,269,378	0	(1,269,378)	0	0
Total Long-Term Liabilities	\$ 3,449,912	\$ 0	\$ (1,776,533)	\$ 1,673,379	\$ 20,479

Long-term debt consists of one term loan payable issued by Rural Housing Service. The debt was most recently re-amortized January 1, 2016 in the amount of \$37,926. The rate of the note is 8 percent, but the interest is subsidized in an amount of \$42 per month. The note is payable over a period of 15 years. Monthly payments made by the Authority are \$335. In the event of default, the government may declare all indebtedness to be immediately due and payable. The balance due at December 31, 2021 is \$26,681.

The following is a summary of the Authority’s future debt service requirements for mortgages payable as of December 31, 2021:

For the Year Ended December 31	Principal	Interest	Total Payments
2022	\$ 2,481	\$ 1,545	\$ 4,026
2023	2,687	1,339	4,026
2024	2,910	1,116	4,026
2025	3,152	874	4,026
2026	3,414	612	4,026
2027-2029	12,037	381	12,418
Total	\$ 26,681	\$ 5,867	\$ 32,548

NOTE 10: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ending December 31, 2021, the Authority maintained comprehensive insurance coverage with private carriers for real estate property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

NOTE 10: RISK MANAGEMENT (Continued)

The Authority is a member of HARGG, which is a risk retention group operated as a joint venture by its more than 1,000 public housing authority members. Through HARGG, the Authority carries general liability coverage, public officials' liability coverage, and commercial auto coverage.

The Authority is also a member of HAPI, which is a property insurance group operated as a joint venture by its more than 1,000 public housing authority members. Through HAPI, the Authority carries commercial property and fidelity coverage.

Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively.

NOTE 11: RESTRICTED NET POSITION

The Authority's restricted net position is as follows:

Cash Held for South Ridge Village Reserve for Replacement	\$ 91,023
Cash Held for South Ridge Village Escrows	6,000
Unspent Funding Provided by HUD to pay Section 8 Housing Choice Voucher and Mainstream Voucher Housing Assistance Payments	5,715
Total Restricted Net Position	\$ 102,738

NOTE 12: CONTINGENCIES

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 13: CONSTRUCTION AND OTHER COMMITMENTS

The Authority has no material construction commitments at December 31, 2021.

NOTE 14: SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2021, the Authority approved payments to and on behalf of former employees as part of agreed-upon separation agreements. The cost of the separation agreements to the Authority is estimated to total \$200,000. The payments are expected to be made in 2022.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
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NOTE 15: **COVID-19**

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. The investments of the pension and other postemployment benefit plan in which the Authority participates fluctuate with market conditions and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Authority's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS (1)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's Proportion of the Net Pension Liability	0.009905%	0.009868%	0.010449%	0.010874%	0.011725%	0.011141%	0.010781%	0.010781%
Authority's Proportionate Share of the Net Pension Liability	\$ 1,466,715	\$ 1,950,477	\$ 2,861,770	\$ 1,705,920	\$ 2,662,546	\$ 1,929,761	\$ 1,300,309	\$ 1,270,939
Authority's Covered Payroll	\$ 1,395,085	\$ 1,470,509	\$ 1,411,329	\$ 1,436,984	\$ 1,517,886	\$ 1,386,591	\$ 1,322,926	\$ 1,297,373
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.13%	132.64%	202.77%	118.72%	175.41%	139.17%	98.29%	97.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(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.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS – PENSION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contributions	\$ 193,322	\$ 195,312	\$ 205,871	\$ 197,586	\$ 186,808	\$ 182,147	\$ 166,391	\$ 158,495	\$ 168,658	\$ 120,938
Contributions in Relation to the Contractually Required Contribution	<u>\$ (193,322)</u>	<u>\$ (195,312)</u>	<u>\$ (205,871)</u>	<u>\$ (197,586)</u>	<u>\$ (186,808)</u>	<u>\$ (182,147)</u>	<u>\$ (166,391)</u>	<u>\$ (158,495)</u>	<u>\$ (168,658)</u>	<u>\$ (120,938)</u>
Contribution Deficiency / (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Authority's Covered Payroll	\$ 1,380,871	\$ 1,395,085	\$ 1,470,509	\$ 1,411,329	\$ 1,436,984	\$ 1,517,886	\$ 1,386,591	\$ 1,322,926	\$ 1,297,373	\$ 1,209,379
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	11.98%	13.00%	10.00%

See accompanying notes to the required supplementary information

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability/Asset	0.009225%	0.009190%	0.009730%	0.010140%	0.010970%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (164,351)	\$ 1,269,378	\$ 1,268,560	\$ 1,101,129	\$ 1,108,007
Authority's Covered Payroll	\$ 1,395,085	\$ 1,470,509	\$ 1,411,329	\$ 1,436,984	\$ 1,517,886
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-11.78%	86.32%	89.88%	76.63%	73.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	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

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 2,681	\$ -	\$ -	\$ -	\$ 14,370	\$ 30,358	\$ 27,732	\$ 26,723	\$ 12,974	\$ 48,375
Contributions in Relation to the Contractually Required Contribution	<u>(2,681)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,370)</u>	<u>(30,358)</u>	<u>(27,732)</u>	<u>(26,723)</u>	<u>(12,974)</u>	<u>(48,375)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Authority's Covered Payroll	\$ 1,447,891	\$ 1,395,085	\$ 1,470,509	\$ 1,411,329	\$ 1,436,984	\$ 1,517,886	\$ 1,386,591	\$ 1,322,926	\$ 1,297,373	\$ 1,209,379
Contributions as a Percentage of Covered Payroll	0.19%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%	2.02%	1.00%	4.00%

See accompanying notes to the required supplementary information

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

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 2014-2021.

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. For 2021, 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 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2021.

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%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035.

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

FEDERAL GRANTOR/ Pass-Through Grantor/ Program/Title	Assistance Listing Number	Federal Expenditures	Loan Balance
<u>U.S. Department of Housing and Urban Development</u>			
<i>Direct Programs:</i>			
Public Housing Programs			
Public and Indian Housing	14.850	\$ 2,518,350	\$ 0
Public and Indian Housing - CARES Act	14.850	267,362	0
<i>Total ALN #14.850</i>		<u>2,785,712</u>	<u>0</u>
Public Housing Capital Fund	14.872	817,851	0
Section 8 Project Based Cluster:			
Section 8 Housing Assistance Payments Program	* 14.195	187,555	0
Total Section 8 Project Based Cluster		<u>187,555</u>	<u>0</u>
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	2,529,859	0
Section 8 Housing Choice Vouchers - CARES Act	14.871	125,492	0
<i>Total ALN #14.871</i>		<u>2,655,351</u>	<u>0</u>
Mainstream Vouchers	14.879	282,750	0
Mainstream Vouchers - CARES Act	14.879	14,660	0
<i>Total ALN #14.879</i>		<u>297,410</u>	<u>0</u>
Total Housing Voucher Cluster		<u>2,952,761</u>	<u>0</u>
Total U.S. Department of Housing and Urban Development		<u>6,743,879</u>	<u>0</u>
<u>U.S. Department of Agriculture</u>			
<i>Direct Programs:</i>			
Rural Rental Housing Loans	10.415	0	28,973
Total U.S. Department of Agriculture		<u>0</u>	<u>28,973</u>
Total Expenditures of Federal Awards		<u>\$ 6,743,879</u>	<u>\$ 28,973</u>

* Represents rental assistance to South Ridge Village Housing Project #41-004-341031866

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

NOTE 1: **PRESENTATION**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) includes the federal award activity of the Ashtabula Metropolitan Housing Authority under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Ashtabula Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of Ashtabula Metropolitan Housing Authority.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

NOTE 3: **INDIRECT COST RATE**

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

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
FINANCIAL DATA SCHEDULE - ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,671,958			\$258,739	\$57,084	\$202,675			\$740,267	\$2,930,723		\$2,930,723
113 Cash - Other Restricted				\$97,023	\$203	\$5,512				\$102,738		\$102,738
114 Cash - Tenant Security Deposits	\$65,407			\$8,987						\$74,394		\$74,394
100 Total Cash	\$1,737,365	\$0	\$0	\$364,749	\$57,287	\$208,187	\$0	\$0	\$740,267	\$3,107,855	\$0	\$3,107,855
122 Accounts Receivable - HUD Other Projects	\$46,000	\$114,264					\$0			\$160,264		\$160,264
124 Accounts Receivable - Other Government							\$26,013			\$26,013		\$26,013
126 Accounts Receivable - Tenants	\$140,411			\$10,291						\$150,702		\$150,702
126.1 Allowance for Doubtful Accounts - Tenants	-\$113,617			-\$9,682						-\$123,299		-\$123,299
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$72,794	\$114,264	\$0	\$609	\$0	\$0	\$26,013	\$0	\$0	\$213,680	\$0	\$213,680
142 Prepaid Expenses and Other Assets	\$30,629			\$2,265		\$1,828			\$46,836	\$81,558		\$81,558
143 Inventories	\$177,703					\$0			\$79,891	\$257,594		\$257,594
143.1 Allowance for Obsolete Inventories	-\$5,241					\$0			-\$1,747	-\$6,988		-\$6,988
144 Inter Program Due From	\$114,264					\$26,013				\$140,277	-\$140,277	\$0
150 Total Current Assets	\$2,127,514	\$114,264	\$0	\$367,623	\$57,287	\$236,028	\$26,013	\$0	\$865,247	\$3,793,976	-\$140,277	\$3,653,699
161 Land	\$872,035			\$128,500		\$10,243			\$121,940	\$1,132,718		\$1,132,718
162 Buildings	\$31,997,862			\$1,290,507					\$3,085,861	\$36,374,230		\$36,374,230
163 Furniture, Equipment & Machinery - Dwellings	\$481,036			\$155,482					\$68,700	\$705,218		\$705,218
164 Furniture, Equipment & Machinery - Administration	\$872,183			\$22,804		\$55,769			\$139,062	\$1,089,818		\$1,089,818
166 Accumulated Depreciation	-\$27,461,711			-\$1,390,740		-\$44,026			-\$2,746,066	-\$31,642,543		-\$31,642,543
167 Construction in Progress	\$391,535									\$391,535		\$391,535
160 Total Capital Assets, Net of Accumulated Depreciation	\$7,152,940	\$0	\$0	\$206,553	\$0	\$21,986	\$0	\$0	\$669,497	\$8,050,976	\$0	\$8,050,976
174 Other Assets	\$106,007			\$13,641		\$26,296			\$18,407	\$164,351		\$164,351
180 Total Non-Current Assets	\$7,258,947	\$0	\$0	\$220,194	\$0	\$48,282	\$0	\$0	\$687,904	\$8,215,327	\$0	\$8,215,327
200 Deferred Outflow of Resources	\$182,660			\$23,505		\$45,310			\$31,717	\$283,192		\$283,192
290 Total Assets and Deferred Outflow of Resources	\$9,569,121	\$114,264	\$0	\$611,322	\$57,287	\$329,620	\$26,013	\$0	\$1,584,868	\$12,292,495	-\$140,277	\$12,152,218

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
FINANCIAL DATA SCHEDULE - ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	\$27,820			\$3,876					\$185,706	\$217,402		\$217,402
321 Accrued Wage/Payroll Taxes Payable	\$26,453			\$5,041		\$15,970			\$59,994	\$107,458		\$107,458
322 Accrued Compensated Absences - Current Portion	\$12,121			\$2,554		\$1,543			\$1,780	\$17,998		\$17,998
325 Accrued Interest Payable				\$152						\$152		\$152
333 Accounts Payable - Other Government	\$56,197									\$56,197		\$56,197
341 Tenant Security Deposits	\$65,407			\$8,987						\$74,394		\$74,394
342 Unearned Revenue	\$24,006			\$3,400						\$27,406		\$27,406
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				\$2,481						\$2,481		\$2,481
345 Other Current Liabilities									\$14,438	\$14,438		\$14,438
347 Inter Program - Due To		\$114,264					\$26,013			\$140,277	-\$140,277	\$0
310 Total Current Liabilities	\$212,004	\$114,264	\$0	\$26,491	\$0	\$17,513	\$26,013	\$0	\$261,918	\$658,203	-\$140,277	\$517,926
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				\$24,200						\$24,200		\$24,200
354 Accrued Compensated Absences - Non Current	\$109,086			\$22,988		\$13,887			\$16,024	\$161,985		\$161,985
357 Accrued Pension and OPEB Liabilities	\$946,031			\$121,737		\$234,674			\$164,273	\$1,466,715		\$1,466,715
350 Total Non-Current Liabilities	\$1,055,117	\$0	\$0	\$168,925	\$0	\$248,561	\$0	\$0	\$180,297	\$1,652,900	\$0	\$1,652,900
300 Total Liabilities	\$1,267,121	\$114,264	\$0	\$195,416	\$0	\$266,074	\$26,013	\$0	\$442,215	\$2,311,103	-\$140,277	\$2,170,826
400 Deferred Inflow of Resources	\$760,871			\$97,911		\$188,744			\$132,120	\$1,179,646		\$1,179,646
508.4 Net Investment in Capital Assets	\$7,152,940	\$0	\$0	\$179,872		\$21,986	\$0	\$0	\$669,497	\$8,024,295		\$8,024,295
511.4 Restricted Net Position	\$0	\$0	\$0	\$97,023	\$203	\$5,512	\$0	\$0		\$102,738		\$102,738
512.4 Unrestricted Net Position	\$388,189	\$0	\$0	\$41,100	\$57,084	-\$152,696	\$0	\$0	\$341,036	\$674,713		\$674,713
513 Total Equity - Net Assets / Position	\$7,541,129	\$0	\$0	\$317,995	\$57,287	-\$125,198	\$0	\$0	\$1,010,533	\$8,801,746	\$0	\$8,801,746
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$9,569,121	\$114,264	\$0	\$611,322	\$57,287	\$329,620	\$26,013	\$0	\$1,584,868	\$12,292,495	-\$140,277	\$12,152,218

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
FINANCIAL DATA SCHEDULE - ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$1,279,830			\$140,357						\$1,420,187		\$1,420,187
70400 Tenant Revenue - Other	\$189,478			\$18,703						\$208,181		\$208,181
70500 Total Tenant Revenue	\$1,469,308	\$0	\$0	\$159,060	\$0	\$0	\$0	\$0	\$0	\$1,628,368	\$0	\$1,628,368
70600 HUD PHA Operating Grants	\$2,953,590	\$267,362	\$14,660	\$187,555	\$282,750	\$2,529,859		\$125,492		\$6,361,268		\$6,361,268
70610 Capital Grants	\$382,611									\$382,611		\$382,611
70710 Management Fee									\$513,308	\$513,308	-\$513,308	\$0
70720 Asset Management Fee									\$66,600	\$66,600	-\$66,600	\$0
70730 Book Keeping Fee									\$48,950	\$48,950	-\$48,950	\$0
70700 Total Fee Revenue									\$628,858	\$628,858	-\$628,858	\$0
70800 Other Government Grants							\$322,360			\$322,360		\$322,360
71100 Investment Income - Unrestricted									\$1,985	\$1,985		\$1,985
71400 Fraud Recovery						\$28,554				\$28,554		\$28,554
71500 Other Revenue	\$9,025			\$5,532		\$4,077			\$26,978	\$45,612		\$45,612
72000 Investment Income - Restricted				\$9						\$9		\$9
70000 Total Revenue	\$4,814,534	\$267,362	\$14,660	\$352,156	\$282,750	\$2,562,490	\$322,360	\$125,492	\$657,821	\$9,399,625	-\$628,858	\$8,770,767
91100 Administrative Salaries	\$356,025	\$77,196	\$567	\$60,303	\$27,835	\$198,707	\$18,763	\$6,798	\$175,152	\$921,346		\$921,346
91200 Auditing Fees	\$9,204			\$767		\$2,301			\$3,068	\$15,340		\$15,340
91300 Management Fee	\$513,308									\$513,308	-\$513,308	\$0
91310 Book-keeping Fee	\$48,950									\$48,950	-\$48,950	\$0
91400 Advertising and Marketing									\$2,047	\$2,047		\$2,047
91500 Employee Benefit contributions - Administrative	\$71,065			\$10,369	\$11,770	-\$345,545	\$7,775		-\$569,385	-\$813,951		-\$813,951
91600 Office Expenses	\$45,995			\$895	\$1,767	\$12,785			\$51,216	\$112,658		\$112,658
91700 Legal Expense	\$2,515								\$215,850	\$218,365		\$218,365
91800 Travel	\$693			\$36		\$240			\$4,749	\$5,718		\$5,718
91900 Other									\$124,156	\$124,156		\$124,156
91000 Total Operating - Administrative	\$1,047,755	\$77,196	\$567	\$72,370	\$41,372	-\$131,512	\$26,538	\$6,798	\$6,853	\$1,147,937	-\$562,258	\$585,679
92000 Asset Management Fee	\$66,600									\$66,600	-\$66,600	\$0
92100 Tenant Services - Salaries			\$1,349					\$12,628		\$13,977		\$13,977
92400 Tenant Services - Other	\$135	\$190,166	\$12,744					\$106,066		\$309,111		\$309,111
92500 Total Tenant Services	\$135	\$190,166	\$14,093	\$0	\$0	\$0	\$0	\$118,694	\$0	\$323,088	\$0	\$323,088
93100 Water	\$302,212			\$8,538					\$1,333	\$312,083		\$312,083
93200 Electricity	\$208,164			\$23,093					\$5,724	\$236,981		\$236,981
93300 Gas	\$45,985			\$12,009					\$2,110	\$60,104		\$60,104
93600 Sewer	\$161,493			\$26,209					\$466	\$188,168		\$188,168
93000 Total Utilities	\$717,854	\$0	\$0	\$69,849	\$0	\$0	\$0	\$0	\$9,633	\$797,336	\$0	\$797,336
94100 Ordinary Maintenance and Operations - Labor	\$584,974			\$70,797						\$655,771		\$655,771
94200 Ordinary Maintenance and Operations - Materials and Other	\$291,867			\$27,498	\$138	\$995			\$10,478	\$330,976		\$330,976
94300 Ordinary Maintenance and Operations Contracts	\$802,379			\$59,627	\$1,884	\$13,626			\$93,161	\$970,677		\$970,677
94500 Employee Benefit Contributions - Ordinary Maintenance	\$126,518			\$12,174						\$138,692		\$138,692
94000 Total Maintenance	\$1,805,738	\$0	\$0	\$170,096	\$2,022	\$14,621	\$0	\$0	\$103,639	\$2,096,116	\$0	\$2,096,116
95200 Protective Services - Other Contract Costs	\$33,261			\$3,662		\$598			\$22,503	\$60,024		\$60,024
95000 Total Protective Services	\$33,261	\$0	\$0	\$3,662	\$0	\$598	\$0	\$0	\$22,503	\$60,024	\$0	\$60,024

ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY, OHIO
FINANCIAL DATA SCHEDULE - ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE YEAR ENDED DECEMBER 31, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
96110 Property Insurance	\$134,460			\$12,047					\$9,126	\$155,633		\$155,633
96120 Liability Insurance						\$10,651				\$10,651		\$10,651
96100 Total insurance Premiums	\$134,460	\$0	\$0	\$12,047	\$0	\$10,651	\$0	\$0	\$9,126	\$166,284	\$0	\$166,284
96200 Other General Expenses	\$715			\$107		\$107				\$929		\$929
96210 Compensated Absences	\$8,084			\$5,083						\$13,167		\$13,167
96300 Payments in Lieu of Taxes	\$56,197									\$56,197		\$56,197
96400 Bad debt - Tenant Rents	\$119,195			\$10,388						\$129,583		\$129,583
96800 Severance Expense								\$14,438	\$14,438	\$14,438		\$14,438
96000 Total Other General Expenses	\$184,191	\$0	\$0	\$15,578	\$0	\$107	\$0	\$0	\$14,438	\$214,314	\$0	\$214,314
96710 Interest of Mortgage (or Bonds) Payable				\$1,735						\$1,735		\$1,735
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$1,735	\$0	\$0	\$0	\$0	\$0	\$1,735	\$0	\$1,735
96900 Total Operating Expenses	\$3,989,994	\$267,362	\$14,660	\$345,337	\$43,394	-\$105,535	\$26,538	\$125,492	\$166,192	\$4,873,434	-\$628,858	\$4,244,576
97000 Excess of Operating Revenue over Operating Expenses	\$824,540	\$0	\$0	\$6,819	\$239,356	\$2,668,025	\$295,822	\$0	\$491,629	\$4,526,191	\$0	\$4,526,191
97200 Casualty Losses - Non-capitalized	\$1,782									\$1,782		\$1,782
97300 Housing Assistance Payments					\$237,521	\$2,339,114	\$295,822			\$2,872,457		\$2,872,457
97350 HAP Portability-In						\$3,600				\$3,600		\$3,600
97400 Depreciation Expense	\$1,068,326			\$33,360		\$4,998		\$34,341		\$1,141,025		\$1,141,025
90000 Total Expenses	\$5,060,102	\$267,362	\$14,660	\$378,697	\$280,915	\$2,242,177	\$322,360	\$125,492	\$200,533	\$8,892,298	-\$628,858	\$8,263,440
10010 Operating Transfer In	\$290,160									\$290,160	-\$290,160	\$0
10020 Operating transfer Out	-\$290,160									-\$290,160	\$290,160	\$0
10091 Inter Project Excess Cash Transfer In	\$189,000									\$189,000	-\$189,000	\$0
10092 Inter Project Excess Cash Transfer Out	-\$189,000									-\$189,000	\$189,000	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$245,568	\$0	\$0	-\$26,541	\$1,835	\$320,313	\$0	\$0	\$457,288	\$507,327	\$0	\$507,327
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$2,292	\$0	\$0	\$0	\$0	\$0	\$2,292		\$2,292
11030 Beginning Equity	\$7,903,589	\$0	\$0	\$344,536	\$55,452	-\$445,511	\$0	\$0	\$553,245	\$8,411,311		\$8,411,311
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$116,892									-\$116,892		-\$116,892
11170 Administrative Fee Equity						-\$130,710				-\$130,710		-\$130,710
11180 Housing Assistance Payments Equity						\$5,512				\$5,512		\$5,512
11190 Unit Months Available	6660			480	720	5688	736			14284		14284
11210 Number of Unit Months Leased	6548			474	718	5195	736			13671		13671
11270 Excess Cash	\$1,392,010									\$1,392,010		\$1,392,010
11620 Building Purchases	\$382,611								\$0	\$382,611		\$382,611

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

Ashtabula Metropolitan Housing Authority
Ashtabula County
3526 Lake Avenue
Ashtabula, Ohio 44004

To the Director and Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **Ashtabula Metropolitan Housing Authority**, Ashtabula County, (the Authority) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements and have issued our report thereon dated June 28, 2022.

Report on Internal Control Over Financial Reporting

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

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

Tax - Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations
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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 28, 2022

**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**

Ashtabula Metropolitan Housing Authority
Ashtabula County
3526 Lake Avenue
Ashtabula, Ohio 44004

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Ashtabula Metropolitan Housing Authority’s**, (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Ashtabula Metropolitan Housing Authority’s major federal programs for the year ended December 31, 2021. Ashtabula Metropolitan Housing Authority’s major federal programs are identified in the *Summary of Auditor’s Results* section of the accompanying schedule of findings.

In our opinion, Ashtabula Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

Tax - Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll – Litigation Support – Financial Investigations
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We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Authority's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 28, 2022

**ASHTABULA METROPOLITAN HOUSING AUTHORITY
ASHTABULA COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED DECEMBER 31, 2021**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None



Ashtabula

METROPOLITAN HOUSING AUTHORITY

3526 LAKE AVENUE, ASHTABULA, OHIO 44004

(OFFICE) 440 992 3156 (FAX) 440 992 7947

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
FOR THE YEAR ENDED DECEMBER 31, 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Unallowable Expenditures – Personal Legal Expenses	Corrective Action Taken and Finding is Fully Corrected	N/A

OHIO AUDITOR OF STATE KEITH FABER



ASHTABULA METROPOLITAN HOUSING AUTHORITY

ASHTABULA 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 8/18/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov