

CUYAHOGA METROPOLITAN HOUSING AUTHORITY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPARreport@ohioauditor.gov
(800) 282-0370

Board of Directors
Cuyahoga Metropolitan Housing Authority
8120 Kinsman Rd
Cleveland, OH 44104

We have reviewed the *Independent Auditor's Report* of the Cuyahoga Metropolitan Housing Authority, Cuyahoga County, prepared by CliftonLarsonAllen LLP, for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

November 05, 2021

This page intentionally left blank.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	11
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	13
STATEMENT OF CASH FLOWS – BUSINESS-TYPE ACTIVITIES	14
NOTES TO FINANCIAL STATEMENTS	16
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	66
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS	67
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY	68
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS	69
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	70
SUPPLEMENTARY INFORMATION	71
FINANCIAL DATA SCHEDULES	72
OTHER INFORMATION	82
SINGLE AUDIT REPORT	85
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	86

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020**

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	88
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	90
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	91
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	92



INDEPENDENT AUDITORS' REPORT

Members of the Board
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Cuyahoga Metropolitan Housing Authority (the Authority), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the blended component units of Quarrytown Redevelopment, LLC, Severance Redevelopment, LLC, Ambleside Redevelopment, LLC, and Riverside Park Homes, L.P. These blended component units represent 8% of assets, 7% of net position and 3% of revenues of the business-type activities of the Authority. We also did not audit the financial statements of Riverside Park Homes, L.P., Garden Valley Housing Partnership I, L.P., Garden Valley Housing Partnership II, L.P., Garden Valley Housing Partnership III, L.P., Garden Valley Housing Partnership IV, L.P., Euclid-Lee Senior, L.P., Miles Pointe Elderly, L.P., Fairfax Intergenerational Housing, L.P., Bohn Tower Redevelopment, L.P., Carver Park Phase I, L.P., Carver Park Phase II, L.P., and Riverside Park Phase II, L.P., which represent 91% of assets, 26% of net position and 11% of revenues of the discretely presented component units. Those statements, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to conform the presentation of the financial statements of the blended component unit and discretely presented components units, which conform those financial statements to accounting standards issued by the Government Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for the discretely presented component units, prior to these conversion adjustments, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The audits of Riverside Park Homes, L.P., Garden Valley Housing Partnership I, L.P., Garden Valley Housing Partnership II, L.P., Garden Valley Housing Partnership III, L.P., Euclid-Lee Senior, L.P., Miles Pointe Elderly Limited Partnership, Fairfax Intergenerational Housing, L.P., Carver Park Phase II, L.P., Riverside Park Phase II, L.P., and Riverside Park Phase III, L.P. were not performed in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of Accounting Standard

In fiscal year 2020, the blended component units and discretely presented component units adopted ASU No. 2016-02-*Leases*, as amended (Topic 842) affecting the accounting for leases. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, the schedule of the Authority's proportionate share of the net pension liability, the schedule of the Authority's pension contributions, the schedule of the Authority's proportionate share of the net OPEB liability and the schedule of the Authority's OPEB contributions on pages 67-70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which

consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedules as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Other Information section as referenced in the table of contents is also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Other Information section as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result 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.



CliftonLarsonAllen LLP

Toledo, Ohio
September 7, 2021

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

The Cuyahoga Metropolitan Housing Authority (CMHA or the Authority) owns and manages property and administers rent subsidy programs to provide eligible low-income persons good, safe and affordable housing. CMHA is a political subdivision of the state of Ohio, created under sections 3735.27 to 3735.50 of the Ohio Revised Code and serves the County of Cuyahoga primarily through two federally assisted programs administered by the U.S. Department of Housing and Urban Development (HUD): Conventional Low-Rent Public Housing and Housing Choice Voucher programs.

The following discussion and analysis provides an overview of the Authority's financial activities for the fiscal year ended December 31, 2020, and should be read in conjunction with the Authority's financial statements, which begin on page 12. If you have any questions, please contact the Director of Finance, 8120 Kinsman Road, Cleveland, Ohio 44104 or telephone 216-271-2811.

Overview of the Financial Statements

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America, including Governmental Accounting Standards Board (GASB) Statement No. 34 (as amended by GASB Statement No. 37). The Authority follows the "business-type activities" reporting requirements of GASB Statement No. 34 that provide a comprehensive authority-wide look at the Authority's financial activities. The statements are:

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

The financial statements are prepared on the accrual basis of accounting and present all assets and deferred outflows plus liabilities and deferred inflows of the Authority, both financial and capital, and short and long term. They also present all revenues and expenses of the Authority during the year, regardless of when cash was received or paid. Collectively, the statements provide information regarding the Authority's financial condition as of December 31, 2020, and the results of its operations and cash flows for the year then ended.

Management of the Authority continued its efforts to strengthen internal controls and compliance of policies through its Departments of Compliance, Internal Audit and Risk Management. The Authority also has both a Finance Committee and Operations Committee that consist of a member of the Board of Commissioners, the Chief Executive Officer, Chief of Staff, Chief Financial Officer and various other staff members with financial and operational expertise across the Authority's departments. These committees meet monthly and report its activities to the board of commissioners.

In addition, the Board of Commissioners has an audit committee to assist in fulfilling its oversight responsibilities for the financial reporting process, system of internal control, audit process, and the Authority's process for monitoring compliance with laws and regulations. The Audit Committee consists of up to five outside, independent members with collective knowledge of accounting and reporting principles applied by the Authority in preparing its financial statements. Working directly with the Director of Internal Audit, the Audit Committee meets regularly and reports its activities to the full Board.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

2020 Financial Highlights

For the year ended 2020, these unaudited financial statements are presented with Business-Type Activities and Discretely Presented Component units. The financial highlights and related analysis presented in the Management's Discussion and Analysis represents the Business-Type Activities only.

- The Authority's net position increased by \$21.6 million (14.1%) during 2020. Net position was \$174.9 million and \$153.3 million at December 31, 2020 and 2019, respectively.
- Total operating and nonoperating revenues increased by \$25.8 million (11.3%) during 2020, and were \$254.7 million and \$228.9 million for 2020 and 2019, respectively.
- Total operating and nonoperating expenses of all Authority programs increased by \$7.8 million (3.4%). Total expenses were \$233.1 million and \$225.3 million for 2020 and 2019, respectively.
- The Authority's unrestricted net position increased by \$17.9 million (71.0%) during 2020, and was \$43.1 million and \$25.2 million for 2020 and 2019, respectively.

The Authority's Programs

The Authority's financial statements include all programs that are considered to be within its administrative control. The Authority maintains separate accounting records for each grant program or annual contributions contract, as required by HUD. A list of the more significant programs is as follows:

Conventional Low-Rent Public Housing Program: Under the Low-Rent Public Housing Program, the Authority rents units that it owns to low-income households. The Low-Rent Public Housing Program is operated under an Annual Contributions Contract with HUD, and HUD provides operating subsidy and capital grant funding to enable CMHA to provide housing at a rent that is based upon 30% of household income. The Low-Rent Public Housing Program also includes the Capital Fund Program (CFP), which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program and Moderate Rehabilitation Programs: Under the Housing Choice Voucher Program, the Authority administers contracts with private 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 with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Housing Choice Voucher Program Project Based Voucher Program and Mainstream Voucher Program: Project Based vouchers are a component of the Authority's Housing Choice Voucher Program and Mainstream Voucher Program. Project Based assistance requires a resident to live in a housing unit at the property being subsidized.

Section 8 New Construction Housing Assistance Payment Programs: These programs account for the operation of low-income housing developments where the Authority, or its subsidiary, contract directly with HUD under a Housing Assistance Payment contract. The Authority, through its subsidiary, owns and manages all developments and handles all HUD funding and reporting.

Market Rate Property-Woody Woods: Properties that are rented by people who pay the market rent to lease the property. The Woody Woods property serves residents of Cuyahoga County. This property was sold on June 4, 2020 to an unrelated party.

Rental Assistance Demonstration Program: This initiative allows the Authority to convert public housing properties to project based rental assistance in order to attract debt and equity to make capital improvements.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

AUTHORITY-WIDE FINANCIAL STATEMENT

Statement of Net Position

The Statement of Net Position includes all assets and liabilities of the Authority using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. The following table reflects the condensed information from the Authority's Statement of Net Position compared to the prior year.

Table 1 – Condensed Statements of Net Position
(in millions)

	December 31,	
	2020	2019
<u>Assets</u>		
Current and Other Assets	\$ 196.5	\$ 175.4
Net Capital Assets	155.3	147.4
Total Assets	<u>351.8</u>	<u>322.8</u>
Deferred Outflows of Resources	<u>13.0</u>	<u>23.3</u>
<u>Liabilities</u>		
Accounts Payable and Other Current Liabilities	33.5	43.8
Long-term Liabilities:		
Net Pension and OPEB Liability	82.6	104.5
Other Long-Term Liabilities	53.7	38.8
Total Liabilities	<u>169.8</u>	<u>187.1</u>
Deferred Inflows of Resources	<u>20.1</u>	<u>5.7</u>
<u>Net Position</u>		
Net Investment in Capital Assets	118.9	119.1
Restricted	12.9	9.0
Unrestricted	43.1	25.2
Total Net Position	<u>\$ 174.9</u>	<u>\$ 153.3</u>

For more detailed information, see the statement of net position.

Major Factors Affecting the Statement of Net Position

Current and Other Assets increased by \$21.1 million and current liabilities decreased by \$10.3 million. The Authority's current ratio increased to 5.9 in 2020, compared to 4.0 in 2019. There are sufficient current assets (primarily cash, investments, and receivables from HUD) to extinguish current liabilities. Net Capital assets increased to \$155.3 million in 2020 from \$147.4 million in 2019. The \$7.9 million increase is attributed to net capital asset additions of \$15.6 million offset by depreciation and amortization expense of \$13.6 million. For additional detail, see "Capital Assets."

Long-term liabilities decreased \$7.0 million, to \$136.3 million in 2020, from \$143.3 million in 2019.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

The net pension liability (NPL) is one of the largest liabilities reported by the Authority at December 31, 2020. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other post-employment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement system may allocate a portion of the employer contributions to provide for these OPEB benefits. Most long-term liabilities have set repayment schedules, or in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position present the operating results of the Authority, as well as the nonoperating revenues and expenses. Condensed information from the Authority's statements of revenue, expenses and changes in net position is as follows for the years ended December 31, 2020 and 2019:

Table 2 - Condensed Statements of Revenues, Expenses, and Changes in Net Position
(in millions)

	December 31,	
	2020	2019
<u>Operating Revenues</u>		
Dwelling Rent from Tenants	\$ 16.2	\$ 17.5
HUD Operating Subsidies and Grants	205.6	191.6
Grants - Other	1.4	0.3
Other Revenues	16.5	11.6
Total Operating Revenues	239.7	221.0
<u>Operating Expenses</u>		
Housing Assistance Payments	102.8	94.3
Depreciation and Amortization	13.6	12.8
Administrative	30.3	32.8
Building Maintenance	37.1	32.2
Utilities	19.7	19.5
Tenant Services	2.6	5.1
General	16.5	13.2
Protective Services	8.1	12.6
Total Operating Expenses	230.7	222.5
Operating Income (Loss)	9.0	(1.5)
<u>Nonoperating Revenues (Expenses)</u>		
Capital Grants from HUD	12.1	5.4
Interest Income	0.7	1.4
Interest Expense	(2.4)	(2.8)
Special Items - Gain/(Loss)	0.9	1.1
Transfer of Riverside Park Homes, LP from Discrete Component Units	1.3	-
Total Nonoperating Revenues - Net	12.6	5.1
Change in Net Position	21.6	3.6
Net Position - Beginning of Year	153.3	149.7
Net Position - End of Year	\$ 174.9	\$ 153.3

For more detailed information, see the Statement of Net Position.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Major Factors Affecting the Statement of Revenues, Expenses, and Changes in Net Position

December 31, 2020 compared to December 31, 2019

Operating revenues increased \$18.7 million or 8.5% in 2020. Dwelling Rent decreased by \$1.3 million, HUD Operating Subsidies and Grants increased \$14.0 million, and Other Revenues increased by \$4.9 million. The overall increase is attributed to increased funding in the Housing Choice Voucher program and CARES funding received for the Housing Choice Voucher and Low Rent Public Housing programs.

Operating expenses increased \$8.2 million or 3.7% with significant increases in Housing Assistance Payments (HAP) (\$8.5 million) and Building Maintenance (\$4.9 million). These increases were offset by decreased Tenant Services (\$2.5 million) and Protective Services (\$4.5 million). The overall increase is mainly attributed to increased HAP disbursements resulting from increased leasing and lower participant payments.

Capital Grants from HUD increased \$6.7 million or 124.1%. Interest income decreased \$0.7 million while interest expense decreased \$0.4 million.

Capital Assets

At December 31, 2020, the Authority had \$155.3 million invested in a variety of net capital assets (as reflected in the following schedule), which represents a net increase of \$8.0 million from December 31, 2019.

**Table 3 – Capital Assets
(in millions)**

	December 31,	
	2020	2019
Land	\$ 30.6	\$ 30.6
Buildings	690.5	684.4
Equipment - Administrative	7.6	7.4
Equipment - Dwelling	18.9	17.7
Leasehold Improvements	0.4	0.4
Construction in Progress	12.1	4.0
Total	760.1	744.5
Accumulated Deprecation	(604.8)	(597.2)
Capital Assets - Net	\$ 155.3	\$ 147.3

Capital additions in 2020 were primarily for housing stock improvements. Some of the major projects were at the following Asset Managed Properties (AMP):

- Downtown AMP elevator
- Downtown AMP electrical
- Downtown AMP roofing
- Southeast AMP roofing
- King Kennedy AMP elevators

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020**

Debt Outstanding

As of December 31, 2020, the Authority had \$54.6 million in long-term debt obligations compared to \$54.8 million at December 31, 2019, for a \$0.2 million decrease. The following summarizes these obligations:

Table 4 – Outstanding Debt at Year-End
(in millions)

	December 31,	
	2020	2019
Ambleside - Mortgage Note	\$ 5.9	\$ 6.0
Severance - Mortgage Note	5.3	5.4
Quarrytown - Mortgage Note	3.6	3.6
WRRMC Promissory Note	-	0.4
Refunding Revenue Bond Series 2016	-	5.4
Build America Bonds	-	12.9
Ohio Bond Financing 2017	6.6	7.4
Modernization Express Loan A	7.9	8.6
Modernization Express Loan B	4.7	5.1
2020 CMHA Campus Bonds	15.8	-
2020 CMHA Campus Bonds Unamortized Premium	2.5	-
Riverside Park Homes	2.3	-
Total	\$ 54.6	\$ 54.8

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding is at the discretion of HUD.
- Operating subsidy for the Conventional Low-Rent Housing Program was funded at 97.05%. Future years' funding levels were expected to be approximately 96.64% prior to the CARES Act funding. After the CARES Act funding it was funded at 111.31%. The Administrative fee funding for the Housing Choice Voucher Program was funded at 81.1% and levels are expected to decline to 80.0% in 2021.
- 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, which affects the costs of the programs.
- Employee health insurance costs continue to rise.

Contacting the Authority

Questions concerning this report or requests for additional information should be directed to:

Director of Finance
8120 Kinsman Road
Cleveland, Ohio 44104.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Business-Type Activities	Discretely Presented Component Units
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 48,485,575	\$ 7,379,331
Restricted Cash and Cash Equivalents	15,462,286	7,673,918
Cash - Restricted For Tenant Security Deposits	1,373,438	269,096
Investments	-	61,781,649
Accounts Receivable Tenants, Net	512,830	126,671
Accounts Receivable - HUD	1,436,885	1,016,824
Accounts Receivable - Other, Net	4,431,146	203,988
Notes Receivable	22,487	-
Inventories	437,026	-
Prepaid Expenses	848,971	554,653
Total Current Assets	73,010,644	79,006,130
NONCURRENT ASSETS		
Notes Receivable	94,479,733	-
Capital Assets - Depreciable	112,539,433	200,698,353
Capital Assets - Non-Depreciable	42,715,159	-
Investment in Real Estate Partnerships	2,181,545	-
Developer Fees Receivable	22,100,555	-
Right to Use Asset, Net	-	57,659,941
Other Noncurrent Assets	4,773,686	4,616,176
Total Noncurrent Assets	278,790,111	262,974,470
Total Assets	351,800,755	341,980,600
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	7,667,421	-
Other Post Employment Benefits Related	5,350,779	-
Total Deferred Outflows of Resources	13,018,200	-
Total Assets and Deferred Outflows of Resources	\$ 364,818,955	\$ 341,980,600

See accompanying Notes to Financial Statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2020

	Business-Type Activities	Discretely Presented Component Units
LIABILITIES AND DEFERRED INFLOWS		
CURRENT LIABILITIES		
Accounts Payable - Vendors	\$ 9,795,260	\$ 8,187,412
Accounts Payable - HUD	103,559	-
Accrued Wages/Taxes Payable	1,851,091	-
Accrued Compensated Absences, Current	2,866,372	-
Accrued Interest Payable	371,288	667,220
Unearned Revenues	3,901,404	-
Accrued Expenses	10,490,794	491,436
Security and Other Deposits	1,333,188	257,101
Current Portion of Long-Term Debt	2,808,889	8,345,663
Total Current Liabilities	33,521,845	17,948,832
NONCURRENT LIABILITIES		
Long-Term Debt - Net of Current Portion	51,792,928	195,173,178
Accrued Compensated Absences	308,191	-
Workers' Compensation Liability	978,604	-
Net Pension Liability	48,783,275	-
Net Other Post Employment Benefit Liability	33,798,047	-
Developer Fees Payable	-	20,867,706
Right to Use Liability, Net	-	56,288,175
Other Noncurrent Liabilities	607,330	4,119,898
Total Noncurrent Liabilities	136,268,375	276,448,957
Total Liabilities	169,790,220	294,397,789
DEFERRED INFLOWS OF RESOURCES		
Pension Related	13,477,354	-
Other Post Employment Benefits Related	6,666,298	-
Total Deferred Inflows of Resources	20,143,652	-
NET POSITION		
NET POSITION		
Net Investment in Capital Assets	118,888,669	175,375,173
Restricted	12,942,411	7,685,913
Unrestricted	43,054,003	(135,478,275)
Total Net Position	174,885,083	47,582,811
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 364,818,955	\$ 341,980,600

See accompanying Notes to Financial Statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities	Discretely Presented Component Units
OPERATING REVENUES		
Tenant Revenues	\$ 16,215,437	\$ 2,481,027
HUD Grants	205,551,532	-
Other Government Grants	1,389,351	11,712,277
Other Revenues	16,481,598	12,284,892
Total Operating Revenues	239,637,918	26,478,196
OPERATING EXPENSES		
Administrative	30,254,714	3,275,817
Tenant Services	2,648,881	-
Utilities	19,738,020	2,865,248
Ordinary Maintenance and Operations	37,050,480	1,985,249
Protective Services	8,139,981	1,113,925
Insurance	3,645,674	420,600
General	12,813,314	416,133
Housing Assistance Payments	102,796,726	-
Depreciation and Amortization	13,566,581	7,403,681
Total Operating Expenses	230,654,371	17,480,653
OPERATING INCOME	8,983,547	8,997,543
NONOPERATING REVENUES (EXPENSES)		
Interest Income	692,755	884,555
Interest Expense	(2,353,577)	(3,164,590)
Other Nonoperating Expense	-	(244,528)
Gain from Sale of Capital Assets	860,707	-
Net Nonoperating Expenses	(800,115)	(2,524,563)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	8,183,432	6,472,980
Capital Contributions	12,063,518	11,585,536
Transfer of Riverside Park Homes, LP from Discrete Component Units	1,313,801	(23,649,976)
CHANGE IN NET POSITION	21,560,751	(5,591,460)
Total Net Position - Beginning of Year	153,324,332	53,174,271
TOTAL NET POSITION - END OF YEAR	\$ 174,885,083	\$ 47,582,811

See accompanying Notes to Financial Statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS - BUSINESS-TYPE ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from HUD	\$ 206,141,272
Cash Received from Other Governments	1,449,428
Cash Received from Tenants	12,132,654
Cash Received from Others	15,325,414
Cash Paid to Employees	(49,304,052)
Cash Paid to Vendors	(15,966,841)
Cash Paid for Housing, Operating and Tenant Services	(38,840,256)
Cash Paid for Housing Assistance Payments	(102,796,726)
Net Cash Flows Provided by Operating Activities	28,140,893

CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES

Purchases of Capital Assets	(9,430,141)
Proceeds on Sale of Capital Assets	860,707
Interest on Notes and Mortgage Payable	(2,713,291)
Payment on Notes and Mortgage Payable	(21,982,116)
Proceeds from Notes Payable	21,788,369
Issuance of Notes Receivable	(4,622,799)
Payments on Notes Receivable	614,273
Capital Contributions	12,063,518
Net Cash Flows Used by Capital and Related Financing Activities	(3,421,480)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Received on Investments	692,755
Investment in Joint Venture	(892,881)
Net Cash Flows Used by Investing Activities	(200,126)

NET INCREASE IN CASH AND CASH EQUIVALENTS

24,519,287

Cash and Cash Equivalents - Beginning of Year

40,802,012

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 65,321,299

**RECONCILIATION OF CASH AND CASH EQUIVALENTS, END OF YEAR
TO AMOUNTS IN THE STATEMENT OF NET POSITION**

Cash and Cash Equivalents	\$ 48,485,575
Restricted Cash and Cash Equivalents	15,462,286
Cash - Restricted For Tenant Security Deposits	1,373,438
Total Cash and Cash Equivalents	\$ 65,321,299

See accompanying Notes to Financial Statements.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)
BUSINESS-TYPE ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

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

Operating Income	\$ 8,983,547
Adjustments to Reconcile Cash and Cash Equivalents Provided by Operating Activities:	
Depreciation and Amortization	13,566,581
Loss on Disposal of Capital Assets	60,077
Bad Debt	3,695,109
Effects of Changes in Operating Assets, Liabilities, and Deferred Inflows and Outflows of Resources:	
Accounts Receivable - Tenants	(4,008,036)
Accounts Receivable - HUD	567,623
Accounts Receivable - Other	(545,210)
Prepaid Expenses	100,803
Inventory	(232,816)
Other Assets	(324,200)
Accounts Payable - Vendors	(276,161)
Accounts Payable - HUD	22,117
Accrued Wages	(1,111,423)
Accrued Liabilities	5,902,760
Unearned Revenue	1,086,339
Security and Other Deposits	(74,747)
Net Pension Liability	444,410
Net OPEB Liability	2,340,464
Other Liabilities	(359,031)
Net Cash Provided by Operating Activities	<u>\$ 28,140,893</u>

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES

Transfer of Riverside Park Homes, LP from Discrete Component Units	\$ <u>1,313,801</u>
--	---------------------

See accompanying Notes to Financial Statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 DEFINITION OF THE ENTITY

The Cuyahoga Metropolitan Housing Authority (CMHA or the Authority) is a political subdivision organized under the laws of the state of Ohio. The Authority is responsible for operating certain low-rent housing programs in the County of Cuyahoga under programs administered by the U.S. Department of Housing and Urban Development (HUD). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority's financial statements include all programs that are considered to be within its administrative control. The Authority maintains separate accounting records for each grant program or Annual Contributions Contract, as required by HUD. A list of the various programs is as follows:

Conventional Low-Rent Public Housing Program: Under the Low-Rent Public Housing Program, the Authority rents units that it owns to low-income households. The Low-Rent Public Housing Program is operated under an Annual Contributions Contract with HUD, and HUD provides operating subsidy and capital grant funding to enable CMHA to provide the housing at a rent that is based upon 30% of household income. The Low-Rent Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program and Moderate Rehabilitation Programs: Under the Housing Choice Voucher Program, the Authority administers contracts with private 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 with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Housing Choice Voucher Program Project Based Voucher Program and Mainstream Voucher Program: Project Based vouchers are a component of the Authority's Housing Choice Voucher Program and Mainstream Voucher Program. Project Based assistance requires a resident to live in a housing unit at the property being subsidized.

Section 8 New Construction Housing Assistance Payment Programs: These programs account for the operation of low-income housing developments where the Authority, or its subsidiary, contracts directly with HUD under a Housing Assistance Payment contract. The Authority, through its subsidiary, owns and manages all developments and handles all HUD funding and reporting.

Market Rate Property-Woody Woods: Properties that are rented by people who pay the market rent to lease the property. The Woody Woods property serves residents of Cuyahoga County. This property was sold on June 4, 2020 to an unrelated party.

Rental Assistance Demonstration Program: This initiative allows the Authority to convert public housing properties to project based rental assistance in order to attract debt and equity to make capital improvements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Local Fund: In 1998, a \$100,000 contribution of capital was made by Title V to a new Local Fund. This fund is to be used for expenditures necessary for the accomplishment of the Authority's mission but which do not fall under HUD oversight. All expenditures from the Local Fund must be approved by the Chief Executive Officer and Chief Financial Officer.

Other Grants: The Authority received state and local funding under the Community Based Services grant and private donations. Expenditures for these programs and grants must be made in accordance with the rules and regulations established by the grantors.

Component Units

Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. The blended method includes the financial statements of the blended unit as part of the business-type activities. The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the business-type activities.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include component units in the reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 90, *Majority Equity Interests* — an amendment of GASB Statements No. 14 and No. 61. These include financial accountability, imposition of will, financial burden or benefit on the primary organization, and financial accountability as a result of fiscal dependency.

Through the application of these GASB criteria, management of the Authority determined that the following entities should be blended or discretely presented.

Blended Component Units

The Authority has three blended component units consisting of Western Reserve Revitalization and Management Company, Inc. (WRRMC), Riverside Park Homes, L.P., and Cuyahoga Housing and Development, Inc. The Authority has an additional nonprofit, Cuyahoga Metropolitan Housing Charity Fund, Inc., which is a wholly owned nonprofit. The activity of Cuyahoga Metropolitan Housing Charity Fund, Inc. is not material to the overall financial statements and is not reported as a separate blended component unit.

Western Reserve Revitalization and Management Company, Inc. (WRRMC) - The Authority established Western Reserve Revitalization and Management Company, Inc., a 501(c)(3) corporation, as a wholly owned subsidiary. Accordingly, WRRMC is reported as a blended component unit of the Authority. WRRMC was established for public, charitable, and educational purposes to revitalize neighborhoods in Cuyahoga County; to assist the Authority in the planning, undertaking, developing, construction, and operation of housing for families who are low income; to develop, construct, renovate, acquire, own, lease, manage, and sell interest in real and personal property; and to promote and participate in other housing related or educational activities that assist residents of the Authority.

The statements of WRRMC include the financial activity of Ambleside Redevelopment, LLC, Severance Redevelopment, LLC, Quarrytown Redevelopment, LLC, and 1701 Holdings, LLC, which are all wholly owned subsidiaries of WRRMC. WRRMC has separate audited financial statements, which may be obtained from the Director of Finance, 8120 Kinsman Road, Cleveland, Ohio 44104 or telephone 216-271-2811.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Blended Component Units (Continued)

Riverside Park Homes, L.P. – The Partnership controls a property consisting of 90 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the Internal Revenue Code (IRC)(Section 42). The Partnership is 99.9% owned by 2045 Transformation, LLC, the limited partner (wholly owned by CMHA), and 0.1% owned by Riverside Park Homes, Inc., the General Partner. Riverside Park Homes, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Cuyahoga Housing and Development, Inc. (CHDI) – The Authority established CHDI, a 501(c)(3) corporation, as a wholly owned subsidiary. Accordingly, CHDI is reported as a blended component unit of the Authority. CHDI was established in 2006 to promote the welfare of the people of the state of Ohio by constructing, acquiring, equipping, furnishing, owning, operating, and maintaining reasonably priced rental housing to promote the educational, social, psychological, and physical well-being of the community.

2045 Transformation LLC – the Authority established 2045 Transformation LLC, a limited liability corporation, as a wholly owned subsidiary. Accordingly, 2045 Transformation LLC is reported as a blended component unit of the Authority. 2045 Transformation LLC was established on January 21, 2020. 2045 Transformation LLC was created to effectuate the Authority's 2045 Initiative. The 2045 Initiative has specific goals of: (i) implementing a comprehensive strategy that will provide safe, quality, affordable housing for qualified residents of Cuyahoga County; (ii) fostering neighborhood improvements in the communities that the Authority serves; (iii) attaining financial feasibility and sustainability across all of the Authority's programs; and (iv) converting the entire public housing portfolio to the Section 8 platform.

Discretely Presented Component Units

The Authority has 12 discretely presented component units consisting of: Garden Valley Housing Partnership I, L.P., Garden Valley Housing Partnership II, L.P., Garden Valley Housing Partnership III, L.P., Garden Valley Housing Partnership IV, L.P., Euclid-Lee Senior, L.P., Miles Pointe Elderly, L.P., Fairfax Intergenerational Housing L.P., Bohn Tower Redevelopment, L.P., Carver Park Phase I, L.P., Carver Park Phase II, L.P., Riverside Park Phase II, L.P. and Riverside Park Phase III, L.P. Riverside Park Homes, L.P. partnership interests were transferred to 2045 Transformation, LLC, and this is now a blended component unit.

The Authority has a controlling minority interest in these real estate limited partnerships as of December 31, 2020. The majority interests are held by third parties unrelated to the Authority. CMHA, or a CMHA affiliate, operates as either General Partner, Special General Partner, Class B Limited Partner or Limited Partner in the limited partnerships. As such, the Authority has certain rights and responsibilities, which enable it to impose its will on the limited partnerships. The subsidiary of the Authority, Western Reserve Revitalization and Management Company, Inc. (WRRMC) is financially accountable for the limited partnerships as they are fiscally dependent on the Authority according to the terms of the partnership agreements. Additionally, in some cases, WRRMC is legally obligated to fund operating deficits. The Authority also has outstanding loans and net advances to the limited partnerships at December 31, 2020. The limited partnerships do not serve the business-type activities exclusively, or almost exclusively, and therefore, are shown as discretely presented component units.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Discretely Presented Component Units (Continued)

Garden Valley Housing Partnership I, L.P. – The Partnership controls a property consisting of 81 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 99.9% owned by investor limited partners, 0.037% owned by the Administrative General Partner, 0.038% owned by the Managing General Partner and 0.025% owned by Garden Valley Redevelopment LLC, the Special General Partner. Garden Valley Redevelopment LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Garden Valley Housing Partnership II, L.P. – The Partnership controls a property consisting of 57 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 0.0095% owned by the Managing General Partner, 0.0095% owned by the Administrative General Partner, 99.98% owned by the Limited Partner and 0.001% by Garden Valley Redevelopment, LLC, the Class B Limited Partner. Garden Valley Redevelopment LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements. The Partnership has a fiscal year-end of November 30. Management believes there are no material transactions that would affect the financial position or results of the discretely presented component unit.

Garden Valley Housing Partnership III, L.P. – The Partnership controls a property consisting of 69 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 99.9% owned by the investor limited partners, 0.04845% by the Managing General Partner, 0.04655% by the Administrative General Partner and 0.005% owned by Garden Valley Redevelopment LLC, the Special Limited Partner. Garden Valley Redevelopment LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Garden Valley Housing Partnership IV, L.P. – The Partnership controls a property consisting of 60 units of affordable housing financed with an FHA insured loan and operated with the assistance of a Section 8 project-based HAP Contract under the Rental Assistance Demonstration Program. The units will be operated as qualified Low-Income Housing Tax Credit units under Section 42 of the IRC (Section 42). The Partnership is 0.003825% owned by the Managing General Partner, 0.003675% owned by the Co-General Partner, 99.99% owned by the Limited Partner and 0.0025% by Garden Valley Redevelopment, LLC, the Special Limited Partner. Garden Valley Redevelopment LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Euclid-Lee Senior, L.P. – The Partnership controls a property consisting of 79 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 99.9% owned by the investor limited partners and 0.10% owned by Cleveland East LLC, the General Partner. Cleveland East LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Discretely Presented Component Units (Continued)

Miles Pointe Elderly, L.P. – The Partnership controls a property consisting of 43 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 99.9% owned by the investor-limited partners and 0.10% owned by Miles Pointe GP, LLC, the General Partner. Miles Pointe GP, LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Fairfax Intergenerational Housing, L.P. – The Partnership controls a property consisting of 40 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 99.9% owned by the limited partner and 0.1% owned by WRRMC Intergenerational Housing, Inc., the General Partner. WRRMC Intergenerational Housing, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Bohn Tower Redevelopment, L.P. – The Partnership controls a property consisting of 267 housing units, developed and operated under the low-income housing tax credit program as provided for in Section 42 of the IRC (Section 42). The Partnership is 99.99% owned by the limited partners and 0.01% owned by Bohn Tower GP, Inc., the General Partner. Bohn Tower GP, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Carver Park Phase I, L.P. – The Partnership controls a property consisting of 279 units. The Partnership became a RAD property on October 1, 2017 that received 4% Low-Income Housing Tax Credits (LIHTC) and received 221(d)4 FHA financing. The Partnership is 99.90% owned by the limited partners and 0.10% owned by Carver Park Phase I GP, the General Partner. Carver Park Phase I GP, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Carver Park Phase II, L.P. – The Partnership controls a property consisting of 74 units. The Partnership became a RAD property on October 1, 2017 that received 4% Low-Income Housing Tax Credits (LIHTC) and is projected to receive 221(d)4 FHA financing. The Partnership is 99.99% owned by the limited partners and 0.01% owned by Carver Park Phase II GP, the General Partner. Carver Park Phase II GP, Inc. is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Riverside Park Phase II, L.P. – The Partnership is 99.9% owned by the limited partners and 0.1% owned by Riverside Park Phase II GP, LLC, the General Partner. Riverside Park Phase II GP, LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements.

Riverside Park Phase III, L.P. – The Partnership controls a property consisting of 203 units. The Partnership became a RAD property on September 2019 that received 4% Low-Income Housing Tax Credits (LIHTC) and received 221(d)4 FHA financing. The Partnership is 99.9% owned by the limited partners and 0.1% owned by Riverside Park Phase III GP, LLC, the General Partner. Riverside Park Phase III GP, LLC is a wholly owned subsidiary of WRRMC and is reported as a minority interest in those financial statements. This property controlled by this Partnership is under construction.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 DEFINITION OF THE ENTITY (CONTINUED)

Discretely Presented Component Units (Continued)

All of the discretely presented component units listed above, except Riverside Park Phase III, LP, have separate audited financial statements, which may be obtained from the Director of Finance, 8120 Kinsman Road, Cleveland, Ohio 44104 or telephone 216-271-2811.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The Authority has prepared its financial statements in conformity with accounting principles generally accepted in the United States of America, as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority's component units report under Financial Accounting Standards Board (FASB) guidance. As such, conversion adjustments to conform the presentation of the financial statements of the blended component unit and discretely presented components units have been made to conform those financial statements to accounting standards issued by the Government Accounting Standards Board. Other than the reclassification as noted, no modifications have been made to the component units' financial information in the Authority's financial reporting entity for any differences.

The Authority maintains its accounts in accordance with the chart of accounts prescribed by HUD and is organized utilizing the fund accounting model. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Each of the Authority's programs is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. All of the Authority's programs are accounted for as a single enterprise fund. An enterprise fund accounts for those operations financed and operated in a manner similar to a private business or where the Authority has decided that determination of revenue earned, costs incurred and net revenue over expense is necessary for management accountability.

Enterprise funds are proprietary funds used to account for business activities of special purpose governments for which a housing authority qualifies under GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Proprietary funds are accounted for using the "economic resources measurement focus" and the accrual basis of accounting. Accordingly, all assets, deferred outflows, liabilities and deferred inflows (whether current or noncurrent) are included in the statement of net position. the statement of revenues, expenses and changes in net position presents increases (revenue) and decreases (expense) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Grants and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements. The unexpended portions of grants held by HUD for the Authority remain available for the Authority's use, subject to the terms of the grant agreements and other agreements with HUD. The unexpended portions of the grants held by HUD are not reflected in the Authority's financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition. Cash and cash equivalents are stated at fair value.

Restricted Cash

Restricted cash is considered cash and cash equivalents, and includes cash held with financial institutions for refunds of tenant security deposits, insurance escrows, and repairs or improvements to the building, which extend their useful lives.

Investments

Investments of the Authority consist of those permitted by the investment policy and include certificates of deposit and money market funds. Investments are reported at fair value. Fair value is based upon quoted market prices.

Restricted Assets

Certain assets may be classified as restricted assets on the statement of net position because their use is restricted by contracts or agreements with outside third parties and lending institutions.

Inter-Program Receivables and Payables

Inter-program receivables and payables are current and are the result of the use of a central fund as the common paymaster for centralized costs of the Authority. Cash settlements are made periodically. All inter-program balances net to zero and, therefore, are eliminated for financial statement presentation purposes.

Capital Assets

Capital assets (items with an individual cost greater than \$5,000, and a useful life exceeding two years), including land, property and equipment, are recorded at historical cost. Property and equipment are depreciated using the straight line method over the estimated useful lives of the assets, which are as follows:

Property	15 to 40 years
Equipment	3 to 7 years

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management used reasonable collection efforts are generally written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Mortgage Notes Receivable

The Authority has advanced loans to third-party developers in conjunction with various mixed finance projects. All principal and interest are due at maturity or based upon cash flow, and due to the uncertainty created by the extended period of time to repayment, interest income is recognized when cash payments are received. The Authority reviews Mortgage Notes Receivable for collectability whenever events or circumstances indicate that the carrying value of the receivable may not be recoverable. See Note 8 for further information on Mortgage Notes Receivable.

Developer Fees Receivable

Developer fees receivable are stated at the amount management expects to collect on balances outstanding at year end. Developer fees are due based upon terms of the related agreements. Management evaluates collectability based upon several factors, including historical collection experience and review and assessment of the financial condition of the debtor. At December 31, 2020, all amounts were deemed collectible.

Inventory

Inventory is valued using a weighted average costing method.

Compensated Absences

Vacation time may be accrued and carried over from year to year up to a maximum of 240 hours. Earned vacation time is due and payable to employees upon termination of employment. Sick time is accrued up to 120 hours per year and carried over from year to year. Upon retirement, employees can convert accumulated but unused sick time into a cash payment at the rate of one day for every two days accumulated.

Debt Amortization Funds

Debt amortization funds consist of restricted cash and investments held by fiscal agents. These funds are used to retire current installments of debt and to pay interest accrued thereon. Investments of debt amortization funds are carried at fair value.

Revenue Recognition

Subsidies and grants received from HUD and other grantors are generally recognized during the periods to which the grants relate. Tenant rental revenues are recognized during the period of occupancy. Receipts from CFP, Urban Revitalization Program and other reimbursement-based grants are recognized when the related expenses are incurred.

Indirect Costs

Certain indirect costs are charged to programs under a cost allocation plan.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Use of Estimates

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

Pensions

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

Other Post-Employment Benefits (OPEB)

For purposes of measuring net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Retiree Health Benefit plan and additions to/deductions from its fiduciary net position have been determined on the same basis as they are reported by the 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 systems report investments at fair value.

Budgetary Accounting and Control

The Authority's annual budget is prepared on the accrual basis of accounting and approved by the Board of Commissioners. The budget includes anticipated amounts for current year revenues and expenses, as well as new capital projects.

The Board of Commissioners adopts the annual budget for the Authority following a review and approval process by the Finance Committee and Chief Executive Officer. Once adopted by the board the annual budget is implemented and monitored by the finance department on a monthly basis to address any variances against budget.

Deferred Outflows and Inflows 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 for pensions and post-employment benefits.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow until that time. For the Authority, deferred inflows of resources are reported for pensions and post-employment benefits.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Net Position

Net position is the residual of assets and deferred outflows less liabilities and deferred inflows and is displayed in three components as follows:

Net Investment in Capital Assets – this component of net position consists of all capital assets, reduced by the outstanding balance 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, laws, regulations, etc.

Unrestricted Net Position – this component of net position consists of resources that do not meet the definition of net investment in capital assets or restricted net position.

It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

NOTE 3 DEPOSITS AND INVESTMENTS – BUSINESS-TYPE ACTIVITIES

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority has a deposit policy that addresses custodial credit risk. At December 31, 2020, the carrying amount of the Authority's deposits was \$65,321,299 and the total balance of bank accounts held by the Authority was \$65,267,900. Of the bank balances held in various financial institutions, certain amounts were covered by federal depository insurance and the remainder was covered under the Ohio pooled collateral system.

Under Ohio law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific qualifying securities upon which the repurchase agreements are based. These securities must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. State law does not require the security for public deposits and investments to be maintained in the Authority's name.

All deposits were fully collateralized as of December 31, 2020 with the exception of \$2,972,620 related to the consolidated entities of WRRMC which were not insured or collateralized above the FDIC threshold.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 DEPOSITS AND INVESTMENTS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Investments

The investment policy of the Authority’s monies is governed by the provisions of the Ohio Revised Code and regulations established by the U.S. Department of HUD. The Authority is permitted to invest its monies in certificates of deposit, savings accounts, money market accounts, state and local government investment pools, direct obligations of the federal government, obligations of federal government agencies, and securities of federal government agencies.

These investments must mature within three years of their purchase. The Authority may also enter into repurchase agreements with any eligible depository or any eligible dealer for a period not exceeding 30 days.

The Authority is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a derivative).

The Authority is also prohibited from investing in reverse purchase agreements. Investments held by the Authority at December 31, 2020 are presented below, categorized by investment type and credit quality rating. Credit ratings provide information about the investments’ credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. All investments mature within one year.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority staggers maturity dates of investments to avoid losses from rising interest rates and the investment policy generally limits the maturities of investments to not more than three years to reduce the risk of impact on the fair value of investments.

As of December 31, 2020, the value and maturities for these assets were as follows:

<u>Assets</u>	<u>Value</u>	<u>Maturities (in Years) Less Than 1</u>
Cash and Cash Equivalents:		
Cash and Cash Equivalents	\$ 58,638,879	\$ 58,638,879
CD's	2,216,849	2,216,849
Investment Type:		
Money Market Funds	4,465,571	4,465,571
Total	<u>\$ 65,321,299</u>	<u>\$ 65,321,299</u>

Credit Risk

The Authority’s investment policy limits investments to those backed by the full faith and credit of, or a guarantee of principal and interest by, the U.S. Government, a Government Authority or issued by a Government-sponsored Authority, coupled with an appropriate maturity date.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 DEPOSITS AND INVESTMENTS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Concentration of Credit Risk

The Authority does not allow more than 50% of its investment portfolio to be invested in a single security type or with a single financial institution or broker/dealer.

Description	Total Fair Value/ Carrying Value	Credit Quality Rating
FDIC Certificates of Deposit	\$ 2,216,849	FDIC
Money Market Funds	4,465,571	AAA
Total Business-Type Activities Investments	\$ 6,682,420	

- Rating offered by Standard & Poor's

A reconciliation of cash and investments as shown on the statement of net position at December 31, 2020 to the deposits and investments included in this note is as follows:

Cash and Cash Equivalents	\$ 48,485,575
Cash - Restricted	16,835,724
Total	\$ 65,321,299
Carrying Amount of Deposits	\$ 58,638,879
Carrying Amount of Investments	6,682,420
Total	\$ 65,321,299

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of December 31, 2020, The Authority had investments in certificates of deposit and money market funds. Certificates of deposit and money market funds are recorded at amortized cost and are therefore not included within the fair value hierarchy established by generally accepted accounting principles.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 RESTRICTED CASH AND INVESTMENTS – BUSINESS-TYPE ACTIVITIES

At December 31, 2020, the Authority had cash and investments, which was restricted under the terms of various grant programs, debt obligations, and other requirements as follows:

<u>Conventional Low-Rent Program:</u>	
Tenant Security Deposits	\$ 1,214,001
Industrial Commission of Ohio Escrow Fund	1,080,665
FSS Escrow Deposits	108,500
<u>Housing Choice Voucher Restricted HAP:</u>	
FSS Escrow Deposits	507,130
<u>Mainstream Voucher</u>	
Restricted HAP	219,374
<u>Section 8 Moderate Rehabilitation</u>	
Restricted HAP	318,289
<u>Cares Funding</u>	
Housing Choice Voucher Program	500,643
Low Income Public Housing	1,010,828
Mainstream Voucher	5,000
<u>Ohio Bond Financing:</u>	
Debt Service Reserve	566,296
<u>Capital Fund Revenue Loan A:</u>	
Net Proceeds	10,840
Debt Service Reserve	1,186,283
<u>Capital Fund Revenue Loan B:</u>	
Debt Service Reserve	706,553
<u>Business Activity:</u>	
Local Advisory Council	489,753
Carver IV OHFA HDAP	100
Tenant Security Deposits	943
<u>State and Local</u>	
Police Grant Fund	15,459
<u>Western Reserve Revitalization and Management Company, Inc.:</u>	
Pledge Reserve	508,110
Pledge ACC Reserve	181,330
Pledge Operating Reserve	403,570
Riverside Homes Operating Reserve	393,681
Carver Park I Pledged Reserve	1,510,084
<u>Ambleside Redevelopment, LLC:</u>	
Tenant Security Deposits	42,517
Replacement Escrow	1,089,799
Insurance Escrow	20,961
MIP Escrow	15,397
<u>Severance Redevelopment, LLC:</u>	
Tenant Security Deposits	42,832
Replacement Escrow	823,585
Insurance Escrow	21,384
MIP Escrow	12,747
<u>Quarrytown Redevelopment, LLC:</u>	
Tenant Security Deposits	44,857
Replacement Escrow	916,856
Insurance Escrow	17,450
MIP Escrow	8,683
Insurance Loss Escrow	256,121
<u>Riverside Park Homes, L.P.</u>	
Tenant Security Deposits	28,288
Replacement Escrow	2,466,917
Construction/Legal Reserve	7,166
Other Reserves	82,732
Total	<u><u>\$ 16,835,724</u></u>

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 RESTRICTED CASH AND INVESTMENTS – DISCRETE COMPONENT UNITS

At December 31, 2020, the Discretely Presented Component Units had cash and investments, which was restricted under the terms of various regulatory and loan requirements, and other requirements as follows:

Partnership Name	Tenant Security Deposits	Funded Reserves	Investments	Total
Garden Valley Housing Partnership I, LP	\$ 19,141	\$ 1,315,063	\$ -	\$ 1,334,204
Garden Valley Housing Partnership II, LP	10,107	738,786	-	748,893
Garden Valley Housing Partnership III, LP	17,956	703,477	-	721,433
Garden Valley Housing Partnership IV, LP	13,340	835,301	-	848,641
Euclid-Lee Senior, LP	22,069	135,787	-	157,856
Miles Pointe Elderly, LP	11,707	82,769	-	94,476
Fairfax Intergenerational Housing, LP	3,571	358,883	-	362,454
Bohn Towers Redevelopment LP	48,833	981,898	-	1,030,731
Carver Park Phase I	51,656	1,613,949	-	1,665,605
Carver Park Phase II	11,877	203,144	-	215,021
Riverside Park Phase II, LP	39,150	320,965	26,198,506	26,558,621
Riverside Park Phase III, LP	19,689	383,896	35,583,143	35,986,728
Total	<u>\$ 269,096</u>	<u>\$ 7,673,918</u>	<u>\$ 61,781,649</u>	<u>\$ 69,724,663</u>

The investments held by Riverside Park Phase II, LP and Riverside Park Phase III, LP are money market funds and fixed income bond funds that are considered Level I for fair value measurement at December 31, 2020.

NOTE 6 CAPITAL ASSETS - BUSINESS-TYPE ACTIVITIES

The following is a summary of the changes in capital assets for the fiscal year ended December 31:

	January 1, 2020	Additions	Transfers	Deletions	December 31, 2020
Capital Assets Not Being Depreciated:					
Land	\$ 30,630,453	\$ -	\$ -	\$ (2,237)	\$ 30,628,216
Construction in Progress	4,015,432	7,531,991	578,520	(39,000)	12,086,943
Total Capital Assets Not Being Depreciated	34,645,885	7,531,991	578,520	(41,237)	42,715,159
Capital Assets Being Depreciated:					
Buildings and Improvements	684,404,904	307,263	17,372,469	(11,622,661)	690,461,975
Equipment - Dwelling	17,695,847	1,705,824	395,204	(932,020)	18,864,855
Equipment - Administrative	7,437,833	622,304	(343,099)	(109,531)	7,607,507
Leasehold Improvements	392,296	-	-	-	392,296
Total Capital Assets Being Depreciated	709,930,880	2,635,391	17,424,574	(12,664,212)	717,326,633
Accumulated Depreciation					
Buildings and Improvements	(580,027,044)	(12,838,147)	(6,485,613)	12,332,946	(587,017,858)
Equipment - Dwelling	(13,532,949)	(489,923)	(190,304)	202,895	(14,010,281)
Equipment - Administrative	(3,237,807)	(238,489)	-	109,531	(3,366,765)
Leasehold Improvements	(392,296)	-	-	-	(392,296)
Total Accumulated Depreciation	(597,190,096)	(13,566,559)	(6,675,917)	12,645,372	(604,787,200)
Depreciable Assets - Net	112,740,784	(10,931,168)	10,748,657	(18,840)	112,539,433
Total Capital Assets - Net	147,386,669	\$ (3,399,177)	\$ 11,327,177	\$ (60,077)	\$ 155,254,592

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 CAPITAL ASSETS – DISCRETE COMPONENT UNITS

Discretely Presented Component Units

The following is a summary of the changes in capital assets for the fiscal year ended December 31:

	January 1, 2020	Additions	Transfers	Deletions	December 31, 2020
Capital Assets Not Being Depreciated:					
Construction in Progress	\$ 18,214,803	\$ 17,165,247	\$ (18,673,420)	\$ -	\$ 16,706,630
Total Capital Assets Not Being Depreciated	18,214,803	17,165,247	(18,673,420)	-	16,706,630
Capital Assets Being Depreciated:					
Buildings and Improvements	183,755,469	17,456,661	2,362,614	-	203,574,744
Equipment - Dwelling	2,579,185	382,318	(244,685)	-	2,716,818
Leasehold Improvements	16,599,085	517,810	(1,619,880)	-	15,497,015
Total Capital Assets Being Depreciated	202,933,739	18,356,789	498,049	-	221,788,577
Accumulated Depreciation					
Buildings and Improvements	(35,404,857)	(7,412,961)	6,381,210	-	(36,436,608)
Equipment - Dwelling	(1,684,249)	(142,981)	466,984	-	(1,360,246)
Total Accumulated Depreciation	(37,089,106)	(7,555,942)	6,848,194	-	(37,796,854)
Depreciable Assets - Net	<u>165,844,633</u>	<u>10,800,847</u>	<u>7,346,243</u>	<u>-</u>	<u>183,991,723</u>
Total Capital Assets - Net	<u>\$ 184,059,436</u>	<u>\$ 27,966,094</u>	<u>\$ (11,327,177)</u>	<u>\$ -</u>	<u>\$ 200,698,353</u>

NOTE 8 NOTES RECEIVABLE AND GROUND LEASES – BUSINESS-TYPE ACTIVITIES

Notes and mortgages receivable are comprised of the following types of loans: Mixed Finance Construction Loans - the Authority advances loans to third-party developers in conjunction with multi-lender Mixed Finance arrangements for new construction. A lump sum payment of principal and interest, if applicable, is due at maturity, which is 40 to 50 years. These loans are secured by the notes and mortgages on the respective properties. There are other loans where principal and interest are paid based on the cash flow of the respective properties.

Allowances - At December 31, 2020, Notes and Mortgages Receivable totaled \$104.0 million (before eliminations) and related accrued interest totals \$3.4 million. The balance includes amounts for construction loans. All notes and mortgages are collateralized by the respective properties. These loans are due at maturity ranging from 40 to 50 years. Allowances have been established for funds loaned from WRRMC to Cleveland Housing Network, Inc. and for some funds loaned from the Authority to other Partnerships, as these loans may be satisfied by transfer of property to the Authority.

Interest Income - Interest is due at the maturity date of these loans. Due to the length of time preceding the required payment of interest, interest earned on the notes and mortgage receivables has been deferred and not recognized in the statements of revenues, expenses, and changes in net position.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

**NOTE 8 NOTES RECEIVABLE AND GROUND LEASES – BUSINESS-TYPE ACTIVITIES
(CONTINUED)**

Notes and mortgages receivable at December 31, 2020 consisted of the following:

Loaned To	Loaned From	Origination Date	Maturity Date	Original Balance	Interest Rate	12/31/2020 Balance
Western Reserve (Bldg Lease)	COCB	9/18/09	8/31/39	\$ 14,368,802	0.000%	\$ 9,494,429
Bohn Tower Redevelopment, LP	BUSA	2/1/15	2/1/57	2,543,000	7.000%	2,543,000
Cedar I (RAD)	BUSA	11/24/15	11/24/65	8,512,041	1.000%	7,494,877
Cedar I (RAD)	BUSA	11/24/15	11/24/33	-	0.000%	15,313
Cedar II (RAD)	BUSA	2/4/16	2/4/56	4,633,943	2.250%	4,633,943
Cedar III (RAD)	BUSA	11/1/20	11/1/62	1,700,000	5.000%	1,700,000
Garden Valley Housing Prtshp IV, LP	BUSA	12/21/15	12/21/55	3,870,234	2.750%	3,870,234
Carver Park II, LP (RAD)	BUSA	5/1/18	5/1/63	1,157,551	1.000%	1,157,551
Cedar I (RAD)	Public Housing	11/24/15	11/24/65	8,512,041	1.000%	478,885
Cedar I (RAD)	Public Housing	11/24/15	11/24/65	8,512,041	1.000%	538,279
Repayment Agreements	Public Housing	various	various	various	various	17,467
Valleyview I (Tremont Point)	Public Housing	12/22/06	12/31/52	7,273,213	0.250%	7,273,213
Valleyview I (Tremont Point)	Public Housing	12/22/06	12/21/46	500,000	4.900%	500,000
Valleyview II (Tremont Point II)	Public Housing	9/17/08	12/31/60	3,350,273	1.750%	3,350,276
Valleyview II (Tremont Point II)	Public Housing	9/7/08	12/31/16	1,500,000	1.750%	1,500,000
Garden Valley Housing Prtshp I, LP	Public Housing	11/18/09	4/1/62	11,700,000	0.200%	11,700,000
Garden Valley Housing Prtshp I, LP	Public Housing	11/18/09	4/1/62	1,750,593	0.200%	1,750,592
Garden Valley Housing Prtshp II, LP	Public Housing	3/17/10	12/31/60	10,209,408	0.000%	10,209,408
Garden Valley Housing Prtshp III, LP	Public Housing	9/16/10	1/16/62	14,953,185	0.500%	14,953,185
Euclid Lee Senior, LP	Public Housing	11/4/11	11/5/56	6,059,163	0.100%	5,962,955
Euclid Lee Senior, LP	Public Housing	11/4/11	11/5/56	6,338,023	0.100%	6,338,023
Miles Pointe Elderly, LP	Public Housing	8/16/12	8/16/57	300,000	0.250%	3,000,000
	MF Property					
Fairfax International Housing, LP	Disposition	10/22/12	10/22/62	1,400,000	0.250%	1,400,000
Carver Park II, LP (RAD)	BCU	5/1/18	5/1/63	2,485,263	1.000%	2,017,909
Riverside Park Phase III, LP	BCU	4/1/20	4/1/65	7,405,851	4.030%	2,097,110
Total Notes Receivables						103,996,649
Elimination of Building Lease						(9,494,429)
Less: Current Portion						(22,487)
Net Loans Receivable - Noncurrent						<u>\$ 94,479,733</u>

WRRMC loaned funds to various Partnerships. As of December 31, 2020, the notes receivable terms are summarized as follows:

Partnership Name	Original Date of Loan	*Maturity Date	Original Balance of Loan	**Balance at 12/31/2020	Interest Rate
Cleveland New Construction, LP III	12/31/2003	12/31/2019	\$ 1,343,000	\$ 81,000	0.25%
Cleveland New Construction, LP IV	9/4/2007	12/31/2038	1,400,000	1,709,127	2.50%
East Cleveland Homes, LP	3/11/2004	3/11/2024	1,480,000	370,000	4.68%
Hough Homes, LP	12/1/2005	12/31/2037	2,327,273	3,550,973	5.25%
Hough Homes II, LP	12/9/2004	12/31/2036	1,492,475	570,000	4.68%
Stockyard Homes, LP	12/20/2006	12/31/2038	1,497,636	1,629,834	1.00%
Total Notes Receivable, Including Deferred Interest				7,910,934	
Allowance for Notes Receivable, Including Deferred Interest				(7,910,934)	
Notes Receivable, Net				<u>\$ -</u>	

No principal and interest payments are received on the notes receivable until each note's maturity date. The notes are secured by a mortgage on each respective Partnership. During 2016, the notes receivable were placed on nonaccrual status.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

**NOTE 8 NOTES RECEIVABLE AND GROUND LEASES – BUSINESS-TYPE ACTIVITIES
(CONTINUED)**

CMHA loaned funds to various Partnerships. As of December 31, 2020, the notes receivable terms are summarized as follows:

Partnership Name	Original Date of Loan	*Maturity Date	Original Balance of Loan	**Balance at 12/31/2020	Interest Rate
East Side Neighborhood Homes LP	11/15/2004	11/15/2050	\$ 8,450,000	\$ 8,782,710	0.25%
OCDS LP	9/16/2004	9/16/2049	2,040,000	4,539,428	5.03%
OCDS LP	9/16/2004	9/16/2049	261,480	271,685	0.25%
Gordon Square LP	12/22/2005	3/31/2047	1,670,000	3,365,161	4.79%
Gordon Square LP	12/22/2005	3/31/2047	800,000	828,115	0.25%
Total Notes Receivable, Including Deferred Interest				17,787,099	
Allowance for Notes Receivable, Including Deferred Interest				(17,787,099)	
Notes Receivable, Net				\$ -	

* The maturity date, as defined in each Loan Agreement, is the earliest of 20 or 30 years from the date the last unit in the Partnership is leased to a tenant meeting all LIHTC and HUD requirements, but in no event later than the maturity date in the above schedule.

** Balance includes accrued interest

CMHA loaned funds to various partnerships related to ground leases of CMHA land. As of December 31, 2020, the following ground lease notes receivable have been offset against the corresponding unearned deferred ground lease revenue as summarized as follows:

Partnership Name	Original Date of Loan	Maturity Date	Ground Lease Notes Receivable 12/31/2020
Carver Park Phase I	9/8/2016	9/7/2061	\$ 21,010,000
Carver Park Phase II	5/1/2018	5/1/2063	5,390,000
Bohn Towers GP	2/1/2015	1/31/2047	1,800,000
Riverside Park II	3/26/2019	3/26/2064	12,950,000
Riverside Park III	3/31/2020	3/31/2065	14,960,000
Total Notes Receivable			56,110,000
Unearned Ground Lease Revenue			(56,110,000)
Amount Reported on Financial Statements			\$ -

NOTE 9 DEVELOPER FEES RECEIVABLE – BUSINESS-TYPE ACTIVITIES

In connection with the development of various mixed finance projects, the Authority has development fees receivable from the discretely presented component units totaling \$22.5 million. These receivables are payable based upon the respective partnership agreements and are due to WRRMC.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 10 INVESTMENT IN REAL ESTATE PARTNERSHIPS – BUSINESS-TYPE ACTIVITIES

The Authority’s blended component unit, WRRMC, includes investments in real estate partnerships. Riverside Park Homes, LP is also included as a blended component unit of the Authority, so WRRMC’s investment has been eliminated. Investments in real estate partnerships are as follows:

Riverside Park Homes, LP	\$ 10,750,639
Fairfax Intergenerational, LP	918,599
Garden Valley Housing Partnership II, LP	404,032
Bohn Tower Redevelopment, L.P.	225,493
Euclid-Lee Senior, L.P.	524,990
Miles Pointe Elderly, L.P.	107,716
Riverside Park Phase III, LP	715
Total Investment in Real Estate Partnerships	12,932,184
Less: Elimination of WRRMC Investment in	
Riverside Park Homes, LP	(10,750,639)
Net Investment in Real Estate Partnerships	<u><u>\$ 2,181,545</u></u>

NOTE 11 ACCRUED EXPENSES – BUSINESS-TYPE ACTIVITIES

Current accrued expenses at December 31 consist of the following items:

Workers' Compensation - Current Portion	\$ 376,881
Litigation Reserves	435,687
Contract Retentions	3,094,400
Lease Liability	688,124
Accrued Contingency Liability	817,000
Insurance Premium	4,379,333
Professional Service Fees	256,353
Software Charges	187,046
Other	255,970
Total	<u><u>\$ 10,490,794</u></u>

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES

A summary of the Authority's long-term debt and capital lease consisted of the following as of December 31:

	January 1, 2020	Increase	Decrease	December 31, 2020	Due Within One Year
<u>Direct Borrowings</u>					
Ambleside - Mortgage Note	\$ 6,001,238	\$ -	\$ (94,712)	\$ 5,906,526	\$ 107,506
Severance - Mortgage Note	5,363,378	-	(82,789)	5,280,589	94,391
Quarrytown - Mortgage Note	3,632,430	-	(55,687)	3,576,743	64,299
Western Reserve	396,128	-	(396,128)	-	-
Riverside Park Homes, L.P.	-	2,347,713	(15,418)	2,332,295	44,203
<u>Bonds Payable</u>					
Refunding Revenue Bond Series 2016	5,445,000	-	(5,445,000)	-	-
Build America Bonds (2009B)	12,855,000	-	(12,855,000)	-	-
Ohio Bond Financing 2017	7,435,000	-	(820,000)	6,615,000	845,000
CFFP 2009 Modernization Loan A	8,564,130	-	(634,520)	7,929,610	675,790
CFFP 2009 Modernization Loan B	5,103,260	-	(378,100)	4,725,160	402,700
2020 CMHA Campus Bonds	-	16,320,000	(560,000)	15,760,000	575,000
Unamortized Premium - 2020	-	2,606,204	(130,310)	2,475,894	-
Total	<u>\$ 54,795,564</u>	<u>\$ 21,273,917</u>	<u>\$ (21,467,664)</u>	<u>\$ 54,601,817</u>	<u>\$ 2,808,889</u>

First Mortgage Note – Ambleside

On July 1, 2014, Ambleside Redevelopment, LLC established a first mortgage note to pay for property improvements with Bellwether Enterprise Real Estate Capital LLC in the amount of \$6,720,000, with an interest rate at 4.50%, maturing August 1, 2049. Principal and interest payments are made monthly. At December 31, 2020, \$5,906,526 in debt remained outstanding. Obligations under the agreement are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 107,506	\$ 274,128	\$ 381,634
2022	112,445	269,190	381,635
2023	117,610	264,024	381,634
2024	123,013	258,621	381,634
2025	128,665	252,970	381,635
2026-2030	737,607	1,170,565	1,908,172
2031-2035	923,333	984,838	1,908,171
2036-2040	1,155,824	752,347	1,908,171
2041-2045	1,446,856	461,315	1,908,171
2046-2049	1,053,667	111,568	1,165,235
Total	<u>\$ 5,906,526</u>	<u>\$ 4,799,566</u>	<u>\$ 10,706,092</u>

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

First Mortgage Note – Severance

On October 1, 2014, Severance Redevelopment, LLC established a first mortgage note to pay for property improvements with Bellwether Enterprise Real Estate Capital LLC in the amount of \$5,989,900 with an interest rate of 4.55%, maturing October 1, 2049. Principal and interest payments are made monthly. At December 31, 2020, \$5,280,589 in debt remained outstanding. Obligations under the agreement are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 94,391	\$ 248,009	\$ 342,400
2022	98,777	243,624	342,401
2023	103,366	239,035	342,401
2024	108,168	234,232	342,400
2025	113,194	229,207	342,401
2026-2030	649,916	1,062,086	1,712,002
2031-2035	815,591	896,411	1,712,002
2036-2040	1,023,499	688,503	1,712,002
2041-2045	1,284,407	427,595	1,712,002
2046-2049	989,280	110,174	1,099,454
Total	<u>\$ 5,280,589</u>	<u>\$ 4,378,876</u>	<u>\$ 9,659,465</u>

First Mortgage Note – Quarrytown

On September 1, 2014, Quarrytown Redevelopment, LLC established a first mortgage note to pay for property improvements with Bellwether Enterprise Real Estate Capital LLC in the amount of \$4,080,300 with an interest rate at 4.55%, maturing October 1, 2049. Principal and interest payments are made monthly. At December 31, 2020, \$3,576,743 in debt remained outstanding. Obligations under the agreement are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 64,299	\$ 168,943	\$ 233,242
2022	67,286	165,956	233,242
2023	70,412	162,830	233,242
2024	73,684	159,558	233,242
2025	77,107	156,135	233,242
2026-2030	442,720	723,490	1,166,210
2031-2035	555,577	610,633	1,166,210
2036-2040	697,203	469,007	1,166,210
2041-2045	874,932	291,278	1,166,210
2046-2049	653,523	75,051	728,574
Total	<u>\$ 3,576,743</u>	<u>\$ 2,982,881</u>	<u>\$ 6,559,624</u>

Western Reserve Revitalization and Management Company

On August 28, 2019, WRRMC entered into a note agreement with Enterprise Community Loan Fund, Inc. in the amount of \$500,000. The loan bears interest at a fixed rate of 6.25% per annum. Principal and interest payments are deferred until August 28, 2021, the loan maturity date. The note was paid in full during fiscal year 2020 and there is \$-0- balance outstanding at December 31, 2020.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

General Revenue Refunding Bonds, Series 2016

On March 1, 2016, the Authority issued General Revenue Refunding Bonds, Series 2016 in the amount of \$5,900,000. The bonds will bear interest from March 1, 2016, payable on March 1 and September 1 of each year, beginning September 1, 2016. The interest rate is 1.75%, with a maturity at March 1, 2020. The bonds were paid in full during fiscal year 2020. At December 31, 2020, \$-0- in debt remained outstanding.

Series 2009B Administrative Campus Financing

On September 18, 2009, the Authority issued Series 2009 B Build America Bonds in the amount of \$12,855,000. The net proceeds from the bonds were used to build the consolidated Administrative Campus. The Build America Bonds, Series 2009B, is a type of bond created under The American Recovery and Reinvestment Act of 2009. This type of bond is taxable and allows government entities to offer bonds in the market at competitive rates, thereby widening the pool of potential buyers. The Build America Bonds mature as follows: September 1, 2029 - \$4,835,000 at 7.88% and September 1, 2039 - \$8,020,000 at 8.13%. Under the Build America Program, the Authority will be reimbursed by the IRS 35% of the interest paid, thus lowering the actual interest rate the Authority will pay. Effective February 20, 2020, the Build America Bonds were refunded and paid in full. At December 31, 2020, \$-0- in debt remained outstanding.

Ohio Bond Financing – CFFP

On July 17, 2007, the Authority issued a Capital Fund backed bond with three other housing authorities. The Authority's debt from the bond issuance is \$15,315,000 and after providing for a debt service reserve and upfront costs, the Authority will have \$14,003,165 to spend on improvements to facilities. The bonds have a 20-year term with interest rates from 3.90% to 4.67%. A bond premium was also received and will be amortized over the life of the bonds on a straight line basis. Payments will be made in April and October starting in October of 2007 and will be made directly from HUD. On March 13, 2018, the debt was re-financed when the Authority issued a Capital Fund backed bond with three other housing authorities. The Authority's debt from the bond issuance is \$9,045,000. The bond has a 10-year term with interest rates from 3.00% to 4.00%. Payments will be made in April and October starting in April 2018 and will be made directly from HUD. At December 31, 2020, \$6,615,000 in debt remained outstanding. Obligations under the agreement are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 845,000	\$ 214,025	\$ 1,059,025
2022	870,000	188,300	1,058,300
2023	905,000	157,150	1,062,150
2024	940,000	120,250	1,060,250
2025	980,000	81,850	1,061,850
2026-2027	2,075,000	62,775	2,137,775
Total	<u>\$ 6,615,000</u>	<u>\$ 824,350</u>	<u>\$ 7,439,350</u>

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Capital Fund Financing – CFFP 2009

On November 18, 2009, the Authority issued Capital Fund backed debt in the form of two loans (Loans A and B). The Authority's debt for both loans is \$20,878,960. Loan A in the amount of \$13,082,970 provided \$11,700,426 net proceeds after debt service reserves and up-front costs. These proceeds were used for Phase III of the Garden Valley Mixed Finance redevelopment after being loaned to the Garden Valley Housing Partnership I, LP. The maturity date for the loan is October 1, 2029, and it has an interest rate of 6.40%. Loan B in the amount of \$7,795,990 provided \$7,000,256 net proceeds after debt service reserves and up-front costs. These proceeds were used at various Authority properties to fund the implementation of Uniform Federal Accessibility Standards (UFAS) improvements. The maturity date for the loan is October 1, 2029, and it has an interest rate of 6.40%. Payments are made in April and October each year and began in April 2010. The payments are made directly from HUD. At December 31, 2020, \$12,654,770 in debt remained outstanding for these two loans. Combined obligations for both loans under the agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,078,490	\$ 792,650	\$ 1,871,140
2022	1,148,640	722,503	1,871,143
2023	1,223,340	647,796	1,871,136
2024	1,302,900	568,229	1,871,129
2025	1,387,640	483,488	1,871,128
2026-2029	6,513,760	970,780	7,484,540
Total	<u>\$ 12,654,770</u>	<u>\$ 4,185,446</u>	<u>\$ 16,840,216</u>

2020 General Revenue Refunding Bonds

On February 20, 2020, the Authority issued General Revenue Refunding Bonds, Series 2020 in the amount of \$16,320,000. The bonds will bear interest from February 20, 2020, payable on June 1 and December 1 of each year, beginning June 1, 2020. The interest rate is 3.00-5.00%, with a maturity at December 1, 2039. At December 31, 2020, \$15,760,000 in debt remained outstanding along with accrued interest of \$52,229. Obligations under the agreement are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 575,000	\$ 626,750	\$ 1,201,750
2022	595,000	609,500	1,204,500
2023	610,000	591,650	1,201,650
2024	635,000	567,250	1,202,250
2025	660,000	541,850	1,201,850
2026-2030	3,730,000	2,290,450	6,020,450
2031-2035	4,580,000	1,439,000	6,019,000
2036-2039	4,375,000	446,200	4,821,200
Total Payments	<u>15,760,000</u>	<u>7,112,650</u>	<u>22,872,650</u>
Unamortized Bond Premium	2,475,894	-	2,475,894
Total	<u>\$ 18,235,894</u>	<u>\$ 7,112,650</u>	<u>\$ 25,348,544</u>

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 12 DEBT AND LEASE OBLIGATIONS – BUSINESS-TYPE ACTIVITIES (CONTINUED)

Riverside Park Homes, L.P.

On May 1, 2020, the Partnership entered into a loan agreement with ORIX Real Estate Capital LLC in the amount of \$2,694,800. The mortgage is insured by the Federal Housing Administration and bears interest at a rate of 2.98% per annum. The mortgage is secured by the Property and all rents and leases of the Property. Interest only payments are due and payable on the first day of each month. Beginning on July 1, 2020, consecutive monthly principal and interest payments of \$10,341 are due, with the unpaid principal balance due on the maturity date of June 1, 2055. As of December 31, 2020, the outstanding balance of the mortgage payable was \$2,672,771.

Debt issuance costs of \$347,089 incurred with obtaining the mortgage are amortized over the life of the loan. For the year ended December 31, 2020, interest expense on debt issuance costs totaled \$6,611.

NOTE 13 DEBT OBLIGATIONS –DISCRETELY PRESENTED COMPONENT UNITS

Debt Summary

A summary of the discrete component unit long-term debt in 2020 follows:

	January 1, 2020	Increase	Decrease	Debt Issuance Costs	December 31, 2020	Due Within One Year
Bohn Tower Mortgage/Bonds	\$ 15,010,271	\$ -	\$ (1,917,998)	\$ (307,176)	\$ 12,785,097	\$ 123,263
Carver Park I Mortgage/Bonds	34,485,011	-	(21,175,778)	(575,595)	12,733,638	171,268
Carver Park II Mortgage/Bonds	29,444,979	-	(20,865,236)	(195,139)	8,384,604	61,513
Euclid-Lee Mortgages	12,300,978	-	-	-	12,300,978	-
Fairfax Mortgage/Construction	6,479,701	-	(28,671)	(25,653)	6,425,377	29,798
Garden Valley I Mortgages	15,700,593	-	-	(66,873)	15,633,720	-
Garden Valley II Mortgages	10,209,408	-	-	(66,416)	10,142,992	-
Garden Valley III Mortgages	15,553,185	-	-	(157,841)	15,395,344	-
Garden Valley IV Mortgages	9,031,177	-	(403,959)	(153,865)	8,473,353	30,047
Miles Pointe Mortgage	3,000,000	-	-	(12,534)	2,987,466	-
Riverside Park Phase II	52,421,734	-	(1,769,282)	(579,876)	50,072,576	7,929,774
Riverside Park Phase III	-	46,056,304	(13,576)	(939,034)	45,103,694	-
Total	<u>\$ 203,637,037</u>	<u>\$ 46,056,304</u>	<u>\$ (46,174,500)</u>	<u>\$ (3,080,002)</u>	<u>\$ 200,438,839</u>	<u>\$ 8,345,663</u>

Obligations under the debt agreements are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>
2021	\$ 8,345,663
2022	31,193,983
2023	35,807,730
2024	838,152
2025	622,676
Thereafter	126,710,637
Total	<u>\$ 203,518,841</u>

Bohn Tower Redevelopment, L.P.

On February 1, 2015, the Partnership entered into a mortgage loan agreement with Bellwether Enterprise Real Estate Capital, LLC in an amount not to exceed \$11,000,000. The maturity date is November 1, 2056. Principal and interest, at 4.40%, are to be paid monthly. At December 31, 2020, \$10,549,271 in debt remained outstanding and unamortized debt issuance costs totaled \$307,176.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Bohn Tower Redevelopment, L.P. (Continued)

On February 1, 2015, the Partnership entered into an Authority Funds Loan Agreement with the Authority in the amount of \$2,543,000. Interest accrues at 7.00%. Principal and interest payments are subject to surplus cash, and are deferred until its maturity date, February 1, 2057. Due to the uncertainty of future principal and interest payments on the loan, interest expense will be recorded consistent with principal payments on the note. At December 31, 2020, \$2,543,000 and \$868,460 in debt and deferred interest, respectively, remained outstanding.

Carver Park Phase I, L.P.

On September 1, 2016, the Partnership entered into a Leasehold Multifamily Mortgage with Red Mortgage Capital, LLC, in the amount of \$13,700,000. Interest will accrue at 3.56% annually. The maturity date for this debt is July 1, 2058. At December 31, 2020, the outstanding debt is \$13,309,233 and the unamortized debt issuance costs totaled \$575,595.

Carver Park Phase II, L.P.

On May 1, 2018, the Partnership signed an Authority Funds Note for \$1,157,551 with the Authority. The maturity date will be no later than April 30, 2063. Interest will accrue at 1.00% annually. Interest and principal will be due and payable on the maturity date. At December 31, 2020, \$1,157,551 and \$23,152 in debt and deferred interest, respectively, remained outstanding.

On May 1, 2018, the Partnership issued Multifamily Housing Revenue Bonds, Series 2018, for \$11,500,000. The maturity date is June 1, 2021. The initial interest rate is 2.2%, with interest payable on June 1 and December 1 of each year, commencing December 1, 2018. The bonds were paid in full, and at December 31, 2020, \$-0- was outstanding.

On May 1, 2018, the Partnership signed a Promissory Note for \$1,224,000 with OF PNC Affordable Housing Loan Fund LLC. The note is to be paid by the Limited Partner's Capital Contribution upon the later of October 1, 2019 or satisfaction of certain conditions. The loan bears interest at a rate equal to the greater of: (a) Prime Rate (5.50% as of December 31, 2020) minus 0.5%, or (b) 3%, per annum. At December 31, 2020, the note was paid in full and no debt or deferred interest remained outstanding.

On May 1, 2018, the Partnership signed a Promissory Note in the amount of \$3,060,000 with OCFC Capital Magnet Loan Pool LLC. The note is to be paid by the Limited Partner's Capital Contribution upon the later of April 25, 2020 or satisfaction of certain conditions. The loan bears interest at a rate of 1.75% per annum. At December 31, 2020, the note was paid in full and no debt or deferred interest remained outstanding.

On May 1, 2018, the Partnership signed an FHA Loan in the amount not to exceed \$5,483,000 from Red Mortgage Capital LLC. The maturity date is October 1, 2059. The loan bears interest at 3.85% per annum. At December 31, 2020, \$5,414,158 and \$0 in debt and deferred interest, respectively, remained outstanding.

On May 1, 2018, the Partnership entered into a pledged fee note in the amount not to exceed \$2,485,263 from WRRMC. The maturity date is May 1, 2063. The loan bears interest at 1.00% per annum. At December 31, 2020, \$2,008,034 and \$9,875 in debt and deferred interest, respectively, remained outstanding.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Euclid-Lee Senior, L.P.

On November 4, 2011, the Partnership entered into a loan Agreement with the Authority in the amount not to exceed \$6,059,163. The loan is secured by a mortgage on the rental property and is due on its maturity date of November 5, 2056. Interest accrues at a rate of 0.10% per annum. No principal or interest payments are required until its maturity date. At December 31, 2020, \$5,962,955 and \$40,345 in debt and accrued interest payable, respectively, remained outstanding.

On November 4, 2011, the Partnership entered into a promissory note with the Authority in the amount not to exceed \$6,338,348. The loan is secured by a mortgage on the rental property and is due on its maturity date of November 5, 2056. Interest accrues at a rate of 0.10% per annum. No principal or interest payments are required until its maturity date. At December 31, 2020, \$6,338,023 and \$40,680 in debt and accrued interest payable, respectively, remained outstanding.

Fairfax Intergenerational Housing, L.P.

On October 22, 2012, the Partnership entered into a loan agreement with the Authority in the amount of \$1,400,000. The loan is secured by a mortgage on the rental property and is due 50 years after construction of the Project has been completed and a final occupancy certificate has been issued. Interest accrues at a rate of 0.25% per annum. No principal or interest payments are required until its maturity date on October 24, 2062. At December 31, 2020, \$1,400,000 and \$21,681 in debt and accrued interest payable, respectively, remained outstanding.

On October 12, 2012, the Partnership entered into a promissory note with Fairfax Renaissance Development Corporation (FRDC), an affiliate of the General Partner, in the amount of \$998,000. The loan is secured by the rental property and bears interest at the rate of 0.25% per annum. No principal or interest payments are required until its maturity date of June 30, 2059. At December 31, 2020, \$998,000 and \$20,501 in debt and accrued interest payable, respectively, remained outstanding.

On October 12, 2012, the Partnership entered into a loan agreement with FRDC in the amount of \$3,202,000. The loan is secured by the rental property and interest accrues at a rate of 0.25. No principal or interest payments are required until its maturity date of June 30, 2059. At December 31, 2020, \$3,202,000 and \$57,817 in debt and accrued interest payable, respectively, remained outstanding.

On October 22, 2012, the Partnership entered into a Construction Loan Agreement with PNC Bank in an amount not to exceed \$1,000,000, with the option to convert the loan into a permanent loan not to exceed \$1,000,000. Commencing May 1, 2015 the loan bears interest at 3.95% per annum. At December 31, 2020, \$851,029 was outstanding. Interest incurred and expensed during 2020 was \$34,819.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Garden Valley Housing Partnership I, L.P.

On November 18, 2009, the Partnership entered into a loan agreement with the Authority in the amount of \$11,700,000. The loan is secured by a mortgage on the rental property and is due on its maturity date of April 1, 2062. Interest accrues at a rate of 0.20% per annum. No principal or interest payments are required until its maturity date. At December 31, 2020, \$11,700,000 and \$187,200 in debt and accrued interest payable, respectively, remained outstanding. Unamortized debt issuance costs totaled \$66,873 at December 31, 2020.

On November 18, 2009, the Partnership entered into a promissory note with the Authority in the amount of \$1,750,593. The loan is secured by a mortgage on the rental property and is due on its maturity date of April 1, 2062. Interest accrues at a rate of 0.20% per annum. No principal or interest payments are required until its maturity date. At December 31, 2020, \$1,750,593 and \$28,008 in debt and accrued interest payable, respectively, remained outstanding.

On September 23, 2009, the Partnership entered into a Housing Trust Fund Home Investment Partnership loan agreement with the City of Cleveland in the amount of \$2,250,000. The loan is secured and interest accrues at a rate of 0.25% per annum. No principal or interest payments are required until its maturity date of December 31, 2060. At December 31, 2020, \$2,250,000 and \$55,264 in debt and accrued interest payable, respectively, remained outstanding.

Garden Valley Housing Partnership II, L.P.

On March 17, 2010, the Partnership entered into a loan agreement with the Authority in the amount of \$10,209,408. The loan is secured by a second mortgage on the rental property and is due on its maturity date of December 31, 2060. The loan is noninterest bearing and no principal payments are required until its maturity date. At November 30, 2020, \$10,209,408 in debt remained outstanding. Unamortized debt issuance costs totaled \$66,553 at November 30, 2020.

Garden Valley Housing Partnership II, L.P. has a fiscal year-end of November 30. Management believes there are no material transactions that would affect the financial position of operations of the LIHTC Partnership.

Garden Valley Housing Partnership III, L.P.

On September 16, 2010, the Partnership entered into a Capital Competitive Recovery Act Fund Loan Agreement with the Authority in the amount of \$14,953,185. The loan is secured by a mortgage on the rental property and is due 50 years after the first day of the month following construction completion, or January 2062. Interest accrues at a rate of 0.50% per annum. No principal or interest payments are required until its maturity date. At December 31, 2020, \$14,953,185 and \$525,042 in debt and accrued interest payable, respectively, remained outstanding. Unamortized Debt issuance costs totaled \$157,841 at December 31, 2020.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Garden Valley Housing Partnership III, L.P. (Continued)

On September 16, 2010, the Partnership entered into a Housing Trust Fund Home Investment Partnership loan agreement with the City of Cleveland in the amount of \$600,000. The loan is secured by the rental property and is noninterest bearing unless the Partnership fails to comply with the requirements set forth in the loan agreement, in which case the loan will bear interest at a rate of 10% per annum. No principal or interest payments are required until its maturity date of December 31, 2061. At December 31, 2020, \$600,000 in debt remained outstanding.

Garden Valley Housing Partnership IV, L.P.

On December 21, 2015, the Partnership entered into an Authority Funds Loan Agreement with the Authority, in the amount not to exceed \$3,870,234. The funds will be used for the development of Heritage View Homes IV, which includes 60 units of housing, all of which will be Rental Assistance Demonstration Project-Based units (RAD). Interest will accrue at 2.75% per annum. Principal and interest will be payable December 21, 2057, the maturity date. At December 31, 2020, \$3,870,234 and \$382,210 in debt and accrued interest, respectively, remained outstanding.

On December 21, 2015, the Partnership entered into a Housing Trust Fund Home Investment Partnership loan agreement with the City of Cleveland in the amount of \$600,000. The loan is secured by the rental property and is noninterest bearing unless the Partnership fails to comply with the requirements set forth in the loan agreement, in which case the loan will bear interest at a rate of 2% per annum. No principal or interest payments are required until its maturity date of May 1, 2057. At December 31, 2020, \$600,000 and \$12,000 in debt and accrued interest, respectively, remained outstanding.

On December 21, 2015, the Partnership entered into a loan agreement with the Ohio Housing Finance Authority in the amount of \$1,500,000. The interest rate is 0.0% and payments of \$375,000 are due in four installments as outlined in the loan agreement. At December 31, 2020, \$750,000 in debt remained outstanding.

On December 21, 2015, the Partnership entered into a loan agreement with the Ohio Housing Finance Authority in the amount of \$1,000,000. This loan is secured by the Project. The loan bears interest at 2.0%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, December 21, 2055. As of December 31, 2020, the outstanding principal balance was \$1,000,000 and deferred interest as of December 31, 2020 was \$79,877.

On December 23, 2015, the Partnership entered into a loan agreement with Bellwether Enterprise Real Estate Capital, LLC in an amount not to exceed \$2,509,900. The maturity date is March 1, 2057. Principal and interest, at 4.0%, are to be paid monthly; however, only interest is paid through March 1, 2017 with principal payments beginning April 1, 2017. At December 31, 2020, \$2,406,987 and \$8,108 in debt and accrued interest, respectively, remained outstanding, and unamortized debt issuance costs totaled \$153,865.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Miles Pointe Elderly, L.P.

On August 16, 2012, the Partnership entered into an Authority Funds Loan Agreement with the Authority in the amount of \$3,000,000. The loan is secured by a mortgage on the rental property and is due in 45 years. Interest accrues at a rate of 0.25% per annum. No principal or interest payments are required until its maturity date of August 16, 2057. At December 31, 2020, \$3,000,000 and \$37,126 in debt and accrued interest payable, respectively, remained outstanding. Unamortized debt issuance costs totaled \$12,534 at December 31, 2020.

Riverside Park Homes II, L.P.

On March 1, 2019, the Partnership entered into a loan agreement with ORIX Real Estate Capital, LLC in the amount of \$13,750,000. This loan is secured by the Project. The loan bears interest at 4.90%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, April 1, 2061. As of December 31, 2020, the outstanding principal balance was \$13,727,452.

On March 1, 2019, the Partnership entered into a loan agreement with Huntington National Bank in the amount of \$26,000,000. This loan is secured by the Project. The loan bears interest at 2.00%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, April 1, 2022. As of December 31, 2020, the outstanding principal balance was \$26,000,000.

On March 26, 2019, the Partnership entered into a loan agreement with the Ohio Housing Finance Authority in the amount of \$500,000. This loan is secured by the Project. The loan bears interest at 0.0%. Principal payments are subject to surplus cash and are deferred until its maturity date, March 26, 2059. As of December 31, 2020, the outstanding principal balance was \$450,000.

On March 27, 2019 the Partnership entered into a loan agreement with the Ohio Preservation Loan Fund in the amount of \$4,545,000. This loan is secured by the Project. The loan bears interest at variable rates. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, March 25, 2064. As of December 31, 2020, the outstanding principal balance was \$4,545,000 and deferred interest as of December 31, 2020 was \$189,714.

On March 26, 2019, the Partnership entered into a loan agreement with the Ohio Housing Finance Authority in the amount of \$1,000,000. This loan is secured by the Project. The loan bears interest at 2.00%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, March 26, 2059. As of December 31, 2020, the outstanding principal balance was \$900,000.

On March 27, 2019, the Partnership entered into a loan agreement with OCFC Capital Magnet Loan Pool LLC in the amount of \$3,030,000. This loan is secured by the Project. The loan bears interest at 1.75%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, March 25, 2021. As of December 31, 2020, the outstanding principal and deferred interest were \$3,030,000 and \$4,063, respectively.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 13 DEBT OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Riverside Park Homes II, L.P. (Continued)

On March 25, 2019, the Partnership entered into a loan agreement with the Ohio Housing Finance Authority in the amount of \$2,000,000. This loan is secured by the Project. The loan bears interest at 0.00%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, April 15, 2028. As of December 31, 2020, the outstanding principal balance was \$2,000,000.

Riverside Park Homes III, L.P.

On March 1, 2020, the Partnership entered into a note agreement with The Huntington National Bank in the amount of \$35,000,000. This loan is secured by the Project. The loan bears interest at 1.48%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, April 1, 2023. As of December 31, 2020, the outstanding principal balance was \$35,000,000 and deferred interest as of December 31, 2020 was \$129,501.

On April 1, 2020, the Partnership entered into a note agreement with ORIX Real Estate Capital, LLC in the amount of \$19,000,000. This loan is secured by the Project. The loan bears interest at 4.03%. Principal and interest payments are not subject to surplus cash and will be due in monthly payments upon construction completion, until its maturity date, July 1, 2062. As of December 31, 2020, the outstanding principal balance was \$4,905,618 and deferred interest was \$16,527.

On April 1, 2020, the Partnership entered into a note agreement with WRRMC in the amount of \$7,405,851. This loan is secured by the Project. The loan bears interest at 4.03%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, April 1, 2065. As of December 31, 2020, the outstanding principal balance was \$2,097,110.

On December 21, 2019, the Partnership entered into a note agreement with OCFC in the amount of \$4,040,000. This loan is secured by the Project. The loan bears interest at 3.00%. Principal and interest payments are subject to surplus cash and are deferred until its maturity date, June 30, 2021. As of December 31, 2020, the outstanding principal balance was \$4,040,000.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 14 LEASE OBLIGATIONS –DISCRETELY PRESENTED COMPONENT UNITS

Certain LIHTC Partnerships entered into a ground lease agreement with CMHA. The LIHTC Partnerships are bound by responsibilities and obligations set forth in their respective ground lease agreements. The terms of the ground lease agreements are summarized below:

Partnership Name	Origination Date	Annual Rent	Term (Years)	Prepaid Ground Lease * As of December 31,	
				2020	2019
Riverside Park Homes, L.P.	12/1/2006	\$ 10	55	\$ -	\$ -
Garden Valley Housing Partnership I, L.P.	11/18/2009	10	95	-	418,434
Garden Valley Housing Partnership II, L.P.	3/17/2010	10	95	-	269,612
Garden Valley Housing Partnership III, L.P.	9/16/2010	10	95	-	384,443
Euclid-Lee Senior, L.P.	3/1/2010	1	95	-	-
Miles Pointe Elderly, L.P.	8/16/2012	1	98	-	-
Faifax Intergenerational Housing, L.P.	10/22/2012	-	98	-	149,701
Garden Valley Housing Partnership IV, L.P.	12/17/2015	-	70	-	165,600
				\$ -	\$ 1,387,790

* Garden Valley Housing Partnership II, LP, has a fiscal year-end of November 30. Management believes there are no material transactions that would affect the financial position or results of operations of LIHTC Partnerships.

Bohn Tower Redevelopment, L.P.

On February 1, 2015, Bohn Tower entered into an Acquisition Funds Note (the Bohn Note) with CMHA in the amount of \$1,800,000 to lease its land and building. The Bohn Note is secured by a lease on the property, and accrues interest at a rate of 3.0% per annum. Any principal or interest payments are payable from surplus cash. The entire unpaid principal and interest are due on January 31, 2047, its maturity date. Due to the uncertainty of future principal and interest payments on the Bohn Note, interest will be expensed consistent with cash payments on the Bohn Note's interest. As of December 31, 2020, the outstanding balance of the note was \$1,800,000. As of December 31, 2020 the cumulative unrecorded and unpaid interest amounted to \$313,347.

On February 26, 2015, Bohn Tower entered into a 72-year lease agreement with CMHA totaling \$1,800,000 to lease the land and building. The ground lease was recorded pursuant to the Bohn Note with CMHA. Due to the uncertainty of future principal and interest payments on the Bohn Note, ground lease expense will be recorded consistent with principal payments on the Bohn Note. As of December 31, 2020, the ground lease was \$1,800,000. the year ended December 31, 2020; no lease expense was recorded.

Carver Park Phase I, L.P.

On September 8, 2016, Carver Park Phase I, LP (Carver Park) entered into two loan agreements (the Carver Notes) with CMHA in the amounts of \$7,000,000 and \$14,010,000. The Carver Notes are secured by the property, including improvements and tenant leases. The Carver Notes bear interest at a rate of 1.90% per annum. Principal and interest payments are subject to surplus cash. The entire unpaid principal and interest are due on September 1, 2061, its maturity date. Due to the uncertainty of future principal and interest payments on the Carver Notes, interest will be expensed consistent with cash payments on the Carver Notes' interest. As of December 31, 2020, the outstanding balance of the Carver Notes was \$21,010,000. As of December 31, 2020, the cumulative unrecorded and unpaid interest amounted to \$798,380.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

**NOTE 14 LEASE OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS
(CONTINUED)**

Carver Park Phase I, L.P. (Continued)

On September 8, 2016, Carver Park entered into a 75-year lease agreement with CMHA totaling \$21,010,000 to lease the property's land and building. The ground lease was recorded pursuant to the Carver Notes with CMHA. Due to the uncertainty of future principal and interest payments on the Carver Notes, ground lease expense will be recorded consistent with principal payments on the Carver Notes. As of December 31, 2020, the ground lease was \$21,010,000. No lease expense has been recorded for the year ended December 31, 2020.

Carver Park Phase II, L.P.

On May 1, 2018, Carver Park II entered into a Leasehold Acquisition Note (the Carver II Note) with CMHA in the amount of \$5,390,000 to lease its land and building. The Carver II Note is secured by a lease on the property, and accrues interest at a rate of 3.04% per annum. Any principal or interest payments are payable from surplus cash. The entire unpaid principal and interest are due on May 1, 2063, its maturity date. Due to the uncertainty of future principal and interest payments on the Carver II Note, interest will be expensed consistent with cash payments on the note's interest. As of December 31, 2020, the outstanding balance of the Carver II Note was \$5,390,000. As of December 31, 2020, the cumulative unrecorded and unpaid interest amounted to \$436,949

On May 1, 2018, Carver Park II entered into a 75-year lease agreement with CMHA totaling \$5,390,000 to lease the land and building. The ground lease was recorded pursuant to the Carver II Note with CMHA. Due to the uncertainty of future principal and interest payments on the Carver II Note, ground lease expense will be recorded consistent with principal payments on the Carver II Note. As of December 31, 2020, the ground lease was \$5,390,000. For the year ended December 31, 2020, no lease expense was recorded.

Riverside Park Phase II, L.P.

On March 26, 2019, Riverside Park Phase II, LP (Riverside Park II) entered into a Leasehold Acquisition Note (the Riverside II Note) with CMHA in the amount of \$12,950,000 to lease its land and building. The Riverside II Note is secured by a lease on the property, and accrues interest at a rate of 3.22% per annum. Any principal or interest payments are payable from surplus cash. The entire unpaid principal and interest are due on March 26, 2064, its maturity date. Due to the uncertainty of future principal and interest payments on the Riverside II Note, interest will be expensed consistent with cash payments on the note's interest. As of December 31, 2020, the outstanding balance of the Riverside II Note was \$12,950,000. As of December 31, 2020, the cumulative unrecorded and unpaid interest amounted to \$694,983.

On March 26, 2019, Riverside Park II entered into a 75-year lease agreement with CMHA totaling \$12,950,000 to lease the land and building. The ground lease was recorded pursuant to the Riverside II Note with CMHA. Due to the uncertainty of future principal and interest payments on the Riverside II Note, ground lease expense will be recorded consistent with principal payments on the Riverside II Note. As of December 31, 2020, the ground lease was \$12,950,000. For the year ended December 31, 2020, no lease expense was recorded.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

**NOTE 14 LEASE OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS
(CONTINUED)**

Riverside Park Phase III, L.P.

On March 31, 2020, Riverside Park III entered into a Leasehold Acquisition Note (the Riverside III Note) with CMHA in the amount of \$14,960,000 to lease its land and building. The Riverside III Note is secured by a lease on the property, and accrues interest at a rate of 4.05% per annum. Any principal or interest payments are payable from surplus cash. The entire unpaid principal and interest are due on March 31, 2065, its maturity date. Due to the uncertainty of future principal and interest payments on the Riverside III Note, interest will be expensed consistent with cash payments on the note's interest. As of December 31, 2020, the outstanding balance of the Riverside III Note was \$14,960,000. As of both December 31, 2020, the cumulative unrecorded and unpaid interest amounted to \$-0-.

On March 31, 2020, Riverside Park III entered into a 75-year lease agreement with CMHA totaling \$14,960,000 to lease the land and building. The ground lease was recorded pursuant to the Riverside III Note with CMHA. Due to the uncertainty of future principal and interest payments on the Riverside III Note, ground lease expense will be recorded consistent with principal payments on the Riverside II Note. As of December 31, 2020, the ground lease was \$14,960,000. For the year ended December 31, 2020, no lease expense was recorded.

Leased Vehicles

During 2020, WRRMC entered into a lease agreement with Enterprise Holdings, Inc. to lease vehicles for the LIHTC Partnerships. The term of the lease is four years. The lease is classified as an operating lease.

WRRMC recorded a right-of-use asset and a corresponding lease liability as summarized below. Due to the uncertainty of future principal and interest payments on the Notes, lease expense will be recorded consistent with principal payments on the Notes. The right-of-use assets are being amortized over the remaining noncancelable lease term. The right-of-use asset, right-of-use liability and lease expense, including interest are summarized below.

Partnership Name	Ground Lease	Vehicle Lease	Accumulated Amortization	Right of Use Lease Asset, Net	Right of Use Lease Liability, Net	Lease Expense
Riverside Park Homes, L.P.	\$ -	\$ 3,007	\$ (104)	\$ 2,903	\$ 2,903	\$ 104
Garden Valley Housing Partnership I, L.P.	468,350	21,980	(57,570)	432,760	19,256	7,654
Garden Valley Housing Partnership II, L.P.	300,300	15,647	(35,596)	280,351	13,900	4,908
Garden Valley Housing Partnership III, L.P.	426,000	18,718	(48,360)	396,358	16,399	6,803
Euclid-Lee Senior, L.P.	-	2,364	(256)	2,108	2,108	256
Miles Pointe Elderly, L.P.	-	1,285	(139)	1,146	1,146	139
Faifax Intergenerational Housing, L.P.	161,587	1,195	(13,665)	149,117	1,065	1,779
Bohn Tower Redevelopment, L.P.	1,800,000	5,548	(391)	1,805,157	1,805,157	391
Carver Park Phase I, L.P.	21,010,000	54,758	(4,302)	21,060,456	21,060,456	4,302
Carver Park Phase II, L.P.	5,390,000	39,373	(1,755)	5,427,618	5,427,618	402
Riverside Park Phase II, L.P.	12,950,000	7,570	(262)	12,957,308	12,957,308	262
Riverside Park Phase II, L.P.	14,960,000	7,760	(269)	14,967,491	14,967,491	269
Garden Valley Housing Partnership IV, L.P.	171,000	15,215	(9,047)	177,168	13,368	3,647
	<u>\$ 57,637,237</u>	<u>\$ 194,420</u>	<u>\$ (171,716)</u>	<u>\$ 57,659,941</u>	<u>\$ 56,288,175</u>	<u>\$ 30,916</u>

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

**NOTE 14 LEASE OBLIGATIONS – DISCRETELY PRESENTED COMPONENT UNITS
(CONTINUED)**

Because the lease payments related to the ground lease liabilities are subject to surplus cash, the timing of the payments is uncertain. Therefore, the liability is not considered payable in the next five years. Future minimum lease payments are as follows for the years ending December 31:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 87,411
2022	88,693
2023	416
2024	1,655
2025	-
Thereafter	56,110,000
Total	<u>\$ 56,288,175</u>

NOTE 15 LONG-TERM OBLIGATIONS

Changes in the Authority's long-term obligations for the year ended December 31, 2020 was as follows:

	<u>Business-Type Activities</u>				
	<u>January 1, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2020</u>	<u>Due Within One Year</u>
Long-Term Debt Obligations	\$ 54,795,564	\$ 21,273,917	\$ (21,467,664)	\$ 54,601,817	\$ 2,808,889
Workers' Compensation Liability	1,378,604	-	(400,000)	978,604	376,881
Compensated Absences	2,775,484	2,074,526	(1,675,447)	3,174,563	2,866,372
Other Noncurrent Liabilities	966,361	35,234	(394,265)	607,330	-
Total	<u>\$ 59,916,013</u>	<u>\$ 23,383,677</u>	<u>\$ (23,937,376)</u>	<u>\$ 59,362,314</u>	<u>\$ 6,052,142</u>

	<u>Discretely Presented Component Units</u>				
	<u>January 1, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>December 31, 2020</u>	<u>Due Within One Year</u>
Long-Term Debt Obligations	\$ 203,637,037	\$ 46,056,304	\$ (46,174,500)	\$ 203,518,841	\$ 8,345,663
Developer Fee Payable	20,867,706	-	-	20,867,706	-
Other Noncurrent Liabilities	2,342,920	3,030,854	(1,253,876)	4,119,898	-
Total	<u>\$ 226,847,663</u>	<u>\$ 49,087,158</u>	<u>\$ (47,428,376)</u>	<u>\$ 228,506,445</u>	<u>\$ 8,345,663</u>

NOTE 16 CONDUIT DEBT OBLIGATIONS

Conduit (no-commitment) debt obligations are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued and is therefore not reported on the balance sheet.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 16 CONDUIT DEBT OBLIGATIONS (CONTINUED)

As of December 31, 2020, CMHA has authorized the issuance of the following Multifamily Housing Revenue Bonds (MHRB) for the Partnerships listed below:

<u>Partnership Name</u>	<u>Original Date of Loan</u>	<u>Bond Name</u>	<u>Balance Outstanding at 12/31/2020</u>
Riverside Park Phase II, LP	3/20/2019	MHRB, Series 2019	\$ 26,000,000
Riverside Park Phase III, LP	3/1/2020	MHRB, Series 2020	35,000,000
			<u>\$ 61,000,000</u>

NOTE 17 RETIREMENT AND OTHER BENEFIT PLANS

Plan Description

The Authority contributes to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiemployer public employee retirement system, which administers three separate pension plans: the Traditional Pension Plan, the Combined Plan, and the Member-Directed Plan. All public employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are members of OPERS. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a publicly available, stand-alone financial report that includes financial statements, required supplemental information, and detailed information about OPERS' fiduciary net position. That report can be obtained on the OPERS website 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.

Benefits Provided

Traditional Pension Plan - The Traditional Pension Plan is a defined benefit plan in which a member's retirement benefits are calculated on a formula that considers years of service and final average salary. Pension benefits are funded by both member and employer contributions and investment earnings on those contributions.

The Combined Plan - The Combined Plan is a defined benefit plan with elements of a defined contribution plan. Under the Combined Plan, members earn a formula benefit similar to, but at a smaller factor than, the Traditional Pension Plan benefit. This plan is funded by employer contributions and associated investment earnings. Additionally, member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement or termination, the member may choose a defined contribution retirement distribution that is equal in amount to the member's contributions to the plan and investment earnings (or losses) on those contributions. Members may also elect to use their defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 17 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Benefits Provided (Continued)

The Member-Directed Plan - The Member-Directed Plan is a defined contribution plan in which members self-direct the investment of both member and employer contributions. The retirement distribution under this plan is equal to the sum of member and vested employer contributions, plus investment earnings (or losses) on those contributions. Employer contributions and associated investment earnings vest over a five-year period at a rate of 20% per year. Upon retirement or termination, the member may choose a defined contribution retirement distribution or may elect to use his or her defined contribution account balances to purchase a defined benefit annuity administered by OPERS.

Plan benefits, and any benefit increases, are established by legislature pursuant to Chapter 145 of the Ohio Revised Code. The board of trustees, pursuant to Chapter 145, has elected to maintain funds to provide healthcare coverage to eligible Traditional Pension and Combined Plan retirees and survivors of members. Healthcare coverage does not vest and is not required under Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the board.

Senate Bill (SB) 343 enacted into law new legislation 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. Members who were eligible to retire under law in effect prior to SB 343 or will be eligible to retire no later than five years after January 7, 2013 comprise transition Group A. Members who have 20 years of service credit prior to January 7, 2013, or will be eligible to retire no later than 10 years after January 7, 2013, are included in transition Group B. Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013.

Age and Service Defined Benefits - Benefits in the Traditional Pension Plan for members are calculated on the basis of age, final average salary, and service credit. 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:

Group A	Group B	Group C
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit of age 55 with 25 years for service credit	Age 60 with 60 months of service credit of age 55 with 25 years for service credit	Age 57 with 25 years of service credit of age 62 with 5 years for service credit
Formula:	Formula:	Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 17 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Benefits Provided (Continued)

The 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 an 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 benefit receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.

Benefits in the Combined Plan consist of both an age and service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, final average salary, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan.

The benefit formula for the defined benefit component of the plan for members in transition Groups A and B applies a factor of 1.0% to the member's final average salary for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's final average salary for the first 35 years of service and a factor of 1.25% is applied to years in excess of 35.

Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions, plus or minus any investment gains or losses on those contributions.

Defined Contribution Benefits - Defined contribution plan benefits are established in the plan documents, which may be amended by the board. The Member-Directed Plan and Combined Plan members who have met the eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan was discussed above. 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 member's contributions, vested employer contributions, and investment gains and losses resulting from the member's investment selections. Employer contributions and associated investment earnings vest over a five-year period at a rate of 20% each year.

At retirement, members may select one of several distribution options for payment of the vested balance of their individual OPERS accounts. Options include the purchase of a monthly annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of the entire account balance, net of taxes withheld, or a combination of these options. Additional information on other benefits available can be found in the OPERS CAFR.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 17 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Funding Policy

The OPERS funding policy provides for periodic employee and employer contributions to all three 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 OPERS' external actuary. All contribution rates were within the limits authorized by the Ohio Revised Code. Member and employer contribution rates, as a percent of covered payroll, were the same for each covered group across all three plans for the year ended December 31, 2019. Plan members were required to contribute 10% of covered payroll while the Authority's contribution rate was 14% of covered payroll. The Authority's contractually required contributions to OPERS were \$5,035,621 for the year ended December 31, 2020.

Net Pension Liability

The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. For reporting purposes, the Authority combined the amounts for both the Traditional and Combined plans, due to insignificance of the amounts that related to the Combined Plan.

The Authority reported a net pension liability of \$48,783,275 as its proportionate share of the Traditional Plan and a net pension asset of \$559,241 as its proportionate share for the Combined Plan. The Authority's proportion was 0.246808% for the Traditional Plan and 0.268190% for the Combined Plan.

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

For the year ended December 31, 2020, the Authority recognized pension expense of \$8,040,938. At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference Between Expected and Actual Experience	\$ -	\$ (748,088)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(9,803,703)
Change in Assumptions	2,663,261	-
Contributions Subsequent to Measurements Date	4,900,161	-
Change in Proportionate Share	103,999	(2,925,563)
Total	<u>\$ 7,667,421</u>	<u>\$ (13,477,354)</u>

(1) - Information provided by OPERS

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 17 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

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

The \$4,900,161 reported deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense</u>
2021	\$ (3,501,121)
2022	(3,739,825)
2023	399,617
2024	(3,892,477)
2025	6,306
Thereafter	17,406
Total	<u>\$ (10,710,094)</u>

Actuarial Assumptions

Total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date:	December 31, 2019
Actuarial cost method:	Individual entry age
Cost-of-living adjustments:	3.00% through 2018, then 2.15%
Wage Inflation:	3.25%
Investment rate of return:	7.20%
Experience study date:	Period of 5 years ended December 31, 2015
Mortality basis:	RP-2014 Healthy Annuitant Mortality Table

Discount Rate

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

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 class.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 17 RETIREMENT AND OTHER BENEFIT PLANS (CONTINUED)

Investment Rate of Return (Continued)

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 arithmetic real rates of return as of the December 31, 2019 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the table below:

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

Sensitivity of the Authority's Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following table represents the Authority's proportionate share of net pension liability at the 7.20% discount rate as well as the sensitivity to a 1.00% increase and a 1.00% decrease in the current discount rate:

		1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Traditional Plan	Authority's Proportionate Share of the Net Pension Liability	\$ 80,459,408	\$ 48,783,275	\$ 20,307,362
Combined and Member-Directed Plan	Authority's Proportionate Share of the Net Pension Asset	(337,919)	(559,241)	(718,749)

Source: OPERS 2019 CAFR multiplied by Authority's proportionate share

Assumption Changes

During the current measurement period, the OPERS board adopted certain assumption changes, which impacted its annual actuarial valuation prepared as of December 31, 2017. The most significant change is a reduction in the discount rate from 7.50% to 7.20%, which increased the Authority's respective net pension liability.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 18 POST-EMPLOYMENT BENEFITS

Plan Description

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 a health reimbursement arrangement (HRA). In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (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 Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts (RMA) for participants of 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. The 115 Trust is now the funding vehicle for all health care plans.

The health care plans funded through the 115 Trust are reported as other postemployment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). The plans are cost-sharing, multiple employer plans. Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options has changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Upon termination or retirement, Member-Directed Plan participants can use vested RMA funds for reimbursement of qualified medical expenses. Members who elect the Member-Directed Plan after July 1, 2015 will vest over 15 years at a rate of 10% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest over a five-year period at a rate of 20% per year. 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. Health care coverage is neither guaranteed nor statutorily required.

Participants in the Member-Directed Plan are not eligible for the health care coverage offered to benefit recipients in the Traditional Pension Plan and Combined Plan. A portion of employer contributions for these participants is allocated to a RMA, previously funded through the VEBA Trust established under IRC 501(c)(9). As previously noted, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Trust on July 1, 2016. Upon separation or retirement, participants may be reimbursed for qualified medical expenses from their RMA funds, now funded through the 115 Trust.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 18 POST-EMPLOYMENT BENEFITS (CONTINUED)

Funding Policy

With the assistance of the System's actuary and Board approval, a portion of each employer's contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 0.0% for 2019. The employer contribution as a percent of covered payroll deposited for RMA participants in the Member-Directed Plan for 2019 was 4.0%.

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

As of December 31, 2020, the Authority reported a liability of \$33,798,047 for its proportionate share of the net OPEB liability. The net OPEB was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The Authority's proportion of the net OPEB liability was based on a projection of the Authority's share of contributions to the retirement system relative to the contributions of all participating entities. At December 31, 2019, the Authority's proportion was 0.244690% of the total net OPEB liability.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference Between Expected and Actual Experience	\$ 907	\$ (3,090,986)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	(1,720,989)
Change in Assumptions	5,349,872	-
Change in Proportionate Share	-	(1,854,323)
	<u>\$ 5,350,779</u>	<u>\$ (6,666,298)</u>

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ (565,422)
2022	(16,070)
2023	1,370
2024	(735,397)
Total	<u>\$ (1,315,519)</u>

Actuarial Assumptions – OPERS

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

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 18 POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions – OPERS (Continued)

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 health care costs for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

Valuation date:	December 31, 2018 (rolled forward to December 31, 2019)
Actuarial cost method:	Individual entry age normal
Wage Inflation :	3.25%
Projected Salary Increases	3.25%-10.75% (includes wage inflation at 3.25%)
Health Care Cost Trend Rate	10.50% initial, 3.50% ultimate in 2030
Investment rate of return:	6.00%
Experience study date:	Period of five years ended December 31, 2015
Mortality basis:	RP-2014 Healthy Annuitant Mortality Table

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006.

The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables. The table below displays the approved asset allocation for 2018 and the long-term expected real rates of return:

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

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 18 POST-EMPLOYMENT BENEFITS (CONTINUED)

Discount Rate

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

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the Authority's proportionate share of the net OPEB liability calculated using the current period discount rate assumption of 3.16%, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.16%) or one-percentage-point higher (4.16%) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
Net OPEB Liability	\$ 44,230,164	\$ 33,798,047	\$ 25,445,313

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease (2.50%)	Current Health Care Cost Trend Rate (3.50%)	1% Increase (4.50%)
Net OPEB Liability	\$ 32,800,695	\$ 33,798,047	\$ 34,782,684

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 18 POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPERS CAFR.

NOTE 19 INSURANCE COVERAGE AND RISK RETENTION

The Authority adheres to a Risk Management Policy adopted by the board of commissioners that seeks to incorporate risk management principles into the management and operation of business activities and through purposefully making risk management a valued aspect of the organization. The Executive Team oversees the Authority's implementation of an effective system of risk management, compliance and control through purposefully integrating risk principles with business decisions. These principles include value creation, continuous improvement, transparency, inclusiveness, responsiveness to change, and explicit consideration of uncertainty. The Office of Legal Affairs/Risk Management is responsible for serving as the lead resource for the Authority's risk program and acting as a consultant to all constituent groups. This is accomplished by developing consensus with leadership to reduce exposures and losses, reviewing the effectiveness of existing risk management practices, controls, and compliance systems, and through crafting innovative approaches to manage the Authority's risks.

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

The Authority is a member of HARRG, which is a risk retention group operated as a joint venture by its more than 1,000 public housing authority members. Through HARRG, the Authority carries \$5,000,000 of general liability coverage, with a \$25,000 deductible, and \$2,000,000 of public officials' liability coverage, with a \$25,000 deductible.

The Authority is also a member of HAPI, which is a property insurance group operated as a joint venture by its more than 1,000 public housing authority members. Through HAPI, the Authority carries coverage with a per occurrence loss limit of \$100,000,000 and with a \$10,000 deductible.

The Authority's commercial automobile coverage includes liability insurance with a combined single limit of \$2,000,000 per accident with a \$1,000 deductible. The Authority is self-insured for the following risks:

Workers' Compensation Benefits—The Authority is self-insured for workers' compensation benefits provided to its employees. An excess liability policy provides coverage for individual claims that are greater than \$500,000 per individual occurrence with a \$10,000,000 limit in the aggregate. The Authority has recorded a \$1,116,511 liability for self-insured workers' compensation claims in its Central Office Cost Center and is fully funded at December 31, 2020. \$137,907 of this amount is recorded as a current liability in accrued expenses on the Statement of Net Position, while the remaining \$978,604 is reported as a noncurrent liability.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 19 INSURANCE COVERAGE AND RISK RETENTION (CONTINUED)

The changes in the Authority's self-insured funds' unpaid claims liability in fiscal years 2020, 2019 and 2018 are presented below:

	Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payouts	End of Year	Expected Amount Due Within One Year
2020	\$ 1,378,604	\$ (115,352)	\$ (146,741)	\$ 1,116,511	\$ 400,000
2019	1,231,141	226,784	(79,321)	1,378,604	400,000
2018	1,949,300	(128,615)	(401,790)	1,418,895	800,000

The liabilities above represent the Authority's best estimates based upon available information and include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic factors. The Authority strictly adheres to a Risk Control Work Plan policy that incorporates nine standards for risk management. The policy, passed by resolution of the Board of Commissioners and supported by HARRG, seeks to implement risk management activities that include the assignment of a full time risk control administrator, establishment of an active risk control committee, together with a formal self-inspection and preventive maintenance program. Other standards include conducting on-site risk control training and education, the development of emergency action plans and property conservation programs, and the establishment of an accident and incident investigation program. During 2020, there were no significant reductions in the Authority's insurance coverage.

Settled claims have not exceeded the Authority's insurance coverage in any of the past three years.

NOTE 20 CONTINGENCIES

The Authority is a defendant in several lawsuits, including construction claims. Where possible, estimates have been made and reflected in the financial statements for the effect, if any, of such contingencies. The ultimate outcome of these matters is not presently determinable.

NOTE 21 COMMITMENTS – BUSINESS-TYPE ACTIVITIES

In 2018, the Authority entered into a three year agreement to purchase retail electric services in an amount not to exceed \$15,000,000.

In 2019 the Authority entered into a five year put contract to purchase retail electric service from 2022 through 2026 in an amount not to exceed \$25,000,000.

Construction Commitments

Project Type	
Elevators	\$ 3,994,242
Fire Alarms	2,068,139
Envelope Repairs	2,444,547
Total Construction Commitments	<u>\$ 8,506,928</u>

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 22 RESTRICTED NET POSITION – BUSINESS-TYPE ACTIVITIES AND DISCRETELY PRESENTED COMPONENT UNITS

Below is a summary of restricted net position at December 31, 2020:

	Business-Type Activities	Discretely Presented Component Units
Nonroutine Maintenance and Debt Service Reserves	\$ 8,736,573	\$ -
Restricted Reserves and Deposits	-	7,685,913
Restricted Funds Held by Third Party	2,457,588	-
Mainstream Voucher Restricted Reserves	219,374	-
Section 8 Moderate Rehabilitation Reserves	318,289	-
Investments and Bond Funds	1,080,665	-
Other	129,922	-
Total Restricted Net Position at December 31, 2020	\$ 12,942,411	\$ 7,685,913

NOTE 23 VULNERABILITY TO COVID-19

The spread of novel strain of coronavirus (COVID-19) which began in the first quarter of 2020 has caused significant volatility in U.S. markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the Authority's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact of residents, employees, and vendors, all of which are uncertain and cannot be determined at this time.

NOTE 24 SUBSEQUENT EVENTS

On May 1, 2021, CMHA issued \$32,000,000 in General Revenue Refunding Bonds, Series 2021, to finance the 2045 Initiative by providing access to capital to fund the conversion activities for various developments.

NOTE 25 FUTURE ACCOUNTING PRONOUNCEMENTS

GASB routinely issues standard that will become effective in future years and may have an impact on future financial statements of the Authority. Management is currently evaluating the specific impact of these Standards.

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 26 BLENDED COMBINING SCHEDULE

Western Reserve Revitalization and Management Company, Inc.											
Western Reserve Revitalization and Management Company, Inc.	1701 Holdings, LLC	Severance Redevelopment LLC	Ambleside Redevelopment LLC	Quarrytown Redevelopment LLC	Riverside Park Homes LP	Cuyahoga Housing and Development Inc.	Eliminations	Total Blended	Primary Government	Total	
ASSETS AND DEFERRED OUTFLOWS											
Current Assets	\$ 5,584,938	\$ 39,230	\$ 1,522,102	\$ 1,534,873	\$ 1,304,077	\$ 2,777,385	\$ -	\$ -	\$ 12,762,605	\$ 60,248,039	\$ 73,010,644
Capital Assets	11,082,521	805,626	4,832,925	3,386,177	3,987,449	11,327,177	-	-	35,421,875	119,832,717	155,254,592
Other Assets	41,206,138	-	56,395	6,878	36,381	16,646	7,773,213	(10,750,639)	38,345,012	85,190,507	123,535,519
Deferred Outflow of Resources	-	-	-	-	-	-	-	-	-	13,018,200	13,018,200
Total Assets and Deferred Outflows	\$ 57,873,597	\$ 844,856	\$ 6,411,422	\$ 4,927,928	\$ 5,327,907	\$ 14,121,208	\$ 7,773,213	\$ (10,750,639)	\$ 86,529,492	\$ 278,289,463	\$ 364,818,955
LIABILITIES, DEFERRED INFLOWS AND NET POSITION											
Current Liabilities	\$ 1,350,509	\$ 675,695	\$ 360,487	\$ 365,403	\$ 612,795	\$ 787,064	\$ -	\$ -	\$ 4,151,953	\$ 29,369,892	\$ 33,521,845
Noncurrent Liabilities	9,494,429	-	5,237,122	5,804,768	3,544,157	2,290,996	-	-	26,371,472	109,896,903	136,268,375
Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	20,143,652	20,143,652
Net Position	47,028,659	169,161	813,813	(1,242,243)	1,170,955	11,043,148	7,773,213	(10,750,639)	56,006,067	118,879,016	174,885,083
Total Liabilities, Deferred Inflows & Net Position	\$ 57,873,597	\$ 844,856	\$ 6,411,422	\$ 4,927,928	\$ 5,327,907	\$ 14,121,208	\$ 7,773,213	\$ (10,750,639)	\$ 86,529,492	\$ 278,289,463	\$ 364,818,955
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION											
Operating Revenues	\$ 9,396,037	\$ 220,000	\$ 2,236,828	\$ 2,371,227	\$ 1,553,837	\$ 496,782	\$ -	\$ -	\$ 16,274,711	\$ 223,363,207	\$ 239,637,918
Operating Expenses	(4,204,004)	(143,621)	(1,455,656)	(1,714,129)	(1,291,793)	(1,472,294)	-	-	(10,281,497)	(220,372,874)	(230,654,371)
Operating Income (Loss)	5,192,033	76,379	781,172	657,098	262,044	(975,512)	-	-	5,993,214	2,990,333	8,983,547
Nonoperating Revenues	4,727	-	798	1,665	256,735	880	-	-	264,805	13,352,175	13,616,980
Nonoperating Expenses	-	-	(505,831)	(453,834)	(686,782)	(46,660)	-	-	(1,693,107)	(660,470)	(2,353,577)
Change in Net Position	5,196,760	76,379	276,139	204,929	(168,003)	(1,021,292)	-	-	4,564,912	15,682,038	20,246,950
Beginning Net Position	41,463,899	92,782	737,674	(1,279,172)	1,338,958	-	7,773,213	-	50,127,354	103,196,978	153,324,332
Capital Contributions (Distributions)	368,000	-	(200,000)	(168,000)	-	-	-	-	-	-	-
Prior Period Adjustment/Equity Transfer	-	-	-	-	-	12,064,440	-	(10,750,639)	1,313,801	-	1,313,801
Ending Net Position	\$ 47,028,659	\$ 169,161	\$ 813,813	\$ (1,242,243)	\$ 1,170,955	\$ 11,043,148	\$ 7,773,213	\$ (10,750,639)	\$ 56,006,067	\$ 118,879,016	\$ 174,885,083
CASH FLOWS											
Net Cash Provided (Used) By											
Operating Activities	\$ 1,683,134	\$ 307,324	\$ 475,051	\$ 246,498	\$ 51,480	\$ (372,364)	\$ -	\$ -	\$ 2,391,123	\$ 25,749,770	\$ 28,140,893
Investing Activities	(8,685)	-	-	(41,500)	299,108	(130,190)	-	-	118,733	(318,859)	(200,126)
Financing Activities	1,083,273	(285,166)	(290,201)	(270,784)	(61,444)	2,325,684	-	-	2,501,362	(5,922,842)	(3,421,480)
Net Increase (Decrease) in Cash	2,757,722	22,158	184,850	(65,786)	289,144	1,823,130	-	-	5,011,218	19,508,069	24,519,287
Cash and Cash Equivalents - Beginning of Year	2,159,209	17,072	1,236,729	1,491,197	982,824	926,853	-	-	6,813,884	33,988,128	40,802,012
Cash and Cash Equivalents - End of Year	\$ 4,916,931	\$ 39,230	\$ 1,421,579	\$ 1,425,411	\$ 1,271,968	\$ 2,749,983	\$ -	\$ -	\$ 11,825,102	\$ 53,496,197	\$ 65,321,299

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 27 DISCRETELY PRESENTED COMPONENT UNIT COMBINING SCHEDULE

	Riverside Park Homes, LP	Garden Valley Housing Partnership I, LP	Garden Valley Housing Partnership II, LP	Garden Valley Housing Partnership III, LP	Garden Valley Housing Partnership IV, LP	Euclid-Lee Senior, LP	Miles Point Elderly, LP
ASSETS							
Current Assets	\$ -	\$ 1,567,936	\$ 876,784	\$ 1,041,657	\$ 926,875	\$ 720,345	\$ 214,391
Capital Assets	-	14,086,309	8,399,533	15,063,426	10,672,182	14,687,440	7,721,128
Other Assets	-	557,174	406,444	597,357	522,579	52,306	58,356
Total Assets	\$ -	\$ 16,211,419	\$ 9,682,761	\$ 16,702,440	\$ 12,121,636	\$ 15,460,091	\$ 7,993,875
Current Liabilities	\$ -	\$ 207,559	\$ 172,603	\$ 116,045	\$ 125,463	\$ 94,055	\$ 79,610
Noncurrent Liabilities	-	16,824,661	10,223,308	16,772,703	9,184,536	13,369,100	3,118,372
Total Liabilities	-	17,032,220	10,395,911	16,888,748	9,309,999	13,463,155	3,197,982
Net Position	-	(820,801)	(713,150)	(186,308)	2,811,637	1,996,936	4,795,893
Total Liabilities & Net Position	\$ -	\$ 16,211,419	\$ 9,682,761	\$ 16,702,440	\$ 12,121,636	\$ 15,460,091	\$ 7,993,875
Operating Revenues	\$ 253,348	\$ 934,128	\$ 436,435	\$ 817,397	\$ 575,545	\$ 597,704	\$ 315,177
Operating Expenses	(441,526)	(1,325,639)	(1,034,306)	(1,346,200)	(773,757)	(1,096,713)	(608,478)
Operating Income (Loss)	\$ (188,178)	\$ (391,511)	\$ (597,871)	\$ (528,803)	\$ (198,212)	\$ (499,009)	\$ (293,301)
Nonoperating Revenues	\$ -	\$ 1,636	\$ 588	\$ 843	\$ 550	\$ 585	\$ 293,051
Nonoperating Expenses	-	(83,883)	(21,746)	(3,866)	(120,186)	(40,291)	(21,958)
Income (Loss) Before Capital Contributions	(188,178)	(473,758)	(619,029)	(531,826)	(317,848)	(538,715)	(22,208)
Capital Contributions/Syndication Costs	-	-	-	-	485,078	499,792	109,564
Equity Transfer to Authority	(12,064,440)	-	-	-	-	-	-
Beginning Net Position	12,252,618	(347,043)	(94,121)	345,518	2,644,407	2,035,859	4,708,537
Ending Net Position	\$ -	\$ (820,801)	\$ (713,150)	\$ (186,308)	\$ 2,811,637	\$ 1,996,936	\$ 4,795,893

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 26 DISCRETELY PRESENTED COMPONENT UNIT COMBINING SCHEDULE (CONTINUED)

	Fairfax Intergenerational Housing, LP	Bohn Tower Redevelopment, LP	Carver Park I, LP	Carver Park II, LP	Riverside Park Phase II, LP	Riverside Park Phase III, LP	Total
ASSETS							
Current Assets	\$ 497,457	\$ 1,506,683	\$ 3,163,262	\$ 849,248	\$ 28,680,626	\$ 38,960,866	\$ 79,006,130
Capital Assets	9,669,548	20,804,186	31,471,725	16,046,833	35,369,413	16,706,630	200,698,353
Other Assets	212,830	2,326,322	21,955,782	5,764,670	13,915,772	15,906,525	62,276,117
Total Assets	\$ 10,379,835	\$ 24,637,191	\$ 56,590,769	\$ 22,660,751	\$ 77,965,811	\$ 71,574,021	\$ 341,980,600
Current Liabilities	\$ 126,100	\$ 638,203	\$ 597,244	\$ 184,499	\$ 11,107,026	\$ 4,500,425	\$ 17,948,832
Noncurrent Liabilities	7,357,276	17,695,156	39,589,844	16,812,240	63,668,777	61,832,984	276,448,957
Total Liabilities	7,483,376	18,333,359	40,187,088	16,996,739	74,775,803	66,333,409	228,064,380
Net Position	2,896,459	6,303,832	16,403,681	5,664,012	3,190,008	5,240,612	47,582,811
Total Liabilities & Net Position	\$ 10,379,835	\$ 24,637,191	\$ 56,590,769	\$ 22,660,751	\$ 77,965,811	\$ 71,574,021	\$ 275,647,191
Operating Revenues	\$ 436,438	\$ 2,701,577	\$ 3,611,705	\$ 824,667	\$ 2,119,873	\$ 1,270,666	\$ 14,894,660
Operating Expenses	(793,093)	(2,396,855)	(3,511,496)	(1,361,762)	(1,775,092)	(1,015,736)	(17,480,653)
Operating Income (Loss)	\$ (356,655)	\$ 304,722	\$ 100,209	\$ (537,095)	\$ 344,781	\$ 254,930	\$ (2,585,993)
Nonoperating Revenues	\$ 718	\$ 833	\$ 4,135	\$ 87,119	\$ 492	\$ 494,005	\$ 884,555
Nonoperating Expenses	(58,871)	(476,011)	(492,305)	(575,882)	(1,380,231)	(133,888)	(3,409,118)
Income (Loss) Before Capital Contributions	(414,808)	(170,456)	(387,961)	(1,025,858)	(1,034,958)	615,047	(5,110,556)
Capital Contributions/Syndication Costs	261,107	-	-	5,602,430	-	4,625,565	11,583,536
Beginning Net Position	3,050,160	6,474,288	16,791,642	1,087,440	4,224,966	-	53,174,271
Ending Net Position	\$ 2,896,459	\$ 6,303,832	\$ 16,403,681	\$ 5,664,012	\$ 3,190,008	\$ 5,240,612	\$ 47,582,811

REQUIRED SUPPLEMENTARY INFORMATION

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS (1)(2)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Authority's Proportion of the Net Pension Liability							
Traditional Plan	0.246808%	0.259005%	0.283163%	0.317163%	0.308500%	0.312972%	0.312972%
Combined Plan	0.268190%	0.322611%	0.362293%	0.404353%	0.427760%	0.377704%	0.377704%
Authority's Proportionate Share of the Net Pension Liability (Asset), Net	\$ 33,798,047	\$ 70,575,466	\$ 43,929,587	\$ 71,797,274	\$ 53,436,109	\$ 37,602,496	\$ 36,855,689
Authority's Covered Payroll (3)	\$ 38,068,823	\$ 38,068,823	\$ 40,722,840	\$ 44,241,700	\$ 40,192,267	\$ 39,751,167	\$ 40,473,923
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	88.78%	185.39%	107.87%	162.28%	132.95%	94.59%	91.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability							
Traditional Plan	74.70%	74.70%	77.25%	77.25%	81.08%	86.45%	86.36%
Combined Plan	126.64%	126.64%	116.55%	116.55%	116.90%	114.83%	104.56%

Source: OPERS information with exception of covered payroll which was derived from the Authority's financial records.

(1) Information presented based on fiscal years ended December 31.

(2) Information prior to 2013 is not available.

(3) Covered payroll broken down by plan (Traditional vs. Combined) was not available.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contributions (2)	\$ 5,035,621	\$ 5,169,488	\$ 5,229,361	\$ 5,580,777	\$ 5,309,004	\$ 4,823,072	\$ 4,770,140	\$ 5,261,610
Contributions in Relation to the Contractually Required Contributions	<u>(5,035,621)</u>	<u>(5,169,488)</u>	<u>(5,229,361)</u>	<u>(5,580,777)</u>	<u>(5,309,004)</u>	<u>(4,823,072)</u>	<u>(4,770,140)</u>	<u>(5,261,610)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority Covered Payroll	\$ 38,068,823	\$ 38,068,823	\$ 43,578,011	\$ 46,506,475	\$ 44,241,700	\$ 40,192,267	\$ 39,751,167	\$ 40,473,923
Contributions as a Percentage of Covered Payroll	13.23%	13.58%	12.00%	12.00%	12.00%	12.00%	12.00%	13.00%

Source: Authority's financial records.

(1) Represents employer's calendar year. Information prior to 2013 was not practically available. The Authority will continue to present information for years available until a full ten-year trend is compiled.

(2) Information broken down by plan type (Traditional vs. Combined) was not available.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
FOR THE FISCAL YEAR ENDED DECEMBER 31**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability	0.24469%	0.25752%	0.28142%
Authority's Proportionate Share of the Net OPEB Liability	\$ 33,798,047	\$ 33,574,529	\$ 30,560,105
Authority's Covered-Employee Payroll	\$ 38,068,823	\$ 37,989,750	\$ 37,989,750
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	88.78%	88.38%	80.44%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%

Source: OPERS information with exception of covered employee payroll which was derived from the Authority's financial records.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS
DECEMBER 31, 2019**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contributions	\$ 59,504	\$ 41,919	\$ 39,675
Contributions in Relation to the Contractually Required Contributions	<u>59,504</u>	<u>41,919</u>	<u>39,675</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority Covered-Employee Payroll	\$ 38,068,823	\$ 37,989,750	\$ 37,989,750
Contributions as a Percentage of Covered-Employee Payroll	0.16%	0.11%	0.10%

Source: OPERS decides on the allocation of contributions to the OPEB plan after contributions are collected from CMHA. This amount was taken from the Schedule of Employer Allocations - Defined Benefit -Pension and is reported in the Contributions Subsequent to Measurement Date for the Pension Plan.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020**

NOTE 1 PRESENTATION

Ohio Public Employees Retirement System (OPERS) Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2018.

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

SUPPLEMENTARY INFORMATION

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET
DECEMBER 31, 2020**

Line Item#	Accounts Description	Project Total	CARES Act LIPH	Multifamily Property Disposition	ROSS	HCVP	CARES Act HCVP	Mainstream Vouchers	CARES Act Mainstream Vouchers	Blended Component Unit
CURRENT ASSETS										
Cash:										
111	Unrestricted	\$ 27,034,851	\$ -	\$ -	\$ 2,539	\$ 9,105,303	\$ -	\$ -	\$ -	\$ 3,307,561
112	Restricted - modernization and development	2,459,132	-	-	-	-	-	-	-	-
113	Other restricted	119,340	1,010,828	-	-	507,130	500,643	219,374	5,000	8,736,573
114	Tenant security deposits	1,214,001	-	-	-	-	-	-	-	158,494
100	Total cash	30,827,324	1,010,828	-	2,539	9,612,433	500,643	219,374	5,000	12,202,628
Accounts and notes receivable:										
122	HUD other projects	1,107,670	-	-	29,605	297,100	-	-	-	-
125	Miscellaneous	61,021	-	-	-	476,245	-	-	-	329,331
126	Tenants	1,826,401	-	-	-	-	-	-	-	7,068
126.1	Allowance for doubtful accounts - tenants	(1,320,802)	-	-	-	-	-	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	(144,834)	-	-	-	-
127	Notes, loans, & mortgages receivable - current	22,487	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	46,994	-	2,448	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	(46,994)	-	(2,448)	-	-
129	Accrued interest receivable	44,683	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for uncollectibles	1,741,460	-	-	29,605	628,511	-	-	-	336,399
132	Investments - restricted	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	159,329	-	-	59	202,071	-	-	-	223,578
143	Inventories	-	-	-	-	-	-	-	-	-
144	Inter-program - due from	-	-	-	-	-	-	-	-	-
150	Total current assets	32,728,113	1,010,828	-	32,203	10,443,015	500,643	219,374	5,000	12,762,605
NONCURRENT ASSETS										
Fixed assets:										
161	Land	22,339,922	-	-	-	-	-	-	-	-
162	Buildings	602,784,586	-	-	-	-	-	-	-	57,764,449
163	Furniture, equipment & mach - dwellings	16,922,994	-	-	-	-	-	-	-	1,559,098
164	Furniture, equipment & mach - admin.	16,259	-	-	-	1,159,873	-	-	-	-
165	Leasehold Improvements	392,296	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(569,126,650)	-	-	-	(1,128,128)	-	-	-	(24,521,692)
167	Construction in progress	11,466,923	-	-	-	-	-	-	-	620,020
160	Total fixed assets, net of accumulated depreciation	84,796,330	-	-	-	31,745	-	-	-	35,421,875
171	Notes, loans and mortgages receivable-noncurrent	59,781,603	-	1,400,000	-	-	-	-	-	11,883,212
174	Other assets	363,228	-	-	-	60,789	-	-	-	24,280,255
176	Investments in Joint Ventures	-	-	-	-	-	-	-	-	2,181,545
180	Total noncurrent assets	144,941,161	-	1,400,000	-	92,534	-	-	-	73,766,887
200	Deferred Outflow of Resources	8,455,322	-	-	-	1,415,079	-	-	-	-
290	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 186,124,596	\$ 1,010,828	\$ 1,400,000	\$ 32,203	\$ 11,950,628	\$ 500,643	\$ 219,374	\$ 5,000	\$ 86,529,492

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2020**

Line Item#	Accounts Description	HOPE VI	Sect 8 NC/SR Programs	2 State/Local	Business Activities	Sect 8 Mod Rehab	COCC	CARES Act COCC	Elimination	Total Entity	Discretely Presented Component Unit
CURRENT ASSETS											
Cash:											
111	Unrestricted	\$ -	\$ -	\$ 191,228	\$ 4,230,307	\$ -	\$ 4,613,786	\$ -	\$ -	\$ 48,485,575	\$ 7,379,331
112	Restricted - modernization and development	-	-	-	-	-	-	-	-	2,459,132	-
113	Other restricted	-	-	15,459	489,853	318,289	1,080,665	-	-	13,003,154	7,673,918
114	Tenant security deposits	-	-	-	943	-	-	-	-	1,373,438	269,096
100	Total cash	-	-	206,687	4,721,103	318,289	5,694,451	-	-	65,321,299	15,322,345
Accounts and notes receivable:											
122	HUD other projects	-	-	-	-	2,510	-	-	-	1,436,885	1,016,824
125	Miscellaneous	-	-	90,412	15,305	-	200,315	-	-	1,172,629	203,988
126	Tenants	-	-	-	220	-	-	-	-	1,833,689	126,671
126.1	Allowance for doubtful accounts - tenants	-	-	-	(57)	-	-	-	-	(1,320,859)	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	(144,834)	-
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	508,630	-	(508,630)	22,487	-
128	Fraud recovery	-	-	-	-	-	-	-	-	49,442	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	(49,442)	-
129	Accrued interest receivable	-	-	-	3,357,086	-	1,582	-	-	3,403,351	-
120	Total receivables, net of allowances for uncollectibles	-	-	90,412	3,372,554	2,510	710,527	-	(508,630)	6,403,348	1,347,483
132	Investments - restricted	-	-	-	-	-	-	-	-	-	61,781,649
142	Prepaid expenses and other assets	-	-	-	-	-	263,934	-	-	848,971	554,653
143	Inventories	-	-	-	-	-	188,995	248,031	-	437,026	-
144	Inter-program - due from	-	-	-	-	-	18,893	-	(18,893)	-	-
150	Total current assets	-	-	297,099	8,093,657	320,799	6,876,800	248,031	(527,523)	73,010,644	79,006,130
NONCURRENT ASSETS											
Fixed assets:											
161	Land	-	620,597	-	2,757,644	-	4,910,053	-	-	30,628,216	-
162	Buildings	-	-	-	26,685,517	-	3,227,423	-	-	690,461,975	203,574,744
163	Furniture, equipment & mach - dwellings	-	-	-	382,763	-	-	-	-	18,864,855	2,716,818
164	Furniture, equipment & mach - admin.	-	-	-	-	-	6,431,375	-	-	7,607,507	-
165	Leasehold Improvement	-	-	-	-	-	-	-	-	392,296	15,497,015
166	Accumulated depreciation	-	-	-	(954,312)	-	(9,056,418)	-	-	(604,787,200)	(37,796,854)
167	Construction in progress	-	-	-	-	-	-	-	-	12,086,943	16,706,630
160	Total fixed assets, net of accumulated depreciation	-	620,597	-	28,871,612	-	5,512,433	-	-	155,254,592	200,698,353
171	Notes, loans and mortgages receivable - noncurrent	-	-	-	21,414,918	-	8,985,799	-	(8,985,799)	94,479,733	-
174	Other assets	-	-	-	103,124	-	2,169,969	-	(103,124)	26,874,241	62,276,117
176	Investments in Joint Ventures	-	-	-	-	-	-	-	-	2,181,545	-
180	Total noncurrent assets	-	620,597	-	50,389,654	-	16,668,201	-	(9,088,923)	278,790,111	262,974,470
200	Deferred Outflow of Resources	-	-	-	-	-	3,147,799	-	-	13,018,200	-
290	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 620,597	\$ 297,099	\$ 58,483,311	\$ 320,799	\$ 26,692,800	\$ 248,031	\$ (9,616,446)	\$ 364,818,955	\$ 341,980,600

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2020**

Line Item#	Accounts Description	Project Total	CARES Act LIPH	Multifamily Property Disposition	ROSS	HCVP	CARES Act HCVP	Mainstream Vouchers	CARES Act Mainstream Vouchers	Blended Component Unit
CURRENT LIABILITIES										
312	Accounts payable <= 90 days	\$ 5,095,271	\$ -	\$ -	\$ 1,167	\$ 245,334	\$ -	\$ -	\$ -	\$ 3,401,835
321	Accrued wage/payroll taxes payable	961,759	-	-	12,130	180,402	-	-	-	200,384
322	Accrued compensated absences - current	1,475,220	-	-	-	211,941	-	-	-	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	259,151	-	-	-	-	-	-	-	72,434
331	Accounts payable - HUD	-	-	-	-	2,626	-	-	-	-
341	Tenant security deposits	1,179,612	-	-	-	-	-	-	-	152,633
342	Unearned revenues	1,067,112	1,010,828	-	-	-	500,643	-	5,000	-
343	Current portion of LT debt - capital projects	1,923,489	-	-	-	-	-	-	-	310,400
344	Current portion of LT debt- Operating	-	-	-	-	-	-	-	-	508,630
345	Other current liabilities	369	-	-	-	-	-	-	-	11,267
346	Other liabilities	2,710,353	-	-	-	471,289	-	-	-	3,000
347	Interprogram - due to	-	-	-	18,893	-	-	-	-	-
310	Total current liabilities	14,672,336	1,010,828	-	32,190	1,111,592	500,643	-	5,000	4,660,583
NONCURRENT LIABILITIES										
351	Long-term debt, net of current - capital	17,346,281	-	-	-	-	-	-	-	16,785,753
352	Long-term debt, net of current - operating	-	-	-	-	-	-	-	-	8,985,799
353	Noncurrent liabilities - other	548,950	-	-	-	494,704	-	-	-	91,290
354	Accrued compensated absences - noncurrent	181,744	-	-	-	17,867	-	-	-	-
355	Loan Liability - Noncurrent	-	-	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	53,636,570	-	-	-	8,976,589	-	-	-	-
350	Total noncurrent liabilities	71,713,545	-	-	-	9,489,160	-	-	-	25,862,842
300	Total liabilities	86,385,881	1,010,828	-	32,190	10,600,752	500,643	-	5,000	30,523,425
400	Deferred Inflow of Resources	13,083,304	-	-	-	2,189,615	-	-	-	-
	Total Liabilities and Deferred Inflow of Resources	99,469,185	1,010,828	-	32,190	12,790,367	500,643	-	5,000	30,523,425
NET POSITION										
508.4	Net investment in capital assets	65,526,560	-	-	-	31,745	-	-	-	18,325,722
511.4	Restricted net position	2,063,911	-	-	-	12,426	-	219,374	-	8,742,434
512.4	Unrestricted net position	19,064,940	-	1,400,000	13	(883,910)	-	-	-	28,937,911
513	Total net position	86,655,411	-	1,400,000	13	(839,739)	-	219,374	-	56,006,067
600	TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 186,124,596</u>	<u>\$ 1,010,828</u>	<u>\$ 1,400,000</u>	<u>\$ 32,203</u>	<u>\$ 11,950,628</u>	<u>\$ 500,643</u>	<u>\$ 219,374</u>	<u>\$ 5,000</u>	<u>\$ 86,529,492</u>

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE BALANCE SHEET (CONTINUED)
DECEMBER 31, 2020**

Line Item#	Accounts Description	HOPE VI	Sect 8 NC/SR Programs	2 State/Local	Business Activities	Sect 8 Mod Rehab	COCC	CARES Act COCC	Elimination	Total Entity	Discretely Presented Component Unit
CURRENT LIABILITIES											
312	Accounts payable <= 90 days	\$ -	\$ -	\$ 29,149	\$ 49,666	\$ 49	\$ 972,789	\$ -	\$ -	\$ 9,795,260	\$ 8,187,412
321	Accrued wage/payroll taxes payable	-	-	13,829	-	553	482,034	-	-	1,851,091	-
322	Accrued compensated absences - current	-	-	-	-	661	1,178,550	-	-	2,866,372	-
324	Accrued contingency liability	-	-	-	-	-	817,000	-	-	817,000	-
325	Accrued interest payable	-	-	-	-	-	39,703	-	-	371,288	667,220
331	Accounts payable - HUD	-	-	-	-	100,933	-	-	-	103,559	-
341	Tenant security deposits	-	-	-	943	-	-	-	-	1,333,188	257,101
342	Unearned revenues	-	-	63,377	1,105,880	-	148,564	-	-	3,901,404	-
343	Current portion of LT debt - capital projects	-	-	-	-	-	-	-	-	2,233,889	8,345,663
344	Current portion of LT debt - operating	-	-	-	-	-	575,000	-	(508,630)	575,000	-
345	Other current liabilities	-	-	-	-	-	150	-	-	11,786	-
346	Other liabilities	-	-	800	90	529	6,475,947	-	-	9,662,008	491,436
347	Interprogram - due to	-	-	-	-	-	-	-	(18,893)	-	-
310	Total current liabilities	-	-	107,155	1,156,579	102,725	10,689,737	-	(527,523)	33,521,845	17,948,832
NONCURRENT LIABILITIES											
351	Long-term debt, net of current - capital	-	-	-	-	-	-	-	-	34,132,034	195,173,178
352	Long-term debt, net of current - operating	-	-	-	-	-	17,660,894	-	(8,985,799)	17,660,894	-
353	Noncurrent liabilities - other	-	-	-	-	-	554,114	-	(103,124)	1,585,934	81,275,779
354	Accrued compensated absences - noncurrent	-	-	-	-	-	108,580	-	-	308,191	-
355	Loan Liability - Noncurrent	-	-	-	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	-	-	-	-	-	19,968,163	-	-	82,581,322	-
350	Total noncurrent liabilities	-	-	-	-	-	38,291,751	-	(9,088,923)	136,268,375	276,448,957
300	Total liabilities	-	-	107,155	1,156,579	102,725	48,981,488	-	(9,616,446)	169,790,220	294,397,789
400	Deferred Inflow of Resources	-	-	-	-	-	4,870,733	-	-	20,143,652	-
	Total Liabilities and Deferred Inflow of Resources	-	-	107,155	1,156,579	102,725	53,852,221	-	(9,616,446)	189,933,872	294,397,789
NET POSITION											
508.4	Net investment in capital assets	-	620,597	-	28,871,612	-	5,512,433	-	-	118,888,669	175,375,173
511.4	Restricted net position	-	-	15,459	489,853	318,289	1,080,665	-	-	12,942,411	7,685,913
512.4	Unrestricted net position	-	-	174,485	27,965,267	(100,215)	(33,752,519)	248,031	-	43,054,003	(135,478,275)
513	Total net position	-	620,597	189,944	57,326,732	218,074	(27,159,421)	248,031	-	174,885,083	47,582,811
600	TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ -</u>	<u>\$ 620,597</u>	<u>\$ 297,099</u>	<u>\$ 58,483,311</u>	<u>\$ 320,799</u>	<u>\$ 26,692,800</u>	<u>\$ 248,031</u>	<u>\$ (9,616,446)</u>	<u>\$ 364,818,955</u>	<u>\$ 341,980,600</u>

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
DECEMBER 31, 2020**

Line Item#	Accounts Description	Project Total	CARES Act LIPH	Multifamily Property Disposition	ROSS	HCVP	CARES Act HCVP	Mainstream Vouchers	CARES Act Mainstream Vouchers	Blended Component Unit
REVENUE										
70300	Net tenant rental revenue	\$ 13,914,029	\$ -	\$ 33,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,044,077
70400	Tenant revenue - other	217,846	-	5,180	-	-	-	-	-	-
70500	Total tenant revenue	14,131,875	-	38,861	-	-	-	-	-	2,044,077
70600	HUD PHA operating grants	69,057,057	9,329,754	-	436,745	109,328,160	11,813,370	745,133	40,199	4,236,895
706.10	Capital grants	12,063,518	-	-	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-	-	-
70720	Asset Management fee	-	-	-	-	-	-	-	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-
70800	Other governmental grants	499,151	-	9	-	-	-	-	-	348,034
71100	Investment income - unrestricted	41	-	-	-	500	-	-	-	4,727
71400	Fraud recovery	-	-	-	-	13,972	-	-	-	-
71500	Other revenue	2,869,353	-	165,101	1,853	20,460	-	-	-	9,645,705
71600	Gain or loss on sale of capital assets	178,525	-	340,179	-	-	-	-	-	-
72000	Investment Income - Restricted	2,709	-	-	-	-	-	-	-	3,957
70000	Total revenue	98,802,229	9,329,754	544,150	438,598	109,363,092	11,813,370	745,133	40,199	16,283,395
EXPENSES										
Administrative:										
91100	Administrative salaries	4,540,611	-	810	656	2,686,950	-	24,518	3,708	1,699,086
91200	Auditing fees	130,032	-	208	-	55,330	-	530	-	39,588
91300	Management fee	7,696,227	1,950,998	-	-	-	1,994,872	-	20,544	391,504
91310	Bookkeeping fee	664,914	246,786	-	-	1,253,972	-	12,845	-	36,000
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	111
91500	Employee benefit contributions - admin	2,957,722	-	6,819	62	1,977,631	-	16,328	-	-
91600	Office expense	2,283,108	-	299,149	17,483	796,232	-	10,847	-	107,031
91700	Legal expense	132,944	-	3,351	-	81,044	-	776	-	8,556
91800	Travel	5,953	-	5	246	303	-	3	-	-
91900	Other	8,497	-	-	-	131,844	219,430	-	-	807,344
	Total administrative	18,420,008	2,197,784	310,342	18,447	6,983,306	2,214,302	65,847	24,252	3,089,220
92000	Asset Management Fee	947,360	373,427	-	-	-	-	-	-	-
Tenant services:										
92100	Salaries	895,939	-	-	381,774	-	-	-	-	-
92200	Relocation costs	86,268	-	-	-	-	-	-	-	-
92300	Employee benefit contributions	696,432	-	-	35,863	-	-	-	-	-
92400	Other	303,573	-	311	-	-	-	-	-	-
	Total tenant services	1,982,212	-	311	417,637	-	-	-	-	-

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)
DECEMBER 31, 2020**

Line Item#	Accounts Description	HOPE VI	Sect 8 NC/SR Programs	2 State/Local	Business Activities	S8MR	COCC	CARES Act COCC	Elimination	Total Entity	Discretely Presented Component Unit
REVENUE											
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ 618	\$ -	\$ -	\$ -	\$ -	\$ 15,992,405	\$ 2,141,849
70400	Tenant revenue - other	-	-	-	6	-	-	-	-	223,032	339,178
70500	Total tenant revenue	-	-	-	624	-	-	-	-	16,215,437	2,481,027
70600	HUD PHA operating grants	39,299	-	-	-	524,920	-	-	-	205,551,532	-
706.10	Capital grants	-	-	-	-	-	-	-	-	12,063,518	-
70710	Management fee	-	-	-	-	-	10,103,147	-	(10,103,147)	-	-
70720	Asset Management fee	-	-	-	-	-	947,360	-	(947,360)	-	-
70730	Bookkeeping fee	-	-	-	-	-	1,967,731	-	(1,967,731)	-	-
70740	Front Line Service fee	-	-	-	-	-	355,420	-	(355,420)	-	-
70750	Other Service Fees	-	-	-	-	-	788,523	-	-	788,523	-
70800	Other governmental grants	-	-	975,740	53,664	-	176,630	-	(663,877)	1,389,351	11,712,277
71100	Investment income - unrestricted	-	-	-	664,921	-	4,726	-	-	674,915	884,555
71400	Fraud recovery	-	-	-	-	-	-	-	-	13,972	-
71500	Other revenue	-	-	14	2,607,579	-	1,208,940	2,571,211	(3,411,113)	15,679,103	12,284,892
71600	Gain or loss on sale of capital assets	-	-	-	-	-	342,003	-	-	860,707	-
72000	Investment Income - Restricted	-	-	-	153	-	11,021	-	-	17,840	-
70000	Total revenue	39,299	-	975,754	3,326,941	524,920	15,905,501	2,571,211	(17,448,648)	253,254,898	27,362,751
EXPENSES											
Administrative:											
91100	Administrative salaries	27,090	-	64,438	-	5,895	4,799,375	192,614	-	14,045,751	1,884,475
91200	Auditing fees	-	-	-	-	-	100	-	-	225,788	-
91300	Management fee	-	-	-	-	-	-	-	(12,054,145)	-	774,032
91310	Bookkeeping fee	-	-	-	-	-	-	-	(2,214,517)	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	111	-
91500	Employee benefit contributions - admin	-	-	5,145	-	3,691	3,931,573	-	-	8,898,971	-
91600	Office expense	12,209	-	191,319	196,197	1,438	2,459,149	-	(839,902)	5,534,260	-
91700	Legal expense	-	-	-	-	-	318,804	-	(182,998)	362,477	-
91800	Travel	-	-	-	-	-	8,786	-	-	15,296	-
91900	Other	-	-	-	-	-	4,945	-	-	1,172,060	617,310
	Total administrative	39,299	-	260,902	196,197	11,024	11,522,732	192,614	(15,291,562)	30,254,714	3,275,817
92000	Asset Management Fee	-	-	-	-	-	-	-	(1,320,787)	-	-
Tenant services:											
92100	Salaries	-	-	183,152	-	-	2,253	-	-	1,463,118	-
92200	Relocation costs	-	-	-	-	-	-	-	-	86,268	-
92300	Employee benefit contributions	-	-	-	-	-	1,402	-	-	733,697	-
92400	Other	-	-	-	61,779	-	135	-	-	365,798	-
	Total tenant services	-	-	183,152	61,779	-	3,790	-	-	2,648,881	-

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)
DECEMBER 31, 2020**

Line Item#	Accounts Description	Project Total	CARES Act LIPH	Multifamily Property Disposition	ROSS	HCVP	CARES Act HCVP	Mainstream Vouchers	CARES Act Mainstream Vouchers	Blended Component Unit
EXPENSES (Continued)										
Utilities:										
93100	Water	\$ 2,946,718	\$ 1,035,505	\$ 10,380	\$ -	\$ 2,710	\$ -	\$ 26	\$ -	\$ 212,524
93200	Electricity	3,746,302	1,222,060	11,032	-	89,912	-	793	-	433,765
93300	Gas	1,628,949	362,910	4,083	-	1,006	-	10	-	57,487
93600	Sewer	6,139,664	1,147,355	21,314	-	7,518	-	72	-	378,185
93800	Other utilities expense	-	-	-	-	-	-	-	-	-
	Total utilities	14,461,633	3,767,830	46,809	-	101,146	-	901	-	1,081,961
Ordinary maintenance & operations:										
94100	Labor	6,992,500	-	2,555	-	30,960	-	326	-	816,042
94200	Materials and other	2,448,984	-	508	-	111	-	1	-	247,188
94300	Contracts	11,472,031	-	5,070	-	562	-	5	-	870,630
94500	Employee benefits contribution	4,995,529	-	-	-	22,775	-	189	-	-
	Total ordinary maintenance & operations	25,909,044	-	8,133	-	54,408	-	521	-	1,933,860
Protective services:										
95100	Labor	4,086,614	-	4,881	-	151,567	-	-	1,442	-
95200	Other contract costs	53,189	-	-	-	-	-	-	-	251,805
95300	Other	50,000	-	46	-	-	-	-	-	-
95500	Employee benefit contributions	2,923,475	-	-	-	101,497	-	834	-	-
95000	Total protective services	7,113,278	-	4,927	-	253,064	-	834	1,442	251,805
96110	Property insurance	1,563,403	-	5,878	-	23	-	-	-	86,583
96120	Liability insurance	626,476	-	2,285	-	55,257	-	529	-	-
96130	Workmen's Compensation	238,905	-	220	491	24,352	-	217	-	4,008
96140	All other insurance	204,930	-	-	-	21,289	-	204	-	623,798
96100	Total insurance premiums	2,633,714	-	8,383	491	100,921	-	950	-	714,389
General expenses:										
96200	Other general expenses	4,232,638	-	-	-	39,311	-	7	-	131,127
96210	Compensated absences	2,821,867	-	-	-	281,445	-	-	-	-
96400	Bad debt - tenant rents	1,422,953	-	-	-	-	-	-	-	2,272,099
96600	Bad debt - other	-	-	-	-	-	-	-	-	-
96000	Total general expenses	\$ 8,477,458	\$ -	\$ -	\$ -	\$ 320,756	\$ -	\$ 7	\$ -	\$ 2,403,226

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)
DECEMBER 31, 2020**

Line Item#	Accounts Description	HOPE VI	Sect 8 NC/SR Programs	2 State/Local	Business Activities	S8MR	COCC	CARES Act COCC	Elimination	Total Entity	Discretely Presented Component Unit
EXPENSES (Continued)											
Utilities:											
93100	Water	\$ -	\$ -	\$ -	\$ 7,348	\$ -	\$ 9,788	\$ -	\$ -	\$ 4,224,999	\$ -
93200	Electricity	-	-	-	11,306	-	204,301	-	-	5,719,471	-
93300	Gas	-	-	-	-	-	11,956	-	-	2,066,401	-
93600	Sewer	-	-	-	14,581	-	18,460	-	-	7,727,149	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	2,865,248
	Total utilities	-	-	-	33,235	-	244,505	-	-	19,738,020	2,865,248
Ordinary maintenance & operations:											
94100	Labor	-	-	14,495	-	-	491,928	-	-	8,348,806	-
94200	Materials and other	-	-	-	-	-	100,763	-	-	2,797,555	1,973,780
94300	Contracts	-	-	-	-	-	239,672	-	(172,422)	12,415,548	-
94500	Employee benefits contribution	-	-	-	-	-	388,618	-	-	5,407,111	-
	Total ordinary maintenance & operations	-	-	14,495	-	-	1,220,981	-	(172,422)	28,969,020	1,973,780
Protective services:											
95100	Labor	-	-	27,500	-	-	107,852	-	-	4,379,856	-
95200	Other contract costs	-	-	289,238	-	-	621	-	-	594,853	-
95300	Other	-	-	-	-	-	21,621	-	-	71,667	1,113,925
95500	Employee benefit contributions	-	-	-	-	-	67,799	-	-	3,093,605	-
95000	Total protective services	-	-	316,738	-	-	197,893	-	-	8,139,981	1,113,925
96110	Property insurance	-	-	-	-	-	26,539	-	-	1,682,426	-
96120	Liability insurance	-	-	13,000	-	-	7,335	-	-	704,882	-
96130	Workmen's Compensation	-	-	318	-	65	71,609	-	-	340,185	-
96140	All other insurance	-	-	-	-	-	67,960	-	-	918,181	420,600
96100	Total insurance premiums	-	-	13,318	-	65	173,443	-	-	3,645,674	420,600
General expenses:											
96200	Other general expenses	-	-	-	-	-	76,568	-	(348,034)	4,131,617	518,626
96210	Compensated absences	-	-	-	-	661	1,502,615	-	-	4,606,588	-
96400	Bad debt - tenant rents	-	-	-	57	-	-	-	-	3,695,109	142,035
96600	Bad debt - other	-	-	-	380,000	-	-	-	-	380,000	-
96000	Total general expenses	\$ -	\$ -	\$ -	\$ 380,057	\$ 661	\$ 1,579,183	\$ -	\$ (348,034)	\$ 12,813,314	\$ 660,661

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)
DECEMBER 31, 2020**

Line Item#	Accounts Description	Project Total	CARES Act LIPH	Multifamily Property Disposition	ROSS	HCVP	CARES Act HCVP	Mainstream Vouchers	CARES Act Mainstream Vouchers	Blended Component Unit
EXPENSES (Continued)										
96710	Interest of mortgage payable	\$ 1,077,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 769,788
96720	Interest on notes payable	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-
96700	Total interest expense and amortization	1,077,763	-	-	-	-	-	-	-	769,788
96900	Total operating expenses	81,022,470	6,339,041	378,905	436,575	7,813,601	2,214,302	69,060	25,694	10,244,249
97000	Excess of operating revenue over operating expenses	17,779,759	2,990,713	165,245	2,023	101,549,491	9,599,068	676,073	14,505	6,039,146
97100	Extraordinary maintenance	237,032	2,990,713	197	157	-	1,374,638	-	14,505	-
97200	Casualty Losses- Non-capitalized	1,140,696	-	30	-	-	-	-	-	-
97300	Housing assistance payments	1,133,777	-	-	-	92,624,560	8,224,430	666,884	-	-
97350	HAP Portability-in	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	11,800,269	-	-	-	6,576	-	22	-	1,474,234
90000	Total expenses	95,334,244	9,329,754	379,132	436,732	100,444,737	11,813,370	735,966	40,199	11,718,483
Other financing sources (uses):										
10010	Operating transfer in	6,597,899	-	-	-	-	-	-	-	-
10020	Operating transfer out	(6,597,899)	-	-	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	2,300,000	6,562,979	-	-	-	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	(2,300,000)	(6,562,979)	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ 3,467,985	\$ -	\$ 165,018	\$ 1,866	\$ 8,918,355	\$ -	\$ 9,167	\$ -	\$ 4,564,912
Memo Account Information										
11020	Required annual debt principal payments	\$ 1,832,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 665,974
11030	Beginning equity	91,102,982	-	675,620	1,853	(7,932,692)	-	210,207	-	50,127,354
11040	Prior period adjustments, equity transfers	(7,915,556)	-	559,362	(3,706)	(1,825,402)	-	-	-	1,313,801
11170	Administrative fee equity	-	-	-	-	(6,230,159)	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	7,496,963	-	-	-	-
11190	Unit months available	103,028	-	270	-	183,342	-	1,740	-	6,876
11210	Number of unit months leased	93,375	-	141	-	167,373	-	1,712	-	6,669
11620	Building purchases	9,538,943	-	-	-	-	-	-	-	-
13510	CFFP debt services payments	1,748,063	-	-	-	-	-	-	-	-

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL DATA SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)
DECEMBER 31, 2020**

Line Item#	Accounts Description	Sect 8							Elimination	Total Entity	Discretely Presented Component Unit
		HOPE VI	NC/SR Programs	2 State/Local	Business Activities	S8MR	COCC	CARES Act COCC			
EXPENSES (Continued)											
96710	Interest of mortgage payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 506,026	\$ -	\$ -	\$ 2,353,577	\$ 3,164,590
96720	Interest on notes payable	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	153,503
96700	Total interest expense and amortization	-	-	-	-	-	506,026	-	-	2,353,577	3,318,093
96900	Total operating expenses	<u>39,299</u>	<u>-</u>	<u>788,605</u>	<u>671,268</u>	<u>11,750</u>	<u>15,448,553</u>	<u>192,614</u>	<u>(17,132,805)</u>	<u>108,563,181</u>	<u>13,628,124</u>
97000	Excess of operating revenue over operating expenses	-	-	187,149	2,655,673	513,170	456,948	2,378,597	(315,843)	144,691,717	13,734,627
97100	Extraordinary maintenance	-	-	-	-	381	176,639	2,130,566	-	6,924,828	-
97200	Casualty Losses- Non-capitalized	-	-	-	-	-	15,906	-	-	1,156,632	11,469
97300	Housing assistance payments	-	-	-	-	462,918	-	-	(315,843)	102,796,726	-
97350	HAP Portability-in	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	3,159	-	282,321	-	-	13,566,581	7,250,178
90000	Total expenses	<u>39,299</u>	<u>-</u>	<u>788,605</u>	<u>674,427</u>	<u>475,049</u>	<u>15,923,419</u>	<u>2,323,180</u>	<u>(17,448,648)</u>	<u>233,007,948</u>	<u>20,889,771</u>
Other financing sources (uses):											
10010	Operating transfer in	-	-	-	-	-	-	-	(6,597,899)	-	-
10020	Operating transfer out	-	-	-	-	-	-	-	6,597,899	-	-
10091	Inter Project Excess Cash Transfer In	-	-	-	-	-	-	-	(8,862,979)	-	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	-	-	-	8,862,979	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,149</u>	<u>\$ 2,652,514</u>	<u>\$ 49,871</u>	<u>\$ (17,918)</u>	<u>\$ 248,031</u>	<u>\$ -</u>	<u>\$ 20,246,950</u>	<u>\$ 6,472,980</u>
Memo Account Information											
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,990,310	\$ -	\$ -	\$ 21,488,904	\$ 46,174,500
11030	Beginning equity	-	620,597	2,795	51,595,997	168,203	(33,248,584)	-	-	153,324,332	53,174,271
11040	Prior period adjustments, equity transfers	-	-	-	3,078,221	-	6,107,081	-	-	1,313,801	(12,064,440)
11170	Administrative fee equity	-	-	-	-	-	-	-	-	(6,230,159)	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	7,496,963	-
11190	Unit months available	-	-	-	75	852	-	-	-	296,183	-
11210	Number of unit months leased	-	-	-	68	761	-	-	-	270,099	-
11620	Building purchases	-	-	-	-	-	-	-	-	9,538,943	-
13510	CFFP debt services payments	-	-	-	-	-	-	-	-	1,748,063	-

OTHER INFORMATION

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
OTHER INFORMATION
SCHEDULE OF RESTRICTED AND NONRESTRICTED NET REVENUES
DECEMBER 31, 2020**

Schedule of Restricted and Nonrestricted Net Revenues

	Nonrestricted Revenues			Nonrestricted Operating Expenses Excluding Depreciation and Debt Service		
		Business	Component Unit		Business	Component Unit
	COCC	Activities	Blended	COCC	Activities	Blended
2015	23,251,622	120,455	1,328,478	25,153,656	138,010	363,435
2016	24,624,832	308,924	2,343,230	27,551,807	173,191	380,800
2017	23,102,354	812,826	6,525,932	29,475,885	108,766	445,683
2018	13,103,910	1,493,423	6,192,719	14,986,579	74,838	510,756
2019	18,297,572	2,370,204	8,295,637	9,663,581	1,587,954	1,044,484
2020	15,905,501	1,035,153	7,988,071	14,942,527	254,818	2,039,592

	Restricted Revenues			Restricted Operating Expenses Excluding Depreciation and Debt Service		
		Business	Component Unit		Business	Component Unit
	COCC	Activities	Blended	COCC	Activities	Blended
2015	-	261,464	5,089,240	-	288,239	3,581,059
2016	-	261,970	5,306,504	-	344,301	3,590,582
2017	-	276,525	5,697,239	-	283,448	3,272,591
2018	-	168,423	6,525,150	-	149,916	3,802,044
2019	-	205,094	6,351,669	-	300,241	4,370,597
2020	-	2,291,788	8,295,324	-	416,450	7,434,869

	Revenues per FDS			Operating Expenses Excluding Depreciation and Debt Service per FDS		
		Business	Component Unit		Business	Component Unit
	COCC	Activities	Blended	COCC	Activities	Blended
2015	23,251,622	381,919	6,417,718	25,153,656	426,249	3,944,494
2016	24,624,832	570,894	7,649,734	27,551,807	517,492	3,971,382
2017	23,102,354	1,089,351	12,223,171	29,475,885	392,214	3,718,274
2018	13,103,910	1,661,846	12,717,869	14,986,579	224,754	4,312,800
2019	18,297,572	2,575,298	14,647,306	9,663,581	1,888,195	5,415,081
2020	15,905,501	3,326,941	16,283,395	14,942,527	671,268	9,474,461

Revenues per FDS line 70000

Expenses per FDS line 96900 less line 967000

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
OTHER INFORMATION
SCHEDULE OF UNRESTRICTED NET INCOME
DECEMBER 31, 2020**

Schedule of Unrestricted Net Income

	Authority Revenues Nonrestricted	Nonrestrictive Operating Expenses Excluding Depreciation and Debt Service	Net Income (Loss)
2015	\$ 24,700,555	\$ 25,655,102	\$ (954,547)
2016	27,276,987	28,105,798	(828,812)
2017	30,441,112	30,030,334	410,778
2018	20,790,052	15,572,174	5,217,878
2019	28,963,413	12,296,019	16,667,394
2020	24,928,725	17,236,937	7,691,788

	Authority Revenues Nonrestricted	Nonrestrictive Operating Expenses Excluding Depreciation and Debt Service	Net Income (Loss)
2015	\$ 24.7	\$ 25.7	\$ (1.0)
2016	27.3	28.1	(0.8)
2017	30.4	30.0	0.4
2018	20.8	15.6	5.2
2019	29.0	12.3	16.7
2020	24.9	17.2	7.7

SINGLE AUDIT REPORT



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Cuyahoga Metropolitan Housing Authority (the Authority), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 7, 2021. Our report includes a reference to other auditors who audited the financial statements of Riverside Park Homes, L.P., Garden Valley Housing Partnership I, L.P., Garden Valley Housing Partnership II, L.P., Garden Valley Housing Partnership III, L.P., Garden Valley Housing Partnership IV, L.P., Euclid-Lee Senior, L.P., Miles Pointe Elderly, L.P., Fairfax Intergenerational Housing, L.P., Bohn Tower Redevelopment, L.P., Carver Park Phase I, L.P., Carver Park Phase II, L.P., and Riverside Park Phase II, L.P. as described in our report to the Authority's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The audits of Riverside Park Homes, L.P., Garden Valley Housing Partnership I, L.P., Garden Valley Housing Partnership II, L.P., Garden Valley Housing Partnership III, L.P., Euclid-Lee Senior, L.P., Miles Pointe Elderly Limited Partnership, Fairfax Intergenerational Housing, L.P., Carver Park Phase II, L.P. and Riverside Park Phase II, L.P. were not performed in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Toledo, Ohio
September 7, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Members of the Board
Cuyahoga Metropolitan Housing Authority
Cleveland, Ohio

Report on Compliance for Each Major Federal Program

We have audited the Cuyahoga Metropolitan Housing Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2020. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Authority's basic financial statements include the operations of the discretely presented component units which may have received federal awards, and which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2020. Our audit, described below, did not include the operations of the aggregate discretely presented component units because other auditors were engaged to perform audits of compliance, if applicable.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Toledo, Ohio
September 7, 2021

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development (HUD)				
Direct Awards:				
Public and Indian Housing	14.850	N/A	\$ -	\$ 58,707,398
COVID-19 Public Housing CARES Act Funding	14.PHC	N/A	-	9,329,754
Total Public and Indian Housing				<u>68,037,152</u>
Capital Fund Program	14.872	N/A	-	22,413,177
Resident Opportunity and Supportive Services	14.870	N/A	-	436,732
Choice Neighborhood Planning Grant	14.889	N/A	-	39,299
Section 8 Project-Based Cluster				
Moderate Rehabilitation	14.856	N/A	-	475,049
New Construction and Substantial Rehabilitation	14.182	N/A	-	4,236,895
Total Section 8 Project-Based Cluster				<u>4,711,944</u>
Housing Voucher Cluster:				
Mainstream Vouchers	14.879	N/A	-	735,966
COVID-19 Mainstream Vouchers CARES Act Funding	14.MSC	N/A	-	40,199
Total Mainstream Vouchers				<u>776,165</u>
Housing Choice Vouchers	14.871	N/A	-	100,438,161
COVID-19 Housing Choice Voucher CARES Act Funding	14.HCC	N/A	-	11,813,370
Total Housing Choice Vouchers				<u>112,251,531</u>
Total Housing Voucher Cluster				113,027,696
U.S. Department of Homeland Security				
Disaster Grants - Public Assistance	97.036	N/A	-	<u>331,709</u>
Total Expenditures of Federal Awards				<u><u>\$ 208,997,709</u></u>

CUYAHOGA METROPOLITAN HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal financial assistance programs of the Cuyahoga Metropolitan Housing Authority (the Authority) for the year ended December 31, 2020. The Authority's reporting entity is defined in Note 1 to the Authority's financial statements. The information in this Schedule is presented in accordance with the requirements of 2 CFR 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 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COST RATE

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

NOTE 4 NONCASH FEDERAL ASSISTANCE

The Authority did not receive any noncash federal assistance for the year ended December 31, 2020.

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
14.850	Public and Indian Housing
14.182/14.856	Section 8 Project Based Cluster

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000
- Auditee qualified as low-risk auditee? _____ x yes _____ no

**CUYAHOGA METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



CUYAHOGA METROPOLITAN HOUSING AUTHORITY

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/18/2021

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

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