YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MAHONING COUNTY, OHIO

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

James G. Zupka, CPA, Inc.

Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

Board of Directors
Youngstown Metropolitan Housing Authority
131 West Boardman Street
Youngstown, Ohio 44503

We have reviewed the *Independent Auditor's Report* of Youngstown Metropolitan Housing Authority, Mahoning County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2020 through June 30, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

March 08, 2022

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MAHONING COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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JAMES G. ZUPKA, C.P.A., INC.
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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board
Youngtown Metropolitan Housing Authority
Youngstown, Ohio, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Youngtown Metropolitan Housing Authority, Ohio, (the Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Youngtown Metropolitan Housing Authority as of June 30, 2021, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Statement of Modernization Cost - Completed and the Financial Data Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of 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 basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

December 22, 2021

As management of the Youngstown Metropolitan Housing Authority (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $40,224,980 (net position), an increase of 16.5 percent from what was reported at the prior fiscal year-end.

- The Authority's cash and investment balance at June 30, 2021 was $8,425,154, representing an increase of $2,123,544, or 33.7 percent, from June 30, 2020.

- The Authority had total revenue of $27,325,443 and total expenses of $21,618,745 for the year ended June 30, 2021, increasing net position by $5,706,598 for the year.

- The Authority's capital outlays for the year were $4,250,361.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. These statements comprise three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

REQUIRED FINANCIAL STATEMENTS

MD&A
Management Discussion and Analysis

Basic Financial Statements
Statement of Net Position
Statement of Revenues, Expenses, and Changes in Net Position
Statement of Cash Flows
Notes to the Financial Statements

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

The S*tatement of Net Position* presents information on all of the Authority's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The S*tatement of Revenues, Expenses, and Changes in Net Position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this Statement for some items that will only result in cash flows to future fiscal periods (e.g., earned but unused vacation leave).

The C*ombined Statement of Cash Flows* provides information about the Authority's cash receipts and cash payments during the reporting period. The Statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

The Authority has many programs that are consolidated into a single enterprise fund. The Authority's programs consist of the following:

<u>Low-Income Public Housing</u> - Under the Conventional Public Housing Program, the Authority rents units it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contribution Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD), and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30 percent of adjusted gross household income.

<u>Capital Fund Program (CFP)</u> - This is the current primary funding source for the Authority's physical and management improvements. While the formula funding methodology used for the Comprehensive Grant Program (CGP) was revised for the CFP, funds are still provided by formula allocation and based on size and age of the Authority's units.

<u>Housing Choice Voucher Program (Section 8)</u> – HUD provides the Authority with vouchers to assist eligible families rent privately owned homes. A portion of the participant's rent is paid by the Authority to the landlord. The participant is responsible for paying the remainder portion. Applicants are chosen via a lottery.

These financial statements report on the functions of the Authority that are principally supported by intergovernmental revenues. The Authority's function is to provide decent, safe, and sanitary housing to low income and special needs populations, which is primarily funded with grant revenue received from the U.S. Department of Housing and Urban Development (HUD).

The financial statements can be found on pages 11 through 13 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has only one fund type, namely a proprietary fund.

Notes to the Financial Statements

Notes provide additional information essential to a full understanding of the data provided in the financial statements. Notes to the financial statements can be found on pages 14 through 39 of this report.

Financial Analysis of the Authority

The following table represents a condensed Statement of Net Position compared to the prior year.

Table 1 - Condensed Statement of Net Position

	2021 (thousands)	2020 (thousands)
Assets and Deferred Outflows of Resources		
Current and Other Assets	$ 14,378	$ 12,272
Deferred Outflows	490	875
Capital Assets	34,604	33,562
Total Assets and Deferred Outflows of Resources	49,472	46,709
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilites	1,886	1,804
Deferred Inflows	2,464	1,301
Non-Current Liabilities	4,897	9,086
Total Liabilities and Deferred Inflows of Resources	9,247	12,191
Net Position		
Net Investment in Capital Assets	32,825	31,298
Unrestricted and Restricted Net Position	7,400	3,220
Total Net Position	40,225	34,518
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 49,472	$ 46,709

During 2021, total assets and deferred outflows increased by $2,762,615. The main increase was due to capital additions exceeding depreciation by $1,041,885. These were partially offset by a decrease in deferred outflows associated with GASB 68 and GASB 75 of $(384,283). There was also a large increase in current and other assets of $2,105,013.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $40,224,980 at the close of the most recent fiscal year.

By far the largest portion of the Authority's net position (82 percent) reflects its investment in capital assets (e.g., buildings, machinery, and equipment). The Authority uses these capital assets to provide housing services to residents; consequently, these assets are not available for future spending. The unrestricted net position of the Authority is available for future use to provide program services.

Statement of Revenues, Expenses, and Changes in Net Position

The following table reflects the condensed Statement of Revenues, Expenses, and Changes in Net Position.

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

	2021 (thousands)	2020 (thousands)
Revenues		
Intergovernmental Revenues	$ 23,863	$ 20,422
Program Revenue	3,001	2,978
Other Revenue	462	408
Total Revenues	27,326	23,808
Expenditures		
Operating Expenses	7,768	11,447
Depreciation Expense	3,174	3,078
Housing Assistance Payments	10,604	10,136
Other Expenditures	73	27
Total Expenditures	21,619	24,688
Net Increase (Decrease)	5,707	(880)
Beginning Net Position	34,518	35,398
Ending Net Position	$ 40,225	$ 34,518

The net position of the Authority increased by $5,706,698 during the current fiscal year. The largest reason for the increase is the GASB 68 and 75 adjusting entry for the year was a credit of $2,474,100 compared to a debit last year of $453,942, a change of $2,928,042. In addition, the Authority recognized $491,248 of revenue received for COVID grants and recognized an additional $2,406,142 in capital grants over last year. The Authority receives its primary source of income from governmental revenues through HUD's Line-of-Credit Control System (eLOCCS). Allowable program expenses, with the exception of non-cash transactions (such as depreciation expense and changes in compensated absences) are drawn down from funds granted to the Authority. Governmental revenues, rental income, and charges for services were sufficient to cover operating expenses incurred during fiscal year 2021.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the Authority's investment in capital assets for its business-type activities was $34,604,296 (net of accumulated depreciation) as reflected in the following schedule.

Table 3 - Capital Assets

	2021	2020
Land	$ 3,370,778	$ 3,370,778
Buildings	124,660,230	120,662,283
Equipment - Administrative	793,201	697,253
Equiment - Dwelling	1,180,469	1,024,003
Accumulated Depreciation	(95,400,382)	(92,226,726)
Construction-in-Progress	0	34,820
Total	$ 34,604,296	$ 33,562,411

Capital Assets and Debt Administration

Major capital asset transactions during the current fiscal year include the following:

- Kirwan Roof Replacement - $3,632,594.

Additional information on the Authority's capital assets can be found in Note 5 on pages 20 and 21 of this report.

LONG-TERM DEBT

As of June 30, 2021, the Authority had $1,779,437 of long-term debt, a decrease of $485,039, or 21.4 percent, over the prior year. The Authority has bonds payable that were used to fund the Energy Efficiency Phase II Project, as well as refinance the remaining debt on Phase I, and bears interest at rates between 3 percent and 4 percent.

Additional information on the Authority's non-current liabilities can be found in Note 9 on pages 36 and 37 of this report.

NET PENSION/OPEB LIABILITY

The net pension liability (NPL) is the largest single liability reported by the Authority at June 30, 2021 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In addition, the Authority reports financial balances pursuant to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

In accordance with GASB 68 and GASB 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Authority's budget for the 2021 fiscal year:

- In the past HUD has not fully funded the operating subsidy but has been funding around 90 percent of the eligible subsidy. Proration increased to approximately 96.6 percent for the 2021 year, but this is still $257,800 below 100 percent funding.

- The Authority's operating expenditures do not show any significant increases other than expected inflationary increases, except for insurance costs, which are projected to increase 50 percent due to a hard insurance market and safety and security costs, which are projected to increase 48 percent due to higher costs and a potential move to armed security guards.

- For the 2021 year, the Authority received approximately $1.5 million to prevent, prepare, and respond to the COVID-19 pandemic.

Future Events that will Financially Impact the Authority

Approximately 87 percent of the Authority's revenues come from governmental grants. For the last couple of years, the funding has returned to a lower proration, which has enabled the AMPs to operate at a profit and build some reserves. It remains to be seen how long the increased funding will last. The cost savings the Authority implemented are serving the Authority's operations well in the current climate, but funding will always be an issue, so the Authority will continue to review where cost savings can be implemented and what alternative revenue sources can be found. The Authority will need to continue to develop alternative sources of income to avoid the risks inherent in being dependent on one primary source of revenue. HUD has encouraged public housing authorities to become more entrepreneurial in their operations to protect against decreasing funding and/or other unforeseen circumstances. Without taking such actions, the Authority could face uncertainty in the future.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Youngstown Metropolitan Housing Authority, 131 West Boardman Street, Youngstown, Ohio 44503, or call (330) 744-2161.

Respectfully submitted,

LaMont English
Interim Executive Director

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MAHONING COUNTY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
JUNE 30, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets	
Current Assets	
Cash and Cash Equivalents	$ 5,566,953
Restricted Cash and Cash Equivalents	815,632
Investments	2,042,569
Receivables, Net of Allowance	397,780
Inventory	39,125
Prepaid Expenses and Other Assets	84,800
Total Current Assets	8,946,859
Current Assets	
Capital Assets:	
Non-Depreciable Capital Assets	3,370,778
Depreciable Capital Assets, Net	31,233,518
Total Capital Assets	34,604,296
Non-Current Assets	
Notes Receivable	5,044,373
Other Assets	386,290
Total Non-Current Assets	5,430,663
Total Assets	48,981,818
Deferred Outflows of Resources	
Pension	277,032
OPEB	213,228
Total Deferred Outflows of Resources	490,260
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 49,472,078
LIABLIITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	$ 200,875
Accrued Compensated Absences	250,797
Tenant Security Deposits	202,692
Deferred Revenue	452,617
Accrued Wages and Payroll Taxes	282,796
Current Portion of Long-Term Debt	496,667
Total Current Liabilities	1,886,444
Non-Current Liabilities	
Noncurrent Liabilities - Other	160,323
Accrued Compensated Absences	329,017
Long-Term Debt - Net of Current Portion	1,282,770
Net Pension Liability	3,124,451
Total Non-Current Liabilities	4,896,561
Total Liaiblities	6,783,005
Deferred Inflows of Resources	
Pension	1,358,452
OPEB	1,105,641
Total Deferred Inflows of Resources	2,464,093
Net Position	
Net Investment in Capital Assets	32,824,859
Unrestricted	7,400,121
Total Net Position	40,224,980
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 49,472,078

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

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MAHONING COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Operating Revenues	
Government Grants	$ 19,919,332
Tenant Revenue	3,001,296
Other Revenue	418,416
Total Operating Revenues	23,339,044
Operating Expenses	
Administrative	1,775,187
Tenant Services	433,980
Utiities	2,425,343
Maintenance	1,854,851
General and Other Insurance	1,203,847
Housing Assistance Payments	10,603,721
Total Operating Expenses Before Depreciation	18,296,929
Income Before Depreciation	5,042,115
Depreciation	(3,173,656)
Operating Income	1,868,459
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	24,110
Interest Expense	(74,760)
Casualty Loss Proceeds	18,838
Casualty Loss Expense	(73,400)
Total Non-Operating Revenues (Expenses)	(105,212)
Income Before Contributions	1,763,247
Capital Grants	3,943,451
Change in Net Position	5,706,698
Total Net Position - Beginning	34,518,282
Total Net Position - Ending	$ 40,224,980

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

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MAHONING COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities	
Received from HUD/Other Governments	$ 20,306,394
Cash Received from Tenants	2,856,914
Cash Received from Other Sources	414,221
Cash Payments for Housing Assistance Payments	(10,603,721)
Cash Paymnet for Administrative	(3,527,331)
Cash Payments for Other Operating Expenses	(6,880,512)
Net Cash Provided by Operating Activities	2,565,965
Cash Flows from Capital and Related Financing Activities	
Net Casualty Loss	(54,562)
Interest and Principal Payments on Debt	(559,799)
Acquisition of Capital Assets and Other Assets	(4,215,536)
Capital Grants Received	3,943,451
Net Cash (Used) by Capital and Other Related Financing Activities	(886,446)
Cash Flows from Investing Activities	
Investment Income	24,110
Sale of Investments	16,347
Proceeds from Note Recievable	419,915
Net Cash Provided by Investing Activities	460,372
Net Increase in Cash and Cash Equivalents	2,139,891
Cash and Cash Equivalents - Beginning of Year	4,242,694
Cash and Cash Equivalents - End of Year	$ 6,382,585
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Net Operating Income	$ 1,868,459
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	3,173,656
(Increase) Decreases in:	
Accounts Receivable	(12,767)
Prepaid Expenses and Other Assets	(21,295)
Deferred Outflows	384,283
Non-Current Assets - Other	(367,322)
Increase (Decreases) in:	
Accounts Payable	(27,463)
Other Current Liabilities	(7,219)
Accrued Wages/Payroll Taxes	(145,395)
Deferred Revenue	248,023
Net Pension Liability	(3,654,165)
Tenant Security Deposits	3,228
Deferred Inflows	1,163,104
Non-Current Liabilities - Other	(39,162)
Net Cash Used by Operating Activities	$ 2,565,965

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity and Programs

The Youngstown Metropolitan Housing Authority (the Authority) is a political subdivision created under Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program. 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 rent subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate. The Authority participates in the Section 8 Housing Choice Voucher Program provided by HUD. In these Section 8 programs, rental assistance is provided to families based on the families' ability to pay in accordance with HUD regulations. Under the Housing Choice Voucher Program, the rental assistance is tied to the tenant family. The rental assistance, in general, is provided to help the family pay rent wherever they choose to live. The Authority also participates in the Public Housing Program. Under this Program, the Authority manages constructed or financed public housing units using grant funds from HUD. Tenants of these facilities pay a percentage of his/her adjusted gross income towards rent and utilities.

B. Summary of Significant Accounting Policies

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

C. Reporting Entity

The accompanying general purpose financial statements comply with the provision of GASB Statement No. 14, *The Financial Reporting Entity (as amended by GASB Statement No. 61)*, in that the financial statements include all organizations, activities, and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of **a)** the primary government, **b)** organizations for which the primary government is financially accountable, and **c)** other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. 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.

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

C. **Reporting Entity** (Continued)

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.

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

D. **Fund Accounting**

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

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

E. **Proprietary Fund Type**

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

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

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

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

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

G. **Interprogram Balances**

Receivables and payables resulting from short-term interprogram loans are classified as "Inter-program Due from/to" in respective program financial statements. These amounts are eliminated in the Authority's Statement of Net Position in the basic financial statements.

H. **Investments**

Investments are restricted by the provisions of the HUD Regulations (See Note 2). Investments are valued at market value. The Authority has cash deposits and investments totaling $8,425,154 at June 30, 2021. Interest income earned in fiscal year 2021 totaled $24,110.

I. **Capital Assets**

Capital assets are stated at cost and depreciation is computed using the straight-line method over an estimated useful life of the assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized. The Authority capitalizes all assets with a cost of $1,000 or more. See Note 5 for useful lives for depreciation purposes.

J. **Cash and Cash Equivalents**

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

K. **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.

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

K. **Compensated Absences** (Continued

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

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability. Information regarding compensated absences is detailed in Note 10.

L. **Budgetary Accounting**

The Authority annually prepares its budget as prescribed by HUD. This budget is adopted by the Board of the Authority.

M. **Estimates**

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

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

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported on the Statement of Net Position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 7 and 8.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the Statement of Net Position for pension and OPEB. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 7 and 8.

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

O. **Pensions/Other Postemployment Benefits (OPEB)**

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

NOTE 2: **DEPOSITS AND INVESTMENTS**

Deposits

At fiscal year end, the carrying amount of the Authority's deposits was $6,382,585, and the bank balance was $6,504,903. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2021, $647,141 of the Authority's bank balance was covered by Federal Depository Insurance. The remainder was collateralized by securities pledged in the name of the Authority. Included in the carrying value of the Authority's deposits is $500 in petty cash.

Custodial credit risk is the risk that, in the event of 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 Authority's Board. All deposits are collateralized with eligible securities in amounts at least equal to 105 percent of the carrying value of deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank, and pledged as a pool of collateral against the public deposits it holds, or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

Investments

Investments are reported at market value. As of June 30, 2021, the Authority had the following investments:

Investment	Fair Market Value	Maturity	Moody's Rating	Percentage of Investments
Government Obligations Fund	$ 101,378	Less than One Year	Aaa-nf	4.96%
Fixed Income Investments;				
FHLB 1.875%	100,742	Less than One Year	Aaa	4.93%
FHLB .6%	49,568	Less than Five Years	Aaa	2.43%
FHLB .45%	239,150	Less than Four Years	Aaa	11.71%
FFCB .3%	199,857	Less than Two Years	Aaa	9.78%
FHLMC .57%	49,459	Less than Five Years	Aaa	2.43%
FNMA 1.875%	101,353	Less than One Year	Aaa	4.96%
US Treasury N/B	1,201,062	Less than Five Years	Aaa	58.80%
Total Portfolio	$ 2,042,569			100.00%

NOTE 2: **DEPOSITS AND INVESTMENTS** (Continued)

Interest Rate Risk
The Authority's investment policy limits investments to 5 years but does not limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The Authority staggers maturity dates of investments to avoid losses from rising interest rates.

Credit Risk
Any deposits of the Authority exceeding the $250,000 FDIC insurance limit are fully and continuously collateralized by securities pledged in the name of the Authority or by pooled collateral as provided by the Ohio Revised Code.

Concentration of Credit Risk
The Authority does not limit the amount of funds that may be on deposit with any one financial institution; however, as was mentioned in the preceding, all deposits exceeding the $250,000 FDIC insurance limit are fully and continuously collateralized by securities pledged in the name of the Authority or by pooled collateral as permitted by the Ohio Revised Code.

A reconciliation of cash and investments as shown in the Statement of Net Position at June 30, 2021 to the deposits and investments included in this note is as follows:

	Cash and Cash Equivalents *	Investments
Per Statement of Net Position	$ 6,382,585	$ 2,042,569
Per GASB Statement No. 3	$ 6,382,585	$ 2,042,569

* Includes Restricted Cash and Cash Equivalents

NOTE 3: **RESTRICTED CASH**

The restricted cash balance as of June 30, 2021 represents cash on hand for the following:

	Restricted Cash
Tenants Security Deposits	$ 202,692
FSS Escrow Funds	160,323
Restricted for HCV Covid	365,914
Restricted for ENV Vouchers	86,703
Total Restricted Cash	$ 815,632

NOTE 4: **INSURANCE COVERAGE**

The Authority is exposed to various risks of loss during the normal course of its operations including, but not limited to, loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, and injuries to employees.

NOTE 4: **INSURANCE COVERAGE** (Continued)

To protect against risks to which the Authority is exposed, the Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials' liability, and other crime liabilities through membership in the Ohio Housing Authority Property Casualty, Inc. (OHAPCI). OHAPCI is an insurance risk pool comprised of three Ohio housing authorities, of which the Authority is one. Deductibles and coverage limits are summarized below:

	Coverage Limits	Deductible
Property (per occurrence)	$ 250,000,000	$ 2,500
General Liability	$ 2,000,000	$ 0
Automobile Physical Damage/Liability	ACV/$2,000,000	$ 500/500
Public Officials	$ 2,000,000	$ 0

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority provides employee group health care benefits via a partially self-funded plan administered by Enterprise Group Planning, Inc. Excess loss coverage for the Plan is provided by QBE Insurance Corporation. There was no significant reduction in coverages and settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 5: **CAPITAL ASSETS**

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

	6/30/2021
Capital Assets Not Being Depreciated	
Land	$ 3,370,778
Total Capital Assets Not Being Depreciated	3,370,778
Capital Assets Being Depreciated	
Buildings and Building Improvements	124,660,230
Furniture and Equipment	1,973,670
Total Capital Assets Being Depreciated	126,633,900
Less: Accumulated Depreciation	(95,400,382)
Total Capital Assets Being Depreciated, Net	31,233,518
Total Capital Assets, Net	$ 34,604,296

The Authority capitalizes all assets with a cost of $1,000 or more. The Authority uses the straight-line method of depreciation. The following is a list of useful lives for depreciation purposes:

Buildings	15 to 40 years
Equipment	7 years
Computer Equipment	3 years
Vehicles	5 years
Maintenance Equipment	7 years

NOTE 5: **CAPITAL ASSETS** (Continued)

The following is a summary of changes in capital assets:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets Not Being Depreciated				
Land	$ 3,370,778	$ 0	$ 0	$ 3,370,778
Construction-in-Progress	34,820	0	(34,820)	0
Total Capital Assets Not Being Depreciated	3,405,598	0	(34,820)	3,370,778
Capital Assets Being Depreciated				
Buildings and Buildingd Improvements	120,662,283	3,997,947	0	124,660,230
Furniture, Equipment, and Machinery	1,721,256	252,414	0	1,973,670
Total Capital Assets Being Depreciated	122,383,539	4,250,361	0	126,633,900
Accumulated Depreciation				
Buildings and Improvements	(90,838,946)	(3,040,439)	0	(93,879,385)
Furniture and Equpiment	(1,387,780)	(133,217)	0	(1,520,997)
Total Accumulated Depreciation	(92,226,726)	(3,173,656)	0	(95,400,382)
Depreciable Assets, Net	30,156,813	1,076,705	0	31,233,518
Total Capital Assets Being Depreciated, Net	$ 33,562,411	$ 1,076,705	$ (34,820)	$ 34,604,296

NOTE 6: **MIXED FINANCE CONSTRUCTION LOAN**

The Authority advanced funds to a development partner in conjunction with multi-lender mixed finance arrangements for construction of the Village at Arlington, Village at Arlington II, Arlington Heights, and Arlington Heights II developments. Repayment is subject to the projects realizing surplus cash flows. The loans are secured by the property. The notes bear interest at 1 percent. While the Authority has received payments on the Village at Arlington loans, no payments have been received on the Arlington Heights loans; due to this, interest has not been accrued on these loans. At June 30, 2021, the Note Receivable and Interest Receivable balance is $5,071,526. Due to the uncertainty of the projects generating surplus cash that would trigger a repayment obligation, no portion is considered to be current.

The following is a summary of Notes and Interest Receivable at June 30, 2021:

Notes Receivable - Village at Arlington I	$ 1,534,059	
Interest on Note Receivable	14,062	*
Note Receivable - Village at Arlington II	1,428,204	
Interest on Note Receivable	13,091	*
Note Receivable - Arlington Heights	977,500	
Note Receivable - Arlington Heights II	1,000,000	
Other Notes Receivable	104,610	
Total Notes and Interest Receivable	5,071,526	
* Interest Receivable	(27,153)	
Total Notes Receivable	$ 5,044,373	

NOTE 7: **DEFINED BENEFIT PENSION PLANS**

Net Pension Liability/Asset

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer’s contribution allocated to health care was 0% for 2020-2021 for the Traditional and Combined plans. The portion of the employer’s contribution allocated to health care was 4% for the Member-Directed plan for 2020-2021. The Authority’s contractually required contributions used to fund pension benefits was $399,183 for fiscal year ending June 30, 2021.

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

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

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

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

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.020517%	0.008401%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.021100%	0.008857%	
Change in Proportionate Share	0.000583%	0.000456%	
Proportionate Share of the Net Pension Liability/(Asset)	$ 3,124,451	$ (25,567)	$ 3,098,884
Pension Expense	$ (100,550)	$ (2,220)	$ (102,770)

At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Changes of assumptions	$ 0	$ 1,595	$ 1,595
Changes in proportion and differences between Authority contributions and proportionate share of contributions	83,107	405	83,512
Authority contributions subsequent to the measurement date	189,278	2,647	191,925
Total Deferred Outflows of Resources	$ 272,385	$ 4,647	$ 277,032
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 1,217,820	$ 3,803	$ 1,221,623
Differences between expected and actual experience	130,699	4,821	135,520
Changes in proportion and differences between Authority contributions and proportionate share of contributions	0	1,309	1,309
Total Deferred Inflows of Resources	$ 1,348,519	$ 9,933	$ 1,358,452

$191,925 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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

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

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Year Ending June 30:			
2022	$ (457,835)	$ (1,995)	$ (459,830)
2023	(145,061)	(1,326)	(146,387)
2024	(496,425)	(2,203)	(498,628)
2025	(166,091)	(1,043)	(167,134)
2026	0	(483)	(483)
Thereafter	0	(883)	(883)
Total	$ (1,265,412)	$ (7,933)	$ (1,273,345)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple
	Post 1/7/2013 retirees; 0.50 percent, simple
	through 2021, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Actuarial Assumptions – OPERS (Continued)

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 0.50 percent, simple through 2021, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

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

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.7 percent for 2020.

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

Actuarial Assumptions – OPERS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

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

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

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

Authority's proportionate share of the net pension liability/(asset)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Traditional Pension Plan	$ 5,959,906	$ 3,124,451	$ 766,774
Combined Plan	$ (17,803)	$ (25,567)	$ (31,354)

NOTE 8: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Asset

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020-2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020-2021 was 4.0 percent.

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Authority's contractually required contribution allocated to health care was $1,516 for fiscal year 2021.

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

The net OPEB asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB asset was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Liability:	
Prior Measurement Date	0.019716%
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.020166%
Change in Proportionate Share	0.000450%
Proportionate Share of the Net OPEB Asset	$ 359,273
OPEB Expense	$ (2,178,649)

At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Changes of assumptions	$ 176,623
Changes in proportion and differences betweeen Authority contributions and proportionate share of contributions	35,849
Authority contributions subsequent to the measurement date	756
Total Deferred Outflows of Resources	$ 213,228
Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 191,353
Differences between expected and actual experience	324,244
Changes of assumptions	582,131
Changes in proportion and differences between Authority contributions and proportionate share of contributions	7,913
Total Deferred Inflows of Resources	$ 1,105,641

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

$756 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in fiscal year 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

		OPERS
Year Ending June 30:		
2022	$	(466,888)
2023		(320,577)
2024		(83,155)
2025		(22,549)
Total	$	(893,169)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	2.00 percent
Health Care Cost Trend Rate	8.50 percent initial, 3.50 percent ultimate in 2035
Actuarial Cost Method	Individual Entry Age

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

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

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

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested for the Health Care portfolio was 10.5 percent for 2020.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB asset	$ 89,335	$ 359,273	$ 581,184

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	$ 368,030	$ 359,273	$ 349,477

NOTE 9: **LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the fiscal year end June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due With In One Year
Primary Government					
Bank of the Ozarks - 8/12/14 3%-4%	$ 2,264,476	$ 0	$ (485,039)	$ 1,779,437	$ 496,667
Non-Current Liabilities-Other	207,588	75,598	(122,863)	160,323	0
Compensated Absences	578,930	379,972	(379,088)	579,814	250,797
Pension Liability	4,055,324	0	(930,873)	3,124,451	0
OPEB Liability	2,723,292	0	(2,723,292)	0	0
Total	$ 9,829,610	$ 455,570	$ (4,641,155)	$ 5,644,025	$ 747,464

Long-term debt for the Low Rent Public Housing program consists of a $4,740,000 bond issue through the Bank of the Ozarks. The bonds bear interest at varying amounts from 3 percent-4 percent with the final maturity date of November 30, 2024. The Bond proceeds were being used to finance a Phase II Energy Performance contract and to pay off the remaining balance on the PNC loan. The bonds mature as follows:

NOTE 9: **LONG-TERM LIABILITIES** (Continued)

Year Ended June 30	Principal	Interest	Total
2021-2022	$ 496,667	$ 59,276	$ 555,943
2022-2023	516,667	43,427	560,094
2023-2024	541,769	24,708	566,477
2024-2025	224,334	4,583	228,917
Total	$ 1,779,437	$ 131,994	$ 1,911,431

NOTE 10: **COMPENSATED ABSENCES**

Full time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Vacation days exceeding those earned in the current year may not be carried over into the next calendar year. Generally, upon termination after one year of service, employees are entitled to be paid all accrued vacation. The following schedule details earned annual leave based on length of service for employees hired prior to September 1, 2007:

Management		Maintenance and Administration	
1-5 years	2 weeks	1-5 years	2 weeks
6-10 years	3 weeks	6-10 years	3 weeks
11-15 years	4 weeks	11-15 years	4 weeks
16-20 years	5 weeks	16-20 years	5 weeks
21 years and over	6 weeks	21 years and over	6 weeks

Employees hired after September 1, 2007 earn annual leave as follows:

Management		Maintenance and Administration	
1-6 years	2 weeks	1-6 years	2 weeks
7-12 years	3 weeks	7-12 years	3 weeks
13-18 years	4 weeks	13-18 years	4 weeks
19-24 years	5 weeks	19-24 years	5 weeks
25 years and over	6 weeks	25 years and over	6 weeks

Sick leave accrues to full time, permanent employees to specified maximums. Sick leave may be cumulative without limit. Employees who retire are entitled to receive 100 percent of their accumulated sick leave at the time of retirement. However, employees with 7 years or more of service, upon termination of employment, may receive 50 percent of their accumulated sick leave, up to a maximum of 75 days.

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service requirement is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

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

The estimated liability for compensated absences at June 30, 2021, based on the vesting method is detailed as follows:

	Current Accrued Compensated Absences	Long-Term Accrued Compensated Absences	Total Accrued Compensated Absences
Public Housing	$ 111,802	$ 157,083	$ 268,885
Central Office	81,728	101,204	182,932
Section 8 - Rental Vouchers and SR	57,267	70,730	127,997
	$ 250,797	$ 329,017	$ 579,814

NOTE 11: **INTERPROGRAM RECEIVABLES AND PAYABLES**

The following balances at June 30, 2021 represent individual fund interprogram receivables and payables:

Program	Interfund Receivables	Interfund Payables
Total AMPs	$ 28	$ 432
PIH FSS	0	2,798
SRO Program	0	157
COCC Cares Act Funding	19,827	18,436
COCC LIPH	0	49,472
Central Office	51,440	0
Total	$ 71,295	$ 71,295

These interprogram receivables and payables have been eliminated in the Statement of Net Position.

NOTE 12: **CONTINGENCIES**

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority. The Authority has received several federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenses disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 13: **CONSTRUCTION COMMITMENTS**

The Authority had the following material capital or construction commitment at June 30, 2021:

	Contract Amount	Balance Outstanding June 30, 2021
Mathews Road Renovation	$ 328,000	$ 155,200
Kirwan Home Esteriors	4,110,620	136,736
Total	$ 4,438,620	$ 291,936

NOTE 14: **NET INVESTMENT IN CAPITAL ASSETS**

Capital Assets	$ 34,604,296
Less Outstanding Debt	(1,779,437)
Total	$ 32,824,859

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

Traditional Plan	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.021100%	0.020517%	0.020441%	0.020665%	0.021364%	0.042320%	0.025756%	0.025756%
Authority's Proportionate Share of the Net Pension Liability	$ 3,124,451	$ 4,055,324	$ 5,598,375	$ 3,241,938	$ 4,851,402	$ 4,212,528	$ 3,106,462	$ 3,036,297
Authority's Covered Payroll	$ 2,971,791	$ 2,886,692	$ 2,760,856	$ 2,730,178	$ 2,761,781	$ 3,026,920	$ 3,157,661	$ 3,265,433
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.14%	140.48%	202.78%	118.74%	175.66%	139.17%	98.38%	92.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Combined Plan	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Asset	0.008857%	0.008401%	0.008127%	0.008552%	0.008716%	0.009310%	0.005605%	0.005605%
Authority's Proportionate Share of the Net Pension (Asset)	$ (25,567)	$ (17,518)	$ (9,088)	$ (11,642)	$ (6,301)	$ (4,532)	$ (2,157)	$ (588)
Authority's Covered Payroll	$ 39,032	$ 37,397	$ 34,757	$ 35,025	$ 33,928	$ 33,875	$ 20,488	$ 2,270
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	65.50%	46.84%	26.15%	33.24%	18.57%	13.38%	10.53%	25.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

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

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

See accompanying notes to the required supplementary information.

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MAHONING COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS (1)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contributions									
Traditional Plan	$ 393,876	$ 416,326	$ 398,896	$ 366,598	$ 352,647	$ 339,796	$ 373,917	$ 378,107	$ 439,397
Combined Plan	5,307	5,429	5,051	4,683	4,332	3,972	3,968	545	0
Total Required Contributions	$ 399,183	$ 421,755	$ 403,947	$ 371,281	$ 356,979	$ 343,768	$ 377,885	$ 378,652	$ 439,397
Contributions in Relation to the Contractually Required Contribution	(399,183)	(421,755)	(403,947)	(371,281)	(356,979)	(343,768)	(377,885)	(378,652)	(439,397)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered Payroll									
Traditional Plan	$ 2,813,400	$ 2,973,757	$ 2,849,257	$ 2,716,960	$ 2,824,469	$ 2,831,633	$ 3,115,975	$ 3,150,892	$ 3,379,977
Combined Plan	$ 37,907	$ 38,779	$ 36,079	$ 34,704	$ 34,699	$ 33,100	$ 33,067	$ 4,542	$ 0
Pension Contributions as a Percentage of Covered Payroll									
Traditional Plan	14.00%	14.00%	14.00%	13.49%	12.49%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	14.00%	14.00%	13.49%	12.48%	12.00%	12.00%	12.00%	13.00%

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

See accompanying notes to the required supplementary information.

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

	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability/Asset	0.020166%	0.019716%	0.019938%	0.020290%	0.020870%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	$ (359,273)	$ 2,723,292	$ 2,599,445	$ 2,203,345	$ 2,107,941
Authority's Covered Payroll	$ 3,049,730	$ 2,978,716	$ 2,891,960	$ 2,873,521	$ 2,883,827
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	11.78%	91.43%	89.89%	76.68%	73.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%	54.05%

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

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

See accompanying notes to the required supplementary information.

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MAHONING COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS (1)

	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 1,516	$ 1,530	$ 3,036	$ 18,329	$ 46,992	$ 59,073	$ 63,852
Contributions in Relation to the Contractually Required Contribution	(1,516)	(1,530)	(3,036)	(18,329)	(46,992)	(59,073)	(63,852)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority Covered Payroll	$ 2,889,215	$ 3,050,794	$ 2,961,238	$ 2,858,145	$ 2,934,266	$ 2,975,319 0	$ 3,241,014
Contributions as a Percentage of Covered Payroll	0.05%	0.05%	0.10%	0.64%	1.60%	1.99%	1.97%

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

See accompanying notes to the required supplementary information.

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple.

Net OPEB Liability

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

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2020, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035.

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
JUNE 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	14.CCC Central Office Cost Center CARES Act Funding	2 State/Local	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	3,294,804	-	-	1,077,027	-	23,887	581,128	-	-	590,107	5,566,953	-	5,566,953
113 Cash - Other Restricted	10,706	-	-	-	-	-	149,617	365,914	86,703	-	612,940	-	612,940
114 Cash - Tenant Security Deposits	190,282	-	-	11,110	-	-	-	-	-	1,300	202,692	-	202,692
100 Total Cash	3,495,792	-	-	1,088,137	-	23,887	730,745	365,914	86,703	591,407	6,382,585	-	6,382,585
122 Accounts Receivable - HUD Other Projects	4,830	49,562	2,843	-	-	-	8,603	-	-	-	65,838	-	65,838
125 Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-	-	-	14,470	14,470	-	14,470
126 Accounts Receivable - Tenants	375,397	-	-	4,564	-	-	-	-	-	45	380,006	-	380,006
126.1 Allowance for Doubtful Accounts -Tenants	-88,774	-	-	-913	-	-	-	-	-	-	-89,687	-	-89,687
129 Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	27,153	27,153	-	27,153
120 Total Receivables, Net of Allowances for Doubtful Accounts	291,453	49,562	2,843	3,651	-	-	8,603	-	-	41,668	397,780	-	397,780
131 Investments - Unrestricted	1,823,582	-	-	-	-	-	-	-	-	218,987	2,042,569	-	2,042,569
142 Prepaid Expenses and Other Assets	76,028	-	-	780	-	-	382	-	-	7,610	84,800	-	84,800
143 Inventories	37,125	-	-	2,000	-	-	-	-	-	-	39,125	-	39,125
144 Inter Program Due From	28	-	-	-	19,827	-	-	-	-	51,440	71,295	-71,295	-
150 Total Current Assets	5,724,008	49,562	2,843	1,094,568	19,827	23,887	739,730	365,914	86,703	911,112	9,018,154	-71,295	8,946,859
161 Land	3,259,278	-	-	88,000	-	-	-	-	-	23,500	3,370,778	-	3,370,778
162 Buildings	121,740,836	-	-	2,414,824	-	-	-	-	-	504,570	124,660,230	-	124,660,230
163 Furniture, Equipment & Machinery - Dwellings	1,180,469	-	-	-	-	-	-	-	-	-	1,180,469	-	1,180,469
164 Furniture, Equipment & Machinery - Administration	65,601	-	-	28,973	-	6,761	175,988	-	-	515,878	793,201	-	793,201
166 Accumulated Depreciation	-93,128,330	-	-	-1,705,423	-	-1,352	-97,016	-	-	-468,261	-95,400,382	-	-95,400,382
160 Total Capital Assets, Net of Accumulated Depreciation	33,117,854	-	-	826,374	-	5,409	78,972	-	-	575,687	34,604,296	-	34,604,296
171 Notes, Loans and Mortgages Receivable - Non-Current	104,610	-	-	-	-	-	-	-	-	4,939,763	5,044,373	-	5,044,373
174 Other Assets	194,057	-	-	9,681	-	-	53,463	-	-	129,089	386,290	-	386,290
180 Total Non-Current Assets	33,416,521	-	-	836,055	-	5,409	132,435	-	-	5,644,539	40,034,959	-	40,034,959
200 Deferred Outflow of Resources	247,217	-	-	12,333	-	-	68,108	-	-	162,602	490,260	-	490,260
290 Total Assets and Deferred Outflow of Resources	39,387,746	49,562	2,843	1,942,956	19,827	29,296	940,273	365,914	86,703	6,718,253	49,543,373	-71,295	49,472,078
312 Accounts Payable <= 90 Days	144,100	90	45	1,652	1,391	-	4,138	-	-	49,459	200,875	-	200,875
321 Accrued Wage/Payroll Taxes Payable	145,046	-	-	6,402	-	-	43,620	-	-	87,728	282,796	-	282,796
322 Accrued Compensated Absences - Current Portion	111,802	-	-	7,039	-	-	50,228	-	-	81,728	250,797	-	250,797
341 Tenant Security Deposits	190,282	-	-	11,110	-	-	-	-	-	1,300	202,692	-	202,692
342 Unearned Revenue	-	-	-	-	-	-	-	365,914	86,703	-	452,617	-	452,617
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	496,667	-	-	-	-	-	-	-	-	-	496,667	-	496,667
347 Inter Program - Due To	432	49,472	2,798	157	18,436	-	-	-	-	-	71,295	-71,295	-
310 Total Current Liabilities	1,088,329	49,562	2,843	26,360	19,827	-	97,986	365,914	86,703	220,215	1,957,739	-71,295	1,886,444
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	1,282,770	-	-	-	-	-	-	-	-	-	1,282,770	-	1,282,770
353 Non-current Liabilities - Other	10,706	-	-	-	-	-	149,617	-	-	-	160,323	-	160,323
354 Accrued Compensated Absences - Non Current	157,083	-	-	14,018	-	-	56,712	-	-	101,204	329,017	-	329,017
357 Accrued Pension and OPEB Liabilities	1,575,516	-	-	78,602	-	-	434,054	-	-	1,036,279	3,124,451	-	3,124,451
350 Total Non-Current Liabilities	3,026,075	-	-	92,620	-	-	640,383	-	-	1,137,483	4,896,561	-	4,896,561
300 Total Liabilities	4,114,404	49,562	2,843	118,980	19,827	-	738,369	365,914	86,703	1,357,698	6,854,300	-71,295	6,783,005
400 Deferred Inflow of Resources	1,242,529	-	-	61,990	-	-	342,317	-	-	817,257	2,464,093	-	2,464,093
508.4 Net Investment in Capital Assets	31,338,417	-	-	826,374	-	5,409	78,972	-	-	575,687	32,824,859	-	32,824,859
512.4 Unrestricted Net Position	2,692,396	-	-	935,612	-	23,887	-219,385	-	-	3,967,611	7,400,121	-	7,400,121
513 Total Equity - Net Assets / Position	34,030,813	-	-	1,761,986	-	29,296	-140,413	-	-	4,543,298	40,224,980	-	40,224,980
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	39,387,746	49,562	2,843	1,942,956	19,827	29,296	940,273	365,914	86,703	6,718,253	49,543,373	-71,295	49,472,078

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	14.CCC Central Office Cost Center CARES Act Funding	2 State/Local	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	2,679,444	-	-	152,526	-	-	-	-	-	16,087	2,848,057	-	2,848,057
70400 Tenant Revenue - Other	153,164	-	-	-	-	-	-	-	-	75	153,239	-	153,239
70500 Total Tenant Revenue	2,832,608	-	-	152,526	-	-	-	-	-	16,162	3,001,296	-	3,001,296
70600 HUD PHA Operating Grants	7,232,023	365,815	208,570	146,572	-	-	11,839,472	125,433	1,447	-	19,919,332	-	19,919,332
70610 Capital Grants	3,943,451	-	-	-	-	-	-	-	-	-	3,943,451	-	3,943,451
70710 Management Fee	-	-	-	-	-	-	-	-	-	1,356,762	1,356,762	-1,356,762	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	135,170	135,170	-135,170	-
70730 Book Keeping Fee	-	-	-	-	-	-	-	-	-	144,286	144,286	-144,286	-
70740 Front Line Service Fee	-	-	-	-	-	-	-	-	-	21,500	21,500	-21,500	-
70700 Total Fee Revenue	-	-	-	-	-	-	-	-	-	1,657,718	1,657,718	-1,657,718	-
71100 Investment Income - Unrestricted	-5,458	-	-	108	-	-	-	-	-	29,460	24,110	-	24,110
71400 Fraud Recovery	-	-	-	-	-	-	13,769	-	-	-	13,769	-	13,769
71500 Other Revenue	200,236	-	-	6,516	120,325	11,129	53,968	-	-	152,140	544,314	-120,829	423,485
70000 Total Revenue	14,202,860	365,815	208,570	305,722	120,325	11,129	11,907,209	125,433	1,447	1,855,480	29,103,990	-1,778,547	27,325,443
91100 Administrative Salaries	517,503	-	128,581	30,827	4,034	-	398,192	-	1,122	760,627	1,840,886	-	1,840,886
91200 Auditing Fees	20,025	-	-	812	-	-	5,877	-	-	1,440	28,154	-	28,154
91300 Management Fee	1,068,042	120,325	-	6,228	-	-	282,492	-	-	-	1,477,087	-1,477,087	-
91310 Book-keeping Fee	99,166	-	-	3,900	-	-	41,220	-	-	-	144,286	-144,286	-
91400 Advertising and Marketing	-	-	-	358	-	-	640	-	-	5,593	6,591	-	6,591
91500 Employee Benefit contributions - Administrative	-101,274	-	74,200	-9,865	2,281	-	-75,316	-	303	-572,663	-682,334	-	-682,334
91600 Office Expenses	11,127	-	-	66	364	-	-	-	-	11,959	23,516	-	23,516
91700 Legal Expense	19,976	-	-	567	-	-	1,801	-	-	64,704	87,048	-	87,048
91800 Travel	2,253	-	-	29	507	1,950	1,380	-	-	759	6,878	-	6,878
91900 Other	182,643	-	2,355	9,035	317	828	72,271	-	-	196,999	464,448	-	464,448
91000 Total Operating - Administrative	1,819,461	120,325	205,136	41,957	7,503	2,778	728,557	-	1,425	469,418	3,396,560	-1,621,373	1,775,187
92000 Asset Management Fee	135,170	-	-	-	-	-	-	-	-	-	135,170	-135,170	-
92100 Tenant Services - Salaries	-	99,000	-	-	55,979	-	-	40,928	-	-	195,907	-	195,907
92300 Employee Benefit Contributions - Tenant Services	-	1,436	-	-	812	-	-	4,148	-	-	6,396	-	6,396
92400 Tenant Services - Other	14,265	130,023	-	738	16,473	4,040	-	66,138	-	-	231,677	-	231,677
92500 Total Tenant Services	14,265	230,459	-	738	73,264	4,040	-	111,214	-	-	433,980	-	433,980
93100 Water	347,648	-	-	7,707	-	-	610	-	-	2,667	358,632	-	358,632
93200 Electricity	848,050	-	-	32,935	-	-	3,892	-	-	16,541	901,418	-	901,418
93300 Gas	514,630	-	-	1,398	-	-	1,508	-	-	6,963	524,499	-	524,499
93600 Sewer	624,840	-	-	9,369	-	-	1,163	-	-	5,422	640,794	-	640,794
93000 Total Utilities	2,335,168	-	-	51,409	-	-	7,173	-	-	31,593	2,425,343	-	2,425,343
94100 Ordinary Maintenance and Operations - Labor	1,047,996	-	-	44,044	-	-	-	-	-	75,535	1,167,575	-	1,167,575
94200 Ordinary Maintenance and Operations - Materials and Other	302,428	-	-	11,626	-	-	1,736	-	-	16,938	332,728	-	332,728
94300 Ordinary Maintenance and Operations Contracts	642,504	-	-	31,476	-	-	7,401	-	-	20,040	701,421	-22,004	679,417
94500 Employee Benefit Contributions - Ordinary Maintenance	-253,905	-	-	-14,095	-	-	-	-	-	-56,869	-324,869	-	-324,869
94000 Total Maintenance	1,739,023	-	-	73,051	-	-	9,137	-	-	55,644	1,876,855	-22,004	1,854,851
95200 Protective Services - Other Contract Costs	262,566	-	-	3,869	-	-	-	-	-	176	266,611	-	266,611
95000 Total Protective Services	262,566	-	-	3,869	-	-	-	-	-	176	266,611	-	266,611
96110 Property Insurance	216,453	-	-	2,647	-	-	-	-	-	-	219,100	-	219,100
96120 Liability Insurance	-	-	-	-	-	-	1,534	-	-	43,529	45,063	-	45,063
96130 Workmen's Compensation	-	-	875	-	-	-	-	-	22	-	897	-	897
96100 Total insurance Premiums	216,453	-	875	2,647	-	-	1,534	-	22	43,529	265,060	-	265,060

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	14.896 PIH Family Self-Sufficiency Program	14.182 N/C S/R Section 8 Programs	14.CCC Central Office Cost Center CARES Act Funding	2 State/Local	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
96200 Other General Expenses	376,254	-	-	-	-	-	-	-	-	405	376,659	-	376,659
96210 Compensated Absences	39,521	-	-	5,744	-	-	25,315	-	-	-	70,580	-	70,580
96300 Payments in Lieu of Taxes	68,822	-	-	9	-	-	-	-	-	1,400	70,231	-	70,231
96400 Bad debt - Tenant Rents	67,907	-	-	1,953	-	-	-	-	-	-	69,860	-	69,860
96800 Severance Expense	2,238	-	2,559	-	102	-	-	-	-	79,947	84,846	-	84,846
96000 Total Other General Expenses	554,742	-	2,559	7,706	102	-	25,315	-	-	81,752	672,176	-	672,176
96710 Interest of Mortgage (or Bonds) Payable	74,760	-	-	-	-	-	-	-	-	-	74,760	-	74,760
96700 Total Interest Expense and Amortization Cost	74,760	-	-	-	-	-	-	-	-	-	74,760	-	74,760
96900 Total Operating Expenses	7,151,608	350,784	208,570	181,377	80,869	6,818	771,716	111,214	1,447	682,112	9,546,515	-1,778,547	7,767,968
97000 Excess of Operating Revenue over Operating Expenses	7,051,252	15,031	-	124,345	39,456	4,311	11,135,493	14,219	-	1,173,368	19,557,475	-	19,557,475
97200 Casualty Losses - Non-capitalized	70,850	-	-	-	-	-	1,089	-	-	1,461	73,400	-	73,400
97300 Housing Assistance Payments	-	-	-	-	-	-	10,603,721	-	-	-	10,603,721	-	10,603,721
97400 Depreciation Expense	3,071,230	-	-	40,562	-	1,352	19,775	-	-	40,737	3,173,656	-	3,173,656
90000 Total Expenses	10,293,688	350,784	208,570	221,939	80,869	8,170	11,396,301	111,214	1,447	724,310	23,397,292	-1,778,547	21,618,745
10010 Operating Transfer In	610,964	-	-	-	-	-	-	-	-	-	610,964	-610,964	-
10020 Operating transfer Out	-610,964	-	-	-	-	-	-	-	-	-	-610,964	610,964	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	3,909,172	15,031	-	83,783	39,456	2,959	510,908	14,219	-	1,131,170	5,706,698	-	5,706,698
11020 Required Annual Debt Principal Payments	485,040	-	-	-	-	-	-	-	-	-	485,040	-	485,040
11030 Beginning Equity	30,092,951	-	-2,002	1,678,203	-	26,337	-665,540	-	-	3,388,333	34,518,282	-	34,518,282
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	28,690	-15,031	2,002	-	-39,456	-	14,219	-14,219	-	23,795	-	-	-
11170 Administrative Fee Equity	-	-	-	-	-	-	-140,413	-	-	-	-140,413	-	-140,413
11190 Unit Months Available	14,813	-	-	528	-	-	26,868	-	-	36	42,245	-	42,245
11210 Number of Unit Months Leased	14,446	-	-	520	-	-	23,661	-	-	27	38,654	-	38,654

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MAHONING COUNTY, OHIO
SCHEDULE OF MODERNIZATION COSTS - COMPLETED
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

1. Actual modernization costs of the Project are as follows:

OH12R002502-13	
Funds Approved	$ 30,972
Funds Expended	30,972
Excess (Deficiency) of Funds Approved	$ 0
Funds Advanced	$ 30,972
Funds Expended	30,972
Excess (Deficiency) of Funds Approved	$ 0
OH12R002502-14	
Funds Approved	$ 31,316
Funds Expended	31,316
Excess (Deficiency) of Funds Approved	$ 0
Funds Advanced	$ 31,316
Funds Expended	31,316
Excess (Deficiency) of Funds Approved	$ 0
OH12R002502-15	
Funds Approved	$ 31,489
Funds Expended	31,489
Excess (Deficiency) of Funds Approved	$ 0
Funds Advanced	$ 31,489
Funds Expended	31,489
Excess (Deficiency) of Funds Approved	$ 0
OH12R002501-16	
Funds Approved	$ 1,898,296
Funds Expended	1,898,296
Excess (Deficiency) of Funds Approved	$ 0
Funds Advanced	$ 1,898,296
Funds Expended	1,898,296
Excess (Deficiency) of Funds Approved	$ 0
OH12R002502-16	
Funds Approved	$ 32,774
Funds Expended	32,774
Excess (Deficiency) of Funds Approved	$ 0
Funds Advanced	$ 32,774
Funds Expended	32,774
Excess (Deficiency) of Funds Approved	$ 0

(Continued)

OH12R002501-13		
Funds Approved	$	96,711
Funds Expended		96,711
Excess (Deficiency) of Funds Approved	$	0
Funds Advanced	$	96,711
Funds Expended		96,711
Excess (Deficiency) of Funds Approved	$	0

2. All modernization work in connection with the Capital Fund Program has been completed.

3. The entire actual modernization cost or liabilities incurred by the Authority have been fully paid.

4. There are no discharged mechanics, laborers, contractors, or material liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work.

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MAHONING COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/ *Pass Through Grantor'* Program/Title	**Assistance Listing Number**	**Federal Expenditures**
U.S. Department of Housing and Urban Development		
Direct Programs:		
Public Housing Programs		
Public and Indian Housing	14.850	$ 6,251,040
Public and Indian Housing - CARES Act	14.850	365,815
Total CFDA #14.850		6,616,855
Public Housing Capital Fund	14.872	4,924,434
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	11,839,472
Section 8 Housing Choice Vouchers - CARES Act	14.871	125,433
Section 8 Housing Choice Vouchers - Emergency Housing Voucher	14.871	1,447
Total Housing Voucher Cluster		11,966,352
Section 8 Project-Based Cluster		
Section 8 New Construction and Substantial Rehabilitation	14.182	146,572
Total Section 8 Project Based Cluster		146,572
Family Self-Sufficiency Program	14.896	208,570
Total Direct Programs		23,862,783
Total U.S. Department of Housing and Urban Development		23,862,783
Total Expenditures of Federal Awards		$ 23,862,783

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

NOTE 1: **PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Youngstown Metropolitan Housing Authority under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Youngstown Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Youngstown Metropolitan Housing Authority.

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

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

NOTE 3: **INDIRECT COST RATE**

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

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

To the Members of the Board
Youngtown Metropolitan Housing Authority
Youngstown, Ohio, Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Youngtown Metropolitan Housing Authority, Ohio, (the Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 22, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

December 22, 2021

JAMES G. ZUPKA, C.P.A., INC.
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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Members of the Board
Youngtown Metropolitan Housing Authority
Youngstown, Ohio, Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on Compliance for Each Major Federal Program

We have audited the Youngtown Metropolitan Housing Authority, Ohio's (the Authority) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2021. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Youngtown Metropolitan Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

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

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

December 22, 2021

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MAHONING COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
UNIFORM GUIDANCE
JUNE 30, 2021

1. SUMMARY OF AUDITOR'S RESULTS

2021(i)	Type of Financial Statement Opinion	Unmodified
2021(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2021(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2021(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2021(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2021(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2021(v)	Type of Major Programs' Compliance Opinion	Unmodified
2021(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2021(vii)	Major Programs (list): Housing Voucher Cluster: Section 8 Housing Choice Vouchers - CFDA #14.871 Section 8 Housing Choice Vouchers - CARES Act - CFDA #14.871 Section 8 Housing Choice Vouchers - Emergency Housing Vouchers - CFDA #14.871	
2021(viii)	Dollar Threshold: Type A\B Programs	Type A: $750,000 Type B: All Others
2021(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY
MAHONING COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The prior audit report, as of June 30, 2021, included no citations or instances of noncompliance. Management letter recommendations have corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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OHIO AUDITOR OF STATE
KEITH FABER

YOUNGSTOWN METROPOLITAN HOUSING AUTHORITY

MAHONING 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 3/22/2022

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