



OHIO AUDITOR OF STATE  
**KEITH FABER**





**LUCAS METROPOLITAN HOUSING AUTHORITY  
LUCAS COUNTY  
DECEMBER 31, 2020**

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**LUCAS METROPOLITAN HOUSING AUTHORITY  
LUCAS COUNTY  
DECEMBER 31, 2020**

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**INDEPENDENT AUDITOR’S REPORT**

Lucas Metropolitan Housing Authority  
Lucas County  
435 Nebraska Avenue  
Toledo, Ohio 43604

To the Board of Commissioners:

***Report on the Financial Statements***

We have audited the accompanying financial statements of Lucas Metropolitan Housing Authority, Lucas 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 its 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 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 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

January 5, 2022

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**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Introduction**

This Management’s Discussion and Analysis (MD&A) of the Lucas Metropolitan Housing Authority (Authority) provides an introduction and overview to the financial statements of the Lucas Metropolitan Housing Authority for the year ended December 31, 2020. The Lucas Metropolitan Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2020, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority’s financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Lucas Metropolitan Housing Authority. The information contained herein this MD&A should be considered in conjunction with the Authority’s financial statements and related notes to the financial statements.

**Overview of the Financial Statements**

This overview of the financial statement is intended to inform and introduce the reader to the Authority’s financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position
- The Statement of Cash Flows

The Statement of Net Position presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the differences between them being reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Position is comprised of three individual components:

- Net Investment in Capital Assets consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with the acquisition of these assets.
- Restricted component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through enabling legislation.
- Unrestricted component of net position represents the remaining resources available that do not meet the definition of the above categories. The unrestricted component of Net Position is basically the amount of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the year ended December 31, 2020, to determine the net change in net position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended December 31, 2020.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Program Information**

**Low Income Public Housing:** The Authority owns 2,643 units in Lucas County, Ohio. Under the low income public housing program, the Authority rents units that it owns to low-income households. The program is operated under an annual contributions contract with HUD, and HUD provides operating subsidy and capital funding to enable the Authority to provide housing at a rent that is based on a percentage of household income. The conventional public housing program includes the capital fund program, which is the primary funding source for physical improvements to the Authority’s properties.

**Section 8 Housing Choice Vouchers:** The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family. The objective of the program is to assist in making tenant-based rental assistance more successful by helping increase housing choices for low-income families and assisting them in obtaining affordable housing. The Authority currently administers 4,657 vouchers among the various Section 8 Programs, including Housing Choice Voucher, Mainstream 5, Mod Rehab and other programs.

**Capital Funds Grants:** The Authority receives additional funding from HUD for physical and management improvements to its units within the Low Income Public Housing Program, under the same Annual Contributions Contract. This program provides funding for large-scale improvements or unplanned emergencies that are not covered by the operating subsidy amount previously mentioned.

**Resident Service Grants:** The Authority administers this program through funding awarded by HUD to provide additional assistance to residents with special needs. The Authority also provides community outreach connections that provide such assistance, for improved quality of life within the Low Income Public Housing community.

**Home Improvement Partnership Program:** The Authority administers this program through funding awarded by the City of Toledo that passed through funding from HUD. The grant from the City of Toledo provided a portion of the mixed financing agreement related to the Collingwood Green Phase I construction project. The objective of the Home Improvement Partnership Program is to expand the supply of affordable housing, particularly rental housing, for low and very low income Americans.

**Non-HUD/Business Activities Programs:** This area includes programs such as: contract administration, a consortium with other housing authorities in Ohio to manage site-based properties for HUD; the Veterans Fund, a discretionary pool of funding from a variety of activities; the Homeownership Funds, proceeds from the old Turnkey III program, utilized to provide opportunities for low-income families to become homeowners; and the Central Office Cost Center, the management entity related to the operation of the Housing Authority created through the implementation of the asset management program.

**Health Profession Opportunity Grants (HPOG):** The HPOG is administered by the Administration for Children and Families, U.S. Department of Health & Human Services, was created to provide education and training to TANF recipients and other low-income individuals for occupations in the health care field that pay well and are expected to either experience labor shortages or be in high demand. The LMHA has partnered with a third party to implement and manage a Northwest Ohio Pathways to Healthcare Careers Project, which utilizes the grant to fund Community and Success Coach positions that facilitate “Bridges Out of Poverty” trainings for LMHA resident clients participating in the Project.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Blended Component Units:**

*Westridge Apartments Development Corporation:* Through the Westridge Apartments Development Corporation, the Authority owns and operates a 190-unit apartment complex as a component unit of the Agency. The complex was sold to a private buyer during the 2020 fiscal year.

*Collingwood Green Phase I:* Through the Collingwood Green Phase I, LP, a 65 unit mixed-finance and mixed income apartment community was constructed in 2013. The development includes 65 units of housing owned by Collingwood Green Phase I, LP, of which 33 units are public housing units developed using Capital Funds received by the Authority from HUD, and a mixed-finance amendment to the Annual Contributions Contract.

*Collingwood Green Phase II:* Through the Collingwood Green Phase II, LP, another mixed-finance and mixed income townhome community was constructed in 2015. This development consists of 66 housing units, owned by Collingwood Green Phase II, LP, of which 33 units are public housing and were developed using Capital Funds received by the Authority from HUD, and mixed-finance amendment to the Annual Contributions Contract.

*Collingwood Green Phase III, LP,* was established as a wholly owned for-profit corporation which is currently under construction for the purposes of arranging for the mixed financing and construction of the Collingwood Green Townhouse complex, a 55 unit community of which 27 units will be Low Income Tax Credit (LITC) units and 28 units will be a Rental Assistance Demonstration (RAD) units assisted under a RAD PBV HAP contract developed with 9% LITC equity, City of Toledo HOME funds, HUD 221d4 FHA loan, deferred developer fees and Capital Funds LMHA received from HUD.

*Lucas Housing Services Corporation:* Through the Lucas Housing Services Corporation, a wholly owned non-profit corporation, the Authority acquired 53 parcels in 2013, from the Lucas County Land Reutilization company for the purpose of rehabilitating the single family dwellings to be resold to buyers who are unable to obtain conventional mortgages.

*Parqwood Apartments LP:* In October 2014, the Authority was awarded a new Rental Assistance Demonstration (RAD) project from HUD. This was the first award made with this new funding source, which allowed the Authority to renovate a former public housing development and lease it under the PBRA Section 8 housing assistance program. The Parqwood Apartments LP was created to manage this newly renovated 136 unit apartment building.

**Financial Highlights**

- The Lucas Metropolitan Housing Authority’s net position increased from \$61,814,330 to \$63,690,760, an increase of \$1,876,430 or 3%. Total assets decreased by \$5,679,620 or 5%.
- Total revenue decreased from \$66,065,634 to \$64,018,625, a decrease of \$2,047,009 or 3%.
- Total expenses increased by \$3,495,609 or 6%, from \$59,216,809 to \$62,712,418 for the current year.
- At the end of the 2020 fiscal year, the Authority placed into service the Collingwood Green III property.
- The Westridge Apartments project was sold during the fiscal year. Proceeds of the sale, after the settling of the mortgages, were transferred to the Authority.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Housing Authority Activities & Highlights**

The Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the summary of net position for the year ended December 31, 2020, and December 31, 2019.

*Summary Statement of Net Position  
As of December 31, 2020 and 2019*

<u>Category</u>	12/31/2020	12/31/2019	Change \$	Change %
Current Assets	\$ 23,728,672	\$ 22,118,960	\$ 1,609,712	7%
Non Current Assets	\$ 84,696,578	\$ 91,985,910	\$ (7,289,332)	-8%
Total Assets	\$ 108,425,250	\$ 114,104,870	\$ (5,679,620)	-5%
Deferred Outflow of Resources	\$ 2,569,609	\$ 4,265,864	\$ (1,696,255)	-40%
Current Liabilities	\$ 5,518,956	\$ 8,205,726	\$ (2,686,770)	-33%
Non Current Liabilities	\$ 38,998,092	\$ 48,141,045	\$ (9,142,953)	-19%
Total Liabilities	\$ 44,517,048	\$ 56,346,771	\$ (11,829,723)	-21%
Deferred Inflow of Resources	\$ 2,787,051	\$ 209,633	\$ 2,577,418	1229%
Unrestricted	\$ (1,089,682)	\$ (9,773,884)	\$ 8,684,202	-89%
Restricted	\$ 4,486,047	\$ 8,977,495	\$ (4,491,448)	-50%
Net Investment in Capital Assets	\$ 60,294,395	\$ 62,610,719	\$ (2,316,324)	-4%
Total Net Position	\$ 63,690,760	\$ 61,814,330	\$ 1,876,430	3%

**Current Assets**

Current assets increased by \$1,609,712 during the current year. The majority of the increase was attributed to the sale of the Westridge Apartments. Significant changes in current assets from the previous year included the following:

- Unrestricted cash increased by \$3,353,624.
- Restricted cash decreased by \$4,316,237 due primarily to reductions in cash used for construction activities related to Collingwood Three and the use of excess HAP reserves for rental assistance payments
- Accounts receivable from HUD increased from the previous year balance of \$502,578 to \$2,137,858, an increase of \$1,635,280.

**Noncurrent Assets**

Noncurrent assets decreased from \$91,985,910 to \$84,696,578, a decrease of \$7,289,332 during the current year. The decrease was due to the sale of the Westridge Apartments and the charging of depreciation expense in the current fiscal year. Capital asset activity will be discussed in further sections.

**Current Liabilities**

Current liabilities decreased by \$2,686,770 from the previous year. This decrease is primarily due to the lower accounts payable balance which decreased by \$1,486,254 from the previous year.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Noncurrent Liabilities**

Noncurrent liabilities decreased from a 2019 balance of \$48,141,045 to a 2020 balance of \$38,998,092, a net decrease of \$9,142,953. Notable variances from the previous year included the following items;

- The pension liability managed by the Ohio Public Employees Retirement System decreased from a 2019 balance of \$12,438,769 to a 2020 balance of \$8,440,421, a decrease of \$3,998,348.
- Mortgages related to the Westridge Apartments were extinguished with sale proceeds. The related debt that was eliminated amounted to \$4,512,474.

**Net Position**

The net position of the Authority increased by \$1,876,430, or 3%, from the previous fiscal year.

The Authority's unrestricted component of net position changed from \$(9,773,884) to \$(1,089,682), a net increase of \$8,684,202 due to an excess of operating revenues over operating expenses. The unrestricted component of net position represents the amount available for future appropriations.

The restricted component of net position decreased by \$4,491,448 or 50% from the previous fiscal year balance. The majority of the decrease is due to the use of construction funds associated with the Collingwood Green Phase 3 during the current year.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Summary Statement of Revenues & Expenses and Changes in Net Position  
Years Ended December 31, 2020 and 2019**

<u>Category</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>Change \$</u>	<u>Change %</u>
<b>Program Revenues:</b>				
Tenant Revenue	\$ 7,317,952	\$ 7,854,695	\$ (536,743)	-7%
Government Operating Grants	\$ 46,832,986	\$ 52,006,110	\$ (5,173,124)	-10%
Capital Grants	\$ 1,649,580	\$ 927,122	\$ 722,458	78%
Other Revenue	\$ 8,133,468	\$ 5,153,867	\$ 2,979,601	58%
Interest Income	\$ 84,639	\$ 123,840	\$ (39,201)	-32%
Total Revenue	\$ 64,018,625	\$ 66,065,634	\$ (2,047,009)	-3%
<b>Expenses:</b>				
Administration	\$ 9,632,425	\$ 9,629,423	\$ 3,002	0%
Tenant Services	\$ 1,992,346	\$ 1,153,315	\$ 839,031	73%
Utilities	\$ 4,590,779	\$ 3,654,014	\$ 936,765	26%
Ordinary Maintenance	\$ 9,486,900	\$ 9,761,486	\$ (274,586)	-3%
Protective Services	\$ 725,836	\$ 779,446	\$ (53,610)	-7%
General/Insurance Expense	\$ 3,317,658	\$ 3,076,185	\$ 241,473	8%
Nonroutine Maintenance	\$ 3,328	\$ 100,491	\$ (97,163)	-97%
Depreciation	\$ 6,225,927	\$ 5,545,472	\$ 680,455	12%
Housing Assistance Payments	\$ 25,275,202	\$ 24,432,463	\$ 842,739	3%
Interest Expense	\$ 1,219,991	\$ 1,084,514	\$ 135,477	12%
Total Expenses	\$ 62,470,392	\$ 59,216,809	\$ 3,253,583	5%
Excess (Deficiency) Before Special	\$ 1,548,233	\$ 6,848,825	\$ (5,300,592)	-77%
Special Item/Casualty Losses	\$ (242,026)	\$ -	\$ (242,026)	N/A
Change in Net Position	\$ 1,306,207	\$ 6,848,825	\$ (5,542,618)	-81%
Net Position, Beginning of Year	\$ 61,814,330	\$ 55,354,980	\$ 6,459,350	12%
Prior Period Adjustment	\$ 570,223	\$ (389,475)	\$ 959,698	-246%
Net Position, End of Year	\$ 63,690,760	\$ 61,814,330	\$ 1,876,430	3%

**Results of Operations**

Revenues of the Authority are generated principally from dwelling rents and HUD grants. The Authority's revenue decreased by \$2,047,009 or 3% compared to the previous fiscal year. Significant changes in revenue accounts consist of the following items:

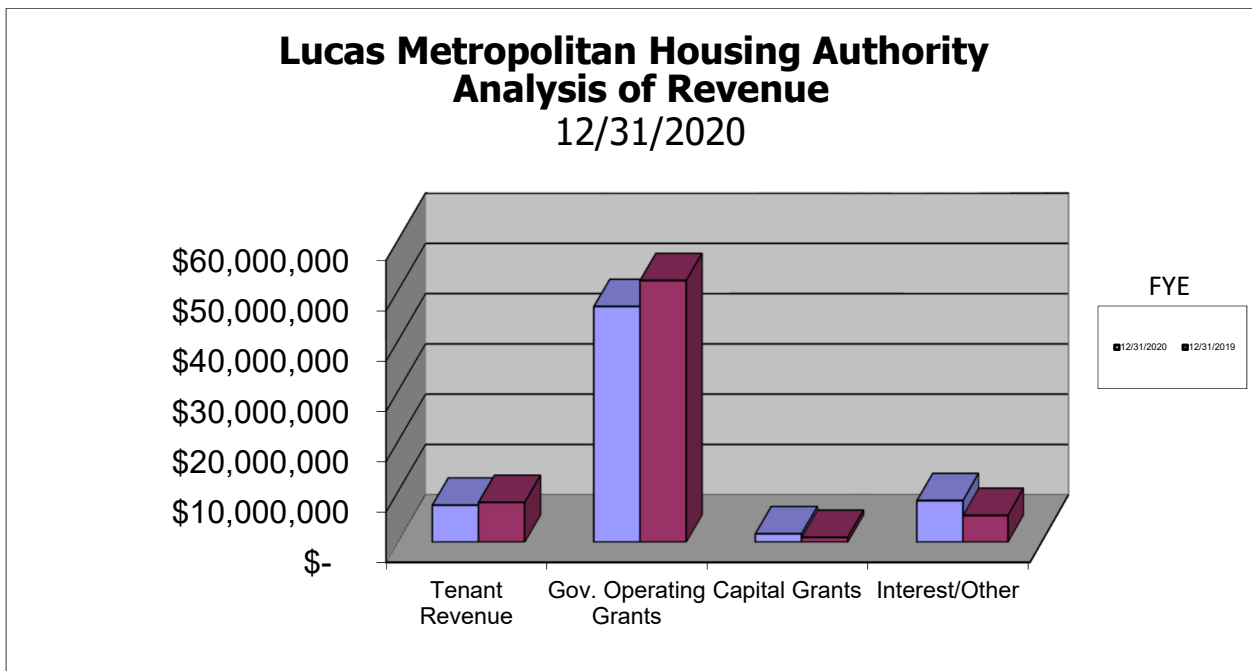
- The majority of the revenue decrease was related to operating grants. The net difference was to the use of Capital Fund Program revenue in the previous year for the Collingwood Green III Project.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

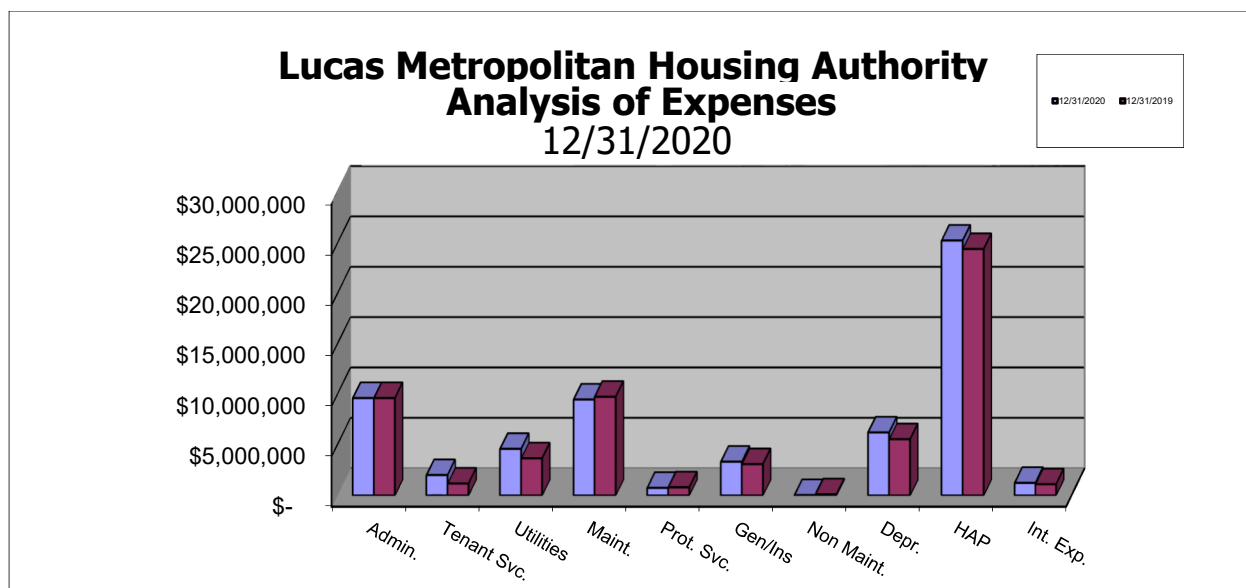
Total expenses increased by \$3,253,583. Significant variances between the years include the following:

- Tenant services increased by \$839,031 or 73% from the previous year amount due in large part to the COVID-19 pandemic.
- Utility costs increased by \$936,765 from the previous year. This represents a percentage increase of 26%. Water costs increased from a 2019 level of \$1,439,088 to \$2,513,212, an increase of \$1,074,124.
- Housing assistance payments increased by \$842,739.

The following presentations have been provided to demonstrate the revenues and expenses by summarized account category:



**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**



**Capital Assets**

As of December 31, 2020, the Authority’s net investment in capital assets was \$60,294,395. This investment includes land, building improvements, equipment, and construction in progress, net of accumulated depreciation and related debt.

<u>Category</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>Change \$</u>	<u>Change %</u>
Land	\$ 6,826,128	\$ 8,067,367	\$ (1,241,239)	-15%
Buildings	\$ 227,425,787	\$ 233,743,675	\$ (6,317,888)	-3%
Equipment	\$ 3,352,910	\$ 3,342,018	\$ 10,892	0%
Construction in Progress	\$ 2,076,416	\$ 826,806	\$ 1,249,610	151%
Accumulated Depreciation	\$(157,134,259)	\$(155,626,121)	\$ (1,508,138)	1%
<b>Total Net Fixed Assets</b>	<b>\$ 82,546,982</b>	<b>\$ 90,353,745</b>	<b>\$ (7,806,763)</b>	<b>-9%</b>

- Buildings decreased by \$6,317,888 during the current fiscal year. This was related to the sale of the Westridge Apartments.
- The decrease in land was also due to the sale of the Westridge Apartments.

**Long-Term Debt Activity**

The Authority has incurred additional debt related to the funding of the homeownership program in the LHSC in the amount of \$58,588. Proceeds of the sale of the Westridge Apartments was used to settle the mortgages on the property. Additional notes payable of \$229,809 were acquired in 2020 in relation to the Collingwood Green Phase III project.

**Subsequent Event**

Due to the 2021 Congressional Appropriations, the Authority’s operating subsidy provided by HUD for the Low Rent Housing Program is estimated to be 96.29% for the calendar year 2021.

The estimated amount of funding for the 2021 calendar year for the Housing Choice Voucher Program will include the proration of administrative fees at 81% and HAP funding at 100%.



**LUCAS METROPOLITAN HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Request for Information**

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Lucas Metropolitan Housing Authority  
Attn: Joaquin Cintron Vega, Executive Director  
435 Nebraska Avenue,  
Toledo, OH 43604

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

***ASSETS***

**Current Assets:**

Cash and Cash Equivalents:	
Unrestricted	\$ 14,043,472
Restricted	5,552,591
Investments-Restricted	268,228
Accounts Receivable (Net of Allowance)	3,613,929
Prepaid Items	250,452
<b>Total Current Assets</b>	<b>23,728,672</b>

**Noncurrent Assets:**

Capital Assets	
Land & Construction in Progress	8,902,544
Other Capital Assets, Net of Depreciation	73,644,438
Total Capital Assets	<b>82,546,982</b>
Other Non-Current Assets	
Notes, Loans, and Mortgages Receivable	1,038,568
Other Assets	1,111,028
Total Other Non-Current Assets	<b>2,149,596</b>
<b>Total Noncurrent Assets</b>	<b>84,696,578</b>
<b>Total Assets</b>	<b>108,425,250</b>

***DEFERRED OUTFLOW OF RESOURCES***

Deferred Outflow of Resources - Pension Plan/OPEB	<b>2,569,609</b>
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See accompanying notes to the basic financial statements.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION –CONT.**  
**DECEMBER 31, 2020**

***LIABILITIES***

**Current Liabilities:**

Accounts Payable	2,016,736
Accounts Payable - Other Government	98,728
Wages/Payroll Payable	429,633
Unearned Revenue	773,167
Accrued Employee Leave (current)	113,150
Interest Payable	235,733
Tenant Security Deposits	368,153
Bonds and Notes Payable (current)	1,039,959
Other	443,697
<b>Total Current Liabilities</b>	<b>5,518,956</b>

**Noncurrent Liabilities:**

Accrued Employee Leave (net of current)	1,065,851
Bonds and Notes Payable (net of current)	21,212,628
Pension Liability	8,440,421
OPEB Liability	6,338,049
Other	1,941,143
<b>Total Noncurrent Liabilities</b>	<b>38,998,092</b>

<b>Total Liabilities</b>	<b>44,517,048</b>
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***DEFERRED INFLOW OF RESOURCES***

Deferred Inflow of Resources - Pension Plan/OPEB	2,787,051
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***NET POSITION***

Net Investment in Capital Assets	60,294,395
Restricted Net Position	4,486,047
Unrestricted	(1,089,682)
<b>Total Net Position</b>	<b>\$ 63,690,760</b>

See accompanying notes to the basic financial statements.

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

***OPERATING REVENUES***

Tenant Revenue	\$ 7,317,952
Operating Grants	46,832,986
Other Revenue	4,072,875
<b>Total Operating Revenues</b>	<b>58,223,813</b>

***OPERATING EXPENSES***

Administrative	9,632,425
Tenant Services	1,992,346
Utilities	4,590,779
Maintenance	9,486,900
Protective Services	725,836
Insurance/General	3,317,658
Non-Routine Maintenance	3,328
Housing Assistance Payments	25,275,202
Depreciation	6,225,927
<b>Total Operating Expenses</b>	<b>61,250,401</b>

<b>Net Operating Income (Loss)</b>	<b>(3,026,588)</b>
------------------------------------	--------------------

***NONOPERATING REVENUES (EXPENSES)***

Interest Income	84,639
Interest Expense	(1,219,991)
Gain or Loss on Disposition of Capital Assets	4,060,593
Casualty Losses	(242,026)
<b>Net Nonoperating Revenues (Expenses)</b>	<b>2,683,215</b>

<b>Net Income (Loss) Before Contributions &amp; Transfers</b>	<b>(343,373)</b>
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Capital Contributions and Transfers	
Capital Contributions	1,649,580

<b>Change in Net Position</b>	<b>1,306,207</b>
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Net Position-Beginning of Year	61,814,330
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Prior Period Adjustments (Net)	570,223
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Net Position-End of Year	<b>\$ 63,690,760</b>
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See accompanying notes to the basic financial statements.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

***CASH FLOWS FROM OPERATING ACTIVITIES:***

Cash Received from Grantor	\$	46,132,716
Cash Received from Tenants		6,961,905
Cash Received from Misc. Sources		2,316,944
Cash Payments to Employees		(8,048,703)
Cash Payments to Vendors		(23,274,087)
Cash Payments for Rental Assistance		(25,275,202)
Prior Year Adjustment		570,223
<b>Net Cash Used in Operating Activities</b>		<b><u>(616,204)</u></b>

***CASH FLOWS FROM INVESTING ACTIVITIES***

Interest Received		84,639
Net Cash Paid on Increase of Mortgages Receivable		(1,042)
Redemption/(Purchase) of Investments		2,053
<b>Net Cash Provided by Investing Activities</b>		<b><u>85,650</u></b>

***CASH FLOW FROM CAPITAL AND RELATED***

***FINANCING ACTIVITIES***

Capital Grant Funding		891,111
Interest Paid on Long Term Debt		(1,232,133)
Proceeds of Long-Term Debt		41,000
Principal Retirement on Long-Term Debt		(5,531,439)
Sale of Equipment		9,400,000
Casualty Loss		(242,026)
Property and Equipment Purchased		(3,758,572)
<b>Net Cash Used in Financing Activities</b>		<b><u>(432,059)</u></b>

**Net Increase in Cash** **(962,613)**

Cash and Cash Equivalents-Beginning of Year 20,558,676

**Cash and Cash Equivalents-End of Year** **19,596,063**

Reconciliation to Cash Accounts:

Cash Equivalents-Unrestricted 14,043,472

Cash Equivalents-Restricted 5,552,591

**Total Cash Equivalents** **\$ 19,596,063**

See accompanying notes to the basic financial statements.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS – CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

***RECONCILIATION OF NET OPERATING LOSS TO CASH  
USED IN OPERATING ACTIVITIES:***

Net Operating Income	\$	(3,026,588)
Adjustments to Reconcile Net Operating Income to Net Cash Provided in Operating Activities:		
Depreciation		6,225,927
Increase in Accounts Receivable (Operations)		(1,845,589)
Decrease in Prepaid Expenses		29,680
Increase in Other Assets		(516,389)
Decrease in Accounts Payable (Operations)		(1,486,253)
Decrease in Wages/Payroll Payable		(259,057)
Increase in Compensated Absences		143,777
Decrease in Tenant Security Deposits		(29,817)
Decrease in Other Current Liabilities		(581,116)
Increase in Unearned Revenue (Operations)		180,657
Decrease in Other Noncurrent Liabilities		(468,130)
Decrease in Deferred Outflows		1,696,255
Decrease in Pension/OPEB Liability		(3,827,202)
Decrease in Deferred Inflows		2,577,418
Prior Year Adjustment (Operations)		570,223
<b>Net Cash Provided in Operating Activities</b>	<b>\$</b>	<b><u>(616,204)</u></b>

**Noncash capital and related financing activities:**

Increase in debt used directly for capital asset additions	\$	247,397
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See accompanying notes to the basic financial statements.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 – REPORTING ENTITY

The financial statements of the Lucas Metropolitan Housing Authority (the “Authority”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for governmental entities. The Governmental Accounting Standards Board (“GASB”) is the governing standard-setting body for establishing governmental accounting and financial reporting standards. The most significant accounting policies of the Authority are described below.

Reporting Entity

The Authority was established under the Ohio Revised Code, Section 3735.27 and applicable federal laws established by the Department of Housing and Urban Development. The Mayor of the City of Toledo appoints the Chairman and the Vice Chairman of the five-member board of commissioners who have governance responsibility over all activities related to the Authority. Lucas County Probate Court appoints the Resident Commissioner. The other two Commissioners are appointed by the Lucas County Board and the Lucas County Court of Common Pleas. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The Authority’s basic financial statements include all organizations, activities, and functions that comprise the Housing Authority. Component units are legally separate entities for which the Housing Authority is financially accountable. The decision to include a component unit in the reporting entity is defined by applying the criteria identified by the Governmental Accounting Standards Board (“GASB”) in its Statement No. 14, *The Financial Reporting Entity*, as amended by GASB 61, *The Financial Reporting Entity: Omnibus*.

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Board of Commissioners of the Housing Authority or the component unit provides services entirely to the Housing Authority. These component units are blended into those of the Housing Authority by appropriate activity type to compose the primary government presentation.

These financial statements present the Authority and its blended component units; entities for which the Authority is considered to be financially accountable and which serve as the Authority’s instruments to enhance its purpose to build and maintain affordable housing to low- and moderate-income families. All inter-entity balances and transactions are eliminated in the blending of financials statements.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 – REPORTING ENTITY – Continued

Blended Component Units

The *Westridge Apartments Development Corporation (WADC)*, was formed in 2006 for the purpose of owning and operating a mixed-income apartment complex. WADC maintains a separate office and staff. The fiscal year end of WADC is December 31, 2020.

*Collingwood Green Phase I, LP*, was established as a wholly owned for-profit corporation which began operations in 2012 for the purpose of arranging for the mixed financing and construction of the Collingwood Green Senior Complex, a 65 unit community of which 33 units will be public housing units developed using Capital Funds received by LMHA from HUD, and a mixed-finance amendment to the Annual Contributions Contract between HUD and LMHA. Collingwood Green Phase I, LP, is managed by a third party agent and has fiscal year end of December 31, 2020.

*Collingwood Green Phase II, LP*, was established as a wholly owned for-profit corporation which began operations in 2014 for the purpose of arranging for the mixed financing and construction of the Collingwood Green Townhouse Complex, a 66 unit community of which 33 units will be public housing units developed using Capital Funds received by LMHA from HUD, and a mixed-finance amendment to the Annual Contributions Contract between HUD and LMHA.

*Collingwood Green Phase III, LP*, was established as a wholly owned for-profit corporation which is currently under construction for the purposes of arranging for the mixed financing and construction of the Collingwood Green Townhouse complex, a 55 unit community of which 27 units will be Low Income Tax Credit (LITC) units and 28 units will be a Rental Assistance Demonstration (RAD) units assisted under a RAD PBV HAP contract developed with 9% LITC equity, City of Toledo HOME funds, HUD 221d4 FHA loan, deferred developer fees and Capital Funds LMHA received from HUD.

*Parqwood Apartments, LP*, was established in 2014. This development is the product of the Rental Assistance Demonstration program (RAD) transferring the public housing project to a Project Based Rental Assistance (PBRA) funding stream. Parqwood Apartments, LP, consists of 134 units and is managed by a third party managing agent. The component unit has a fiscal year end of December 31, 2020.

Lucas Housing Services Corporation was established as a wholly owned non-profit corporation of the Authority in 2013 primarily for the purpose of purchasing and rehabilitating 53 single family dwelling units for subsequent resale to buyers who are unable to obtain conventional mortgages.

Separate financial statements have been issued for Parqwood Apartments, LP, Collingwood Green Phase I, LP, and Collingwood Green Phase II, LP, and may be requested in writing at the Lucas Metropolitan Housing Authority, P.O. Box 477, Toledo, Ohio, 43697-0477, to the attention of the Chief Financial Officer.



**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 – REPORTING ENTITY – Continued

Government-Wide Financial Statements

The Government-wide financial statements (the statement of net position, the statement of revenues, expenses, and changes in net position and the statement of cash flows) report on the Authority as a whole. The statement of revenues, expenses, and the changes in net position demonstrates the degree to which the direct expenses of the Authority's function are offset by program revenues. Direct expenses are those that are clearly identifiable with the Authority's function. Program revenues include: 1) tenant revenue, 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of the Authority's programs, and 3) asset management fees. The statement of cash flows presents changes in cash resulting from operating, financing and investing activities.

This report includes the financial statements of the funds required to be accounted for and those activities and functions that are related to the Authority and are controlled by or depend upon the Authority's governing body, the Board of Commissioners. The Authority is not included in any other governmental "reporting entity" as defined by GASB Statement No. 14, *The Financial Reporting Entity*.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government a) is entitled to the organization's resources; b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or c) is obligated in some manner for the debt of the organization.

GASB Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

All of the activities of the Authority are reported as business-type activities as a proprietary fund. These funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through fees and user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Authority reports its various programs and activities as a single enterprise fund and

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 – REPORTING ENTITY – Continued

its primary operations comprised a number of housing and grant programs. A summary of the significant programs administered by the Authority is provided below:

The properties are owned, maintained, and managed by the Authority. Funding of the program is provided by federal annual contributions and operating subsidies and tenant rentals.

*Public Housing Program* – operates under HUD’s Annual Contributions Contract and consists of the operations of low-rent public housing properties totaling 2,643 units. The purpose of the program is to provide decent, safe, and affordable housing to low-income families at reduced rents.

*Section 8 Program* – consists of different Section 8 housing programs including the Housing Choice Voucher (HCV) Program, Moderate Rehabilitation Program, and Mainstream. The HCV Program provides rental assistance payments on behalf of low-income families to units owned and managed by private landlords. Eligible units total 4,663 units.

*Central Office Cost Center* – consists of a business activity used to account for a fee-for-service model with the charging of management and bookkeeping fees based on rates established by HUD. Fees are charged to the various programs as a fee per unit leased or as a percentage of revenue.

*Grant Programs* - consists of various grants awarded to the Authority used to supplement services provided to residents related to self-sufficiency, resident services, and improvements of neighborhoods.

*Component Units* - The following component units have been blended into the Authority’s overall financial statements.

- *Westridge Apartments Development Corporation (WADC);*
- *Parqwood Apartments, LP*
- *Collingwood Green Phase I, LP;*
- *Collingwood Green Phase II, LP;*
- *Collingwood Green Phase III, LP; and*
- *Lucas Housing Services Corporation.*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the grantor have been met and qualifying expenditures have occurred. Capital grant funds used to acquire or construct capital assets are recognized as a receivable and a capital contribution (revenues) in the period when all applicability requirements have been met. The principal operating revenues of the Authority’s proprietary funds are tenant rental revenue, government operating grants such as

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

HUD operating grants, and Housing Assistance Payments, since they are used to subsidize rents at Authority-owned properties.

B. Cash and Cash Equivalent

For purposes of the statement of cash flows and for presentation on the statement of net position, investments with an original maturity of three months or less at the time of purchase are reported as cash equivalents on the financial statements.

C. Restricted Assets

Restricted cash and investments include assets to be used for debt servicing related to the Capital Fund Financing Program and the Energy Performance Contract, tenant security deposits, excess HAP funding, and Family Self Sufficiency (“FSS”) funds held in escrow for families who successfully fulfill the program requirements.

D. Budget

The Authority is not required to follow the budgetary requirements of the Ohio Revised Code. However, the Authority does maintain a budget for management purposes. Budgetary data is not required for financial statement presentation.

E. Investments

Investments are reported at fair value which is based on quoted market prices. For investments in open-end money market mutual funds, fair value is determined by the fund’s current share price. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends are included in the statement of revenues, expenses, and changes in net position.

F. Tenant Receivables and Recognition of Bad Debts

Tenant receivables are stated at net rent amounts. Tenant accounts are generally collectible as long as the tenant is occupying the unit. Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year.

G. Capital Assets

Capital assets are recorded at cost. Costs in excess of \$5,000 that materially add to the productive capacity and extend the life of an asset longer than one year are capitalized, while maintenance and repair costs are expensed as incurred. Donated capital assets are valued at acquisition cost. Capital assets are depreciated using the straight-line method over the following useful lives:

- Buildings and improvements 15-40 years
- Land improvements 10-20 years
- Furniture and fixtures, equipment, and moving vehicles 5-7 years

H. Capitalization of Interest

The Authority’s policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

earned from temporary investments of the debt proceeds over the same period. Capitalized interest is amortized on a straight-line basis over the estimated useful life of the asset.

I. 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.

Compensated absences are expensed when earned with the amount reported as a liability.

J. Deferred Inflow/Outflow of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows or resources are reported for pension related activities.

In addition to liabilities, the statement of financial 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 include pension. Deferred inflows of resources related to pension are reported on the statement of net position.

K. Net Position

Net position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings that have been used for the acquisition, construction or improvement of those assets.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

L. Operating Revenues and Expenses

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

M. Capital Contributions

Capital contributions arise from the contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

N. Pensions/OPEB Liability

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

O. 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.

P. Inter-Program Receivables and Payables

During the normal course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "inter-program due from" or "inter-program due to" on the balance sheet. Reimbursements between funds are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund being reimbursed.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 3 – CASH AND INVESTMENTS

Deposits and Investments

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

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

*Inactive deposits* are public deposits that the Authority has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

*Interim deposits* are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. No-load money market mutual funds consisting exclusively of obligations described in items 1 and 2 above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Authority by the financial institution or the Ohio Pooled Collateral System (OPCS).

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 3 – CASH AND INVESTMENTS - Continued

Deposits

At December 31, 2020, the carrying amount of the Authority’s deposits was \$19,596,063 (including \$4,490 of petty cash). Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2020, \$19,596,063 of the Authority’s bank balance of \$19,596,063 was covered by Federal Depository Insurance and OPCS.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority’s deposits may not be returned. The Authority’s policy is to place deposits with major local banks approved by the Board. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds.

Investments

HUD, state statute and board resolutions authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository fund, super NOW accounts, sweep accounts, separate trading of registered interest and principal of securities, mutual funds, bonds and other obligations of this State, and the State Treasurer’s investment pool. Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. The Authority’s investments at December 31, 2020 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	Investment Maturities (in Years)
		<u>Less than 1 Year</u>
Government Securities	<u>\$ 268,228</u>	<u>\$ 268,228</u>

*Interest Rate Risk* – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The Authority’s investment policy has no requirements beyond what the Ohio Revised Code requires.

*Credit Risk* – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority has \$268,228 of government agency securities that are invested in Federal Treasury Obligations, which are government-sponsored

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 3 – CASH AND INVESTMENTS - Continued

agencies, and of which the principal and interest are implicitly guaranteed by the United States government. The Standard and Poor's credit rating for the Federal Treasury Obligations securities held is AAA.

*Concentration of Credit Risk* – The Authority places no limit on the amount the Authority may invest with one issuer.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that in the event of failure of the counterparty the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Authority has no policy beyond what the Ohio Revised Code requires for custodial credit risk.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable balance consists of the following items as of December 31, 2020. All receivables are considered collectible in full.

<u>Accounts Receivable Item</u>	<u>Amount</u>
Tenants (Net of Allowance, \$381,972)	\$ 416,747
HUD (Operating Grants)	1,393,512
HUD (Capital Fund)	758,469
Other Government Grants Rec.	305,823
Notes Receivable (Current Portion)	21,278
Other	718,100

NOTE 5 – NOTES/MORTGAGE RECEIVABLE

(a) Other Than from Blended Component Units

Item	Total Balance at December 31, 2020	Due within one year
The Authority loaned funds to the Neighborhood Housing Services of Toledo through a series of promissory notes dated August of 2005 through October, 2006 providing mortgage assistance to low income households.	\$502,731	\$21,278
The Authority loaned funds to the Neighborhood Housing Services of Toledo through a series of promissory notes dated August of 2005 through October, 2006 providing mortgage assistance to low income households.	\$61,995	



**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 5 – NOTES/MORTGAGE RECEIVABLE - Continued

(b) Home Mortgages

Through the Lucas Housing Service Corporation, the Authority provides opportunities for qualified individuals to purchase homes by offering soft second mortgages for homes that have been rehabbed by the Authority along with a few first mortgages. As of December 31, 2020, the mortgage receivable balance was \$495,150.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 is reported in the following table.

	Balance at 1/1/2020	Additions	Retirements	Adjustments	Balance at 12/31/20
Capital assets not being depreciated					
Land	\$ 8,067,367	\$ -	\$ 1,241,239		\$ 6,826,128
Construction in Progress	<u>826,806</u>	<u>1,249,610</u>			<u>2,076,416</u>
Total capital assets not being depreciated	<u>8,894,173</u>	<u>1,249,610</u>	<u>1,241,239</u>	<u>-</u>	<u>8,902,544</u>
Capital assets being depreciated					
Buildings and Improvements	233,743,675	2,706,952	9,028,061	3,221	227,425,787
Furniture and Equipment	<u>3,342,018</u>	<u>66,638</u>	<u>52,525</u>	<u>(3,221)</u>	<u>3,352,910</u>
Total capital assets, being depreciated	<u>237,085,693</u>	<u>2,773,590</u>	<u>9,080,586</u>	<u>-</u>	<u>230,778,697</u>
Less Accumulated depreciation for:					
Buildings and Improvements	153,219,534	6,134,345	4,664,503	(21,057)	154,668,319
Furniture and Equipment	<u>2,406,587</u>	<u>91,582</u>	<u>32,229</u>	<u>-</u>	<u>2,465,940</u>
Total Accumulated Depreciation	<u>155,626,121</u>	<u>6,225,927</u>	<u>4,696,732</u>	<u>(21,057)</u>	<u>157,134,259</u>
Total capital assets, being depreciated, net	<u>81,459,572</u>	<u>(3,452,337)</u>	<u>4,383,854</u>	<u>21,057</u>	<u>73,644,438</u>
<b>Net Capital Assets</b>	<b><u>\$ 90,353,745</u></b>	<b><u>\$ (2,202,727)</u></b>	<b><u>\$ 5,625,093</u></b>	<b><u>\$ 21,057</u></b>	<b><u>\$ 82,546,982</u></b>

NOTE 7 – ACCRUED LEAVE

Vacation and sick leave policies are established by agreement between the Authority and the American Federation of State, County and Municipal Employees, AFL-CIO, for members of the bargaining unit, and by personnel policy for management employees not covered by the labor agreement.

For both union and nonunion employees, these agreements provide for two weeks of paid vacation after one year of service, with an additional week for every five years of service thereafter, to a maximum of six weeks per year. Vacation time relating to a maximum of two years of service may be accumulated before it is lost.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 7 – ACCRUED LEAVE - Continued

For union personnel, the labor agreement provides for sick leave pay to be credited at a rate of eight hours per month, up to a maximum of 249 days. By limiting the use of sick leave during the fiscal year, an employee may receive an incentive bonus, to a maximum of \$500. Nonunion personnel have the same provisions under the personnel policies.

For union personnel, in the event of voluntary termination of employment after 10 consecutive years of service or due to retirement, such employees are entitled to receive payment for one-half of their accumulated sick leave (maximum of 204 days accumulated, with a maximum payout of 102 days).

All terminated employees are entitled to receive payment for any accrued and unused vacation time. In the event of the death of an employee, the designated beneficiary shall receive such payments.

For employees not covered under the labor agreement, in the event of voluntary termination of employment after five consecutive years of service, or due to retirement, such employees are entitled to receive payment for one-half of their accumulated sick leave (maximum of 249 days accumulated, with a maximum payout of 124.5 days). All terminated employees are entitled to receive payment for any accrued and unused vacation time. In the event of the death of an employee, the designated beneficiary shall receive such payments.

All employees hired prior to December 1, 2001 became eligible for longevity pay at the end of five years of service, at which time longevity pay begins to accrue from their anniversary date. Union personnel hired on December 1, 2001 and thereafter are not eligible for longevity pay. Union personnel receive longevity pay at tier 1995 pay levels at the rate of 2 percent, 4 percent, 6 percent, and 8 percent for five years, 10 years, 15 years, and 20 years, respectively, of service. All nonunion personnel are eligible for longevity pay and receive longevity pay at their current pay levels at the rate of 1 percent, 2 percent, 3 percent, and 4 percent for five years, 10 years, 15 years, and 20 years, respectively, of service.

At December 31, 2020, \$1,179,001 of vested vacation, sick leave, and longevity was accrued by the Authority for both union and nonunion personnel. Of this amount, \$113,150 is estimated as due within one year as and is reported as a current liability. Non-vested amounts are not material to the financial statements and have not been accrued. A change of \$143,777 in the balance accrued at December 31, 2020 compared to December 31, 2019, represents amounts earned in 2020 was greater than amounts paid out.

Balance as of 1/1/2020	Earned	Taken	Balance as of 12/31/2020	Due within 1 Year
\$ 1,035,224	\$ 418,678	\$ (274,901)	\$ 1,179,001	\$ 113,150

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 8 – UNEARNED REVENUE

The Authority leased land to the Parqwood Apartments, LP, beginning in the 2014 fiscal year. The lease term is 98 years. Assets held for lease include land of \$1,575,000.

Unearned lease payments are shown as unearned revenue on the statement of net position. The following schedule shows related unearned rental revenue as of December 31, 2020.

<u>Entity</u>	<u>Original Lease Amount</u>	<u>Unearned Revenue</u>
Parqwood Apartments, L.P.	\$ 1,575,000	\$1,475,893
Collingwood Green Phase III	250,000	244,897

Of this amount, \$18,622 was classified as an unearned revenue under current liabilities as of December 31, 2020. The remaining amount of \$1,702,168 has been classified as a noncurrent liability.

Other unearned revenue balances reported as current liabilities consist of tenant prepaid rents in the amount of \$19,199, unspent CARES Act funding in the amount of \$690,271, and unspent LHSC grant revenue of \$31,000, and prepaid income reported in the blended component units of \$14,075.

NOTE 9 – OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities in the amount of \$1,941,143 consist of the following items as of December 31, 2020.

<u>Item</u>	<u>Amount</u>
Parqwood Apartments, LP ground lease (noncurrent portion)	\$ 1,459,822
Collingwood Green, Phase III, ground lease (noncurrent portion)	242,346
FSS Escrow Liability	238,975

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 10 – DEBT

Changes in long-term debt for the year ended December 31, 2020 are as follows:

Program/Component Unit	Balance as of Jan. 1, 2020	Additions	Retirements	Balance as of Dec. 31, 2020	Due Within 1 Year	Maturity	Interest Rate
Westridge Apartments Development Corporation							
Mortgage Payable	\$ 4,228,200	\$ -	\$ 4,228,200	\$ -	N/A	N/A	Libor Rate plus 2.3%
Mortgage Payable	284,274	-	284,274	-	N/A	N/A	Libor Rate plus 1.71%
Collingwood Green Phase I							
Capital Fund Financing Program - Revenue Bonds, Series 2012	4,055,000	-	225,000	3,830,000	235,000	Year 2031	5.25%
Collingwood Green Phase II							
Capital Fund Financing Program - Revenue Bonds, Series 2014	4,485,000	-	195,000	4,290,000	205,000	Year 2033	5.00%
Notes Payable, Ohio Housing Finance Agency	350,000	-	-	350,000	N/A	March, 2060	2.00%
Notes Payable, Ohio Housing Finance Agency	632,166	-	121,388	510,778	123,861	April, 2024	2.00%
Parqwood Apartments, LP							
Notes Payable, Red Capital	1,624,687	-	21,423	1,603,264	17,105	Year, 2052	4.45%
Notes Payable, Ohio Housing Finance Agency	1,125,000	-	375,000	750,000	-	Year 2024	0.00%
Notes Payable, Housing Development Assistance Program (HDAP)	1,000,000	-	-	1,000,000	N/A	Year 2054	2.00%
Public Housing Program							
Capital Lease Payable	6,360,000	-	270,000	6,090,000	271,495	Year 2036	4.73%
Premium on Capital Lease	128,187	-	7,615	120,572	7,615	Year 2036	N/A
Lucas Housing Services Corporation							
Notes Payable, Local Initiatives Support Corporation (North River Project)	100,049	41,000	50,937	90,112	10,947	Year 2028	5.00%
Notes Payable, Local Initiatives Support Corporation (City Forest Project)	150,273	17,588	-	167,861	14,766	Year 2028	5.00%
Collingwood Green Phase III							
Notes Payable, Ohio Housing Finance Agency	765,000	-	-	765,000	69,081	Year 2028	
Notes Payable, Ohio Housing Finance Agency	735,000	-	-	735,000	66,372	Year 2028	
Notes Payable, Red Capital (Construction Loan)	1,720,190	229,810	-	1,950,000	18,717	N/A	4.98%
<b>Total</b>	<b>\$ 27,743,026</b>	<b>\$ 288,398</b>	<b>\$ 5,778,837</b>	<b>\$ 22,252,587</b>	<b>\$ 1,039,959</b>		

*Westridge Apartments Development Corporation*

On February 29, 2016, the Westridge Apartments Development Corporation issued a term note payable in the amount of \$4,905,000 to refinance the outstanding balance of a note issued during 2006 that funded the acquisition of the apartment complex (outstanding balance at December 31, 2015 of \$5,021,254). The note carries a variable interest rate equal to the Libor rate plus 2.3%. The note matures on March 1, 2021 with the option of accelerated retirement by the Corporation. The note was paid in full using proceeds earned from the sale of the apartment project during the current future year.

During 2013, the Authority obtained a loan for \$925,545 to fund acquisition and improvements to the Westridge Apartments Development Corporation apartment complex. On March 21, 2016, the Westridge Apartments Development Corporation issued a term note payable in the amount of \$717,298 to refinance the outstanding balance on a loan issued during 2013 that funded the acquisition and improvements to the apartment complex. The newly issued note carries a variable interest rate equal to the Libor rate plus 1.71%. The note matures on March 21, 2023, with the option of accelerated retirement by the Corporation. The note was paid in full using proceeds earned from the sale of the apartment project during the current future year.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 10 – DEBT - Continued

*Collingwood Green Phase I, LP*

During 2012, the Authority issued \$5,475,000 of Capital Fund Housing Revenue Bonds, Series 2012, for the development of the Collingwood Green Senior Complex. The bonds mature on September 1, 2031, bear an interest rate of 5.25 percent and are secured with no more than 33 percent of LMHA’s future capital funds, as addressed in Amendment 2012-01 to the Annual Contributions Contract (ACC) with HUD.

Future minimum principal and interest payments related to the Collingwood Green Phase I, LP Capital Fund Housing Revenue Bonds, Series 2012, are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2021	235,000	201,075	436,075
FY 2022	250,000	188,738	438,738
FY 2023	260,000	175,613	435,613
FY 2024	275,000	161,963	436,963
FY 2025	290,000	147,525	437,525
FY 2026-2030	1,690,000	493,238	2,183,238
FY 2031	830,000	43,575	873,575
Total	\$ 3,830,000	\$ 1,411,725	\$ 5,241,725

*Collingwood Green Phase II, LP*

During 2014, the Authority issued \$5,315,000 of Capital Fund Housing Revenue Bonds, Series 2014, for the development of the Collingwood Green II project. The bonds mature on September 1, 2033, and bear an interest rate of 5.00 percent.

Future minimum principal and interest payments related to the Collingwood Green Phase II, LP Capital Fund Housing Revenue Bonds, Series 2014, are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2021	205,000	214,500	419,500
FY 2022	220,000	204,250	424,250
FY 2023	230,000	193,250	423,250
FY 2024	245,000	181,750	426,750
FY 2025	260,000	169,500	429,500
FY 2026-2030	1,540,000	637,250	2,177,250
FY 2031-2033	1,590,000	185,500	1,775,500
Total	\$ 4,290,000	\$ 1,786,000	\$ 6,076,000

The Authority secured a mortgage payable from Ohio Housing Finance Agency (OHFA) in the amount of \$1,000,000 for the Collingwood Green II Project. The loan carries an interest rate of 2.00%, with payments being due in annual installments of \$134,256, maturing in April of 2024.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 10 – DEBT - Continued

Future minimum principal and interest payments related to the Collingwood Green II project loan payable are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2021	123,861	10,395	134,256
FY 2022	126,518	7,738	134,256
FY 2023	129,048	5,208	134,256
FY 2024	131,351	3,744	135,095
Total	\$ 510,778	\$ 27,085	\$ 537,863

During 2016, the Authority secured a mortgage payable from Ohio Housing Finance Agency (OHFA) in the amount of \$350,000 for the Collingwood Green II project. The loan carries an interest rate of 2.00% with payments being due in the amount of 50% of net cash flow as defined by the Partnership Agreements beginning in 2016. The entire balance of principal plus accrued interest is due March 1, 2060. A projection of future principal payments has not been presented due to the inability to predict future project cash flows.

*Parqwood Apartments LP*

Parqwood Apartments, LP, entered into a first mortgage payable to provide financing during construction. The loan has a balance as of December 31, 2020, in the amount of \$1,608,882. The loan bears an interest rate of 4.45 percent. Fixed monthly payments in the amount of \$7,342 are scheduled until the maturity in 2052.

Future minimum principal and interest payments related to the Parqwood Apartment, LP project loan payable are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2021	17,105	70,999	88,104
FY 2022	17,882	70,222	88,104
FY 2023	18,694	69,410	88,104
FY 2024	19,543	68,561	88,104
FY 2025	20,431	67,673	88,104
FY 2026-2030	116,944	323,576	440,520
FY 2031-2035	146,026	294,494	440,520
FY 2036-2040	182,340	258,180	440,520
FY 2041-2045	227,684	212,836	440,520
FY 2046-2050	284,305	156,215	440,520
FY 2051-2052	552,309	43,589	595,898
Total	\$ 1,603,264	\$ 1,635,754	\$ 3,239,018

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 10 – DEBT - Continued

During 2014, Parqwood Apartments, LP, issued a RTCAP note payable of \$1,500,000 for the development of the Parqwood Apartments project. The interest free loan is payable in four equal installments through August 31, 2024.

Future minimum principal and interest payments related to the Parqwood Apartments, LP project loan payable are as follows:

Year	Principal Due	Interest Due	Total Payments
FY 2021	-	-	-
FY 2022	-	-	-
FY 2023	375,000	-	375,000
FY 2024	375,000	-	375,000
Total	<u>\$ 750,000</u>	<u>\$ -</u>	<u>\$ 750,000</u>

During 2016, Parqwood Apartments, LP, entered into a Housing Development Assistance Program (HDAP) note payable of \$1,000,000. The note bears interest at 2% with payments permitted by cash flows as defined in the Partnership Agreement. The HDAP note payable does not have an amortization schedule, all remaining outstanding principal is due at maturity in 2054.

*Public Housing Program*

During 2015, the Authority entered into a capital lease agreement with Grant Capital Management for the development of energy efficiencies within public housing units. The total value of the lease is \$7,105,000, with payments beginning in year 2017 and ending in year 2036. The annual interest rate applicable to the lease is 4.73%.

Year	Principal Due	Interest Due	Total Payments
FY 2021	271,495	288,057	559,552
FY 2022	284,512	275,215	559,727
FY 2023	294,513	261,758	556,271
FY 2024	308,964	247,827	556,792
FY 2025	323,703	233,213	556,917
FY 2026-2030	1,870,051	920,658	2,790,708
FY 2031-2035	2,347,573	435,469	2,783,042
FY 2036-2040	389,189	90,760	479,949
Total	<u>\$ 6,090,000</u>	<u>\$ 2,752,958</u>	<u>\$ 8,842,958</u>

As noted in the underwriting agreement, an original issue premium in the amount of \$276,640 was recorded less a discount of \$124,338 for a net premium amount of \$152,302. The premium is amortized over a 20 year period. The balance reported as of December 31, 2020, is \$128,187.

*Lucas Housing Services Corporation*

During the 2019 fiscal year, the Authority entered into a mortgage with Local Initiatives Support Corporation (LISC) for the acquisition and rehab of the City Forest project. The acquisition cost

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 10 – DEBT – Continued

financed was \$216,273. The amount available from the loan is \$625,000. The remainder of the loan can be drawn on for future rehab costs. The loan agreement notes that only interest payments will be made for the first two years. After that time frame, interest plus principal payments will be made over the course of the next 10 years. Upon the sale of a rehabbed home, the Authority agrees to pay \$25,000 on the loan. The Authority reserves the right to borrow disbursements paid to the lender related to the sale of homes for future homeownership costs related to the project. The following payment schedule is presented with no future draws being disbursed.

Year	Principal Due	Interest Due	Total Payments
FY 2021	14,766	8,058	22,824
FY 2022	15,522	7,302	22,824
FY 2023	16,316	6,508	22,824
FY 2024	17,151	5,673	22,824
FY 2025	18,028	4,796	22,824
FY 2026-2028	86,078	9,503	95,581
Total	\$ 167,861	\$ 48,998	\$ 216,859

During the 2019 fiscal year, the Authority entered into a mortgage with Local Initiatives Support Corporation (LISC) for the acquisition and rehab of the North River project. The acquisition cost financed was \$115,646. The amount available from the loan is \$520,000. The remainder of the loan can be drawn on for future rehab costs. The loan agreement notes that only interest payments will be made for the first two years. After that time frame, interest plus principal payments will be made over the course of the next 8 years. Upon the sale of a rehabbed home, the Authority agrees to pay \$25,000 on the loan. The Authority reserves the right to borrow disbursements paid to the lender related to the sale of homes for future homeownership costs related to the project. The following payment schedule is presented with no future draws being disbursed.

Year	Principal Due	Interest Due	Total Payments
FY 2021	10,947	4,257	15,204
FY 2022	11,507	3,697	15,204
FY 2023	12,096	3,108	15,204
FY 2024	12,715	2,489	15,204
FY 2025	13,365	1,839	15,204
FY 2026-2028	29,482	1,591	31,073
Total	\$ 90,112	\$ 21,746	\$ 111,858

*Collingwood Green Phase III, LP*

Collingwood Green Phase III, LP, entered into a mortgage payable with Red Mortgage Capital, LLC to provide financing during the construction phase of the project. As part of the closing, the initial draw and loan balance as of December 31, 2020 totaled \$1,720,190.



**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 10 – DEBT - Continued

Year	Principal Due	Interest Due	Total Payments
FY 2021	18,717	96,687	115,404
FY 2022	19,671	95,733	115,404
FY 2023	20,673	94,731	115,404
FY 2024	21,727	93,677	115,404
FY 2025	22,834	92,570	115,404
FY 2026-2030	132,853	444,167	577,020
FY 2031-2035	170,328	406,692	577,020
FY 2036-2040	218,374	358,646	577,020
FY 2041-2045	279,974	297,046	577,020
FY 2046-2050	358,949	218,071	577,020
FY 2051-2055	460,203	116,818	577,021
FY 2056-2060	213,645	12,228	225,873
<b>Total</b>	<b>\$ 1,950,000</b>	<b>\$ 2,430,418</b>	<b>\$ 4,380,418</b>

Collingwood Green Phase III, LP, entered into a note payable to the Ohio Housing Finance Agency, bearing 2.5% with annual installments of principal and interest totaling \$101,137 due each on April 15<sup>th</sup> beginning in 2021. The unpaid principal and interest is due and payable on April 15, 2028. The original loan totaled \$735,000.

Year	Principal Due	Interest Due	Total Payments
FY 2021	66,372	34,766	101,137
FY 2022	69,511	31,626	101,137
FY 2023	72,799	28,338	101,137
FY 2024	76,242	24,895	101,137
FY 2025-2029	450,076	61,771	511,847
<b>Total</b>	<b>\$ 735,000</b>	<b>\$ 181,395</b>	<b>\$ 916,395</b>

Collingwood Green Phase III, LP, entered into a note payable to the Ohio Housing Finance Agency, bearing 2.5% with annual installments of principal and interest totaling \$105,265 due each on April 15<sup>th</sup> beginning 21 2021. The unpaid principal and interest is due and payable on April 15, 2028. The original loan totaled \$765,000.

Year	Principal Due	Interest Due	Total Payments
FY 2021	69,081	36,185	105,265
FY 2022	72,348	32,917	105,265
FY 2023	75,770	29,495	105,265
FY 2024	79,354	25,911	105,265
FY 2025-2029	468,447	64,292	532,739
<b>Total</b>	<b>\$ 765,000</b>	<b>\$ 188,799</b>	<b>\$ 953,799</b>

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 11 – PENSION PLAN

***Net Pension Liability***

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

**Plan Description** - 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 the OPERS’ traditional plan with a few employees being members of the combined or member-directed plans; therefore, the following disclosure focuses only on the traditional 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

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 11 – PENSION PLAN – Continued

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

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

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirement</b>	<b>Age and Service Requirement</b>	<b>Age and Service Requirement</b>
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b>	<b>Formula:</b>	<b>Formula:</b>
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

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

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 11 – PENSION PLAN – Continued

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

<b>2020 Statutory Maximum Contribution Rates</b>	
Employer	14.00%
Employee	10.00%
<b>2020 Actual Contribution Rates</b>	
Employer:	
Pension	14.00%
Post-Employment Health Care Benefits	0.00%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority’s contractually required contribution was \$1,079,703 for 2020. The full amount was contributed during the year.

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

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

<b>Item</b>	<b>Traditional</b>
Proportion of the Net Pension Liability (Prior Measurement Date)	0.045679%
Change in Proportionate Share	(0.002148%)
Proportionate Share of the Net Pension Liability	\$8,440,421
Proportion of the Net Pension Liability (Current Measurement Date)	0.043531%
Pension Expense	\$ 1,423,619

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 11 – PENSION PLAN – Continued

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

Item	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,864	\$ 146,544
Changes of Assumptions	\$ 476,626	\$ -----
Net difference between projected and actual earnings on pension plan investments	-----	\$ 1,738,131
Authority contributions subsequent to the measurement date	\$ 1,079,703	\$ -----
Total	\$ 1,566,193	\$ 1,884,675

The \$1,079,703 reported as deferred outflows of resources related to pension resulting from Authority 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:

Year Ending December 31:	OPERS- Traditional
2021	\$(209,916)
2022	(562,989)
2023	68,447
2024	(691,785)
2025	(912)
Thereafter	(1,030)
Total	<u>\$1,398,185</u>

***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

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NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
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NOTE 11 – PENSION PLAN – Continued

time of each valuation. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Actuarial Information</u>	<u>Traditional Plan</u>
Measurement and Valuation Date	December 31, 2019
Experience Study	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.20%
Wage Inflation	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%)
Cost of Living Adjustments	Pre - 1/7/13 retirees 3.0% Simple; Post – 1/7/13 retirees 1.4% Simple; through 2020, then 2.15% Simple

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 base 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 *Discount Rate* used to measure the total pension liability was 7.2% for the Traditional Pension Plan, Combined Plan, and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2019 was 7.20%. 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 benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and

Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 11 – PENSION PLAN – Continued

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

The following table presents the Authority’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

<b>Authority’s proportionate share of the net pension liability (asset)</b>	<b>1% Decrease (6.2%)</b>	<b>Discount Rate (7.2%)</b>	<b>1% Increase (8.2%)</b>
Traditional Plan	\$ 13,921,463	\$ 8,440,421	\$ 3,513,675

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2% 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.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 11 – PENSION PLAN – Continued

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
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%
<b>Total</b>	<b>100.00%</b>	<b>5.61%</b>

NOTE 12 - POST EMPLOYMENT BENEFITS

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.

*Plan Description –*

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



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**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 12 - POST EMPLOYMENT BENEFITS - Continued

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.

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. 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.

*Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or 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,

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**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 12 - POST EMPLOYMENT BENEFITS - Continued

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:

Proportionate Share of the OPEB Liability	\$ 6,338,049
Proportion of the OPEB Liability (Current Measurement Date)	0.0458860%
Proportion of the Net Pension Liability (Prior Measurement Date)	0.047301%
Change in Proportionate Share	(0.001415%)
OPEB Expense	\$ 718,651

**Actuarial Information**

Actuarial Valuation Date

Rolled-Forward Measurement Date

Experience Study

Actuarial Cost Method

Actuarial Assumptions:

Single Discount Rate

Investment Rate of Return

Municipal Bond Rate

Health Care Cost Trend Rate

**Traditional Plan**

December 31, 2018

December 31, 2019

5 Year Period Ended December 31, 2015

Individual Entry Age normal

3.16%

6.00%

2.75%

10.5% initial, 3.50% ultimate in 2030

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

Item	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 170	\$ 579,644
Changes of Assumptions	\$ 1,003,246	\$ -----
Net difference between expected and actual investment earnings	\$	\$ 322,732
Total	\$ 1,003,416	\$ 902,376

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NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 12 - POST EMPLOYMENT BENEFITS - Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS- Traditional
2021	\$162,560
2022	76,130
2023	257
2024	(137,907)
Total	<u>\$101,040</u>

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.

A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96% 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% and a municipal bond rate of 2.75%. 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.

The following table presents the Authority’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, and the expected net OPEB liability 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.

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NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 12 - POST EMPLOYMENT BENEFITS - Continued

<b>Sensitivity of net OPEB Liability to Changes in the Discount Rate</b>			
	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
As of December 31, 2019			
Employers' Net OPEB Liability	\$8,294,112	\$6,338,049	\$4,771,546

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% lower or 1.0% 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%. 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% in the most recent valuation.

<b>Sensitivity of net OPEB Liability to Changes in the Health Care Cost Trend Rate</b>			
	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
As of December 31, 2019			
Employers' Net OPEB Liability	\$6,151,018	\$6,338,049	\$6,522,695

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.

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

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NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 12 - POST EMPLOYMENT BENEFITS - Continued

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	36.00%	1.53%
Domestic Equities	21.00%	5.75%
REITs	6.00%	5.69%
International Equities	23.00%	7.66%
Other Investments	14.00%	4.90%
<b>Total</b>	<b>100.00%</b>	<b>4.55%</b>

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% for 2019.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 13 – OPERATING TRANSFERS

During the 2020 fiscal year the following adjustments were recorded between programs:

<b>From</b>	<b>To</b>	<b>Amount</b>	<b>Purpose</b>
<b>Operating Transfers</b>			
Business Activity (Fund 30)	LHSC	\$ 225,746	To transfer cost for rehabbing units for sale of homes
Capital Fund Program	Public Housing Operations	\$1,188,000	To transfer funds from BLI Account # 1406 to Operations.
Project-Based Rental Assistance	Parqwood Apartments	\$ 599,884	Reporting only to reflect federal award on the FDS
Business Activity (Fund 54)	COCC	\$ 494,725	Transfer of developer fees received
Westridge Apartments	COCC	\$4,155,841	Transfer of sale proceeds
COCC	Westridge Apartments	\$ 32,500	Transfer of sale proceeds
State/Local Fund	COCC	\$ 439,332	Operations
COCC	Business	\$1,314,184	Transfer of funds for CWG 3 loan
Business	Business	\$ 600,000	Transfer of funds between business activities

NOTE 14 – PRIOR PERIOD ADJUSTMENT

The total amount of \$570,224 was recorded as prior year adjustment to make necessary corrections to bring the audited equity balances in line with the tax credit auditor's report for Collingwood Green Phase 3, LP final report.

NOTE 15 – RESTRICTED NET POSITION

A summary of restricted net position as of December 31, 2020 is as follows:

<b>Restriction/Program</b>	<b>Amount</b>
Homeownership Reserve	\$ 1,102,986
CARES Act Funding (HCV and Mainstream)	-----
Required Capital Reserves (CFFP Program)	1,059,220
Required Debt Service Funds (EPC Contract)	268,228
HCV Program – HAP Equity	-----
Mainstream 5 Program – HAP Equity	92,105
Collingwood Green Phase I, LP – Operating, Replacement, and ACC Reserves	437,391
Collingwood Green Phase II, LP – Operating, and ACC Reserves	586,797
Collingwood Green Phase III, LP – Construction, and Escrow Funds	355,348
Parqwood Apartments, LP – Escrow, Replacement, and Operating Reserves	583,972
Total	\$ 4,486,047

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**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 16 – CONDENSED FINANCIAL INFORMATION**

The following condensed financial information for blended component units of the Authority has been presented for the year ending December 31, 2020.

	<i>Condensed Statements of Net Position</i>					
	Collingwood Green Phase I, LP	Collingwood Green Phase II, LP	Collingwood Green Phase III, LP	Parqwood Apartments, LP	LHSC	Westridge Apartments Dev. Corp.
Current Assets	544,992	888,956	363,652	837,629	562,654	669
Non Current Assets	9,690,966	12,625,412	18,406,586	8,907,849	3,021,087	-
Total Assets	10,235,958	13,514,368	18,770,238	9,745,478	3,583,741	669
Deferred Outflows of Resources	-	-	-	-	-	-
Current Liabilities	8,289,779	1,513,066	7,452,216	6,777,931	820,651	83
Long-Term Liabilities	554,000	386,917	4,327,793	2,680,026	257,972	-
Total Liabilities	8,843,779	1,899,983	11,780,009	9,457,957	1,078,623	83
Deferred Inflows of Resources	-	-	-	-	-	-
Net Investment in Capital Assets	9,690,966	11,225,678	14,403,050	6,257,440	-	-
Restricted Net Position	437,391	586,797	355,348	583,972	-	-
Unrestricted Net Position	(8,736,178)	(1,078,157)	(7,768,169)	(6,553,891)	2,505,118	586
Total Net Position	\$ 1,392,179	\$ 10,734,318	\$ 6,990,229	\$ 287,521	\$ 2,505,118	\$ 586

	<i>Condensed Statement of Revenues, Expenses and Changes in Net Position</i>					
	Collingwood Green Phase I, LP	Collingwood Green Phase II, LP	Collingwood Green Phase III, LP	Parqwood Apartments, LP	LHSC	Westridge Apartments Dev. Corp.
Operating Revenue	319,727	508,279	1,184,378	1,306,153	498,834	624,118
Operating Expenses	378,981	539,635	228,394	1,086,134	616,023	891,837
Depreciation Expense	351,374	636,862	589,617	325,440	165,949	-
Operating income (Loss)	(410,628)	(668,218)	366,367	(105,421)	(283,138)	(267,719)
Nonoperating revenues (Expenses)	-	-	-	-	(95)	-
Transfer In/(Out)	-	-	-	-	175,746	(4,123,341)
Gain on Sale	-	-	-	-	-	4,076,757
Change in Net Position	(410,628)	(668,218)	366,367	(105,421)	(107,487)	(314,303)
Beginning Net Position	1,802,807	11,402,536	6,623,862	392,942	2,447,847	314,889
Ending Net Position	\$ 1,392,179	\$ 10,734,318	\$ 6,990,229	\$ 287,521	\$ 2,340,360	\$ 586

	<i>Condensed Statement of Cash Flows</i>					
	Collingwood Green Phase I, LP	Collingwood Green Phase II, LP	Collingwood Green Phase III, LP	Parqwood Apartments, LP	LHSC	Westridge Apartments Dev. Corp.
Cash Flows	\$ (68,172)	\$ (54,704)	\$ (3,136,597)	\$ (297,891)	\$ 294,113	\$ (314,642)
Net Increase (Decrease)	(68,172)	(54,704)	(3,136,597)	(297,891)	294,113	(314,642)
Beginning Cash Balance	518,615	654,622	3,493,141	1,059,607	228,500	315,311
Ending Cash Balance	\$ 450,443	\$ 599,918	\$ 356,544	\$ 761,716	\$ 522,613	\$ 669

**NOTE 17 – RISK MANAGEMENT**

The Authority is exposed to various uncertainties for losses related to intentional and unintentional tort; theft or damage to and destruction of real and personal property, errors and omissions;

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO FINANCIAL BASIC STATEMENTS-CONT.**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 17 – RISK MANAGEMENT – Continued

catastrophes, medical and dental claims by employees; employee illnesses and injuries and pollution claims for which the Authority carries commercial insurance coverage. There have been no significant reductions in insurance coverage from the previous year. No negotiated settlements or jury awards have exceeded policy limits in the past.

NOTE 18 – CONTINGENT LIABILITIES

The Authority receives significant financial assistance from federal, state, and local agencies in the form of grants and operating subsidies. HUD provided approximately 80% of the Authority's operating revenue in the current year. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements and are subject to audit by the grantor agencies; therefore, to the extent that the Authority has not complied with rules and regulations governing the grants, if any, refunds of any money received may be required. Management believes there are no significant contingent liabilities relating to compliance with grant rules and regulations.

NOTE 19 – HUD-HELD RESERVE

For future use, HUD's policy is to retain and hold unobligated HAP funds from the Housing Choice Voucher Program for all PHAs that administer the program. Funds can be requested from HUD based on the need and use of providing additional rental assistance payment within staying within the established baseline number of unit months available in the calendar year. The balance in the HUD held reserve is \$2,977,934 at December 31, 2020.

NOTE 20 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 30, 2021, the date which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition of disclosure in the financial statements.

NOTE 21 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Authority. The Authority's investment portfolio and the investments of the pension and other employee benefit plan in which the Authority participates have 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.

Additional funding from the Cares Act legislation has been provided to the Low Rent Housing Program to aid in the preventing, preparing and responding to the COVID-19 virus. This funding, totaling \$1,912,170 for the Low Rent Housing Program, \$559,296 as supplemental administrative



**LUCAS METROPOLITAN HOUSING AUTHORITY  
NOTES TO FINANCIAL BASIC STATEMENTS-CONT.  
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 21 – COVID-19 - Continued

fees for the HCV Program, and \$59,694 as supplemental administrative fees for the Mainstream Program have been obligated to the Authority. The supplemental funding must be spent by December 31, 2021.

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**REQUIRED SUPPLEMENTAL INFORMATION**

**LUCAS METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)  
LAST 10 FISCAL YEARS\***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Authority's proportion of the net pension liability	.0435%	.0456%	.046%	0.047%	0.05%	0.05%	0.05%	N/A	N/A	N/A
Authority's proportionate share of the net pension liability	\$8,440,421	\$12,438,769	\$7,083,177	\$10,744,203	\$8,195,381	\$8,083,379	\$5,754,842	N/A	N/A	N/A
Authority's covered employee payroll	\$7,705,424	\$6,826,358	\$6,891,456	\$6,233,947	\$6,692,267	\$5,837,642	\$5,573,475	N/A	N/A	N/A
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	109.54%	182.22%	102.78%	172.35%	120.79%	138.47%	103.25%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability (Traditional)	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%	N/A	N/A	N/A

\* Previous year data was unavailable as 2014 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #68.

See accompanying Notes to the Required Supplementary Information.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)  
LAST 10 FISCAL YEARS\***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$1,079,703	\$955,689	\$964,804	\$ 872,753	\$ 936,917	\$ 700,517	\$ 690,417	\$ 775,679	N/A	N/A
Contributions in relation to the contractually required contributions	\$1,079,703	\$955,689	\$964,804	\$ 872,753	\$ 936,917	\$ 700,517	\$ 690,417	\$ 775,679	N/A	N/A
Contribution deficiency (excess)	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	\$ -----	N/A	N/A
Authority's covered-employee payroll	\$7,705,424	\$ 6,826,358	\$6,891,456	\$6,233,947	\$6,692,267	\$5,837,642	\$5,573,475	\$5,966,762	N/A	N/A
Contributions as a percentage of covered-employee payroll	14.01%	14.00%	14.00%	14.00%	14.00%	12.00%	12.00%	13.00%	N/A	N/A

\* Previous year data was unavailable as 2013 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #68.

See accompanying Notes to the Required Supplementary Information

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET**  
**OPEB LIABILITY**  
**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**  
**LAST 10 FISCAL YEARS\***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Authority's proportion of the net OPEB liability	.0459	.0473%	.0480%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Authority's proportionate share of the OPEB liability	\$6,338,049	\$6,166,903	\$5,212,447	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Authority's covered employee payroll	\$7,705,424	\$6,826,358	\$6,891,456	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Authority's proportionate share of the OPEB liability as a percentage of its covered-employee payroll	82.25%	90.34%	75.63%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total OPEB liability	47.80%	46.33%	54.14%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* Previous year data was unavailable as 2018 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #75.

See accompanying Notes to the Required Supplementary Information.

**LUCAS METROPOLITAN HOUSING AUTHORITY  
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)  
LAST 10 FISCAL YEARS\***

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ -----	\$ -----	\$ -----	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contributions	\$ -----	\$ -----	\$ -----	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -----	\$ -----	\$ -----	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Authority's covered-employee payroll	\$7,705,424	\$6,826,358	\$6,891,456	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Previous year data was unavailable as 2018 was the first fiscal year that the Authority and the Public Employees Retirement Plan has implemented the reporting requirements of GASB Statement #75. See accompanying Notes to the Required Supplementary Information.

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 - PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

*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. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019 the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.

There were no changes in assumptions for 2020.

NOTE 2- OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2017-2020.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25%, ultimate in 2029.

For 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% to 3.16%, (b) the municipal bond rate was decreased from 3.71% to 2.75% and (c) the health care cost trend rate was increased from 10.00% , initially 3.25%, ultimate in 2029 to 10.50%, initially 3.50% ultimate in 2030.



**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**FINANCIAL DATA SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
111	Cash-unrestricted	6,320,387	3,363,393	0	3,463,391	896,301	14,043,472	0	14,043,472
112	Cash-restricted-modernization and development	0	0	0	0	11,566	11,566	0	11,566
113-010	Cash - Restricted - HAP Funds	0	92,105	0	0	0	92,105	0	92,105
113-020	Cash - Restricted - FSS Escrow Deposits	0	201,010	0	0	0	201,010	0	201,010
113-030	Cash - Restricted - Other	0	1,102,986	690,271	0	1,951,942	3,745,199	0	3,745,199
113	<b>Cash-other restricted</b>	<b>0</b>	<b>1,396,101</b>	<b>690,271</b>	<b>0</b>	<b>1,951,942</b>	<b>4,038,314</b>	<b>0</b>	<b>4,038,314</b>
114	Cash-tenant security deposits	263,257	0	0	0	95,892	359,149	0	359,149
115-010	Cash - Restricted - HAP Funds	0	0	0	0	0	0	0	0
115-020	Cash - Restricted - FSS Escrow Deposits	0	84,342	0	0	0	84,342	0	84,342
115-030	Cash - Restricted - Other	1,059,220	0	0	0	0	1,059,220	0	1,059,220
115	<b>Cash - Restricted for payment of current liability</b>	<b>1,059,220</b>	<b>84,342</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,143,562</b>	<b>0</b>	<b>1,143,562</b>
100	<b>Total Cash</b>	<b>7,642,864</b>	<b>4,843,836</b>	<b>690,271</b>	<b>3,463,391</b>	<b>2,955,701</b>	<b>19,596,063</b>	<b>0</b>	<b>19,596,063</b>
121	Accounts receivable - PHA projects	0	0	0	0	0	0	0	0
122	<b>Accounts receivable - HUD other projects</b>	<b>1,404,595</b>	<b>560,307</b>	<b>121,928</b>	<b>0</b>	<b>51,028</b>	<b>2,137,858</b>	<b>0</b>	<b>2,137,858</b>
124	Account receivable - other government	0	305,823	0	0	0	305,823	0	305,823
125	<b>Account receivable - miscellaneous</b>	<b>19,030</b>	<b>2,557,657</b>	<b>0</b>	<b>507,618</b>	<b>5,777</b>	<b>3,090,082</b>	<b>(2,371,982)</b>	<b>718,100</b>
126	Accounts receivable - tenants	403,146	0	0	0	129,170	532,316	0	532,316
126.1	Allowance for doubtful accounts - tenants	(76,169)	0	0	0	(39,400)	(115,569)	0	(115,569)
126.2	Allowance for doubtful accounts - other	0	0	0	0	0	0	0	0
127	Notes, Loans, & Mortgages Receivable - Current	12,512,687	9,846,179	0	0	0	22,358,866	(22,337,588)	21,278
128	Fraud recovery	5,942	274,041	0	0	0	279,983	0	279,983
128.1	Allowance for doubtful accounts - fraud	0	(266,403)	0	0	0	(266,403)	0	(266,403)
129	Accrued interest receivable	424,699	280,862	0	0	0	705,561	(705,018)	543
120	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>14,693,930</b>	<b>13,558,466</b>	<b>121,928</b>	<b>507,618</b>	<b>146,575</b>	<b>29,028,517</b>	<b>(25,414,588)</b>	<b>3,613,929</b>
131	Investments - unrestricted	0	0	0	0	0	0	0	0
132-010	Investments - restricted - HAP Funds	0	0	0	0	0	0	0	0
132-020	Investments - restricted - FSS Escrow Deposits	0	0	0	0	0	0	0	0
132-030	Investments - restricted - Other	268,228	0	0	0	0	268,228	0	268,228
132	<b>Investments - restricted</b>	<b>268,228</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>268,228</b>	<b>0</b>	<b>268,228</b>
135-010	Investments - restricted - HAP Funds	0	0	0	0	0	0	0	0
135-020	Investments - restricted - FSS Escrow Deposits	0	0	0	0	0	0	0	0
135-030	Investments - restricted - Other	0	0	0	0	0	0	0	0
135	<b>Investments - Restricted for payment of current liability</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
142	Prepaid expenses and other assets	4,400	11,055	0	111,171	123,826	250,452	0	250,452
143	Inventories	0	0	0	0	0	0	0	0
143.1	Allowance for obsolete inventories	0	0	0	0	0	0	0	0
144	Inter program - due from	2,721,520	195,178	0	26,369	0	2,943,067	(2,943,067)	0
145	Assets held for sale	0	0	0	0	0	0	0	0
150	<b>Total Current Assets</b>	<b>25,330,942</b>	<b>18,608,535</b>	<b>812,199</b>	<b>4,108,549</b>	<b>3,226,102</b>	<b>52,086,327</b>	<b>(28,357,655)</b>	<b>23,728,672</b>

**LUCAS METROPOLITAN HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
161	Land	6,496,135	11,000	0	47,320	271,673	6,826,128	0	6,826,128
162	Buildings	165,228,179	559,010	0	4,562,015	57,076,583	227,425,787	0	227,425,787
163	Furniture, equipment and machinery - dwellings	0	0	0	0	1,379,258	1,379,258	0	1,379,258
164	Furniture, equipment and machinery - administration	565,545	122,456	0	1,285,651	0	1,973,652	0	1,973,652
165	Leasehold improvements	0	0	0	0	0	0	0	0
166	Accumulated depreciation	(142,780,521)	(422,388)	0	(5,374,165)	(8,557,185)	(157,134,259)	0	(157,134,259)
167	Construction in progress	2,056,386	0	0	0	20,030	2,076,416	0	2,076,416
168	Infrastructure	0	0	0	0	0	0	0	0
160	<b>Total capital assets, net of accumulated depreciation</b>	<b>31,565,724</b>	<b>270,078</b>	<b>0</b>	<b>520,821</b>	<b>50,190,359</b>	<b>82,546,982</b>	<b>0</b>	<b>82,546,982</b>
171	<b>Notes, Loans, &amp; mortgages receivable – Non-current</b>	<b>0</b>	<b>481,423</b>	<b>0</b>	<b>0</b>	<b>557,145</b>	<b>1,038,568</b>	<b>0</b>	<b>1,038,568</b>
172	<b>Notes, Loans, &amp; mortgages receivable – Non-current - past due</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
173	Grants receivable – Non-current	0	0	0	0	0	0	0	0
174	<b>Other assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,265</b>	<b>1,099,763</b>	<b>1,111,028</b>	<b>0</b>	<b>1,111,028</b>
176	<b>Investment in joint venture</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
180	<b>Total Non-current Assets</b>	<b>31,565,724</b>	<b>751,501</b>	<b>0</b>	<b>532,086</b>	<b>51,847,267</b>	<b>84,696,578</b>	<b>0</b>	<b>84,696,578</b>
190	<b>Total Assets</b>	<b>56,896,666</b>	<b>19,360,036</b>	<b>812,199</b>	<b>4,640,635</b>	<b>55,073,369</b>	<b>136,782,905</b>	<b>(28,357,655)</b>	<b>108,425,250</b>
200	Deferred Outflow of Resources	1,188,555	277,902	0	1,103,152	0	2,569,609	0	2,569,609
290	<b>Total Assets and Deferred Outflow of Resources</b>	<b>58,085,221</b>	<b>19,637,938</b>	<b>812,199</b>	<b>5,743,787</b>	<b>55,073,369</b>	<b>139,352,514</b>	<b>(28,357,655)</b>	<b>110,994,859</b>
311	Bank overdraft	0	0	0	0	0	0	0	0
312	Accounts payable <= 90 days	1,215,602	214,465	0	230,076	198,774	1,858,917	0	1,858,917
313	Accounts payable > 90 days past due	0	0	0	0	0	0	0	0
321	Accrued wage/payroll taxes payable	0	0	0	429,633	0	429,633	0	429,633
322	Accrued compensated absences - current portion	54,111	15,883	0	43,156	0	113,150	0	113,150
324	Accrued contingency liability	0	0	0	0	0	0	0	0
325	Accrued interest payable	185,118	25,320	0	0	730,313	940,751	(705,018)	235,733
331	<b>Accounts payable - HUD PHA Programs</b>	<b>0</b>	<b>6,993</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,993</b>	<b>0</b>	<b>6,993</b>
332	Accounts payable - PHA Projects	0	0	0	0	0	0	0	0
333	Accounts payable - other government	75,770	2,717	0	0	13,248	91,735	0	91,735
341	Tenant security deposits	263,257	5,500	0	0	99,396	368,153	0	368,153
342	<b>Unearned revenue</b>	<b>37,137</b>	<b>0</b>	<b>690,271</b>	<b>0</b>	<b>45,759</b>	<b>773,167</b>	<b>0</b>	<b>773,167</b>
343	<b>Current portion of long-term debt - capital projects/mortgage</b>	<b>279,110</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>320,849</b>	<b>599,959</b>	<b>0</b>	<b>599,959</b>
344	Current portion of long-term debt - operating borrowings	440,000	0	0	0	0	440,000	0	440,000
345	Other current liabilities	359,355	84,342	0	0	24,709,570	25,153,267	(24,709,570)	443,697
346	Accrued liabilities - other	41,055	0	0	100,889	15,875	157,819	0	157,819
347	Inter program - due to	0	1,005,745	121,928	354,395	1,460,999	2,943,067	(2,943,067)	0
348	<b>Loan liability - current</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
310	<b>Total Current Liabilities</b>	<b>2,950,515</b>	<b>1,360,965</b>	<b>812,199</b>	<b>1,158,149</b>	<b>27,594,783</b>	<b>33,876,611</b>	<b>(28,357,655)</b>	<b>5,518,956</b>

**LUCAS METROPOLITAN HOUSING AUTHORITY**  
**FINANCIAL DATA SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
351-010	Long-term debt - CFFP	0	0	0	0	0	0	0	0
351-020	Long-term - Capital Projects/ Mortgage Revenue	5,931,463	0	0	0	0	5,931,463	0	5,931,463
351	<b>Capital Projects/ Mortgage Revenue Bonds</b>	<b>5,931,463</b>	<b>1,350,000</b>	<b>0</b>	<b>0</b>	<b>6,251,165</b>	<b>13,532,628</b>	<b>0</b>	<b>13,532,628</b>
352	Long-term debt, net of current - operating borrowings	7,680,000	0	0	0	0	7,680,000	0	7,680,000
353	Non-current liabilities - other	1,740,133	201,010	0	0	0	1,941,143	0	1,941,143
354	Accrued compensated absences- Non-current	448,747	144,830	0	472,274	0	1,065,851	0	1,065,851
355-010	Loan liability - Non-current - Not For Profit	0	0	0	0	0	0	0	0
355-020	Loan liability - Non-current - Partnership	0	0	0	0	0	0	0	0
355-030	Loan liability - Non-current - Joint Venture	0	0	0	0	0	0	0	0
355-040	Loan liability - Non-current - Tax Credit	0	0	0	0	0	0	0	0
355-050	Loan liability - Non-current - Other	0	0	0	0	0	0	0	0
355-060	Other - Comment	0	0	0	0	0	0	0	0
355	<b>Loan liability - Non-current</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
356	FASB 5 Liabilities	0	0	0	0	0	0	0	0
357-10	Pension Liability	3,991,003	1,012,634	0	3,436,784	0	8,440,421	0	8,440,421
357-20	OPEB Liability	2,640,865	712,966	0	2,984,218	0	6,338,049	0	6,338,049
357	<b>Accrued Pension and OPEB Liabilities</b>	<b>6,631,868</b>	<b>1,725,600</b>	<b>0</b>	<b>6,421,002</b>	<b>0</b>	<b>14,778,470</b>	<b>0</b>	<b>14,778,470</b>
350	<b>Total Non-current liabilities</b>	<b>22,432,211</b>	<b>3,421,440</b>	<b>0</b>	<b>6,893,276</b>	<b>6,251,165</b>	<b>38,998,092</b>	<b>0</b>	<b>38,998,092</b>
300	<b>Total Liabilities</b>	<b>25,382,726</b>	<b>4,782,405</b>	<b>812,199</b>	<b>8,051,425</b>	<b>33,845,948</b>	<b>72,874,703</b>	<b>(28,357,655)</b>	<b>44,517,048</b>
400	<b>Deferred Inflow of Resources</b>	<b>1,174,917</b>	<b>396,764</b>	<b>0</b>	<b>1,215,370</b>	<b>0</b>	<b>2,787,051</b>	<b>0</b>	<b>2,787,051</b>
508.4	Net Investment in Capital Assets	17,235,151	(1,079,922)	0	520,821	43,618,345	60,294,395	0	60,294,395
511.4	Restricted Net Position	1,327,448	1,195,091	0	0	1,963,508	4,486,047	0	4,486,047
512.4	Unrestricted Net Position	12,964,979	14,343,600	0	(4,043,829)	(24,354,432)	(1,089,682)	0	(1,089,682)
513	<b>Total Equity - Net Assets / Position</b>	<b>31,527,578</b>	<b>14,458,769</b>	<b>0</b>	<b>(3,523,008)</b>	<b>21,227,421</b>	<b>63,690,760</b>	<b>0</b>	<b>63,690,760</b>
600	<b>Total Liabilities, Deferred Inflow, and Equity - Net Assets</b>	<b>58,085,221</b>	<b>19,637,938</b>	<b>812,199</b>	<b>5,743,787</b>	<b>55,073,369</b>	<b>139,352,514</b>	<b>(28,357,655)</b>	<b>110,994,859</b>

**LUCAS METROPOLITAN HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
70300	Net tenant rental revenue	5,057,954	4,600	0	0	2,096,254	7,158,808	0	7,158,808
70400	Tenant revenue - other	145,573	0	0	0	13,571	159,144	0	159,144
70500	Total Tenant Revenue	<b>5,203,527</b>	<b>4,600</b>	0	0	<b>2,109,825</b>	7,317,952	0	7,317,952
70600-010	Housing assistance payments	0	23,639,373	0	0	0	23,639,373	0	23,639,373
70600-020	Ongoing administrative fees earned	0	2,834,661	580,818	0	0	3,415,479	0	3,415,479
70600-030	Hard to house fee revenue	0	0	0	0	0	0	0	0
70600-031	FSS Coordinator	0	0	0	0	0	0	0	0
70600-040	Actual independent public accountant audit costs	0	0	0	0	0	0	0	0
70600-050	Total preliminary fees earned	0	0	0	0	0	0	0	0
70600-060	All other fees	0	0	0	0	0	0	0	0
70600-070	Admin fee calculation description	0	0	0	0	0	0	0	0
70600	<b>HUD PHA operating grants</b>	<b>15,192,163</b>	<b>28,514,939</b>	1,662,383	0	0	45,369,485	0	45,369,485
70610	Capital grants	1,649,580	0	0	0	0	1,649,580	0	1,649,580
70710	Management Fee	0	0	0	2,916,672	0	2,916,672	(2,916,672)	0
70720	Asset Management Fee	0	0	0	304,320	0	304,320	(304,320)	0
70730	Book-Keeping Fee	0	0	0	609,789	0	609,789	(609,789)	0
70740	Front Line Service Fee	0	0	0	1,975,609	0	1,975,609	(1,975,609)	0
70750-010	Other Fees - from PHA Administered Programs	0	0	0	0	0	0	0	0
70750-020	Other Fees - from Third / Outside Party	0	0	0	0	0	0	0	0
70750	<b>Other Fees</b>	<b>0</b>	<b>0</b>	0	<b>0</b>	<b>0</b>	0	<b>0</b>	0
70700	<b>Total Fee Revenue</b>	<b>0</b>	<b>0</b>	0	<b>5,806,390</b>	<b>0</b>	5,806,390	<b>(5,806,390)</b>	0
70800	Other government grants	0	1,463,501	0	0	0	1,463,501	0	1,463,501
71100-010	Housing Assistance Payment	0	0	0	0	0	0	0	0
71100-020	Administrative Fee	0	5,170	0	0	0	5,170	0	5,170
71100	<b>Investment income - unrestricted</b>	<b>402</b>	<b>78,108</b>	0	<b>0</b>	<b>3,600</b>	82,110	<b>0</b>	82,110
71200	Mortgage interest income	93,760	62,146	0	0	0	155,906	0	155,906
71300	Proceeds from disposition of assets held for sale	0	318,609	0	0	105,040	423,649	0	423,649
71310	Cost of sale of assets	0	(149,460)	0	0	(318,590)	(468,050)	0	(468,050)
71400-010	Housing Assistance Payment	0	21,110	0	0	0	21,110	0	21,110
71400-020	Administrative Fee	0	21,130	0	0	0	21,130	0	21,130
71400	<b>Fraud recovery</b>	<b>0</b>	<b>42,385</b>	0	<b>0</b>	<b>0</b>	42,385	<b>0</b>	42,385
71500	Other revenue	228,296	429,309	95,029	1,140,554	2,120,826	4,014,014	(95,029)	3,918,985
71600	Gain or loss on disposition of capital assets	0	0	0	(16,164)	4,076,757	4,060,593	0	4,060,593
72000-010	Housing Assistance Payment	0	0	0	0	0	0	0	0
72000-020	Administrative Fee	0	0	0	0	0	0	0	0
72000	<b>Investment income - restricted</b>	<b>2,529</b>	<b>0</b>	0	<b>0</b>	<b>0</b>	2,529	<b>0</b>	2,529
70000	<b>Total Revenue</b>	<b>22,370,257</b>	<b>30,764,137</b>	1,757,412	<b>6,930,780</b>	<b>8,097,458</b>	69,920,044	<b>(5,901,419)</b>	64,018,625

**LUCAS METROPOLITAN HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
91100	Administrative salaries	654,433	413,051	542,135	2,416,886	308,157	4,334,662	0	4,334,662
91200	Auditing fees	17,934	3,212	0	22,670	28,090	71,906	0	71,906
91300-010	Management Fee - from PHA Administered Programs	2,245,207	619,092	95,029	0	52,373	3,011,701	(3,011,701)	0
91300-020	Management Fee - from Third Party / Outside Entity	0	0	0	0	110,818	110,818	0	110,818
91300	<b>Management Fee</b>	<b>2,245,207</b>	<b>619,092</b>	<b>95,029</b>	<b>0</b>	<b>163,191</b>	<b>3,122,519</b>	<b>(3,011,701)</b>	<b>110,818</b>
91310	Book-Keeping Fee	222,857	386,932	0	0	0	609,789	(609,789)	0
91400	Advertising and Marketing	368	205	0	8,860	20,609	30,042	0	30,042
91500	Employee benefit contributions - administrative	380,891	222,619	148,640	960,939	46,484	1,759,573	0	1,759,573
91600	Office Expenses	191,219	195,427	83,832	391,109	101,576	963,163	(84,653)	878,510
91700	Legal Expense	14,214	604	0	20,506	14,869	50,193	0	50,193
91800	Travel	2,150	171	0	31,196	0	33,517	0	33,517
91810	Allocated Overhead	0	0	0	0	0	0	0	0
91900	Other	1,258,631	511,008	34,288	755,991	101,322	2,661,240	(298,036)	2,363,204
91000	<b>Total Operating-Administrative</b>	<b>4,987,904</b>	<b>2,352,321</b>	<b>903,924</b>	<b>4,608,157</b>	<b>784,298</b>	<b>13,636,604</b>	<b>(4,004,179)</b>	<b>9,632,425</b>
92000	Asset Management Fee	304,320	0	0	0	0	304,320	(304,320)	0
92100	Tenant services - salaries	0	701,221	0	278,637	0	979,858	0	979,858
92200	Relocation Costs	8,117	0	0	39	0	8,156	0	8,156
92300	Employee benefit contributions - tenant services	0	80,802	0	102,736	0	183,538	0	183,538
92400	Tenant services - other	590,335	334,948	133,457	78,782	40	1,137,562	(316,768)	820,794
92500	<b>Total Tenant Services</b>	<b>598,452</b>	<b>1,116,971</b>	<b>133,457</b>	<b>460,194</b>	<b>40</b>	<b>2,309,114</b>	<b>(316,768)</b>	<b>1,992,346</b>
93100	Water	2,230,517	18,112	0	23,246	241,337	2,513,212	0	2,513,212
93200	Electricity	1,129,701	17,301	0	65,264	69,088	1,281,354	0	1,281,354
93300	Gas	650,523	7,018	0	28,961	37,976	724,478	0	724,478
93400	Fuel	0	0	0	0	0	0	0	0
93500	Labor	0	0	0	0	0	0	0	0
93600	Sewer	1,030	0	0	0	23,912	24,942	0	24,942
93700	Employee benefit contributions - utilities	0	0	0	0	0	0	0	0
93800	Other utilities expense	0	0	0	0	46,793	46,793	0	46,793
93000	<b>Total Utilities</b>	<b>4,011,771</b>	<b>42,431</b>	<b>0</b>	<b>117,471</b>	<b>419,106</b>	<b>4,590,779</b>	<b>0</b>	<b>4,590,779</b>
94100	Ordinary maintenance and operations - labor	1,561,251	0	360,299	443,353	185,998	2,550,901	0	2,550,901
94200	Ordinary maintenance and operations - materials and other	756,841	339	23,095	132,826	80,209	993,310	0	993,310
94300-010	Ordinary Maintenance and Operations Contracts - Garbage and Trash	215,793	1,504	0	4,645	51,463	273,405	0	273,405
94300-020	Ordinary Maintenance and Operations Contracts - Heating & Cooling	523,407	845	0	4,048	15,947	544,247	(487,722)	56,525
94300-030	Ordinary Maintenance and Operations Contracts - Snow Removal Contracts	289,731	4,354	0	0	8,168	302,253	0	302,253
94300-040	Ordinary Maintenance and Operations Contracts - Elevator Maintenance	38,150	0	0	1,450	0	39,600	0	39,600
94300-050	Ordinary Maintenance and Operations Contracts - Landscape & Grounds	568,729	19,788	0	0	142,667	731,184	0	731,184
94300-060	Ordinary Maintenance and Operations Contracts - Unit Turnaround	544,228	0	0	0	13,678	557,906	(225,474)	332,432
94300-070	Ordinary Maintenance and Operations Contracts - Electrical Contracts	84,231	0	0	0	0	84,231	0	84,231
94300-080	Ordinary Maintenance and Operations Contracts - Plumbing Contracts	297,988	0	13,910	0	0	311,898	0	311,898
94300-090	Ordinary Maintenance and Operations Contracts - Extermination Contracts	325,464	638	0	595	3,840	330,537	0	330,537
94300-100	Ordinary Maintenance and Operations Contracts - Janitorial Contracts	33,731	0	69,601	51,752	4,838	159,922	0	159,922
94300-110	Ordinary Maintenance and Operations Contracts - Routine Maintenance	397,827	3,272	0	1,016	0	402,115	0	402,115
94300-120	Ordinary Maintenance and Operations Contracts - Misc Contracts	837,011	170,243	4,450	232,499	575,465	1,819,668	0	1,819,668
94300	<b>Ordinary Maintenance and Operations Contracts</b>	<b>4,156,290</b>	<b>200,644</b>	<b>87,961</b>	<b>296,005</b>	<b>816,066</b>	<b>5,556,966</b>	<b>(713,196)</b>	<b>4,843,770</b>
94500	Employee benefit contribution - ordinary maintenance	832,739	0	0	238,563	27,617	1,098,919	0	1,098,919
94000	<b>Total Maintenance</b>	<b>7,307,121</b>	<b>200,983</b>	<b>471,355</b>	<b>1,110,747</b>	<b>1,109,890</b>	<b>10,200,096</b>	<b>(713,196)</b>	<b>9,486,900</b>

**LUCAS METROPOLITAN HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
95100	Protective services - labor	0	0	0	68,002	0	68,002	0	68,002
95200	Protective services - other contract costs	670,107	0	246,663	216,209	0	1,132,979	(562,956)	570,023
95300	Protective services - other	0	0	0	0	55,928	55,928	0	55,928
95500	Employee benefit contributions - protective services	0	0	0	31,883	0	31,883	0	31,883
95000	<b>Total Protective Services</b>	<b>670,107</b>	<b>0</b>	<b>246,663</b>	<b>316,094</b>	<b>55,928</b>	<b>1,288,792</b>	<b>(562,956)</b>	<b>725,836</b>
96110	Property Insurance	423,365	4,375	0	1,841	131,891	561,472	0	561,472
96120	Liability Insurance	204,290	233	0	2,323	66,174	273,020	0	273,020
96130	Workmen's Compensation	24,199	3,967	2,013	29,311	2,075	61,565	0	61,565
96140	All other Insurance	57,775	2,959	0	43,192	6,312	110,238	0	110,238
96100	<b>Total Insurance Premiums</b>	<b>709,629</b>	<b>11,534</b>	<b>2,013</b>	<b>76,667</b>	<b>206,452</b>	<b>1,006,295</b>	<b>0</b>	<b>1,006,295</b>
96200	Other general expenses	228,267	235,454	0	197,150	585,302	1,246,173	0	1,246,173
96210	Compensated absences	200,521	79,546	0	138,611	0	418,678	0	418,678
96300	Payments in lieu of taxes	181,303	5,724	0	0	205,403	392,430	0	392,430
96400	Bad debt - tenant rents	207,540	0	0	0	46,542	254,082	0	254,082
96500	Bad debt - mortgages	0	0	0	0	0	0	0	0
96600	Bad debt - other	0	0	0	0	0	0	0	0
96800	Severance expense	0	0	0	0	0	0	0	0
96000	<b>Total Other General Expenses</b>	<b>817,631</b>	<b>320,724</b>	<b>0</b>	<b>335,761</b>	<b>837,247</b>	<b>2,311,363</b>	<b>0</b>	<b>2,311,363</b>
96710	Interest of Mortgage (or Bonds) Payable	712,234	0	0	0	500,506	1,212,740	0	1,212,740
96720	Interest on Notes Payable (Short and Long Term)	0	0	0	0	0	0	0	0
96730	Amortization of Bond Issue Costs	0	0	0	0	7,251	7,251	0	7,251
96700	<b>Total Interest Expense and Amortization Cost</b>	<b>712,234</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>507,757</b>	<b>1,219,991</b>	<b>0</b>	<b>1,219,991</b>
96900	<b>Total Operating Expenses</b>	<b>20,119,169</b>	<b>4,044,964</b>	<b>1,757,412</b>	<b>7,025,091</b>	<b>3,920,718</b>	<b>36,867,354</b>	<b>(5,901,419)</b>	<b>30,965,935</b>
97000	<b>Excess Revenue Over Operating Expenses</b>	<b>2,251,088</b>	<b>26,719,173</b>	<b>0</b>	<b>(94,311)</b>	<b>4,176,740</b>	<b>33,052,690</b>	<b>0</b>	<b>33,052,690</b>
97100	Extraordinary maintenance	0	3,328	0	0	0	3,328	0	3,328
97200	Casualty losses- Non-capitalized	240,931	0	0	1,000	95	242,026	0	242,026
97300-010	Mainstream 1 year	0	0	0	0	0	0	0	0
97300-020	Home-Ownership	0	328,918	0	0	0	328,918	0	328,918
97300-025	Litigation	0	0	0	0	0	0	0	0
97300-030	Hope IV	0	0	0	0	0	0	0	0
97300-040	Tenant Protection	0	665,193	0	0	0	665,193	0	665,193
97300-041	Portability-Out	0	232,345	0	0	0	232,345	0	232,345
97300-045	FSS Escrow Deposits	0	86,912	0	0	0	86,912	0	86,912
97300-049	Other Special Vouchers	0	2,161,550	0	0	0	2,161,550	0	2,161,550
97300-050	All Other	0	20,836,168	0	0	0	20,836,168	0	20,836,168
97300	<b>Housing assistance payments</b>	<b>0</b>	<b>25,275,202</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,275,202</b>	<b>0</b>	<b>25,275,202</b>
97350	<b>HAP Portability-in</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
97400	Depreciation expense	3,988,829	38,017	0	129,839	2,069,242	6,225,927	0	6,225,927
97500	Fraud losses	0	0	0	0	0	0	0	0
97800	Dwelling units rent expense	0	0	0	0	0	0	0	0
90000	<b>Total Expenses</b>	<b>24,348,929</b>	<b>29,361,511</b>	<b>1,757,412</b>	<b>7,155,930</b>	<b>5,990,055</b>	<b>68,613,837</b>	<b>(5,901,419)</b>	<b>62,712,418</b>

**LUCAS METROPOLITAN HOUSING AUTHORITY  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Line Item	Description	Project Totals	Program Totals	Covid Totals	COCC	Component Units	Subtotal	Elimination	Total
10010	Operating transfer in	1,188,000	1,914,187	0	934,057	599,884	4,636,128	(4,636,128)	0
10020	Operating transfer out	(1,188,000)	(2,086,444)	0	(1,361,684)	0	(4,636,128)	4,636,128	0
10030	<b>Operating transfers from / to primary government</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
10040	Operating transfers from / to component unit	0	(225,746)	0	4,173,341	(3,947,595)	0	0	0
10070	Extraordinary items, net gain/loss	0	0	0	0	0	0	0	0
10080	Special items, net gain/loss	0	0	0	0	0	0	0	0
10091	Inter Project Excess Cash Transfer In	0	0	0	0	0	0	0	0
10092	Inter Project Excess Cash Transfer Out	0	0	0	0	0	0	0	0
10093	Transfers between Programs and Projects - in	0	0	0	0	0	0	0	0
10094	Transfers between Programs and Projects - out	0	0	0	0	0	0	0	0
10100	<b>Total other financing sources (uses)</b>	<b>0</b>	<b>(398,003)</b>	<b>0</b>	<b>3,745,714</b>	<b>(3,347,711)</b>	<b>0</b>	<b>0</b>	<b>0</b>
10000	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<b>(1,978,672)</b>	<b>1,004,623</b>	<b>0</b>	<b>3,520,564</b>	<b>(1,240,308)</b>	<b>1,306,207</b>	<b>0</b>	<b>1,306,207</b>
11020	Required Annual Debt Principal Payments	690,000	0	0	0	142,811	832,811	0	832,811
11030	Beginning equity	33,655,711	13,379,686	0	(7,043,572)	21,822,505	61,814,330	0	61,814,330
11040	<b>Prior period adjustments, equity transfers, and correction of</b>	<b>(149,461)</b>	<b>74,460</b>	<b>0</b>	<b>0</b>	<b>645,224</b>	<b>570,223</b>	<b>0</b>	<b>570,223</b>
11170	<b>Administrative Fee Equity</b>	<b>0</b>	<b>(418,380)</b>	<b>(95,029)</b>	<b>0</b>	<b>0</b>	<b>(513,409)</b>	<b>0</b>	<b>(513,409)</b>
11180	<b>Housing Assistance Payments Equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
11190	<b>Unit Months Available</b>	<b>31048</b>	<b>54,492</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>85,540</b>	<b>0</b>	<b>85,540</b>
11210	<b>Unit Months Leased</b>	<b>30258</b>	<b>51,705</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>81,963</b>	<b>0</b>	<b>81,963</b>
11270	<b>Excess Cash</b>	<b>19,502,455</b>	<b>0</b>	<b>66,521,522</b>	<b>0</b>	<b>0</b>	<b>86,023,976</b>	<b>0</b>	<b>86,023,976</b>
11610	Land Purchases	0	0	0	0	0	0	0	0
11620	Building Purchases	1,229,580	0	0	0	0	1,229,580	0	1,229,580
11630	Furniture & Equipment-Dwelling Purchases	0	0	0	0	0	0	0	0
11640	Furniture & Equipment-Administrative Purchases	0	0	0	0	0	0	0	0
11650	Leasehold Improvements Purchases	0	0	0	0	0	0	0	0
11660	Infrastructure Purchases	0	0	0	0	0	0	0	0
13510	CFFP Debt Service Payments	851,499	0	0	0	0	851,499	0	851,499
13901	Replacement Housing Factor Funds	0	0	0	0	0	0	0	0

**LUCAS METROPOLITAN HOUSING AUTHORITY  
LUCAS COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b>Direct Programs</b>			
Public and Indian Housing	14.850		\$ 12,423,846
COVID - 19 Public and Indian Housing - Supplemental CARES Act Operating Fund	14.850		1,081,565
Total Public and Indian Housing			<u>13,505,411</u>
Housing Voucher Cluster:			
Section 8 Housing Choice Voucher Program	14.871		26,474,034
COVID-19 HCV CARES ACT Supplemental Administrative Fees	14.871		564,820
Total Section 8 Housing Choice Voucher Program			<u>27,038,854</u>
Mainstream vouchers (MS5)	14.879		682,981
Mainstream vouchers (MS5) Supplemental Admin. Fees	14.879		15,998
Total Mainstream Voucher Program			<u>698,979</u>
Total Housing Voucher Cluster			<u>27,737,833</u>
Section 8 Project-Based Cluster:			
Section 8 Housing Assistance Payments Program			
Parqwood Apartments, LP (Component Unit)	14.195		599,884
Lower Income Housing Assistance Program			
Section 8 Moderate Rehabilitation	14.856		274,711
Total Section 8 Project-Based Cluster			<u>874,595</u>
Public Housing Capital Fund	14.872		4,417,897
Jobs-Plus Pilot Initiative	14.895		256,991
Resident Opportunity and Supportive Services - Service Coordinators	14.870		203,283
Family Self-Sufficiency Program	14.896		<u>280,046</u>
Total Direct Programs			<u>47,276,056</u>
<b>Passed Through the City of Toledo</b>			
Home Investment Partnerships Program	14.239		400,000
Community Development Block Grants Entitlement Grants Cluster:			
Community Development Block Grant (LHSC)	14.218		75,000
<b>Passed Through from Local Initiatives Support Corporation</b>			
Section 4 Capacity Building for Community Development and Affordable Housing (LHSC)	14.252		<u>45,000</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u><b>47,796,056</b></u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>Passed Through the Zepf Center Grant</b>			
Affordable Care Act (ACA) Health Profession Opportunity Grant	93.093	90-FX0042-01-00	285,238
Temporary Assistance for Needy Families (TANF)	93.558		<u>103,485</u>
<b>Total U.S. Department of Health and Human Services</b>			<u><b>388,723</b></u>
<b>United States Department of the Treasury</b>			
<b>Passed Through from Lucas County</b>			
COVID-19 Coronavirus Relief Fund	21.019		<u>297,787</u>
<b>Total United States Department of the Treasury</b>			<u><b>297,787</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><u><b>\$ 48,482,566</b></u></u>

The accompanying notes are an integral part of this schedule.



**LUCAS METROPOLITAN HOUSING AUTHORITY  
LUCAS COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Lucas Metropolitan Housing Authority, Lucas County, Ohio (the Authority) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance as the Authority uses a fee service approach as required by the U.S. Department of HUD.

**NOTE D – SUBRECIPIENTS**

The Authority did not provide funds to subrecipients during the audit period

**NOTE E – HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAM**

The Home Investment Partnerships Program funds (CFDA 14.239) were provided to the Authority for a rehabilitation project administered by the Lucas Housing Services Corporation. The grant was provided by the City of Toledo, Department of Neighborhoods as a pass-through award of funds received from HUD. The grant documents do not provide a pass-through entity identification number.

**NOTE F – PUBLIC HOUSING CAPITAL FUNDS (CFDA NUMBER 14.872)**

Expenditures for the Public Housing Capital Fund were from the following grants:

OH12P006501-15	\$	84,500
OH12P006501-17		236,228
OH12P006501-18		1,224,222
OH12P006501-19		1,090,947
OH12P006501-20		1,782,000
Total	\$	4,417,897

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# OHIO AUDITOR OF STATE KEITH FABER



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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

Lucas Metropolitan Housing Authority  
Lucas County  
435 Nebraska Avenue  
Toledo, Ohio 43604

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Lucas Metropolitan Housing Authority, Lucas 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 and have issued our report thereon dated January 5, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority.

### ***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 opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

January 5, 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

Lucas Metropolitan Housing Authority  
Lucas County  
435 Nebraska Avenue  
Toledo, Ohio 43604

To the Board of Commissioners:

### ***Report on Compliance for the Major Federal Program***

We have audited Lucas Metropolitan Housing Authority, Lucas County, Ohio'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 Lucas Metropolitan Housing 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 programs.

### ***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, Lucas Metropolitan Housing Authority, Lucas County, Ohio 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

January 5, 2022

**LUCAS METROPOLITAN HOUSING AUTHORITY  
LUCAS COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2020**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Public and Indian Housing CFDA #14.850
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$1,454,477 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

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# OHIO AUDITOR OF STATE KEITH FABER



**LUCAS METROPOLITAN HOUSING AUTHORITY**

**LUCAS COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 1/20/2022**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)