OHIO AUDITOR OF STATE
KEITH FABER

CLINTON METROPOLITAN HOUSING AUTHORITY
CLINTON COUNTY
DECEMBER 31, 2020

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Clinton Metropolitan Housing Authority
Clinton County
478 Thorne Avenue
Wilmington, Ohio 45177

To the Board of Directors:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of December 31, 2020, 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.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio
November 1, 2022

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This Management's Discussion and Analysis (MD&A) for the Clinton Metropolitan Housing Authority (the Authority) is intended to assist the reader in identifying what management feels are significant financial issues, provide an overview of the financial activity for the year, and identify and offer a discussion about changes in Clinton Metropolitan Housing Authority's financial position. It is designed to focus on the financial activity for the fiscal year ended December 31, 2020, resulting changes and currently known facts. Please read it in conjunction with the financial statements found elsewhere in this report.

Financial Highlights

- The Authority's net position decreased by $17,006 during 2020. Since the Authority engages in only business-type activities, the decrease is in the category of business-type net position. Net position was $119,597 at fiscal year-end 2019 and net position at fiscal year-end 2020 was $102,591.

- Revenues decreased by $37,390 (or 2.28%) during 2020.

- The total expenses of all Authority programs decreased by only $105 during 2020.

- In March 29020, the United States and the State of Ohio declared a state of emergency due to the COVID-19 pandemic. HUD provided additional funds to the Authority's Public Housing and Housing Choice Voucher programs to help the Authority prepare for, prevent, and respond to the coronavirus, which helped the Authority maintain normal operations during the period.

Overview of the Authority's Financial Statements

The Basic Financial Statements included elsewhere in this report are:

Statement of Net Position
Statement of Revenues, Expenses, and Changes in Net Position, and
Statement of Cash Flows

The Statement of Net Position is very similar to, and what most people would think of as, a Balance Sheet. In the first half it generally reports the value of assets the Authority holds at December 31, 2020, that is, the cash the Authority has, the amounts that are owed the Authority from others, and the value of the equipment the Authority owns. In the other half of the report, it generally shows the liabilities the Authority has, that is what the Authority owes others at December 31, 2020; and what Net Position (or what is commonly referred to as Equity) the Authority has at December 31, 2020. The two parts of the report are in balance, thus why many might refer to this type of report as a balance sheet, in that the total of the assets part equals the total of the liabilities plus net position (or equity) part.

In the statement, Net Position is broken out into three broad categories:

Investment in Capital Assets
Restricted Net Position, and
Unrestricted Net Position

The balance in Net Investment in Capital Assets reflects the value of capital assets, that is assets such as land, buildings, and equipment, reported in the top part of the statement reduced by the amount of accumulated depreciation of those assets and by the outstanding amount of debt yet owned on those assets.

The balance in Restricted Net Position reflects the value of assets reported in the top part of the statement that are restricted for use by law or regulation, or when use of those assets is restricted by constraints placed on the assets by creditors.
The balance in Unrestricted Net Position is what is left over of net position after what is classified in the two previously mentioned components of net position. It reflects the value of assets available to the Authority to use to further its purposes.

The Authority's financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position, which is similar to an Income Statement. It is in essence a report showing what the Authority earned, that is what its revenues or incomes were, versus what expenses the Authority had over the same period. It shows how the fund balance (or net position or equity) changed because of how the incomes exceeded or were less than what expenses were. It helps the reader to determine if the Authority had more in revenues than in expenses or vice-versa, and then how that net gain or net loss affected the Fund Balance (or net position or equity). The bottom line of the report, the Ending Total Net Position, is what is referred to in the above discussion of the Statement of Net Position that, when added to the liabilities and deferred inflows of resources, the Authority has equaled the total assets and deferred inflows of resources the Authority has.

The Statement of Cash Flows is a report that shows how the amount of cash the Authority had at the end of the previous year was impacted by the activities of the current year. It breaks out in general categories the cash coming in, and the cash going out. It helps the reader to understand the sources and uses of cash by the Authority during the year, to include a measurement of cash gained or used by operating activities, by activities related to acquiring capital assets, and by activities related to investing activities.

Clinton Metropolitan Housing Authority's Business-Type Funds

The financial statements included elsewhere in this report are presented using the Authority-wide perspective meaning the activity reported reflects the summed results of all the programs, or business - type funds of the Authority. The Authority consists exclusively of Enterprise Funds. The full accrual basis of accounting is used for Enterprise Funds. That method of accounting is very similar to accounting used in the private sector.

Clinton Metropolitan Housing Authority's programs include the following:

The Housing Choice Voucher program, and
Business Activities.

Section 8 Housing Choice Vouchers Program

Under the Section 8 Housing Choice Vouchers (HCV) Program, the Authority subsidizes the rent of low to moderate income families and individuals via Housing Assistance Payments Contracts with private, independent landlords. The Program is "tenant-based", meaning the subsidy is attached to the family, not the property. The Program is administered under and funds flow from HUD by virtue of an Annual Contributions Contract ("ACC"). HUD provides funding adequate to assure that participating families pay no more than 30 percent of household income for rent.

Business Activities

The activities in this Program represent the revenue and expenses from the single-family home acquired with the proceeds from the sale of Public Housing units. It is the Authority's goal to promote home-ownership in this program.

Also often reflected in this Program are administrative activities from the Tenant-Based Rental Assistance Program ("TBRA"), funded by State CHIP money, flowing to the City of Wilmington and/or Clinton County, when the Authority assists the City/County in administration of the Program. It is operated in form and substance identical to the Section 8 Housing Choice Voucher Program, even utilizing the Section 8 HCV Program existing waiting list. However, in the current period no administrative revenue from this activity was earned by the Authority.

Condensed Financial Statements

The following is a condensed Statement of Net Position compared to the prior year-end. The Authority is engaged only in business-type activities.

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

	2020	2019
Assets and Deferred Outflows of Resources		
Current and Other Assets	$ 405,731	$ 348,904
Capital Assets	81,906	85,004
Deferred Outflows of Resources	65,522	63,860
Total Assets and Deferred Outflows of Resources	$ 553,159	$ 497,768
Liabilities		
Current Liabilities	$ 49,588	$ 9,063
Long-term Liabilities	342,757	347,519
Total Liabilities	392,345	356,582
Deferred Inflows of Resources	58,223	21,589
Net Position		
Investment in Capital Assets	81,906	85,004
Restricted	45,876	110,036
Unrestricted	(25,191)	(75,443)
Total Net Position	102,591	119,597
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 553,159	$ 497,768

For more detailed information, see Statement of Net Position presented on page 10.

Current and other assets increased by $56,827 (16 percent). Part of the reason for the increase is HUD advanced the Authority CARES funding in the period to help the Authority prepare for, prevent, and respond to the emergency of the coronavirus pandemic, and $23,675 of what was advanced the Authority was not spent as of year-end. Otherwise, favorable results from operations contributed to the increase.

Current liabilities also had a notable change from last year, increasing $40,525. The unspent CARES funding is reported as a current liability and so is a part of the reason why the increase in current liabilities. Another $14,655 of the increase in current liabilities is from an increase in how much of the compensated absences liability is classed as current, expected to be paid out in the coming period. At last year-end, all of the compensated absences liability was reported as a non-current liability.

Other notable changes on the statement were to components of net position. Restricted Net Position decreased by $64,160 and Unrestricted Net Position increased $50,252. Restricted Net Position for the Authority is unspent funding provided by HUD for the Authority to use to make rental assistance payments to its clients helped by the Housing Choice Voucher Program. HUD's goal in making advances to housing authorities for this purpose is to minimize unspent funding for this purpose. HUD reduced how much was advanced the Authority in the period for this purpose and spending by the Authority stayed consistent with spending last year, resulting in the decrease in the level of unspent funding compared to last year. The increase in Unrestricted Net Position is due to the favorable results from operations in the period.

The following is a condensed Statement of Revenues, Expenses, and Changes in Net Position. The Authority is engaged only in business-type activities.

Table 2 - Condensed Statement of Revenues, Expenses, and Changes in Net Position

	2020	2019
Revenues		
Operating Grants	$ 1,581,583	$ 1,601,153
Total Tenant Revenues	10,050	8,400
Other Revenues	8,663	28,133
Total Revenues	1,600,296	1,637,686
Expenses		
Administrative	156,776	171,697
Utilities	4,603	5,717
Maintenance	1,197	2,598
Tenant Services	59,834	50,676
General Expenses	4,802	3,467
Housing Assistance Payments	1,379,545	1,373,162
Depreciation	10,545	10,090
Total Expenses	1,617,302	1,617,407
Change in Net Postion	(17,006)	20,279
Beginning Net Position	119,597	99,318
Ending Net Position	$ 102,591	$ 119,597

For more information, see the Combined Statement of Revenues, Expenses, and Changes in Net Position presented on page 11.

Total revenues decreased $37,390 (a modest 2 percent). A big part of the reason for that decrease is HAP funding, which is funding provided by HUD for the Authority to make rental assistance payments in the period, which dropped $76,697, but that drop in HAP funding was offset by revenue from CARES funding in the amount of $50,000. The reduction in HAP funding was not matched by the change in spending for that purpose as HAP expense was virtually unchanged from the prior year. The result was the reduction in Unrestricted Net Position discussed in the section following the comparison of balances on the Statement of Net Position earlier in the MD&A.

The biggest changed in expenses were the decrease in administrative expense of $14,921 and the increase in tenant services expense of $9,158. These changes in part were due to a change in how costs were classified between the two categories and the drop in administrative expense was slightly more due to a temporary staff reduction in a portion of the period. The CARES revenue and drop in administrative expense from a loss of staffing for a part of the year contributed to the favorable results from operating that helped unrestricted net position increase.

The following is a condensed Statement of Changes in Capital Assets comparing the balance in capital assets at the year-end versus at the end of the prior year.

Table 3 - Condensed Statement of Changes in Capital Assets

	2020	2019
Land	$ 6,750	$ 6,750
Buildings and Improvements	405,724	405,724
Equipment	74,879	67,433
Accumulated Depreciation	(405,447)	(394,903)
Total Capital Assets, Net	$ 81,906	$ 85,004

Capital additions in the period were equipment and software purchases. See Note 4 for additional information regarding Capital Assets.

Debt

The Authority has no debt outstanding at the year-end.

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Clinton County has one of the highest unemployment rates in the State of Ohio, affecting resident incomes and employment opportunities, which, therefore, impact the amount of their rental assistance;
- Inflationary trends toward higher utility rates, supply and other costs;
- Federal funding supplied by HUD via Congressional action, sequestration;
- Market conditions creating both decreased opportunity for investment income and increased employee health insurance rates.

Financial Contact

The individual to be contacted regarding this report is Kathy Collins, Executive Director of the Clinton Metropolitan Housing Authority, at 937-382-5749, extension #3. Specific requests may be submitted to the Clinton Metropolitan Housing Authority at 478 Thorne Avenue, Wilmington, Ohio 45177.

CLINTON METROPOLITAN HOUSING AUTHORITY
CLINTON COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2020

Assets	
Current Assets	
Cash and Cash Equivalents - Unrestricted	$ 231,872
Restricted Cash and Cash Equivalents	142,523
Receivables, Net	17,801
Prepaid Expenses	13,535
Total Current Assets	405,731
Noncurrent Assets	
Non-depreciable Capital Assets	6,750
Depreciable Capital Assets, Net	75,156
Total Noncurrent Assets	81,906
Deferred Outflows of Resources	
Pension	39,243
OPEB	26,279
Total Deferred Outflows of Resources	65,522
Total Assets and Deferred Outflows of Resources	$ 553,159
Liabilities	
Current Liabilities	
Accounts Payable	$ 4,166
Tenant Security Deposits	370
Accrued Wages and Payroll Taxes	5,202
Intergovernmental Payable	631
Unearned Revenue	23,675
Accrued Compensated Absences - Current Portion	15,544
Total Current Liabilities	49,588
Noncurrent Liabilities	
FSS Escrow	72,602
Net Pension Liabilities	163,660
OPEB Liabilities	106,495
Total Noncurrent Liabilities	342,757
Total Liabilities	392,345
Deferred Inflows of Resources	
Pension	39,803
OPEB	18,420
Total Deferred Inflows of Resources	58,223
Net Position	
Investment in Capital Assets	81,906
Restricted	45,876
Unresricted	(25,191)
Total Net Position	102,591
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 553,159

See accompanying notes to the basic financial statements.

CLINTON METROPOLITAN HOUSING AUTHORITY
CLINTON COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

Operating Revenues	
Government Grants	$ 1,581,583
Tenant Revenue	10,050
Other Revenue	8,471
Total Operating Revenues	1,600,104
Operating Expenses	
Housing Assistance Payments	1,379,545
Administrative	156,776
Tenant Services	59,834
Utilities	4,603
Maintenance	1,197
General	4,803
Total Operating Expenses Before Depreciation	1,606,758
Income (Loss) Before Depreciation	(6,654)
Depreciation	10,544
Operating Income (Loss)	(17,198)
Non-Operating Revenue	
Interest Income	192
Total Non-Operating Revenue	192
Change in Net Position	(17,006)
Net Position, Beginning of Year	119,597
Net Position, End of Year	$ 102,591

See accompanying notes to the basic financial statements.

CLINTON METROPOLITAN HOUSING AUTHORITY
CLINTON COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Flows from Operating Activities		
Cash Received from Federal Operating Grants	$	1,643,248
Cash Received from Tenants		9,340
Cash Received - Other Revenue		8,593
Cash Payments for Administrative Expenses		(124,303)
Cash Payments for General Expenses		(60,924)
Cash Payments for Housing Assistance		(1,368,752)
Net Cash Provided (Used) by Operating Activities		107,202
Cash Flows from Investing Activities		
Interest and Investment Income Received		192
Net Cash Provided by Investing Activities		192
Cash Flows from Capital and Related Activities		
Acquisition of Capital Assets		(7,446)
Net Cash Used by Capital and Related Activities		(7,446)
Net Increase (Decrease) in Cash and Cash Equivalents		99,948
Cash and Cash Equivalents, Beginning of Year		274,447
Cash and Cash Equivalents, End of Year	$	374,395
Reconcilition of Operating Loss to Net Cash Provided by Operating Activities		
Net Operating (Loss)	$	(17,198)
Adjustments to Reconcile Operating Loss to		
Net Cash Provided by Operating Activities		
Depreciation		10,544
(Increase) Decrease in:		
Accounts Receivable		37,402
Prepaid Expenses		5,719
Deferred Outflows of Resources		(1,662)
Increase (Decrease) in:		
Accounts Payable		3,865
Intergovernmental Payable		(71)
Accrued Expenses/Other Current Liabilities		(2,488)
Unearned Revenue		23,675
Accrued Compensated Absences		889
FSS Escrow		13,630
Net Pension/OPEB Liability		(3,737)
Deferred Inflows of Resources		36,634
Net Cash (Used by) Operating Activities	$	107,202

See accompanying notes to the basic financial statements.

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

Organization and Reporting Entity
The Clinton 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.

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

The Authority's basic financial statements consist of a statement of net position, a statement of revenues, expenses, and changes 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.

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 changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of 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 nonoperating 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 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 nonoperating 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 one year 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
Improvements	15-30 years
Equipment	7 years
Computers	3 years

Capitalization of Interest

The Authority's policy is not to capitalize interest related to the construction or purchase of capital assets.

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 7.

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 5 and 6.

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 5 and 6.

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.

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash on Hand

At December 31, 2020, the carrying amount of the Authority's cash deposits was $374,395 (including undeposited petty cash of $100), and the bank balance was $378,221. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2020, all deposits were covered by Federal Depository Insurance.

Deposits

Custodial Credit Risk: Custodial credit risk for deposits is the risk that in the event of bank failure the Authority will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, none of the Authority's bank balance were uninsured.

The Authority has no deposit policy for custodial risk beyond the requirements of State statute and HUD regulations.

Investments

The Authority has no investments at December 31, 2020.

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 Authority has no investment policy that would limit its investment choices in this regard.

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 represents 100 percent of its deposits.

NOTE 3: RESTRICTED CASH

The restricted cash balance of $142,523 on the financial statements represents the following:

FSS Escrow Funds	$	72,602
HUD Funding to Pay HAPs Under the HCV Program		45,876
Unspent HCV CARES Funding		23,675
Tenant Security Deposits		370
Total Restricted Cash	$	142,523

NOTE 4: CAPITAL ASSETS

A summary of capital assets at December 31, 2020 by class is as follows:

	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020
Capital Assets Not Being Depreciated				
Land	$ 6,750	$ 0	$ 0	$ 6,750
Total Capital Assets Not Being Depreciated	6,750	0	0	6,750
Capital Assets Being Depreciated				
Buildings and Improvements	353,190	0	0	353,190
Furniture, Equipment, and Machinery - Administrativ	67,433	7,496	0	74,929
Leasehold Improvements	52,534	0	0	52,534
Total Capital Assets Being Depreciated	473,157	7,496	0	480,653
Accumulated Depreciation				
Buildings	(295,836)	(4,604)	0	(300,440)
Furniture and Equipment - Admnistrative	(53,541)	(2,438)	0	(55,979)
Leasehold Improvements	(45,526)	(3,502)	0	(49,028)
Total Accumulated Depreciation	(394,903)	(10,544)	0	(405,447)
Capital Assets Being Depreciated, Net	78,254	(3,048)	0	75,206
Total Capital Assets, Net	$ 85,004	$ (3,048)	$ 0	$ 81,956

NOTE 5: 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.

NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

Net Pension Liability (Continued)

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 *intergovernmental payable*.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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.

NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** 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.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of the annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.
A death benefit of $500 - $2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan.

NOTE 5: **<u>DEFINED BENEFIT PENSION PLANS</u>** (Continued)

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

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

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

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

NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

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

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

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 calendar year 2020 for the Traditional and Combined plans. The portion of the employer's contribution allocated to health care was 4% for the Member-Directed plan for calendar year 2020. The Authority's contractually required contribution used to fund pension benefits was $13,552 for fiscal year ending December 31, 2020.

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

	OPERS Traditional Pension Plan
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.000693%
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.000828%
Change in Proportionate Share	0.000135%
Proportionate Share of the Net Pension Liability/(Asset)	$ 163,660
Pension Expense	$ 30,920

NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

		OPERS Traditional Pension Plan
Deferred Outflows of Resources		
Changes of assumptions	$	8,741
Changes in proportion and differences between Authority contributions and proportionate share of contributions		16,950
Authority contributions subsequent to the measurement date		13,552
Total Deferred Outflows of Resources	$	39,243
Deferred Inflows of Resources		
Net difference between projected and actual earnings on pension plan investments	$	32,647
Differences between expected and actual experience		2,070
Changes in proportion and differences between Authority contributions and proportionate share of contributions		5,086
Total Deferred Inflows of Resources	$	39,803

$13,552 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

		OPERS Traditional Pension Plan
Year Ending December 31:		
2021	$	1,991
2022		(4,491)
2023		1,350
2024		(12,962)
Total	$	(14,112)

NOTE 5: **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, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

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

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.

NOTE 5: **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 17.2 percent for 2019.

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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:

NOTE 5: **DEFINED BENEFIT PENSION PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Authority's proportionate share of the net pension liability	$ 269,928	$ 163,660	$ 68,128

Changes Between Measurement Date and Report Date

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

NOTE 6: **POST-EMPLOYMENT BENEFITS**

Net OPEB Liability

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

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

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

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

NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

Net OPEB Liability (Continued)

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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' CAFR referenced below for additional information.

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

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

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

NOTE 6: **POST-EMPLOYMENT BENEFITS** (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 calendar year 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.
The Authority's contractually required contribution allocated to health care was $0 for fiscal year 2020

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

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

	OPERS
Proportion of the Net OPEB Liability:	
Prior Measurement Date	0.000645%
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.000771%
Change in Proportionate Share	0.000126%
Proportionate Share of the Net OPEB Liability	$ 106,495
OPEB Expense	$ 13,867

NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

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

		OPERS
Deferred Outflows of Resources		
Differences between expected and actual experience	$	3
Changes of assumptions		16,857
Changes in proportion and differences between Authority contributions and proportionate share of contributions		9,419
Total Deferred Outflows of Resources	$	26,279
Deferred Inflows of Resources		
Net difference between projected and actual earnings on OPEB plan investments	$	5,423
Differences between expected and actual experience		9,740
Changes in proportion and differences between Authority contributions and proportionate share of contributions		3,257
Total Deferred Inflows of Resources	$	18,420

$0 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in fiscal year 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

		OPERS
Year Ending December 31:		
2021	$	5,148
2022		5,023
2023		6
2024		(2,318)
Total	$	7,859

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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

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

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

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

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

NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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

NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

Actuarial Assumptions – OPERS (Continued)

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
Authority's proportionate share of the net OPEB liability	$ 139,366	$ 106,495	$ 80,176

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	$ 103,353	$ 106,495	$ 109,598

Changes Between Measurement Date and Report Date

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

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

NOTE 7: COMPENSATED ABSENCES

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

All permanent employees will earn 15 days sick leave per year of service. Unused sick leave may be accumulated without limit. At the time of separation, employees receive payment for up to fifty (50) days of unused sick leave. All permanent employees will earn vacation hours accumulated based on length of service. Vacation shall not be accrued to exceed 240 hours. Any vacation accrued in excess of 240 hours shall be forfeited.

At December 31, 2020, based on the vesting method, $15,544 was accrued by the Authority for unused vacation and sick time. All is considered to be current.

A summary of changes in the long-term liabilities follows:

	Beginning Balance	Additions	Used	Ending Balance	Current Portion
Compensated Absences	$ 14,655	$ 14,483	$ (13,594)	$ 15,544	$ 15,544
FSS Escrows	58,972	24,956	(11,326)	72,602	0
Net Pension Liability	189,799	0	(26,139)	163,660	0
OPEB Liability	84,093	22,402	0	106,495	0
Totals	$ 347,519	$ 61,841	$ (51,059)	$ 358,301	$ 15,544

NOTE 8: INSURANCE

The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public official's liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of forty (40) Ohio housing authorities, of which the Authority is one.

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan with Medical Mutual of Ohio for employee health care benefits. Settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 9: CONSTRUCTION AND OTHER COMMITMENTS

The Authority had no material construction commitments at December 31, 2020.

NOTE 10: **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 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. One such review was commenced in February 2020 by the HUD's Departmental Enforcement Center, Chicago Satellite Office. Based upon prior experience, management believes such disallowances, if any, will be immaterial to the Authority's entity-wide financial statements.

NOTE 11: **SUBSEQUENT EVENTS**

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 impact subsequent periods of Clinton MHA. The pension and other employment benefit plans 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.

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

Traditional Plan	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.000828%	0.000693%	0.000787%	0.000806%	0.000826%	0.000812%	0.000812%
Authority's Proportionate Share of the Net Pension Liability	$163,660	$189,799	$123,465	$183,029	$143,074	$95,724	$97,936
Authority's Covered Payroll	$106,943	$93,600	$104,023	$104,250	$102,775	$99,567	$99,654
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	153.03%	202.78%	118.69%	175.57%	139.21%	96.14%	98.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(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

CLINTON METROPOLITAN HOUSING AUTHORITY
CLINTON COUNTY, OHIO
REQUIRED SUPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - PENSION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM OF OHIO
LAST EIGHT FISCAL YEARS (1)

Traditional Plan	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contributions	$ 13,552	$ 14,972	$ 13,104	$ 13,523	$ 12,510	$ 12,333	$ 11,948	$ 12,955
Contributions in Relation to the Contractually Required Contribution	(13,552)	(14,972)	(13,104)	(13,523)	(12,510)	(12,333)	(11,948)	(12,955)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered Payroll	$ 96,800	$ 106,943	$ 93,600	$ 104,023	$ 104,250	$ 102,775	$ 99,567	$ 99,654
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

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

See accompanying notes to the required supplementary information

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

	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability	0.000771%	0.000645%	0.000730%	0.000750%
Authority's Proportionate Share of the Net OPEB Liability	$ 106,495	$ 84,093	$ 79,273	$ 75,753
Authority's Covered Payroll	$ 106,943	$ 93,600	$ 104,023	$ 104,250
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	99.58%	89.84%	76.21%	72.66%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.05%

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

CLINTON METROPOLITAN HOUSING AUTHORITY
CLINTON COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS – OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS (1)

	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 0	$ 0	$ 0	$ 1,040	$ 2,085	$ 2,056	$ 1,991	$ 997
Contributions in Relation to the Contracactually Required Contribution	0	0	0	(1,040)	(2,085)	(2,056)	(1,991)	(997)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority Covered Payroll	$ 96,800	$ 106,943	$ 93,600	$ 104,023	$ 104,250 0	$ 102,775	$ 99,567	$ 99,654
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%

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

See accompanying notes to the required supplementary information

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

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

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

Net OPEB Liability

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

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

CLINTON METROPOLITAN HOUSING AUTHORITY (OH053)
WILMINGTON, OH

Entity Wide Balance Sheet Summary

Fiscal Year End: 12/31/2020

	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
111 Cash - Unrestricted	$2,198	$229,574	$100		$231,872		$231,872
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted			$118,478	$23,675	$142,153		$142,153
114 Cash - Tenant Security Deposits		$370			$370		$370
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	$2,198	$229,944	$118,578	$23,675	$374,395	$0	$374,395
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects	$12,686				$12,686		$12,686
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous			$1,155		$1,155		$1,155
126 Accounts Receivable - Tenants		$710			$710		$710
126.1 Allowance for Doubtful Accounts -Tenants		$0			$0		$0
126.2 Allowance for Doubtful Accounts - Other	$0		$0		$0		$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery			$4,600		$4,600		$4,600
128.1 Allowance for Doubtful Accounts - Fraud			-$1,350		-$1,350		-$1,350
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	$12,686	$710	$4,405	$0	$17,801	$0	$17,801
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets			$13,535		$13,535		$13,535
143 Inventories							
143.1 Allowance for Obsolete Inventories							
144 Inter Program Due From		$126,220	$2,198		$128,418	-$128,418	$0
145 Assets Held for Sale							
150 Total Current Assets	$14,884	$356,874	$138,716	$23,675	$534,149	-$128,418	$405,731
161 Land		$6,750			$6,750		$6,750
162 Buildings		$72,143	$333,581		$405,724		$405,724
163 Furniture, Equipment & Machinery - Dwellings							
164 Furniture, Equipment & Machinery - Administration		$1,650	$73,229		$74,879		$74,879
165 Leasehold Improvements							
166 Accumulated Depreciation		-$59,589	-$345,858		-$405,447		-$405,447
167 Construction in Progress							
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	$0	$20,954	$60,952	$0	$81,906	$0	$81,906
171 Notes, Loans and Mortgages Receivable - Non-Current							
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due							

173 Grants Receivable - Non Current							
174 Other Assets							
176 Investments in Joint Ventures							
180 Total Non-Current Assets	$0	$20,954	$60,952	$0	$81,906	$0	$81,906
200 Deferred Outflow of Resources			$65,522		$65,522		$65,522
290 Total Assets and Deferred Outflow of Resources	$14,884	$377,828	$265,190	$23,675	$681,577	-$128,418	$553,159
311 Bank Overdraft							
312 Accounts Payable <= 90 Days			$4,166		$4,166		$4,166
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable			$5,202		$5,202		$5,202
322 Accrued Compensated Absences - Current Portion			$15,544		$15,544		$15,544
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government		$631			$631		$631
341 Tenant Security Deposits		$370			$370		$370
342 Unearned Revenue				$23,675	$23,675		$23,675
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue							
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities							
346 Accrued Liabilities - Other							
347 Inter Program - Due To	$14,884		$113,534		$128,418	-$128,418	$0
348 Loan Liability - Current							
310 Total Current Liabilities	$14,884	$1,001	$138,446	$23,675	$178,006	-$128,418	$49,588
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue							
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other			$72,602		$72,602		$72,602
354 Accrued Compensated Absences - Non Current							
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities			$270,155		$270,155		$270,155
350 Total Non-Current Liabilities	$0	$0	$342,757	$0	$342,757	$0	$342,757
300 Total Liabilities	$14,884	$1,001	$481,203	$23,675	$520,763	-$128,418	$392,345
400 Deferred Inflow of Resources			$58,223		$58,223		$58,223
508.4 Net Investment in Capital Assets	$0	$20,954	$60,952	$0	$81,906		$81,906
511.4 Restricted Net Position	$0	$0	$45,876	$0	$45,876		$45,876
512.4 Unrestricted Net Position	$0	$355,873	-$381,064	$0	-$25,191		-$25,191
513 Total Equity - Net Assets / Position	$0	$376,827	-$274,236	$0	$102,591	$0	$102,591
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$14,884	$377,828	$265,190	$23,675	$681,577	-$128,418	$553,159

CLINTON METROPOLITAN HOUSING AUTHORITY (OH053)
WILMINGTON, OH

Entity Wide Revenue and Expense Summary

Fiscal Year End: 12/31/2020

	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue		$10,050			$10,050		$10,050
70400 Tenant Revenue - Other							
70500 Total Tenant Revenue	$0	$10,050	$0	$0	$10,050		$10,050
70600 HUD PHA Operating Grants	$50,748		$1,480,835	$50,000	$1,581,583		$1,581,583
70610 Capital Grants							
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70740 Front Line Service Fee							
70750 Other Fees							
70700 Total Fee Revenue							
70800 Other Government Grants							
71100 Investment Income - Unrestricted		$68	$124		$192		$192
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery			$4,868		$4,868		$4,868
71500 Other Revenue			$3,603		$3,603		$3,603
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted							
70000 Total Revenue	$50,748	$10,118	$1,489,430	$50,000	$1,600,296		$1,600,296
91100 Administrative Salaries			$50,233	$11,690	$61,923		$61,923
91200 Auditing Fees			$7,054		$7,054		$7,054
91300 Management Fee							
91310 Book-keeping Fee							
91400 Advertising and Marketing							
91500 Employee Benefit contributions - Administrative			$45,628	$3,461	$49,089		$49,089
91600 Office Expenses	$4,133		$6,599	$20,873	$31,605		$31,605
91700 Legal Expense			$720		$720		$720
91800 Travel	$757		$1,343		$2,100		$2,100
91810 Allocated Overhead							
91900 Other			$4,285		$4,285		$4,285
91000 Total Operating - Administrative	$4,890	$0	$115,862	$36,024	$156,776		$156,776
92000 Asset Management Fee							
92100 Tenant Services - Salaries	$35,055				$35,055		$35,055
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services	$10,803				$10,803		$10,803
92400 Tenant Services - Other				$13,976	$13,976		$13,976
92500 Total Tenant Services	$45,858	$0	$0	$13,976	$59,834		$59,834
93100 Water			$251		$251		$251

93200 Electricity			$3,341		$3,341		$3,341
93300 Gas			$883		$883		$883
93400 Fuel							
93500 Labor							
93600 Sewer			$128		$128		$128
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense							
93000 Total Utilities	$0	$0	$4,603	$0	$4,603		$4,603
94100 Ordinary Maintenance and Operations - Labor							
94200 Ordinary Maintenance and Operations - Materials and Other		$280			$280		$280
94300 Ordinary Maintenance and Operations Contracts			$917		$917		$917
94500 Employee Benefit Contributions - Ordinary Maintenance							
94000 Total Maintenance	$0	$280	$917	$0	$1,197		$1,197
95100 Protective Services - Labor							
95200 Protective Services - Other Contract Costs							
95300 Protective Services - Other							
95500 Employee Benefit Contributions - Protective Services							
95000 Total Protective Services	$0	$0	$0	$0	$0		$0
96110 Property Insurance		$563	$2,567		$3,130		$3,130
96120 Liability Insurance							
96130 Workmen's Compensation							
96140 All Other Insurance							
96100 Total insurance Premiums	$0	$563	$2,567	$0	$3,130		$3,130
96200 Other General Expenses			$783		$783		$783
96210 Compensated Absences			$889		$889		$889
96300 Payments in Lieu of Taxes							
96400 Bad debt - Tenant Rents							
96500 Bad debt - Mortgages							
96600 Bad debt - Other							
96800 Severance Expense							
96000 Total Other General Expenses	$0	$0	$1,672	$0	$1,672		$1,672
96710 Interest of Mortgage (or Bonds) Payable							
96720 Interest on Notes Payable (Short and Long Term)							
96730 Amortization of Bond Issue Costs							
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$0		$0
96900 Total Operating Expenses	$50,748	$843	$125,621	$50,000	$227,212		$227,212
97000 Excess of Operating Revenue over Operating Expenses	$0	$9,275	$1,363,809	$0	$1,373,084		$1,373,084
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments			$1,379,545		$1,379,545		$1,379,545
97350 HAP Portability-In							
97400 Depreciation Expense		$4,321	$6,224		$10,545		$10,545
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							

90000 Total Expenses	$50,748	$5,164	$1,511,390	$50,000	$1,617,302		$1,617,302
10010 Operating Transfer In							
10020 Operating transfer Out							
10030 Operating Transfers from/to Primary Government							
10040 Operating Transfers from/to Component Unit							
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss							
10080 Special Items (Net Gain/Loss)							
10091 Inter Project Excess Cash Transfer In							
10092 Inter Project Excess Cash Transfer Out							
10093 Transfers between Program and Project - In							
10094 Transfers between Project and Program - Out							
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0		$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$0	$4,954	-$21,960	$0	-$17,006		-$17,006
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0		$0
11030 Beginning Equity	$0	$371,873	-$252,276	$0	$119,597		$119,597
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors							
11050 Changes in Compensated Absence Balance							
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity			-$320,112		-$320,112		-$320,112
11180 Housing Assistance Payments Equity			$45,876		$45,876		$45,876
11190 Unit Months Available		12	3516		3528		3528
11210 Number of Unit Months Leased		12	3346		3358		3358
11270 Excess Cash							
11610 Land Purchases							
11620 Building Purchases							
11630 Furniture & Equipment - Dwelling Purchases							
11640 Furniture & Equipment - Administrative Purchases							
11650 Leasehold Improvements Purchases							
11660 Infrastructure Purchases							
13510 CFFP Debt Service Payments							
13901 Replacement Housing Factor Funds							

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CLINTON METROPOLITAN HOUSING AUTHORITY
CLINTON COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/ *Pass-Through Grantor/* Program Title	**Federal CFDA Number**	**Expenditures**
U.S. Department of Housing and Urban Development		
Direct Programs:		
Section 8 Tenant Based Programs		
Family Self-Sufficiency Program	14.896	$ 50,748
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	1,480,835
Section 8 Housing Choice Vouchers - CARES Act	14.871	50,000
Total Housing Voucher Cluster		1,530,835
Total Direct Programs		1,581,583
Total U.S. Department of Housing and Urban Development		1,581,583
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 1,581,583

See the accompanying notes to the financial statements.

CLINTON METROPOLITAN HOUSING AUTHORITY
CLINTON COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1: **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Clinton Metropolitan Housing Authority under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations 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 Clinton Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Clinton Metropolitan Housing Authority.

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

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

NOTE 3: **INDIRECT COST RATE**

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

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

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

Clinton Metropolitan Housing Authority
Clinton County
478 Thorne Avenue
Wilmington, Ohio 45177

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Clinton Metropolitan Housing Authority (the Authority) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 1, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

Compliance and Other Matters

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

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the finding identified in our audit and described in the accompanying schedule of findings and corrective action plan. The Authority's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio
November 1, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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

Clinton Metropolitan Housing Authority
Clinton County
478 Thorne Avenue
Wilmington, Ohio 45177

To the Board of Directors:

Report on Compliance for the Major Federal Program

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

Management's Responsibility

The Authority's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for the Authority's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

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

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Keith Faber
Auditor of State
Columbus, Ohio
November 1, 2022

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING NUMBER 2020-001

Material Weakness

All public officials are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance regarding the achievement of objectives for their respective public offices in certain categories.

"Internal control" means a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

(1) Reliability of financial reporting;

(2) Effectiveness and efficiency of operation

(3) Compliance with applicable laws and regulations; and

FINDING NUMBER 2020-001
(Continued)

(4) Safeguarding of assets against unauthorized acquisition, use or disposition.

Internal control consists of the following five interrelated components:

(1) Control environment sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.

(2) Risk assessment, which is the entity's identification and analysis of relevant risks to the achievement of its objectives, forming a basis for determining how the risks should be managed.

(3) Control activities, which are policies and procedures that help ensure management directives are carried out.

(4) Information and communication, which are the identification, capture, and exchange of information in a form and time frame that enable people to carry out their responsibilities.

(5) Monitoring, which is a process that assesses the quality of internal control performance over time.

The small size of the Authority does not allow for an adequate segregation of duties. The Executive Director performs a majority of the financial record keeping including, initiating purchases, payments, receives and deposits cash, payroll approvals and performs monthly reconciliations. It is, therefore, important that the Board monitor financial activity and assets of the Authority and ensure reporting is accurate.
The following conditions were noted during review of the minutes, reconciliations, policies and payroll:

Minutes/Meetings:

- The Authority Board did not hold meetings and minutes were not presented during the audit period, except for December of 2020. It was noted in the previous audit no meetings were held during 2019. Since the Authority did not hold regular meetings no financial information or reconciliations were presented to the Board. The Authority did begin to hold regular monthly meetings per review of the 2021 minutes.

Housing Assistance Payments (HAP):

- All checks written from the HAP checking account contained the electronic signature of a former Board Member.

Policies:

The Authority has a policy manual that is from 2008. The manual did not always agree to the practices in place by the Authority. In many cases previous years' minutes were reviewed to determine changes to the policy. The changes were not always included in the policy and the minutes were the only indication that the changes had taken place. Minutes from 2013 to the current audit period were reviewed for changes. Current personnel policies were amended by the minutes several times. While reviewing the policy manual, instances were noted that language was crossed out and information was written in the policy indicating changes. The following were noted during our review of the policy manual:

- The policy manual states salary ranges exist in the Appendix, however, no salary range was listed in the Appendix. The Authority does not maintain a master schedule of employees' salary ranges.

FINDING NUMBER 2020-001
(Continued)

- The number of personal days per the policy manual is 1 day. Upon inquiry with the Executive Director this was changed to 2 days. No minutes were provided to support the change and it was noted an employee received and used 16 hours of personal time.

- Compensatory Time is not currently included in the policy, however, upon inquiry was provided for audit.

- The policy manual states the Authority does not provide health or dental insurance; however, the Authority is reimbursing for health insurance. We were able to locate the approval in the November 2013 minutes.

- The Admin Plan for the HAP program was last updated in 2002. There are several pages (over 35) at the end of the plan that are approvals from the minutes amending various sections of the plan. Some revisions are to the Waiting List and Landlord Payments.

- The Authority has not adopted Uniform Guidance policies.

Payroll Conditions:

- Approval was noted in prior minutes the Executive Director would be paid an accounting fee of $150 per month. It was noted during testing that the amounts were paid in two batch payments one in January and one in February of 2020. Upon inquiry the Executive Director indicated this was for 2019 accounting fees. Per the minutes the 2016 and 2017 would be back paid, beginning in 2018 it would be paid monthly and going forward.

- Errors were noted in the Authority's State Tax Spreadsheets for the month of March-June, resulting in the incorrect remittance of state taxes in the amount of $83.

- One employee recorded nine hours of regular time on their timesheet during the Labor Day holiday.

- Missing standing data in the personnel file to confirm rate of pay for one employee and the Executive Director. Alternative procedures were used to determine the correct rate of pay. (See policy issues above)

- Per the 2008 policy full-time employees are entitled to vacation, sick, holiday and personal leave at full accrual rates. Part-time employees are entitled to vacation, sick, holiday and personal leave at a pro-rated rate. One full-time employee is accruing vacation and sick leave at a pro-rated rate, but holiday and personal leave at the full accrual rate. Policy and personnel files do not clearly state each employees' status as part-time or full-time. The policy states those who work at least 40 hours per week as full time and those who work less than 40 hours are part-time.

- Per the 2008 policy, the maximum number of vacation hours to be carried from on year to the next is 240 hours. It was noted during our testing that one employee and the Executive Director started with an amount over 400 hours. The Authority has the regular 240 hours that the employee's started with per their time sheet and an additional bank of hours being recorded on each time sheet. There is no policy or approved resolution for the additional banked time. Employees are permitted per the policy to cash out up to 80 hours of vacation time accrued during the year above the maximum 240 hours allowed to carryover. Two Employees cashed out vacation of 80 hours at the end of the year, however, after recalculations and a potential starting balance of 240 hours, one employee would not have been eligible to cash out any vacation hours and one employee would have been eligible to cash out five hours of vacation time. The 2008 policy manual, minutes, and other revisions obtained from the Authority did not take into consideration banked hours.

FINDING NUMBER 2020-001
(Continued)

- Errors were noted in one employee and the Director's vacation leave accrual resulting in additional vacation owed to the employee and Director. This would not change the outcome of the above pay-out discrepancy.

- Payments were made to an individual for front desk work as a contractor; however, no evidence was provided to pay this individual as a contractor.

Failure to properly maintain and approve updated policies could lead to possible omissions or alterations to the policies without the Board's knowledge, and discrepancies in policy changes being passed by the Board resulting in disputes over accurate employee pay.

Failure to maintain accurate payroll records and using unauthorized signatures results in a lack of financial accountability, could cause employees to be paid incorrect amounts, and increases the risk that theft, fraud, or errors could occur and not be detected in a timely manner.

To help strengthen the Authority's internal control structure and reduce the likelihood of undetected errors, we recommend:

- The Board should meet in regular meetings and all activity of the Board should be documented in the minutes.

- The Board and Authority management should periodically review the payroll records, monthly reconciliations, and financial position.

- The Authority should ensure all signatories are updated with the banking institution and only those that are authorized signatories are signing checks.

- As policies are amended and approved, the Authority's policy manual should be updated to ensure the manual includes all up-to-date policies.

- The Authority should adopt policies in accordance with Uniform Guidance.

- The Authority should ensure all tax withholdings are properly calculated and remitted.

- Employee personnel files should contain the approved current pay of all employees and a master salary schedule should be maintained.

- Employees' status as part-time or full-time should be reviewed and documented. For each employee, vacation, sick, holiday and personal leave rates should be applied consistently depending on the employees' status determination.

- The Board should review the current leave policy (including maximum accumulations and accruals) to ensure it is complete and accurate. Any changes needing to be made should be approved at a Board meeting and incorporated into the policy manual.

- Hiring of contractors should be approved by the Board and contract agreements should be maintained.

Officials' Response:

See Authority's Responses in the Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	Significant Deficiency in Internal Control – Meetings of the Governing Body and Internal Controls, lack of oversight and approval of payroll transactions and bank reconciliations.	Not Corrected	Repeat in current audit, Finding 2020-001

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Corrective Action Plan
2 CFR 200.511(c)
December 31, 2020

Finding Number 2020-001

Planned Corrective Action

1. Diligent, sincere effort has consistently been given to achieving a fully-configured, highly functioning Board of 5 dedicated members, as was the case for the previous 25 years of CMHA's operation. Death and incapacitating illness led to loss of 3 long-serving members in early 2019. The PHA must rely upon the appointing authorities to duly execute their public duty in appointing Board members. They have failed to do so and CMHA has no control in effecting correction of this failure. Hence, CMHA is left unable to attain a quorum to conduct Agency business. This was corrected in December, 2020 with the appointment of new Board members and regular monthly meetings have ensued whenever possible.
2. Effective with the FYE 12/31/2019 audit exit conference, in June, 2020, the Board Chairman began oversight and sign off on ALL payroll functions. This includes review of time sheets, payroll calculations, deposits of pay into the individual employee accounts, etc. This finding is corrected.
3. It would have cost $2000 to change the software-printed signatories on the very few (approximately 20/month) paper checks generated for the HCV program. Knowing the software was to be changed in the near future, this expenditure was not deemed prudent in light of limited financial resources. This finding was corrected in October 2021 with implementation of new software.
4. A total re-write of all policies is under consideration, as the Agency readily recognizes the outdated nature of existing policies. However, again, limited financial resources have precluded going forward with this expenditure, which has been quoted at $7000-$8000. It is anticipated that this finding cannot be corrected until approximately 12/31/2023.
5. CMHA will comply with the adoption of policies in accordance with Uniform Guidance.
6. CMHA will comply. We consider this finding of $83 to be immaterial in the overall scheme of expenditures. It is the first and only finding of this nature in 30 years. Complete accuracy is and will always remain the goal in all payroll calculations and tax withholdings.
7. Given that CMHA's administrative fee income is known to fluctuate widely year to year, as it is determined by the Congressional budget, no master salary schedule will be maintained. Individual files will be documented with the rate of pay upon hire. After initial hiring, pay scales have often changed

significantly, with some employees receiving pay reductions in order to meet budgetary restraints.

8. CMHA has relied on the definition provided by OPERS in determining parttime and full time status. Said status is and has been documented in the minutes, as work hours, pay scales, etc. have fluctuated when mandated by HUD. We feel all rates have been and remain fairly and consistently applied.
9. The Board reviewed and deliberated this finding and acted to retro-actively grant permission (given historic precedence, prevailing circumstances of COVID, shortage of a full time staff person, the time required to respond to a DEA inquiry, etc.) to all leave carry-over in excess of existing policy, etc. Due to the small size of the Agency, carry-over and other such policy matters will be reviewed as they arise. When even one staff member is missing, it imposes a significant impact on the work load of the other two staff. Compensation and carry-over may be adjusted accordingly. It is specifically stated that this falls within the purview of the Executive Director, who will bring such matters before the Board. Board approval is required only if the amount involved exceeds $2500. As a courtesy, the Director has always heretofore notified the Board when such action has been taken which involves adjustment of an employee's compensation or leave.
10. Contract agreements (very few in number) have been maintained. Compliance with the finding will be on-going. The IRS definition of a contract employee will be applied as the standard to determine contract versus employee status.

Anticipated Completion Date

As noted in each enumerated item above.

Responsible Contact Person

Kathy Collins, Executive Director

OHIO AUDITOR OF STATE
KEITH FABER

CLINTON METROPOLITAN HOUSING AUTHORITY

CLINTON 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 11/22/2022

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