OHIO AUDITOR OF STATE
KEITH FABER

CLERMONT METROPOLITAN HOUSING AUTHORITY
CLERMONT COUNTY
SEPTEMBER 30, 2022

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CLERMONT COUNTY
SEPTEMBER 30, 2022

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Clermont Metropolitan Housing Authority
Clermont County
65 South Market Street
Batavia, Ohio 45103

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of the Clermont Metropolitan Housing Authority, Clermont County, Ohio (Authority), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Clermont Metropolitan Housing Authority, Clermont County, Ohio as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

The Authority did not provide sufficient evidence supporting the completeness and accuracy of the *Statement of Cash Flows* as of and for the year ended September 30, 2022.

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

Emphasis of Matter

As discussed in Note 16 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements.

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

The Financial Data Schedules (FDS) required by the Department of Housing and Urban Development are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority 's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

June 26, 2023

CLERMONT METROPOLITAN HOUSING AUTHORITY
CLERMONT COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022
(UNAUDITED)

Throughout this document, references to "we", "our", "Authority" or "us" refer to the Clermont Metropolitan Housing Authority.

Management's Discussion and Analysis

The Clermont Metropolitan Housing Authority's (the Authority) Management's Discussion and Analysis is designed to (**a**) assist the reader in focusing on significant financial issues, (**b**) provide an overview of the Authority's financial activity, (**c**) identify changes in the Authority's financial position and (**d**) identify individual fund issues or concerns.

Since the Management Discussion and Analysis (MD&A) is designed to focus on the current year activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 13).

FINANCIAL HIGHLIGHTS

• The Authority's total assets were $9,702,775 and $12,997,215 for 2022 and 2021, respectively. The Authority-wide statements reflect a decrease in total assets of $3,294,440 during 2022, primarily related to the sale of several properties.

• Revenues increased by $1,640,554 over 2021, primarily related to the sale of several properties, and were $10,258,419 and $8,617,865 for 2022 and 2021, respectively.

• Total expenses of all Authority programs increased by $1,360,486. Total expenses were $9,484,343 and $8,123,857 for 2022 and 2021, respectively.

Using This Annual Report

The report includes three major sections: The Management's Discussion and Analysis (MD&A), the Basic Financial Statements, and Other Required Supplementary Information.

MD&A
- Management Discussion and Analysis

Basic Financial Statements
Authority-wide Financial Statements
Notes to Financial Statements

Other Required Supplementary Information
Required Supplementary Information (Other than MD&A)

The primary focus of the Authority's financial statements is on the Authority as a whole (Authority-wide). This allows the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

AUTHORITY-WIDE FINANCIAL STATEMENTS

The Authority-wide financial statements (see pages 13-16) are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

These statements include a **Statement of Net Position**, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The Statement is presented in the format where assets and deferred outflow of resources, minus liabilities and deferred inflows of resources, equals "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year) and "Non-current."

The focus of the Statement of Net Position (the "**Unrestricted** Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly equity) is reported in three broad categories:

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

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

Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Net Investment in Capital Assets," or "Restricted Net Position."

The Authority-wide financial statements also include a **Statement of Revenues, Expenses, and Changes in Net Position** (similar to an Income Statement). This statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as capital grant revenue, investment income, and interest expense.

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

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

Fund Financial Statements

The Authority consists of exclusively Enterprise Funds. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting. Many of the programs maintained by the Authority are required by the U.S. Department of Housing and Urban Development (HUD). Others are segregated to enhance accountability and control.

Authority's Programs

Conventional Public Housing - Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30 percent of household income. The Conventional Public Housing Program also includes the Capital Funds Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Capital Fund Program - The Capital Fund Program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development housing.

Housing Choice Voucher Program - Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participant's rent at 30 percent of household income.

Rental Assistance Demonstration (RAD) - The Rental Assistance Program was created to give public housing authorities a powerful tool to preserve and improve public housing properties. RAD allows public housing agencies to leverage public and private debt and equity to reinvest in the public housing stock. In RAD, units move to a Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the units remain permanently affordable to low-income households. Residents continue to pay 30 percent of their income towards the rent, and they maintain the same basic rights as they possess in the public housing program. In fiscal year-end 2017, the Authority created the component unit, Birney Lane 52, to own 26 former Public Housing Program units converted under RAD.

Non-HUD/Business Activities Programs - This area encompasses property acquisition, development, and management activities of non-federal Business-Type Activities similar to those found in its private sector counterparts. The Authority formed this program in 2014 to begin developing a non-federal affordable housing portfolio aimed to increase housing opportunities for low-income families in its jurisdiction.

In addition, in 2016 the Authority furthered this initiative with the formation of an Authority owned 501 (c) (3) instrumentality. The Clermont Housing Corporation (CHC) was incorporated under the direction of the Clermont Metropolitan Housing Authority Board of Directors as of February 19, 2016. CHC intends to provide affordable housing, supportive programs, and other benefits for low- and moderate- income people. CHC proposes to create affordable housing opportunities through development, ownership, rental and/or sales of housing. CHC may begin to seek grants and other funds to further its goal of developing, owning and/or managing housing units, with a focus on decent, safe and sanitary dwellings for low- and moderate- income persons. CHC, which currently owns and operates 35 affordable housing units in the jurisdiction, envisions developing rental units through a variety of public and private financing sources. CHC is reported as a component unit of the Authority.

Authority Statements

Statement of Net Position

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

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

	2022	2021
Assets and Deferred Outflows of Resources		
Assets		
Current Assets	$ 2,883,047	$ 2,475,756
Capital Assets	6,646,896	10,426,162
Other Assets	172,832	95,297
Total Assets	9,702,775	12,997,215
Deferred Outflows of Resources	259,390	224,101
Total Assets and Deferred Outflows of Resources	$ 9,962,165	$ 13,221,316
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities	$ 314,867	$ 951,524
Non-Current Liabilities	1,542,183	4,784,382
Total Liabilities	1,857,050	5,735,906
Deferred Inflows of Resources	778,631	643,880
Net Position		
Net Investment in Capital Assets	5,566,603	6,169,572
Restricted	808,568	778,871
Unrestricted	951,313	(106,913)
Total Net Position	7,326,484	6,841,530
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 9,962,165	$ 13,221,316

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

Major Factors Affecting the Statement of Net Position

The increase in current assets of $407,291 was primarily in Cash. Capital Assets dropped by $3,779,266 which is related to the sale of several properties and the depreciation expense of $405,806.

Other notable changes on the statement were to current liabilities and restricted net position. Liabilities decreased by $3,878,856. This is primarily related to the mortgages on the properties that were sold being paid in full. Only one mortgage is currently still outstanding.

Change of Restricted and Unrestricted Net Position

Table 2 presents details of the change in Net Position.

Table 2 - Change of Net Position

	Unrestricted	Restricted	Net Investment in Capital Assets
Beginning Balance - September 30, 2021	$ (106,913)	$ 778,871	$ 6,169,572
Results of Operations	774,076	-	-
Current year Depreciation Expenses (1)	405,806	-	(405,806)
Capital Expenditures (2)	3,373,461	-	(3,373,461)
New Debt in Period (2)	-	-	-
Debt Retired (2)	(3,176,298)	-	3,176,298
Prior Period Adjustments (See Note 17)	(289,122)		-
Change in Restricted Net Position	(29,697)	29,697	
Ending Balance - September 30, 2022	$ 951,313	$ 808,568	$ 5,566,603

(1) Depreciation and Gain on Disposition are treated as expense and revenue and reduce the Results of Operations but does not have an impact on Unrestricted Net Position.

(2) Capital expenditures and changes in debt represent changes in unrestricted net position, but are not reflected in Results of Operations and, therefore, are presented as adjustments in this table.

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

Statement of Revenues, Expenses, and Changes in Net Position

The following table compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in business-type activities.

	2022	2021
Revenues		
Total Tenant Revenues	$ 1,073,985	$ 1,253,973
Operating Subsidies	7,169,722	6,830,021
Capital Grants	235,666	213,628
Investment Income	7,051	523
Other Revenues	1,771,995	319,720
Total Revenues	10,258,419	8,617,865
Expenses		
Administrative and Tenant Services	882,264	947,665
Utilities	218,069	240,114
Maintenance	1,421,808	861,643
Interest and General Expenses	1,286,571	551,340
Housing Assistance Payments	5,269,825	4,965,920
Depreciation	405,806	557,175
Total Expenses	9,484,343	8,123,857
Change in Net Position	774,076	494,008
Net Position - Beginning of Year (Restated)	6,552,408	6,347,522
Net Position - End of Year	$ 7,326,484	$ 6,841,530

Note: 2022 Beginning of Year Net Position was restated – see Note 17

MAJOR FACTORS AFFECTING THE STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Overall revenues increased mainly due to Cares Funding earned and the sale of several of the properties in the current year as seen in the approximately $300,000 increase in Operating Subsidies and the approximately $1,400,000 increase in Other Revenues. The tenant revenue decreased by nearly $180,000, which is related primarily due to the properties that were sold during the year. The Capital Grant revenue is similar to the prior year. HUD provides Capital Grant Funding annually on a formula basis. It is the primary source of funding of capital improvements for units in the Public Housing program. Housing Authorities typically have up to 4 years to expend Capital Grant funding provided in any year. Often funds are accumulated as projects are being planned or until enough has accumulated to pay for needed improvements.

Expenses also increased by $1,360,486. This is related to several factors including the remaining CARES Act funding, payment of past due real estate taxes, and significant deferred maintenance. Due to Covid-19, CMHA was able to enter the units on an emergency basis, with deferred maintenance until the current year.

CAPITAL ASSETS

As of year-end, the Authority had $6,646,896 invested in a variety of capital assets as reflected in the following schedule, which represents a net reduction of $3,779,266 (current additions less current dispositions and depreciation).

Table 4 - Condensed Statement of Changes in Capital Assets

	2022	2021
Land	$ 2,254,214	$ 2,645,214
Buildings & Improvements	18,004,266	21,386,049
Equipment - Administrative	428,528	378,022
Equipment - Dwelling	268,259	280,841
Accumulated Depreciation	(14,308,371)	(14,263,964)
Total	$ 6,646,896	$ 10,426,162

The following reconciliation summarizes the change in Capital Assets.

Table 5 - Changes in Capital Assets

Beginning Balance - September 30, 2021	$ 10,426,162
Current Year Additions	221,422
Current Year Dispositions	(3,594,882)
Current Year Depreciation	(405,806)
Ending Balance - September 30, 2022	$ 6,646,896

Additional information regarding capital assets can be found in Note 5 to the financial statements.

DEBT

The following reconciliation summarizes the change in Debt related to Clermont Housing Corporation and Birney Lane 52.

Table 6 - Changes in Debt

Beginning Balance - September 30, 2021	$ 4,256,591
New Debt in Period	-
Debt Retirement in Period	(3,176,298)
Ending Balance - September 30, 2022	$ 1,080,293

Additional information regarding debt can be found in Note 9 to the financial statements.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by congress to the U.S. Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wages rates.
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies, and other costs
- The pandemic has affected every aspect related to the operations of the agency.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Alicia Morlatt, Executive Director of the Clermont Metropolitan Housing Authority, at (513) 732-6010. Specific requests may be submitted to the Clermont Metropolitan Housing Authority at 65 South Market Street, Batavia, Ohio 45103.

CLERMONT METROPOLITAN HOUSING AUTHORITY
CLERMONT COUNTY, OHIO
STATEMENT OF NET POSITION-PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets	
Current Assets	
Cash and Cash Equivalents	$ 1,858,403
Restricted Cash and Cash Equivalents	909,466
Receivables, net	98,397
Prepaid Expeneses	16,781
Total Current Assets	2,883,047
Non-Current Assets	
Capital Assets	
Non-Depreciable Capital Assets	2,254,214
Depreciable Capital Assets, net	4,392,682
Total Capital Assets	6,646,896
Net OPEB Asset	172,832
Total Non-Current Assets	6,819,728
Total Assets	9,702,775
Deferred Outflows of Resources	
Deferred Outflows of Resources - Pension	256,546
Deferred Outflows of Resources - OPEB	2,844
Total Deferred Outflow of Resources	259,390
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 9,962,165

See accompanying notes to the financial statements.

CLERMONT METROPOLITAN HOUSING AUTHORITY
CLERMONT COUNTY, OHIO
STATEMENT OF NET POSITION-PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Liabilities		
Current Liabilities		
Accounts Payable	$	59,441
Accrued Liabilities		116,947
Tenants' Security Deposits		90,533
Long-Term Debt - Current Portion		47,946
Total Current Liabilities		314,867
Non-Current Liabilities		
Accrued Compensated Absences, Non-Current		20,003
Long-Term Debt, Net of Current		1,032,347
Net Pension Liability		489,833
Total Non-Current Liabilities		1,542,183
Total Liabilities		1,857,050
Deferred Inflows of Resources		
Deferred Inflows of Resources - Pension		593,381
Deferred Inflows of Resources - OPEB		185,250
Total Deferred Inflows of Resources		778,631
Net Position		
Net Investment in Capital Assets		5,566,603
Restricted		808,568
Unrestricted		951,313
Total Net Position		7,326,484
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$	9,962,165

See accompanying notes to the financial statements.

CLERMONT METROPOLITAN HOUSING AUTHORITY
CLERMONT COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Operating Revenues		
Tenant Revenue	$	1,073,985
Governmental Revenue		7,169,722
Other Revenue		695,085
Total Operating Revenues		8,938,792
Operating Expenses		
Administrative		722,516
Tenant Services		159,748
Utilities		218,069
Maintenance		1,421,808
General Expenses		1,126,398
Housing Assistance Payments		5,269,825
Depreciation		405,806
Total Operating Expenses		9,324,170
Operating Income/(Loss)		(385,378)
Non-Operating Revenues (Expenses)		
Capital Grant Revenue		235,666
Gain on Sale of Assets		1,076,910
Interest and investment Revenue		7,051
Interest Expense		(160,173)
Total Non-Operating Revenues (Expenses)		1,159,454
Change in Net Position		774,076
Net Position - Beginning of Year (Restated)		6,552,408
Total Net Position - End of Year	$	7,326,484

See accompanying notes to the financial statements.

CLERMONT METROPOLITAN HOUSING AUTHORITY
CLERMONT COUNTY, OHIO
COMBINED STATEMENT OF CASH FLOWS -PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Cash Flows from Operating Activities		
Operating Grants Received	$	7,172,434
Tenant Revenue Received		1,092,745
Other Revenue		1,490,507
Administrative Expenses		(1,411,314)
Other Operating Expenses		(2,937,263)
Housing Assistance Payments		(5,272,537)
Net Cash Provided by Operating Activities		134,572
Cash Flows from Investing Activities		
Interest Earned		7,051
Net Cash Provided from Investing Activities		7,051
Cash Flows from Capital and Related Financing Activites		
Capital Grants Received		235,666
Retirement of Debt		(3,287,026)
Interest Paid on Debt		(374,202)
Gain on Sale of Capital Assets		4,083,715
Acquisition of Capital Assets		(221,422)
Net Cash Provided by (Used By) Capital and Related Fianancing Activities		436,731
Net Increase in Cash		578,354
Cash and Cash Equivalents - Beginning of Year		2,290,804
Cash and Cash Equivalents - End of Year	**$**	**2,869,158**

Reconciliation of Net Operating Income to
Net Cash Provided by Operating Activities

Net Operating Income (Loss)	$	3,087
Adjustments to Reconcile Net Income to Net Cash Used by Operating Activities:		
Depreciation		405,806
(Increase) Decrease in Accounts Receivable		73,930
(Increase) Decrease in Prepaid and Other Assets		80,271
(Increase) Decrease in Deferred Outflows		(244,434)
Increase (Decrease) in Accounts Payable		50,610
Increase (Decrease) in Accounts Payable - Other Governmental		-
Increase (Decrease) in Compensated Absences Payable		(16,430)
Increase (Decrease) in Accrued and Other Current Liabilities		(127,538)
Increase (Decrease) in Unearned Revenue		(154,785)
Increase (Decrease) in Tenant Security Deposits		(57,622)
Increase (Decrease) in Net Pension Liability		297,022
Increase (Decrease) in OPEB Liability		-
Increase (Decrease) in Deferred Inflows		(175,345)
Net Cash Provided by Operating Activities	**$**	**134,572**

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

Summary of Significant Accounting Policies

The financial statements of the Clermont Metropolitan Housing Authority (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.

Reporting Entity

The Clermont Metropolitan Housing Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low- and moderate-income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate.

The accompanying financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement 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. 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 the funds of the Authority over which the Authority is financially accountable.

Basis of Presentation

The Authority's financial statements consist of a statement of net position, a statement of revenue, expenses and changes in net position, and a statement of cash flows.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The Authority uses the proprietary fund to report on its financial position and the results of its operations for the HUD 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.

Proprietary Fund Types

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.

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

Description of Programs

The following are the various programs which are included in the single enterprise fund:

Public Housing Program

The public housing program is designed to provide low-cost housing within the Clermont County. Under this program, HUD provides funding via an annual contribution contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Capital Fund Program

The capital fund program provides funds annually, via a formula, to Public Housing Agencies for capital and management activities, including modernization and development housing.

Housing Choice Voucher Program

The Housing Choice Voucher Program was authorized by Section 8 of the National Housing Act and provides housing assistance payments to private, not-for-profit, or public landlords to subsidize rentals for low-income persons.

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

Description of Programs (Continued)

Non-HUD/Business Activities Programs

This area encompasses property acquisition, development, and management activities of non-federal *Business-Type Activities* similar to those found in private sector counterparts. The Authority formed this program in 2014 to begin developing a non-federal affordable housing portfolio aimed to increase housing opportunities for low-income families in its jurisdiction. This program acquired and operates three single family properties.

Blended Component Unit – Birney Lane 52, LLC

The Rental Assistance Program (RAD) was created in order to give public housing authorities a powerful tool to preserve and improve public housing properties. RAD allows public housing agencies to leverage public and private debt and equity to reinvest in the public housing stock. In RAD, units move to a Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the units remain permanently affordable to low-income households. Residents continue to pay 30 percent of their income towards the rent, and they maintain the same basic rights as they possess in the public housing program. The Blended Component Unit, Birney Lane 52, LLC, was created to own the RAD project.

Blended Component Unit – Clermont Housing Corporation

The Clermont Housing Corporation (CHC) was incorporated under the direction of the Clermont Metropolitan Housing Authority Board of Directors as of February 19, 2016. CHC intends to provide affordable housing, supportive programs, and other benefits for low- and moderate- income people. CHC proposes to create affordable housing opportunities through development, ownership, rental and/or sales of housing. CHC may begin to seek grants and other funds to further its goal of developing, owning and/or managing housing units, with a focus on decent, safe, and sanitary dwellings for low- and moderate- income persons. CHC, which currently owns and operates 35 affordable housing units in the jurisdiction, envisions developing rental units through a variety of public and private financing sources.

Investments

The provisions of the HUD Regulations restrict investments. Investments are valued at market value. Interest income earned in fiscal year ending September 30, 2022, totaled $7,051.

Capital Assets

Capital assets are stated at cost. The capitalization policy of the Authority is to depreciate all non-expendable personal property having a useful life of more than one year and purchase price of $5,000 or more per unit. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land Improvements	20 years
Buildings	40 years
Building Improvements	15 years
Furniture, Equipment, and Machinery	3-10 years
Leasehold Improvements	15 years

Net Position

Net position represents the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on their use by internal or external restrictions.

Operating Revenues and Expenses

Operating revenues and expenses are those revenues that are generated directly from the primary activities of the proprietary fund and expenses incurred for the day-to-day operation. For the Authority, operating revenues are tenant rent charges, operating subsidy from HUD and other miscellaneous revenue.

Capital Contributions

This represents contributions made available by HUD with respect to all federally aided projects under an annual contribution contract.

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, and non-negotiable Certificates of Deposits regardless of original maturities.

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 absence accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: (1) the employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee; (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 funds, the compensated absences are expensed when earned with the amount reported as a fund liability.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Accounting

The Authority is required by contractual agreements to adopt annual operating budgets for all its HUD funded programs. The budget for its programs is prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. The Board of Commissioners adopts the budget through passage of a budget resolution.

Accounting and Reporting for Non-Exchange Transactions

The Authority accounts for non-exchange transactions in accordance with Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. Non-exchange transactions occur when the Authority receives (or gives) value without directly giving (or receiving) equal value in return.

In conformity with the requirements of GASB Statement No. 33, the Authority has recognized grant funds expended for capitalizable capital assets acquired after September 30, 2000, as revenues and the related depreciation thereon, as expenses in the accompanying Statement of Revenue, Expenses, and Changes in Net Position.

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.

Pensions/Other Postemployment Benefits (OPEB)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 6 and 7.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for pension and OPEB. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 6 and 7.

NOTE 2: **DEPOSITS AND INVESTMENTS**

Deposits

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

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

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

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

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by collateral held by the Authority or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

At fiscal year-end September 30, 2022, the carrying amount of the Authority's deposits totaled $2,767,869. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of September 30, 2022, the Authority's total bank balance was $2,829,202. Of this balance $1,829,202 was exposed to custodial risk as discussed below, while $1,000,000 was covered by the Federal Depository Insurance Corporation.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. Protection of the Authority's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC). As well as qualified securities pledged by the institution holding the assets, Ohio law requires that deposits either be insured or protected by:

1. Eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or

2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The Authority's financial institutions had enrolled in OPCS as of November 30, 2018.

Investments

The Authority had no investments on September 30, 2022.

NOTE 3: RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash balance as of September 30, 2022, of $851,893 represents cash on hand for the following:

Proceeds from sale of PH scattered sites plus interest earned	$	366,525
Tenant Security Deposits		100,898
RAD Agreement Repayments		110,003
HCV		118,501
Birney Lane 52 Replacement Reserve		213,539
Total Restricted Cash	$	909,466

NOTE 4: RISK MANAGEMENT

The Authority is covered for property damage, general liability, automobile liability, public officials' liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association (SHARP). SHARP is an insurance risk pool comprised of 39 Ohio housing authorities, of which the Authority is a member. SHARP is a member of the Public Entity Risk Consortium (PERC), a self-insurance pool owned by its members. PERC provides SHARP specific excess coverage above its net retained limits. Deductible and coverage limits are summarized below:

Type of Coverage	Deductible	Coverage Limits
Property	$ 1,500	$ 250,000,000
Automobile Physical Damage	500	(Per Occurance)
Boiler and Machinery	1,000	100,000,000
Liability		
General	-	2,000,000
Automobile	-	included
Public Officials	-	included
Law Enforcement	-	included
Professional Liability	5,000	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year. Health, dental, vision, and life insurance is offered to Authority employees through a commercial insurance company. Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively.

NOTE 5: **CAPITAL ASSETS**

	Balance 9/30/2021	Additions	Dispositions	Reclasses	Balance 9/30/2022
Capital Assets Not Being Depreciated					
Land	$ 2,645,214	$ -	$ (391,000)	$ -	$ 2,254,214
Total Capital Assets Not Being Depreciated	2,645,214	-	(391,000)	-	2,254,214
Capital Assets Being Depreciated					
Buildings and Improvements	20,961,325	38,750	(3,205,485)	12,448	17,807,038
Furniture, Equipment, and Machinery	658,863	182,672	(132,300)	(12,448)	696,787
Leasehold Improvements	424,724	-	(227,496)	-	197,228
Total Capital Assets Being Depreciated	22,044,912	221,422	(3,565,281)	(0)	18,701,053
Accumulated Depreciation					
Buildings and Improvements	(13,654,773)	(372,253)	341,206	-	(13,685,820)
Furniture, Equipment, and Machinery	(555,943)	(30,429)	20,193	-	(566,179)
Leasehold Improvements	(53,248)	(3,124)	-	-	(56,372)
Total Accumulated Depreciation	(14,263,964)	(405,806)	361,399	-	(14,308,371)
Depreciable Capital Assets, net	7,780,948	(184,384)	(3,203,882)	(0)	4,392,682
Total Capital Assets	$ 10,426,162	$ (184,384)	$ (3,594,882)	$ (0)	$ 6,646,896

NOTE 6: **DEFINED BENEFIT PENSION PLANS**

Net Pension Liability

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

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

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

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

Net Pension Liability (Continued)

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 Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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' ACFR referenced above for additional information):

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

Group A Eligibile 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 Age and Service Requirements	**State and Local** Age and Service Requirements	**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 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 62 with 5 years of service credit or Age 57 with 25 years of service credit
Traditional Plan Formula: 2.2% of FAS multipied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multipied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multipied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

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 member's contributions plus or minus the investment gains or losses resulting from the member's 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 annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

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

	State and Local
2021 Statutory Maximum Contribution Rates	
Employer	14%
Employee*	10%
2021 Actual Contributions Rates	
Employer	
Pension **	14%
Post-Employment Health Care Benefits**	0%
Total Employer	14%
Employee	10%

* Member Contributions within combined plan are not used to fund the defined benefit retirement allowance
** These pension and eomployer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4% for health care with remainder going to pension.

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

The Authority's contractually required contributions was $103,145 for fiscal year ending September 30, 2022.

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

The net pension liability/(asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability/(asset) was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset Prior Measurement date	0.005216%	0.000000%	
Proportion of the Net Pension Liability/Asset Current measurement Date	0.005630%	0.000000%	
Change in Proportionate Share	0.000414%	0.000000%	
Proportionate Share of the Net Pension Liability/(Asset)	$ 489,833	$ -	$ 489,833
Pension Expense	$ 537	$ -	$ 537

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

On September 30, 2022, 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			
Net difference between projected and actual earnings on pension plan investments	$ -	$ 3,891	$ 3,891
Differences between expected and actual experience	24,971	(157)	24,814
Changes of assumptions	61,253	(336)	60,917
Changes in proportion and differences between Authority contributions and proportionate share of contributions	67,177	-	67,177
Authority contributions subsequent to the measurement date	103,145	-	103,145
Total Deferred Outflows of Resources	$ 256,546	$ 3,399	$ 259,945
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 582,638	$ -	$ 582,638
Differences between expected and actual experience	$ 10,743	$ -	$ 10,743
Changes in proportion and differences between Authority contributions and proportionate share of contributions	-	-	$ -
Total Deferred Inflows of Resources	$ 593,381	$ -	$ 593,381

$103,145 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 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 6: **DEFINED BENEFIT PENSION** (Continued)

Year Ending September 30:	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
2022	(24,579)	1,458	$ (23,121)
2023	(185,716)	2,015	$ (183,701)
2024	(137,002)	1,322	$ (135,680)
2025	(92,684)	977	$ (91,707)
2026	-	129	$ 129
Thereafter	-	83	$ 83
Total	$ (439,981)	$ 5,984	$ (433,997)

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, 2021, 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. In 2021, the Board's actuarial consultants conduct and experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2% to 6.9%, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

Measurement and Valuation Date	December 31, 2021
Experience Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions	
Investment Rate of Return	6.90%
Wage Inflation	2.75%
Projected Salary Increases	2.75% - 10.75%
Including Inflation	(includes wage inflation at 2.75%)
Cost-of-Living Adjustments	
Pre-1/7/2013 Retirees	3.00% Simple
Post 1/7/2013 Retirees	3.00% Simple through 2022, then 2.05% Simple

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

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disable Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The discount rate used to measure the total pension liability was 6.9% for the Traditional Pension Plan, Combined Plan and member-Directed Plan. 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 pensions plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined benefit portfolio's target asset allocation as of December 31, 2021:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometic)
Fixed Income	24%	1.03%
Domestic Equities	21%	3.78%
Real Estate	11%	3.66%
Private Equity	12%	7.43%
International Equities	23%	4.88%
Risk Parity	5%	2.92%
Other Investments	4%	2.85%
Total	100%	4.21%

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

Discount Rate The discount rate used to measure the total pension liability was 6.9 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 6.9 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

Authority's proportionate share of the net pension liability/(asset)	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Traditional Pension Plan	$ 1,291,466	$ 489,810	$ (177,232)

NOTE 7: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Liability/Asset

The net OPEB liability/Asset reported on the statement of net position represents a liability/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 liability/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 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 these estimates annually.

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

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

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

Net OPEB Liability/Asset (Continued)

Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability/Asset* on the accrual basis of accounting. Any liability for the contractually required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS or System) is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the Traditional Pension Plan, a defined benefit plan; the Combined Plan, a combination defined benefit/defined contribution plan; and the Member- Directed Plan, a defined contribution plan. OPERS is a qualified governmental plan under Section 401(a) of the Internal Revenue Code (IRC). OPERS is administered in accordance with Chapter 145 of the ORC. All state and local governmental employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are members of OPERS. New public employees (those who establish membership in OPERS on or after January 1, 2003) have 180 days from the commencement of employment to select membership in one of the three pension plans. Contributions to OPERS are effective with the first day of the member's employment. Contributions made prior to the member's plan selection are maintained in the Traditional Pension Plan and later transferred to the plan elected by the member, as appropriate.

OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for the HRA, as the prior trust structure, the 401(h) Health Care Trust (401(h) Trust) and the Voluntary Employees' Beneficiary Association Trust (VEBA Trust), could not legally support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Trust was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The VEBA Trust accumulated funding for RMAs for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning 2016, the 115 Trust, established under IRC Section 115, is the funding vehicle for all health care plans.

Prior to January 1, 2015, the System provided comprehensive health care coverage to retirees with 10 or more years of qualifying service credit and offered coverage to their dependents on a premium deduction or direct bill basis. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or, generally, 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-enrolled retirees could select supplemental coverage through the Connector, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees included hospitalization, medical expenses and prescription drugs through December 31, 2021. The System determined the amount, if any, of the associated health care costs that were absorbed by the System and attempted to control costs by using managed care, case management, and other programs. Effective January 1, 2022, eligible non-Medicare retirees are part of a Connector program, similar to Medicare-enrolled retirees. Additional details on health care coverage can be found in the Plan Statement in the annual report.

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

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

All benefits of the System, and any benefit increases, are established by the legislature pursuant to ORC Chapter 145. The Board, pursuant to ORC Chapter 145, has elected to maintain funds to provide health care coverage to eligible Traditional Pension Plan and Combined Plan retirees and survivors of members. Health care coverage does not vest and is not required under ORC Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the Board. Additional information on OPERS health care coverage can be found in the annual report.

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 OPERS funding policy provides for periodic member and employer contributions to all three pension plans at rates established by the Board, subject to limits set in statute. The rates established for member and employer contributions were approved based upon the recommendations of the System's actuary. All contribution rates were within the limits authorized by the ORC.

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

With the assistance of the System's actuary, the Board may approve a portion of each employer contribution to OPERS be set aside for the funding of post-employment health care coverage. However, health care funding is subordinate to pension funding. No employer contributions were allocated to health care in 2021 for the Traditional Pension Plan or the Combined Plan. The employer contribution as a percent of covered payroll deposited for the Member-Directed Plan participants' health care accounts for 2021 was 4.0%. Interest is credited to member accounts based on the investment performance of the OPERS Stable Value Fund, not to exceed 4.0%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $1,737 for fiscal year ending September 30, 2022.

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

The total OPEB liability/Asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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

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

	OPERS
Proportion of the Net OPEB Liability Prior Measurement Date	0.005349%
Proportion of the Net OPEB Liability Current Measurement Date	0.005518%
Change in Proportionate Share	0.000169%
Proportionate Share of the Net OPEB Liability/(Asset)	$ (172,832)
OPEB Expense	$ (158,348)

On September 30, 2022, 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 in proportion and differences between Authority contributions and proportionate share of contributions	2,844
Authority contributions subsequent to the measurement date	-
Total Deferred Outflows of Resources	2,844
Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 82,394
Differences between expected and actual experience	26,216
Changes of assumptions	69,961
Changes in proportion and differences between Authority contributions and proportionate share of contributions	6,679
Total Deferred Inflows of Resources	$ 185,250

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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

Year Ending September 30:	OPERS
2022	$ 111,868
2023	36,147
2024	17,451
2025	11,471
2026	-
Thereafter	-
Total	$ 176,937

Actuarial Assumptions - OPERS

The total OPEB liability/asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year for the defined benefit health care plans. In accordance with GASB Statement No. 75 (GASB 75), Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the member-Directed Plan health care is defined benefit health care plan, although the pension plan is defined contribution. Interest is credited to member accounts based on the investment performance of the OPERS Stable Value Fund, not to exceed 4.0%.

Actuarial valuations of an ongoing plan involve estimates of the value 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 health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions.

The actuarial valuation used the following key actuarial assumptions and methods, reflecting experience study results, applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Actuarial Valuation Date	December 31, 2020
Rolled-Forward measurement Date	December 31, 2021
Experience Study	5- Year Period Ended December 31, 2020
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions	
Single Discount Rate	6.00%
Investment Rate of Return	6.00%

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

Municipal Bond Rate	1.84%
Wage Inflation	2.75%
Projected Salary Increases	2.75% - 10.75%
Including Inflation	(includes wage inflation at 2.75%)
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2034

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

A single discount rate of 6.00% was used to measure the total OPEB liability/asset on the measurement date of December 31, 2021. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. 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 the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometic)
Fixed Income	34%	0.91%
Domestic Equities	25%	3.78%
Real Estate Investment Trust	7%	3.71%
International Equities	25%	4.88%
Risk Parity	2%	2.92%
Other Investments	7%	1.93%
Total	100%	3.45%

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability/Asset to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability/asset calculated using the single discount rate of 6.00% percent, as well as what the Authority's proportionate share of the net OPEB liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

As of December 31, 2021	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB liability/(asset)	$ (101,642)	$ (172,824)	$ (231,922)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability/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 liability/asset. The following table presents the net OPEB liability/asset calculated using the assumed trend rates, and the expected net OPEB liability/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 2022 is 5.5 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 care cost trend will decrease to a level a, 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.

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

As of December 31, 2021	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability/(asset)	$ (174,700)	$ (172,824)	$ (170,617)

NOTE 8: **SUMMARY OF CHANGES IN LONG-TERM LIABILITIES**

The following summarizes changes in long-term liabilities for the period ended September 30, 2022:

Description	Balance at 9/30/2021	Additions	Deductions	Balance at 9/30/2022	Amounts Due in One Year
Loan Payable	$ 4,256,591	$ -	$ (3,176,298)	$ 1,080,293	$ 47,946
Net Pension Liability	772,376	-	(282,543)	489,833	-
OPEB Liability	-	-	-	-	-
Compensated Absences	107,604	-	(11,087)	96,517	76,514
Total	**$ 5,136,571**	**$ -**	**$ (3,469,928)**	**$ 1,666,643**	**$ 124,460**

NOTE 9: **LONG-TERM DEBT**

As of September 30, 2022, the Authority's long-term debt is as follows:

Description	Balance 9/30/2022
Promissory note to Park National Bank which matures in January 2038. Proceeds were used to acquire property at Highview Drive, Milford, Ohio. The date of the loan was January 12, 2018, in the amount of $1,275,000. The rate on the loan for the first 5 years is 4.99 percent and thereafter based on the Federal Home Loan Bank of Cincinnati, Long Term Fixed Rate Advance One Year, plus a margin of 2.50 percentage points. The debt agreements call for monthly payments in the amount of $8,457.73.	$ 1,080,293

Debt maturities for the period after September 30, 2022, are estimated as follows:

Year Ended September 30	Principal	Interest	Total
2023	$ 47,946	$ 53,547	$ 101,493
2024	50,285	51,208	101,493
2025	53,032	48,461	101,493
2026	55,778	45,714	101,492
2027	58,667	42,826	101,493
2028-2032	341,963	165,501	507,464
2033-2037	440,342	67,122	507,464
2038-2042	32,281	333	32,614
Total	$ 1,080,293	$ 474,712	$ 1,555,006

NOTE 10: **COMPENSATED ABSENCES**

Employees earn 2-5 weeks of annual vacation leave per calendar year, based on years of service. Annual leave may be taken after 1 year of employment. As of September 30, 2022, the accrual for compensated absences (including sick leave) totaled $96,517.

NOTE 11: **LOAN BETWEEN CLERMONT MHA AND THE COMPONENT UNIT**

Related to the activities of the RAD conversion, the Authority loaned Birney Lane 52, LLC (the component unit) $416,452. The rate on the loan is 1 percent and repayment of principal and interest is based on cash flows generated by the project. The full unpaid portion of the note is due on the maturity date, December 31, 2046. The note is secured by real property conveyed to the Component Unit upon conversion. The balance outstanding on September 30, 2022, is $318,100. Repayment of principal and interest cannot be projected because repayment is determined by future cash flows to be realized. These intercompany balances are eliminated from the consolidated financial statements.

NOTE 12: **RESTRICTED NET POSITION**

A summary of restricted net position on September 30, 2022, is as follows:

Cash on hand that represents proceeds from the sale of PHA scattered sites plus interest	$	366,525
HAP Cash		118,501
Restricted for RAD payments		110,003
Birney Lane 52 Replacement Reserve		213,539
Total Restricted Net Position	**$**	**808,568**

NOTE 13: **CONTINGENCIES**

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recaptured amounts would not have a material adverse effect on the overall financial position of the Authority on September 30, 2022.

Litigations and Claims

In the normal course of operations, the Authority may be subject to litigations and claims. On September 30, 2022, the PHA was not aware of any such matters.

Inspector General Audit/HUD Review

During a prior audit period a suspected theft of Agency funds by an employee was discovered. State and Federal authorities began an investigation and HUD's Office of Inspector General and the Office of the Auditor of the State of Ohio commenced a review of the case. The results of the review are still pending and will be reported separately to the Authority at a later date in a report to be issued by HUD's Office of Inspector General and the Office of the Auditor of the State of Ohio. The

NOTE 13: **CONTINGENCIES** (Continued)

Inspector General Audit/HUD Review (Continued)

effect of the suspected theft on the Agency's financial position is unknown. The Agency maintains fidelity coverage to protect it from loss related to employee theft.

NOTE 14: **LOW RENT PUBLIC HOUSING DISPOSITION FUNDS (LRPH) REPAYMENT AGREEMENT**

In September 2014, the Authority executed a Repayment Agreement with the U.S. Department of Housing and Urban Development to reimburse its LRPH Disposition Funds from non-federal funds in the amount of $367,787. This Repayment Agreement was paid in full to during the current year.

Balance at September 30, 2021	$	220,671
Payment made in Period		(220,671)
Balance at September 30, 2022	$	-

NOTE 15: **CONDENSED FINANCIAL STATEMENT INFORMATION – COMPONENT UNITS**

The following information is relating to the 2 blended component units of the Authority.

	Birney Lane 52		Clermont Housing Corporation	
Balance Sheet				
Current and Other Assets and Deferred Outflows	$	372,081	$	699,309
Capital Assets, net		357,796		1,588,093
Current Liabilities		(71,696)		(47,288)
Non-Current Liabilities and Deferred Inflows		(326,268)		(1,039,958)
Net Position	$	331,913	$	1,200,156
Revenues, Expenses, and changes in Net Position				
Total Revenues	$	235,788	$	1,889,929
Total Expenses		(325,025)		(1,247,926)
Excess Revenue over Expenses		(89,237)		642,003
Beginning Net Position		327,171		587,392
Repayments to Other Programs		-		-
Prior Period Adjustment		93,979		(29,239)
Ending Net Position	$	331,913	$	1,200,156

NOTE 16: **SUBSEQUENT EVENTS**

The United States and the State of Ohio declared a statement of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will likely impact subsequent periods of Clermont MHA. The investments of the pension and other postemployment benefit plan in which Clermont MHA participates have

NOTE 16: **SUBSEQUENT EVENTS** (Continued)

incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on Clermont MHA's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 17: RESTATEMENT NOTE

	Project Total	6.2 Component Unit - Blended	1 Business Activities	14.871 Housing Choice Voucher	Total Effect on Statements
Ending Balance per Prior Audited Report for Fiscal Year ending September 30, 2021	$ 5,166,964	$ 914,563	$ 476,498	$ 283,505	$ 6,841,530
Adjustments to Prior Balance due to Accounting Corrections made by the Authority	(49,148)	64,744	(27,231)	(277,487)	(289,122)
Restated Beginning Balance for Fiscal Year ending September 30, 2022	$ 5,117,816	$ 979,307	$ 449,267	$ 6,018	$ 6,552,408

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

Traditional Plan	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.005630%	0.005216%	0.004900%	0.004536%	0.004291%	0.004468%	0.004277%	0.004293%	0.004293%
Authority's Proportionae Share of the Net Pension Liability	$ 489,810	$ 772,376	$ 968,583	$ 1,242,318	$ 673,175	$ 1,014,607	$ 740,830	$ 517,784	$ 506,089
Authority's Covered Payroll	$ 808,665	$ 727,103	$ 689,471	$ 612,641	$ 566,952	$ 577,568	$ 532,282	$ 526,313	$ 515,866
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	60.57%	106.23%	140.48%	202.78%	118.74%	175.67%	139.18%	98.38%	98.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liabilty	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Combined Plan	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Asset	0.00000%	0.01238%	0.01694%	0.02473%	0.02501%	0.02652%	0.02611%	0.02475%	0.02475%
Authority's Proportionate Share of the net Pension Liability	$ -	$ (35,742)	$ (35,317)	$ (27,651)	$ (34,045)	$ (14,761)	$ (12,706)	$ (9,528)	$ (2,596)
Authority's Covered Payroll	$ -	$ 54,878	$ 75,393	$ 105,759	$ 102,423	$ 103,236	$ 95,031	$ 86,662	$ 79,146
Authority's Proportionate Share of the Net Pension Assets as a Percentage of its Covered payroll	0.00%	65.13%	46.84%	26.15%	33.24%	14.30%	13.37%	10.99%	3.28%
Plan Fiduciary net Position as a Percentage of the Total Pension Asset	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

(1) Information prior to 2014 is not available. This schedule is intended to show ten years of information. Additional years will be displayed as available.

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

Schedule of the Authority's Contributions

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contributions										
Traditional Plan	$ 114,618	$ 102,853	$ 96,526	$ 89,855	$ 81,853	$ 80,069	$ 65,976	$ 64,148	$ 62,249	$ 72,416
Combined Plan	$ -	$ 10,411	$ 10,555	$ 14,649	$ 14,360	$ 14,225	$ 11,837	$ 11,403	$ 10,134	$ 10,682
Total Requried Contributions	$ 114,618	$ 113,264	$ 107,081	$ 104,504	$ 96,213	$ 94,294	$ 77,813	$ 75,551	$ 72,383	$ 83,098
Contributions in Relation to the Contractually Required Contribution	$ (114,618)	$ (113,264)	$ (107,081)	$ (104,504)	$ (96,213)	$ (94,294)	$ (77,813)	$ (75,551)	$ (72,383)	$ (83,098)
Contribution Deficiency/(Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authroity's Covered Payroll										
Traditional Plan	$ 808,667	$ 727,103	$ 689,471	$ 641,821	$ 595,295	$ 667,242	$ 549,800	$ 534,567	$ 518,742	$ 557,046
Combined Plan	$ -	$ 54,878	$ 75,393	$ 104,636	$ 104,436	$ 118,542	$ 98,642	$ 95,025	$ 84,450	$ 82,169
Pension Contributions as a Percentage of Covered Payroll										
Traditional Plan	14.17%	14.15%	14.00%	14.00%	13.75%	12.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	0.00%	18.97%	14.00%	14.00%	13.75%	12.00%	12.00%	12.00%	12.00%	13.00%

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

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

	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability	0.005518%	0.005349%	0.005553%	0.005615%	0.005440%	0.005660%
Authority's Proportionate Share of the Net OPEB Liability	$ (172,835)	$ (95,266)	$ 767,014	$ 732,063	$ 590,744	$ 571,679
Authority's Covered Payroll	$ 853,287	$ 802,247	$ 764,864	$ 814,483	$ 770,094	$ 782,485
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	-20.26%	-11.87%	100.28%	89.88%	76.71%	73.06%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

(1) Information prior to 2017 is not available. This schedule is intended to show ten years of information. Additional years will be displayed as available.

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

Schedule of the Authority's Contributions-OPEB

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 11,738	$ 1,310	$ 2,964	$ 2,873	$ 2,882	$ 12,538	$ 15,965	$ 12,705
Contributions in Relation to the Contractaully Required Contribution	(11,738)	(1,310)	(2,964)	(2,873)	(2,882)	(12,538)	(15,965)	(12,705)
Contribution Deficiency/(Excess)	-	-	-	-	-	-	-	-
Authority Covered Payroll	853,289	802,247	764,864	818,275	793,240	773,011	745,656	713,865
Contributions as a Percentage of Covered Payroll	1.38%	0.16%	0.39%	0.35%	0.36%	1.62%	2.14%	1.78%

(1) Information prior to 2015 is not available. This schedule is intended to show ten years of information. Additional years will be displayed as available.

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

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 2022.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2022. 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 was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2% down to 6.9%, for the defined benefit investments.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2022. For 2022, expected investment return was 6.00%.

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CLERMONT METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
SEPTEMBER 30, 2022

	Project Total	6.2 Component Unit Blended	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
111 Cash - Unrestricted	386,503	812,573	99,367	559,960	-	1,858,403		1,858,403
112 Cash - Restricted - Modernization and Development						-		-
113 Cash - Other Restricted	366,525	213,539	110,003	118,501	-	808,568		808,568
114 Cash - Tenant Security Deposits	66,556	32,142	2,200			100,898		100,898
115 Cash - Restricted for Payment of Current Liabilities						-		-
100 Total Cash	819,584	1,058,254	211,570	678,461	-	2,767,869	-	2,767,869
121 Accounts Receivable - PHA Projects						-		-
122 Accounts Receivable - HUD Other Projects						-		-
124 Accounts Receivable - Other Government						-		-
125 Accounts Receivable - Miscellaneous	13,503	1,646		16,515	-	31,664		31,664
126 Accounts Receivable - Tenants	30,000	2,146		36,882	-	69,028		69,028
126.1 Allowance for Doubtful Accounts -Tenants	-2,184	-80	-31			-2,295		-2,295
126.2 Allowance for Doubtful Accounts - Other						-		-
127 Notes, Loans, & Mortgages Receivable - Current						-	-	-
128 Fraud Recovery						-		-
128.1 Allowance for Doubtful Accounts - Fraud						-		-
129 Accrued Interest Receivable						-		-
120 Total Receivables, Net of Allowances for Doubtful Accounts	41,319	3,712	-31	53,397	-	98,397	-	98,397
131 Investments - Unrestricted						-		-
132 Investments - Restricted						-		-
135 Investments - Restricted for Payment of Current Liability						-		-
142 Prepaid Expenses and Other Assets	11,990	4,236	159	396	-	16,781		16,781
143 Inventories				.		-		-
143.1 Allowance for Obsolete Inventories						-		-
144 Inter Program Due From						-		-
145 Assets Held for Sale						-		-
150 Total Current Assets	872,893	1,066,202	211,698	732,254	-	2,883,047	-	2,883,047
161 Land	1,931,214	320,000	3,000	-	-	2,254,214		2,254,214
162 Buildings	15,663,001	1,760,908	314,230	68,899	-	17,807,038		17,807,038
163 Furniture, Equipment & Machinery - Dwellings	163,616	-	3,012	101,631	-	268,259		268,259
164 Furniture, Equipment & Machinery - Administration	418,501	4,636	5,391	-	-	428,528		428,528
165 Leasehold Improvements	24,403	131,934	40,891	-	-	197,228		197,228
166 Accumulated Depreciation	-13,759,403	-271,587	-117,606	-159,775	-	-14,308,371		-14,308,371
167 Construction in Progress						-		-
168 Infrastructure						-		-

CLERMONT METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
SEPTEMBER 30, 2022

	Project Total	6.2 Component Unit Blended	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
160 Total Capital Assets, Net of Accumulated Depreciation	4,441,332	1,945,891	248,918	10,755	-	6,646,896	-	6,646,896
171 Notes, Loans and Mortgages Receivable - Non-Current			330,856			330,856	-330,856	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						-		-
173 Grants Receivable - Non Current						-		-
174 Other Assets	92,293	2,074	10,024	68,441	-	172,832		172,832
176 Investments in Joint Ventures						-		-
180 Total Non-Current Assets	4,533,625	1,947,965	589,798	79,196	-	7,150,584	-330,856	6,819,728
200 Deferred Outflow of Resources	138,514	3,112	15,045	102,719	-	259,390		259,390
290 Total Assets and Deferred Outflow of Resources	5,545,032	3,017,279	816,541	914,169	-	10,293,021	-330,856	9,962,165
311 Bank Overdraft						-		-
312 Accounts Payable <= 90 Days	36,996	11,589	342	3,180	-	52,107		52,107
313 Accounts Payable >90 Days Past Due						-		-
321 Accrued Wage/Payroll Taxes Payable	398	10,289				10,687		10,687
322 Accrued Compensated Absences - Current Portion	33,674	5,425	665	20,709	-	60,473		60,473
324 Accrued Contingency Liability						-		-
325 Accrued Interest Payable		2,344				2,344		2,344
331 Accounts Payable - HUD PHA Programs						-		-
332 Account Payable - PHA Projects						-		-
333 Accounts Payable - Other Government						-		-
341 Tenant Security Deposits	59,856	28,477	2,200	-	-	90,533		90,533
342 Unearned Revenue						-		-
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds						-		-
344 Current Portion of Long-term Debt - Operating Borrowings		60,702				60,702	-12,756	47,946
345 Other Current Liabilities						-		-
346 Accrued Liabilities - Other	43,288	158	7,331	-	-	50,777		50,777
347 Inter Program - Due To						-		-
348 Loan Liability - Current						-		-
310 Total Current Liabilities	174,212	118,984	10,538	23,889	-	327,623	-12,756	314,867
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		1,350,447				1,350,447	-318,100	1,032,347
352 Long-term Debt, Net of Current - Operating Borrowings						-		-
353 Non-current Liabilities - Other						-		-

CLERMONT METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
SEPTEMBER 30, 2022

	Project Total	6.2 Component Unit Blended	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
354 Accrued Compensated Absences - Non Current	5,593	558	117	13,735	-	20,003		20,003
355 Loan Liability - Non Current						-		-
356 FASB 5 Liabilities						-		-
357 Accrued Pension and OPEB Liabilities	261,571	5,878	28,410	193,974	-	489,833		489,833
350 Total Non-Current Liabilities	267,164	1,356,883	28,527	207,709	-	1,860,283	-318,100	1,542,183
300 Total Liabilities	441,376	1,475,867	39,065	231,598	-	2,187,906	-330,856	1,857,050
400 Deferred Inflow of Resources	415,789	9,343	45,161	308,338	-	778,631		778,631
508.4 Net Investment in Capital Assets	4,441,334	547,497	248,917	10,755	-	5,248,503	318,100	5,566,603
511.4 Restricted Net Position	366,525	213,539	110,003	118,501	-	808,568		808,568
512.4 Unrestricted Net Position	-119,992	771,033	373,395	244,977	-	1,269,413	-318,100	951,313
513 Total Equity - Net Assets / Position	4,687,867	1,532,069	732,315	374,233	-	7,326,484	-	7,326,484
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	5,545,032	3,017,279	816,541	914,169	-	10,293,021	-330,856	9,962,165

CLERMONT METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Project Total	Project Total CFP	6.2 Component Unit Blended	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	587,803		854,556	35,122			1,477,481	-452,282	1,025,199
70400 Tenant Revenue - Other	44,952		3,834				48,786		48,786
70500 Total Tenant Revenue	632,755	-	858,390	35,122	-	-	1,526,267	-452,282	1,073,985
70600 HUD PHA Operating Grants	595,140				6,419,797	154,785	7,169,722		7,169,722
70610 Capital Grants		235,666					235,666		235,666
70710 Management Fee							-		-
70720 Asset Management Fee							-		-
70730 Book Keeping Fee							-		-
70740 Front Line Service Fee							-		-
70750 Other Fees							-		-
70700 Total Fee Revenue	-	-	-	-	-	-	-	-	-
70800 Other Government Grants							-		-
71100 Investment Income - Unrestricted	1,040		687	193	5,131		7,051		7,051
71200 Mortgage Interest Income				3,444			3,444	-3,444	-
71300 Proceeds from Disposition of Assets Held for Sale							-		-
71310 Cost of Sale of Assets							-		-
71400 Fraud Recovery					30,009		30,009		30,009
71500 Other Revenue	8,205		189,605	471,474	827		670,111		670,111
71600 Gain or Loss on Sale of Capital Assets	-5,159		124				-5,035		-5,035
72000 Investment Income - Restricted							-		-
70000 Total Revenue	1,231,981	235,666	1,048,806	510,233	6,455,764	154,785	9,637,235	-455,726	9,181,509
91100 Administrative Salaries	230,203	81,577	63,815	7,268	344,039		726,902		726,902
91200 Auditing Fees	11,118		2,393	169	9,189		22,869		22,869
91300 Management Fee			79,096				79,096		79,096
91310 Book-keeping Fee			7,738				7,738		7,738
91400 Advertising and Marketing	3,795		289	16	1,160		5,260		5,260
91500 Employee Benefit contributions - Administrative	-272,379		40,680	51,572	-82,619		-262,746		-262,746
91600 Office Expenses	25,886		3,816	237	12,966		42,905		42,905
91700 Legal Expense	25,796		7,434	8	4,187		37,425		37,425
91800 Travel	5,081		349	285	3,232		8,947		8,947
91810 Allocated Overhead							-		-
91900 Other	38,797		10,980	4,343			54,120		54,120
91000 Total Operating - Administrative	68,297	81,577	216,590	63,898	292,154	-	722,516	-	722,516
92000 Asset Management Fee							-		-
92100 Tenant Services - Salaries						42,858	42,858		42,858

CLERMONT METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Project Total	Project Total CFP	6.2 Component Unit Blended	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
92200 Relocation Costs	2,200		2,684				4,884		4,884
92300 Employee Benefit Contributions - Tenant Services						10,562	10,562		10,562
92400 Tenant Services - Other			79			101,365	101,444		101,444
92500 Total Tenant Services	2,200	-	2,763	-	-	154,785	159,748	-	159,748
93100 Water	44,472		8,817	3	172		53,464		53,464
93200 Electricity	95,120		14,361	26	1,728		111,235		111,235
93300 Gas	4,413		5,126	19	1,287		10,845		10,845
93400 Fuel							-		-
93500 Labor							-		-
93600 Sewer	23,287		11,454	3	184		34,928		34,928
93700 Employee Benefit Contributions - Utilities							-		-
93800 Other Utilities Expense	85		9	1	7,502		7,597		7,597
93000 Total Utilities	167,377	-	39,767	52	10,873	-	218,069	-	218,069
94100 Ordinary Maintenance and Operations - Labor	241,640		42,857				284,497		284,497
94200 Ordinary Maintenance and Operations - Materials and Other	158,907		32,161	300	3,319		194,687		194,687
94300 Ordinary Maintenance and Operations Contracts	459,194	154,089	189,270	1,238	50,650		854,441		854,441
94500 Employee Benefit Contributions - Ordinary Maintenance	88,183						88,183		88,183
94000 Total Maintenance	947,924	154,089	264,288	1,538	53,969	-	1,421,808	-	1,421,808
95100 Protective Services - Labor							-		-
95200 Protective Services - Other Contract Costs							-		-
95300 Protective Services - Other							-		-
95500 Employee Benefit Contributions - Protective Services							-		-
95000 Total Protective Services	-	-	-	-	-	-	-	-	-
96110 Property Insurance	48,235		28,417	755	886		78,293		78,293
96120 Liability Insurance	19,623		2,573	297	1,196		23,689		23,689
96130 Workmen's Compensation	4,356		2,022	61	3,185		9,624		9,624
96140 All Other Insurance	399		6,824	5	308		7,536		7,536
96100 Total insurance Premiums	72,613	-	39,836	1,118	5,575	-	119,142	-	119,142
96200 Other General Expenses			333,193	142,996			476,189		476,189
96210 Compensated Absences							-		-
96300 Payments in Lieu of Taxes	43,634		448,950	6,340			498,924		498,924
96400 Bad debt - Tenant Rents	26,220		5,923				32,143		32,143
96500 Bad debt - Mortgages							-		-
96600 Bad debt - Other							-		-

CLERMONT METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Project Total	Project Total CFP	6.2 Component Unit Blended	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
96800 Severance Expense							-		-
96000 Total Other General Expenses	69,854	-	788,066	149,336	-	-	1,007,256	-	1,007,256
96710 Interest of Mortgage (or Bonds) Payable			163,617				163,617	-3,444	160,173
96720 Interest on Notes Payable (Short and Long Term)							-		-
96730 Amortization of Bond Issue Costs							-		-
96700 Total Interest Expense and Amortization Cost	-	-	163,617	-	-	-	163,617	-3,444	160,173
96900 Total Operating Expenses	1,328,265	235,666	1,514,927	215,942	362,571	154,785	3,812,156	-3,444	3,808,712
97000 Excess of Operating Revenue over Operating Expenses	-96,284	-	-466,121	294,291	6,093,193	-	5,825,079	-452,282	5,372,797
97100 Extraordinary Maintenance							-		-
97200 Casualty Losses - Non-capitalized							-		-
97300 Housing Assistance Payments					5,722,107		5,722,107	-452,282	5,269,825
97350 HAP Portability-In							-		-
97400 Depreciation Expense	333,665		58,027	11,243	2,871		405,806		405,806
97500 Fraud Losses							-		-
97600 Capital Outlays - Governmental Funds							-		-
97700 Debt Principal Payment - Governmental Funds							-		-
97800 Dwelling Units Rent Expense							-		-
90000 Total Expenses	1,661,930	235,666	1,572,954	227,185	6,087,549	154,785	9,940,069	-455,726	9,484,343
10010 Operating Transfer In							-		-
10020 Operating transfer Out							-		-
10030 Operating Transfers from/to Primary Government							-		-
10040 Operating Transfers from/to Component Unit							-		-
10050 Proceeds from Notes, Loans and Bonds							-		-
10060 Proceeds from Property Sales			1,076,910				1,076,910		1,076,910
10070 Extraordinary Items, Net Gain/Loss							-		-
10080 Special Items (Net Gain/Loss)							-		-
10091 Inter Project Excess Cash Transfer In							-		-
10092 Inter Project Excess Cash Transfer Out							-		-
10093 Transfers between Program and Project - In							-		-
10094 Transfers between Project and Program - Out							-		-
10100 Total Other financing Sources (Uses)	-	-	1,076,910	-	-	-	1,076,910	-	1,076,910
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-429,949	-	552,762	283,048	368,215	-	774,076	-	774,076

CLERMONT METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Project Total	Project Total CFP	6.2 Component Unit Blended	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
11020 Required Annual Debt Principal Payments			60,585				60,585		60,585
11030 Beginning Equity	5,166,964		914,563	476,498	283,505		6,841,530		6,841,530
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-49,148		64,744	-27,231	-277,487		-289,122		-289,122
11050 Changes in Compensated Absence Balance							-		-
11060 Changes in Contingent Liability Balance							-		-
11070 Changes in Unrecognized Pension Transition Liability							-		-
11080 Changes in Special Term/Severance Benefits Liability							-		-
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							-		-
11100 Changes in Allowance for Doubtful Accounts - Other							-		-
11170 Administrative Fee Equity					255,730		255,730		255,730
11180 Housing Assistance Payments Equity					118,501		118,501		118,501
11190 Unit Months Available	2,340		1,377	36	11,484		15,237		15,237
11210 Number of Unit Months Leased	2,284		1,330	36	10,403		14,053		14,053
11270 Excess Cash							-		-
11610 Land Purchases (CFP Only)							-		-
11620 Building Purchases (CFP Only)							-		-
11630 Furniture & Equipment - Dwelling Purchases (CFP Only)							-		-
11640 Furniture & Equipment - Administrative Purchases (CFP Only)							-		-
11650 Leasehold Improvements Purchases (CFP Only)		161,334					161,334		161,334
11660 Infrastructure Purchases (CFP Only)							-		-
13510 CFFP Debt Service Payments (CFP Only)							-		-
13901 Replacement Housing Factor Funds (CFP Only)							-		-

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CLERMONT METROPOLITAN HOUSING AUTHORITY
CLERMONT COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs			
Public and Indian Housing	14.850		$595,140
Public Housing Capital Fund	14.872		235,666
Housing Voucher Cluster:			
Section 8 Housing Choice Voucher Program	14.871		6,419,797
COVID-19 Section 8 Housing Choice Voucher Program	14.871		154,785
Total Housing Voucher Cluster			6,574,582
Total U.S. Department of Housing and Urban Development			**7,405,388**
Total Expenditures of Federal Awards			**$7,405,388**

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Clermont Metropolitan Housing Authority (the Authority) under programs of the federal government for the year ended September 30, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

OHIO AUDITOR OF STATE
KEITH FABER

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

Clermont Metropolitan Housing Authority
Clermont County
65 South Market Street
Batavia, Ohio 45103

To the Board of Commissioners:

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 *(Government Auditing Standards)*, the financial statements of the Clermont Metropolitan Housing Authority, Clermont County, (the Authority) as of and for the year ended September 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2023, wherein we issued a qualified opinion because the Authority did not provide sufficient evidence supporting the completeness and accuracy of the Statement of Cash Flows. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Authority.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Authority's Response to Findings

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

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.

Keith Faber
Auditor of State
Columbus, Ohio
June 26, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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

Clermont Metropolitan Housing Authority
Clermont County
65 South Market Street
Batavia, Ohio 45103

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Clermont Metropolitan Housing Authority's, Clermont County, (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Clermont Metropolitan Housing Authority's major federal program for the year ended September 30, 2022. Clermont Metropolitan Housing Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Clermont Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio
June 26, 2023

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CLERMONT METROPOLITAN HOUSING AUTHORITY
CLERMONT COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
SEPTEMBER 30, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Qualified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	AL #14.871 Section 8 Housing Choice Voucher
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

FINDING NUMBER 2022-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

Due to deficiencies in the Authority's financial statement monitoring and review process, the following conditions were noted related to the Authority's financial statements:

FINDING NUMBER 2022-001
(Continued)

- Net Pension/OPEB Asset was understated in the amount of $145,181, Net OPEB Liability was overstated in the amount of $732,063, Deferred Outflows-OPEB were overstated in the amount of $71,090, Deferred Inflows-OPEB were understated in the amount of $175,418, and Administrative Expense was overstated in the amount of $658,387.
- Net Pension Liability was overstated in the amount of $752,485, Deferred Outflows-Pension were overstated in the amount of $138,055, Deferred Inflows-Pension were understated in the amount of $556,368, and Administrative Expense was overstated in the amount of $30,411.
- Cash and Cash Equivalents was understated in the amount of $23,030, and Restricted Cash and Cash Equivalents was understated in the amount of $17,304.
- Long-term debt was understated by $62,832 and Current Portion of Long-term debt was overstated by $66,303.
- Property Sales during the audit period were not reported correctly and resulted in Gain on Property Sales being understated by $1,076,910, General Expenses being understated by $394,566, Other Revenue (cash proceeds from sales) being overstated by $791,978, and Tenant Revenue being overstated by $18,760.
- Other Revenue and Interest Expense were overstated by $3,444 due to intra-entity activity being reported. Interest Expense was also overstated an additional $210,585.
- Governmental Revenue and Housing Assistance Payments were overstated by $2,712.
- Net Investment in Capital Assets was understated by $3,474, Restricted Net Position was understated by $313,715, and Unrestricted Net Position was understated by $415,414.
- Net Position-Beginning of the Year was overstated by $289,122.
- Prior Year Audit Adjustments was overstated in the amount of $250,736.

The Authority corrected the financial statements and Financial Data Schedules reported in the Remaining Supplementary Information and accounting records, where appropriate.

In addition, the Authority did not provide sufficient evidence supporting the completeness and accuracy of the Statement of Cash Flows. This resulted in a qualified opinion being issued for the Statement of Cash Flows.

Failure to accurately post and report transactions could result in material errors in the Authority's financial statements and reduces the Authority's ability to monitor financial activity and to make sound decisions which effect the overall available cash positions of the Authority.

The Authority should accurately record financial transactions.

Officials' Response:

See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

Clermont Metropolitan Housing Authority
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
SEPTEMBER 30, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Reporting – material errors on the financial statements and opinion qualification on the cash flow statement.	Not corrected	Repeated as Finding 2022-001.

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
September 30, 2022

Finding Number: 2022-001
Planned Corrective Action: GAAP Policies and Training
Anticipated Completion Date: 9/30/2023
Responsible Contact Person: Alicia Morlatt, Executive Director

Clermont Metropolitan Housing Authority (CMHA)'s Response
Clermont Metropolitan Housing Authority will adopt GAAP policies and procedures as a framework for consistent financial reporting, including a process or procedures for closing out each fiscal year in the accounting system. The person compiling the GAAP financial statements for the Authority will receive training on GAAP compilations. Before the audit was concluded, CMHA had already completed a Standard Operating Procedure (SOP) which included the mandatory steps for the year end closeout. Both the Executive Director and the Finance Director will happily complete GAAP training and submit certification of that completion to HUD and AOS. The training is hopefully going to be scheduled in mid-July 2023.

Moreover, CMHA would like to point out that a lot of the discrepancies within the financial documents were caused because the agency's audits were not completed on time for the previous three years. These audit delays have caused the agency to adjust various aspects of the financial statements AFTER, instead of BEFORE, the submission of the unaudited audit for the following year. These late adjustments cascade and are responsible for most of the difficulties in reconciling Lindsey software, the HUD Secured Systems, and the AOS Audit determinations.

As a reminder, when the FDS audits are submitted into the HUD Secured Systems, the Unaudited FDS for the new year 'carries over' the beginning balance from the ending balance of the last submitted FDS. These numbers are hard coded and cannot be 'altered.' The difficulties continue to cascade *when the Unaudited FDS is submitted prior to the Audited FDS of the prior year,* which occurred for the 2019 FDS, 2020 FDS **and** the 2021 FDS. It is CMHA's hope that if our agency is compliant with AOS that the FDS 2022 will be completed in a timely manner so the Unaudited 2023 FDS will begin with correct information.

CMHA understands some of the delays impacting the 2019 FDS and 2020 FDS were caused by: 1) the complexity of the audit due to the HUD/OIG investigation/look back and 2) the logistical issues caused by COVID-19. Additionally, the FDS 2022 audit was not begun until January 2023 due to the delayed closing of both 2019 FDS and 2020 FDS and 2021 FDS. The delays have also impacted on our 990 submissions as well as our Hinkle submissions for the last four years.

OHIO AUDITOR OF STATE
KEITH FABER

CLERMONT METROPOLITAN HOUSING AUTHORITY

CLERMONT 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 6/29/2023

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