CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

DAYTON METROPOLITAN HOUSING AUTHORITY

MONTGOMERY COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Commissioners
Dayton Metropolitan Housing Authority
400 Wayne Avenue
Dayton, Ohio 45401

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

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

Keith Faber
Auditor of State
Columbus, Ohio

April 11, 2022

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CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Dayton Metropolitan Housing Authority
Dayton, Ohio

Report on the Financial Statements
We have audited the accompanying financial statements of the Dayton Metropolitan Housing Authority (the "Authority"), as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinion.

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

Other Matters

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

Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying 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 Financial Data Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022 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 results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 15, 2022

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

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources as of June 30, 2021 by $41,255,050 (an increase of $5,654,409, or 15.9 percent, from June 30, 2020).

- Net investment in capital assets, $28,483,861 as of June 30, 2021 (a decrease of $1,047,886**,** or 3.5 percent, from June 30, 2020). Unrestricted net position totaled $10,188,832 as of June 30, 2021, (an increase of $5,791,015 from June 30, 2020).

- The Authority had total operating revenue of $47,399,060 (an increase of $1,424,766 or 3.1 percent, from June 30, 2020). The Authority had total operating expenses of $43,229,341 (a decrease of $8,293,288, or 16.1 percent, from June 30, 2020), resulting in a net operating gain of $4,169,719 for the year ended June 30, 2021, and had other non-operating expenses and losses in a net amount of $(348,346) and capital contributions in the amount of $2,920,887, resulting in a net change in total net position of $6,742,260 for the year.

- The Authority's capital additions for the year were $1,960,932.

USING THIS ANNUAL REPORT

This Management's Discussion and Analysis is intended to serve as an introduction to the Authority's financial statements. The following is a list of the financial statements included in this report:

MD&A
Management Discussion and Analysis

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

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

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

The focus of the *Statement of Net Position* is to present the available assets and deferred outflows of resources, net of liabilities and deferred inflows of resources, which are available to the Authority. Net position is reported in three broad categories:

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

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

Unrestricted Net Position: Consists of net position that does not meet the definition of "Net Investment in Capital Assets" or "Restricted Net Position".

The S*tatement of Revenues, Expenses, and Changes in Net Position* is similar to an income statement. This Statement includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance, and depreciation; and non-operating revenue and expenses, such as grant revenue, investment income, gains and losses on capital assets disposals, and interest expense.

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

The S*tatement of Cash Flows* provides information about the Authority's cash receipts and cash payments during the reporting period. The Statement reports cash receipts, cash payments, and net changes in cash resulting from operating activities, capital and related financing activities, and investing activities.

The N*otes to the Financial Statements* provide additional information essential to a full understanding of the data provided in the basic financial statements.

The Authority administers several programs that are consolidated into a single proprietary-type enterprise fund. The more significant programs consist of the following:

Public and Indian Housing - Under the Conventional Public Housing Program, the Authority rents units it owns to low-income households. This Program is operated under an Annual Contribution Contract (ACC) with HUD. Beginning in fiscal year 2008, the Authority adopted the HUD-directed Asset Management Project (AMP) structure for its public housing operations. Under Asset Management, public housing units were organized into AMPs. Each AMP is treated as a separate entity with the AMPs paying a fee to the Central Office Cost Center (COCC) for various centralized services. As in previous years, the HUD-provided operating subsidy allows the AMPs to provide housing at a rent that is based upon 30 percent of adjusted gross household income.

Under Asset Management, the operating subsidy is transferred in proportional shares to the individual AMPs as monthly subsidy revenue. Along with rent collection revenue, the AMPs administer their properties in a fashion similar to rental properties operated in the private sector. The AMP managers utilize program management, planning, bookkeeping, and other centralized services provided by the Authority's Central Office. The AMPs pay a monthly fee based on the number of units assigned and/or occupied for these services.

Public Housing Capital Fund Program (CFP) - The Public Housing Capital Fund Program is the primary funding source for physical and management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the Authority's housing stock.

Section 8 Housing Choice Voucher Program - Under the Section 8 Housing Choice Voucher Program, low-income tenants lease housing units directly from private landlords rather than from the Authority. HUD contracts with the Authority, which in turn contracts with the private landlords and makes assistance payments for the difference between the approved contract rent and the actual rent paid by the low-income tenants.

Section 8 New Construction and Substantial Rehabilitation Program - The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specific unit, and when a family moves from the unit, they have no right to continued assistance.

Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation - The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specific unit, and when a family moves from the unit, they have no right to continued assistance.

Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI) - The HOPE VI Demolition Program supports site acquisition, demolition, and relocation costs for the HOPE VI Revitalization Program. Under this Program, residents of identified neighborhoods are relocated to other Public Housing and Section 8 Voucher units. Vacated public housing units are then demolished in preparation for the development under the HOPE VI Revitalization Program. This Program seeks to rebuild public housing neighborhoods through various financing and construction development agreements. Following the demolition of existing public housing units under the HOPE VI Demolition Grant, the Revitalization Program will seek to rebuild the neighborhood areas using a community anchor facility, new construction, and existing street patterns. While a significant portion of the redevelopment effort will be accomplished with HOPE VI funds, the majority will be completed using a variety of public and private resources.

Resident Opportunity and Supportive Services (ROSS) - The ROSS Program promotes the development of local strategies to coordinate the use of assistance under the Public Housing Program with public and private resources to enable participating families to achieve economic independence and housing self-sufficiency.

Family Self-Sufficiency (FSS) – The FSS Program promotes the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher Program and the Public Housing Program with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Business Activities Programs - The Business Activities Programs expand the supply of decent and affordable housing by using local non-federal resources to enable home ownership through loan assumption programs and affordable tenant rent units owned by the Authority.

Component Units – The Authority has established component units to operate and develop affordable housing. Each of the organizations listed below act as an affiliate unit as defined in HUD's PIH Notice 2008-15. The levels of participation and responsibility for each of the component units differs based on the type of development. The Authority's component units include:

Dayton Metro Homes, LLC – The Authority has established Dayton Metro Homes, LLC, dba Premier Asset Management (PAM), as a wholly-owned subsidiary. PAM was established for the purpose of owning an investment as general partner or ownership entity in tax credit and mixed financing projects. Currently, PAM operates 35 low-moderate income housing units in Germantown, Ohio. The assets, liabilities, and results of operations are included as part of the accompanying financial statements.

Windcliff Village II GP, Inc. – Windcliff Village II GP, Inc. was established as a single purpose for-profit corporation to manage the tax credit project Windcliff Village II. The development is operated by Windcliff Village II LP with Windcliff Village II GP, Inc. as the general partner. The assets, liabilities, and results of operations for Windcliff Village II GP, Inc., are included as part of the accompanying financial statements. The assets, liabilities, and results of operations for Windcliff Village II LP are not included in the accompanying financial statements, but are reported separately under provisions of the tax credit agreement.

North Star Commons, LLC – North Star Commons, LLC was formed to participate as a special partner in the Dayton View Commons II, LLC development. Under the provisions of the development agreement, North Star Commons, LLC will receive a partnership fee of which half must be held as a deferral until certain development objectives have been met. North Star Commons, LLC does not operate or own property in the Dayton View Commons II, LLC development. North Star Commons, LLC's assets, liabilities, and results of operations are included as part of the accompanying financial statements.

Rental Assistance Demonstration Program (RAD) Entities – There are currently five RAD properties (52 units) that are also reported as Blended Component Units of the Authority at June 30, 2021. These include the properties of Telford Shroyer, Argella, City View, Lori Sue, and Revere. The properties are 100 percent owned and managed by the Authority.

FINANCIAL ANALYSIS OF THE AUTHORITY

Statement of Net Position

The following table represents condensed Statements of Net Position.

	2021 (in thousands)	2020 (in thousands)
Assets and Deferred Outflows of Resources		
Current and Other Assets	$ 18,798	$ 17,187
Capital Assets	33,830	35,358
Other Non-Current Assets	10,104	9,171
Deferred Outflows of Resources	914	2,069
Total Assets and Deferred Outflows of Resources	63,646	63,785
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities and Deferred Inflows of Resources		
Current Liabilities	3,181	2,012
Non-Current Liablities	13,267	22,769
Deferred Inflows of Resources	5,943	3,403
Total Liabilities and Deferred Inflows of Resources	22,391	28,184
Net Position		
Net Investment in Capital Assets	28,484	29,532
Restricted	2,582	1,671
Unrestricted	10,189	4,398
Total Net Position	41,255	35,601
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 63,646	$ 63,785

By far the largest portion of the Authority's net position (69 percent) reflects its investment in capital assets, net of related debt. The decrease from 2020 was primarily the result of annual depreciation expense and the approved sale of excess property. The Authority uses these capital assets (e.g., buildings, machinery, and equipment) to provide housing services to residents; consequently, these assets are not available for future spending. The unrestricted net position of the Authority is available for future use to provide program services. The increase in Unrestricted Net Position was primarily due to GASB Statement No. 68 and GASB Statement No. 75 pension and OPEB adjustments to current year expenses.

Statements of Revenues, Expenses, and Changes in Net Position

The following table represents condensed Statements of Revenues, Expenses, and Changes in Net Position.

	2021 (in thousands)	2020 (in thousands)
Revenue		
Tenant Rental Revenue	$ 5,130	$ 5,380
Government Operating Grants	41,291	39,043
Other Revenue	978	1,552
Total Operating Revenue	47,399	45,975
Expenses		
Operating Expenses		
Operating Expenses	14,878	23,346
Depreciation Expense	3,474	3,677
Housing Assistance Payments	24,877	24,500
Total Operating Expenses	43,229	51,523
Net Operating Gain/(Loss)	4,170	(5,548)
Non-Operating Revenue (Expenses)	(348)	(329)
Income (Loss) Before Contributions	3,822	(5,877)
Capital Contributions	2,920	6,369
Change in Net Position	6,742	492
Total Net Position, Beginning of Year	35,601	35,109
Prior Period Adjustment	(1,088)	-
Total Net Position, End of Year	$ 41,255	$ 35,601

During 2021, the net position of the Authority increased by a total of $5,654,409.

The Authority's revenues are largely governmental operating grants received from cost reimbursement and capital grants. The Authority draws down monies from the grant awards for allowable program expenses, except for non-cash transactions, such as depreciation expense and changes in compensated absences. The Authority's governmental operating grants and charges for services were sufficient to cover all non-depreciation related expenses incurred during the year.

The Authority's operating grants increased by $2,248,544 and operating expenses decreased by $8,293,288. Section 8 Housing Assistance payments increased by $377,362 from the previous year as a result of increased leasing.

Capital contributions decreased by $3,448,521 to $2,920,887 during 2021. The reduction in the revenue is the result of routine fluctuations in when grant funds were spent and not a result of a loss of a funding source.

Operating expenses decreased $8,293,288 largely due to a reduction in pension expense resulting from GASB 68 and GASB 75 pension and OPEB reporting.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the Authority's capital assets totaled $33,830,200 (capital assets net of accumulated depreciation) as reflected in the following schedule.

	2021 (in thousands)	2020 (in thousands)
Land	$ 9,625	$ 9,521
Buildings and Improvements	127,790	126,044
Equipment and Vehicles	5,999	5,924
Construction-in-Progress	726	755
Accumulated Depreciation	(110,310)	(106,886)
Total	$ 33,830	$ 35,358

Debt

As of June 30, 2021, the Authority had $5,346,339 of debt, a decrease of $480,078 from the prior year. The decrease was due to normal debt schedule payments made during the year.

Debt consists of the Fannie Mae Capital Fund Financing Program (CFFP) note and the note to County Corp.

During 2010, the Authority obtained a modernization note from Fannie Mae for $9,235,000 for the purpose of modernizing public housing units at four AMP locations. The note is twenty (20) years with an interest rate of 6.0 percent *per annum*. Repayment will be through a portion of future capital grant funds.

Also, during 2010, the Authority obtained a note from County Corp. for $250,092, for the purpose of real estate acquisition in Germantown, Ohio. The note term is twenty (20) years with an interest rate of 0.0 percent *per annum*.

During 2021, the Authority's net pension and other post-employment benefits obligation decreased by $9,076,471.

Additional information on the Authority's long-term debt can be found on pages 25 and 26 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

The Authority has continued to follow site-specific budgeting and accounting. Both FY2021 and FY2022 budgets were prepared using the site-specific format as directed by HUD. Under site-specific budget format, there are strict guidelines on how the Central Office Cost Center (COCC) will be funded. Funding for the COCC will be derived from fees charged to Asset Management Projects (AMP). The AMPs represent site-specific public housing areas and are managed as separate subsidiary organizations. As such, AMPs will have their own financial statements with revenues coming from subsidy transfers, rental accounts, and capital fund transfers. Oversight and supportive services will be provided on a fee basis by the Authority's COCC. Additional revenue for the COCC will be from the service fees charged to the Voucher programs and other smaller programs. Failure to maintain occupancy rates of 97 percent or higher for the AMPs will also reduce operating subsidy transfers from HUD.

Public housing operating subsidy revenue from HUD for FY2021 is expected to remain at its current low level (96.7 percent) of calculated amounts.

The Housing Choice Voucher (HCV) Program generates revenue for operations from administrative fees earned from HUD. A portion of these revenues are paid to the COCC as fees for supportive services. HCV Program revenues for FY2022 are expected to be consistent with previous levels. The Authority expects HUD to continue withholds in the Administrative Fee schedule, further reducing resources to administer the Voucher programs.

During FY 2021, the economic effects from COVID-19 continued to affect the Authority, including the eviction moratorium, uncertainty regarding shut downs, and rising inflation. The Authority expects these issues to affect the first half of FY 2022.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Executive Officer, Dayton Metropolitan Housing Authority, 400 Wayne Avenue, Dayton, Ohio 45401-8750, or call (937) 910-7500.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 14,172,439
Restricted Cash and Cash Equivalents	3,038,331
Accounts Receivable, Net:	
Tenants, Net of Allowance for Doubtful Accounts of $607,834	115,617
HUD	136,746
Other Receivables, Net of Allowance for Doubtful Accounts of $2,626	416,078
Inventory, Net of Allowance for Obsolete Inventory of $18,896	610,969
Prepaid Expenses	308,514
Total Current Assets	18,798,694
Non-Current Assets	
Capital Assets:	
Capital Assets, Not Depreciated	10,350,586
Capital Assets, Being Depreciated, Net	23,479,614
Total Capital Assets	33,830,200
Notes, Loans, and Mortgages Receivable Non-Current	9,185,778
Pension Assets	86,741
OPEB Assets	831,731
Total Noncurrent Assets	43,934,450
TOTAL ASSETS	62,733,144
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	502,533
OPEB	411,173
TOTAL DEFERRED OUTFLOWS OF RESOURCES	913,706
LIABILITIES	
Current Liabilities	
Accounts Payable	214,454
Accrued Wages and Benefits	756,455
Accounts Payable - HUD	50,519
Accrued Compensated Absences - Current Portion	226,336
Tenants' Security Deposits	186,671
Unearned Revenues	6,831
Other Current Liabilities	1,230,856
Current Portion of Note Payable	508,915
Total Current Liabilities	3,181,037
Noncurrent Liabilities	
Notes Payable, Net of Current Portion	4,837,424
Compensated Absences, Net of Current Portion	1,260,666
Net Pension Liability	7,116,344
Other Non-Current Liabilities	53,043
Total Non-Current Liabilities	13,267,477
TOTAL LIABILITIES	16,448,514
DEFERRED INFLOWS OF RESOURCES	
Pension	3,269,535
OPEB	2,673,751
TOTAL DEFERRED INFLOWS OF RESOURCES	5,943,286
NET POSITION	
Net Investment in Capital Assets	28,483,861
Restricted	2,582,357
Unrestricted	10,188,832
TOTAL NET POSITION	$ 41,255,050

See accompanying notes to the financial statements.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Operating Revenues		
Tenant Revenue	$	5,130,078
Governmental Revenue		41,291,347
Other Revenue		977,635
Total Operating Revenues		47,399,060
Operating Expenses		
Administrative Expense		3,497,826
Tenant Services		491,078
Utilities Expense		2,438,875
Ordinary Maintenance and Operations		6,351,755
Protective Services		505,364
General Expenses		1,593,160
Housing Assistance Payments		24,877,074
Depreciation and Amortization		3,474,209
Total Operating Expenses		43,229,341
Operating Income		4,169,719
Nonoperating Revenues (Expenses)		
Interest and Investment Income		5,247
Interest Expense		(329,988)
Insurance Proceeds/(Casualty Losses)		(22,958)
Gain/(Loss) on Disposal of Capital Assets		(647)
Total Nonoperating Revenues (Expenses)		(348,346)
Income Before Contributions		3,821,373
Capital Contributions		2,920,887
Change in Net Position		6,742,260
Net Position - Beginning of Year		35,600,641
Prior Period Adjustment		(1,087,851)
Net Position - End of Year	$	41,255,050

See accompanying notes to the financial statements.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities		
Receipts from Residents and Other Deposits	$	5,034,553
Governmental Operating Revenues		40,898,744
Other Receipts		928,625
Administrative Expenses		(9,496,468)
Other Operating Expenses		(10,610,986)
Housing Assistance Payments		(24,877,074)
Net Cash Provided by Operating Activities		1,877,394
Cash Flows from Capital and Related Financing Activities		
Capital Asset Additions		(1,960,932)
Debt Proceeds/Insurance Proceeds/(Casualty Loss)		(22,958)
Principal Paid on Debt		(480,078)
Cash from Disposal of Assets		14,040
Interest Paid on Debt		(329,988)
Capital Grants		2,920,887
Net Cash Provided by Capital and Related Financing Activities		140,971
Cash Flows from Investing Activities		
Investment Income		5,247
Investment in Notes Receivable		(15,055)
Elimination of Dayton View Commons		(626,905)
Net Cash Used in Investing Activities		(636,713)
Net Change in Cash and Cash Equivalents		1,381,652
Cash and Cash Equivalents - Beginning of Year		15,829,118
Cash and Cash Equivalents - End of Year	$	17,210,770
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities		
Operating Income	$	4,169,719
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation		3,474,209
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:		
Pension and OPEB Assets		(918,472)
Net Pension/OPEB Deferred Outflows		1,154,807
Tenant Receivables		15,180
HUD Receivables		(426,442)
Other Assets/Receivables		(49,010)
Inventory		11,005
Prepaid Expenses		(241,319)
Wages and Benefits Payable		444,601
Security Deposits		(110,705)
Accounts Payable		214,404
Accounts Payable - HUD		27,008
Compensated Absences		97,521
Accrued Liabilities		558,239
Unearned Revenue		6,831
Net Pension/OPEB Liability		(9,076,471)
Net Pension/OPEB Deferred Inflows		2,540,691
Other Liabilities		(14,402)
Net Cash Provided by Operating Activities	$	1,877,394

See accompanying notes to the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity and Programs

The Dayton Metropolitan Housing Authority (the "Authority") is a political subdivision created under Ohio Revised Code Section 3735.27 to engage in the acquisition, development, leasing, and administration of a low-rent housing program.

The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the Low-Rent Housing Program under the United States Housing Act of 1937, as amended. HUD is authorized to contract with local housing authorities in financing the acquisition, construction, and/or leasing of housing units, to make housing assistance payments, and to make annual contributions (subsidies) to the local housing authorities for the purposes of maintaining the low-rent character of the local housing program. Under an administrative form of contract, HUD has conveyed certain federally built housing units to the Authority for low-rent operations.

Reporting Entity **–** The accompanying basic financial statements comply with the provisions of the Governmental Accounting Standard Board (GASB) Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statement No. 61), in that the financial statements include all divisions and operations for which the Authority is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's government board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefits to, or to impose specific financial burdens on, the primary government/component unit. On this basis, organizations other than the Authority itself included in the financial reporting entity are the blended component units.

A summary of the significant programs administered by the Authority is provided below:

Public and Indian Housing - Under the Conventional Public Housing Program, the Authority rents units it owns to low-income households. This Program is operated under an Annual Contribution Contract (ACC) with HUD. Beginning in fiscal year 2008, the Authority adopted the HUD-directed Asset Management Project (AMP) structure for its public housing operations. Under Asset Management, public housing units were organized into AMPs. Each AMP is treated as a separate entity with the AMPs paying a fee to the Central Office Cost Center (COCC) for various centralized services. As in previous years, the HUD-provided operating subsidy allows the AMPs to provide housing at a rent that is based upon 30 percent of adjusted gross household income.

Under Asset Management, the operating subsidy is transferred in proportional shares to the individual AMPs as monthly subsidy revenue. Along with rent collection revenue, the AMPs administer their properties in a fashion similar to rental properties operated in the private sector. The AMP managers utilize program management, planning, bookkeeping, and other centralized services provided by the Authority's Central Office. The AMPs pay a monthly fee based on the number of units assigned and/or occupied for these services.

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

A. **Description of the Entity and Programs** (Continued)

Public Housing Capital Fund Program (CFP) - The Public Housing Capital Fund Program also is the primary funding source for physical and management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the Authority's housing stock.

Section 8 Housing Choice Voucher Program - Under the Section 8 Housing Choice Voucher Program, low-income tenants lease housing units directly from private landlords rather than from the Authority. HUD contracts with the Authority, which in turn contracts with the private landlords and makes assistance payments for the difference between the approved contract rent and the actual rent paid by the low-income tenants.

Section 8 New Construction and Substantial Rehabilitation Program - The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specific unit and, when a family moves from the unit, they have no right to continued assistance.

Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation – The objective of the Program is to help eligible low-income families obtain decent, safe, and sanitary housing through a system of rental subsidies. Under this project-based cluster program, the rental subsidy is tied to a specified unit and, when a family moves from the unit, they have no right to continued assistance.

Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI) - The HOPE VI Demolition Program supports site acquisition, demolition, and relocation costs for the HOPE VI Revitalization Program. Under this Program, residents of identified neighborhoods are relocated to other Public Housing and Section 8 Voucher units. Vacated public housing units are then demolished in preparation for the development under the HOPE VI Revitalization Program. This Program seeks to rebuild public housing neighborhoods through various financing and construction development agreements. Following the demolition of existing public housing units under the HOPE VI Demolition Grant, the Revitalization Program will seek to rebuild the neighborhood areas using a community anchor facility, new construction, and existing street patterns. While a significant portion of the redevelopment effort will be accomplished with HOPE VI funds, the majority will be completed using a variety of public and private resources.

Resident Opportunity and Supportive Services (ROSS) - The ROSS Program promotes the development of local strategies to coordinate the use of assistance under the Public Housing Program with public and private resources to enable participating families to achieve economic independence and housing self-sufficiency.

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

A. **Description of the Entity and Programs** (Continued)

Family Self-Sufficiency (FSS) – The FSS Program promotes the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher Program and the Public Housing Program with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Business Activities Programs **-** The Business Activities Programs expand the supply of decent and affordable housing by using local non-federal resources to enable home ownership through loan assumption programs and affordable tenant rent units owned by the Authority.

Component Units – The Authority has established component units to operate and develop affordable housing. Each of the organizations listed below act as an affiliate unit as defined in HUD's PIH Notice 2008-15. The levels of participation and responsibility for each of the component units differs based on the type of development. The Authority's component units include:

Dayton Metro Homes, LLC – The Authority has established Dayton Metro Homes, LLC, dba Premier Asset Management (PAM) as a wholly-owned subsidiary. PAM was established for the purpose of owning an investment as general partner or ownership entity in tax credit and mixed financing projects. Currently, PAM operates 35 low-moderate income housing units in Germantown, Ohio. The assets, liabilities, and results of operations are included as part of the accompanying financial statements.

Windcliff Village II GP, Inc. – Windcliff Village II GP, Inc. was established as a single purpose for-profit corporation to manage the tax credit project Windcliff Village II. The development is operated by Windcliff Village II, LP with Windcliff Village II GP, Inc. as the general partner. The assets, liabilities, and results of operations for Windcliff Village II GP, Inc., are included as part of the accompanying financial statements. The assets, liabilities, and results of operations for Windcliff Village II, LP are not included in the accompanying financial statements, but are reported separately under provisions of the tax credit agreement.

North Star Commons, LLC – North Star Commons, LLC was formed to participate as a special partner in the Dayton View Commons II, LLC development. Under the provisions of the development agreement, North Star Commons, LLC will receive a partnership fee of which half must be held as a deferral until certain development objectives have been met. North Star Commons, LLC does not operate or own property in the Dayton View Commons II, LLC development. North Star Commons, LLC's assets, liabilities, and results of operations are included as part of the accompanying financial statements.

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

A. **Description of the Entity and Programs** (Continued)

Rental Assistance Demonstration Program (RAD) Entities – There are currently five RAD properties (52 units) that are also reported as Blended Component Units of the Authority at June 30, 2021. These include the properties of Telford Shroyer, Argella, City View, Lori Sue, and Revere. The properties are 100 percent owned and managed by the Authority.

Separate financial statements have been issued for the aforementioned component units and may be requested in writing at the Dayton Metropolitan Housing Authority, 400 Wayne Avenue, Dayton, Ohio 45401-8750, to the attention of Lisa McCarty, Chief Financial Officer.

B. **Summary of Significant Accounting Policies**

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting – The Authority's activities are financed and operated as a single enterprise fund such that the costs and expenses, including depreciation, of providing the services are recovered primarily through user charges. The measurement focus is on the determination of revenues, expenses, financial position, and cash flows as the identification of these items is necessary for appropriate capital maintenance, public policy, management control, and accountability. The Authority's financial transactions are recorded on the accrual basis of accounting where revenues are recognized when earned and expenses are recognized as incurred. Revenues received in advance are deferred and recognized as earned over the period to which they relate.

Cash and Cash Equivalents – During fiscal year 2021, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio investment programs are a very liquid investments and are reported as a cash equivalent in the basic financial statements.

STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, *Certain External Investment Pools and Pool Participants.* The Authority measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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

B. **Summary of Significant Accounting Policies** (Continued)

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $100 million. STAR Oho reserves the right to limit the transactions to $250 million, requiring the excess amount to be transacted the following business day (2), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

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

Restricted Cash and Cash Equivalents and Investments – Cash and cash equivalents and investments have been classified as restricted on the balance sheet for funds held for public housing residents' security deposits, amounts held in escrow under the HCV and Family Self-Sufficiency (FSS) programs and funds on deposit under the Fannie Mae Modernization Program. Funds authorized by HUD for Housing Assistance Payments (HAP) and Housing Development programs are also classified as restricted.

Investments – The provisions of the HUD Regulations restrict investments. Investments are valued at fair value.

Receivables/Bad Debts – Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the year.

Inventory – Inventory consists of supplies and maintenance parts carried at the lower of cost and market using the average cost method, and are expensed as they are consumed.

Capital Assets – Land, structures, and equipment are recorded at historical cost. Depreciation is calculated on a straight-line method using half-year convention over the estimated useful lives. When depreciable property is disposed of or sold, the cost and related accumulated depreciation are removed from the accounts, with any gain or loss reflected in operations. The Authority capitalizes assets with a cost of $1,000 or more ($2,000 or more for computer equipment). Software purchases are capitalized if the cost exceeds $5,000. The estimated useful lives are as follows:

Equipment and Vehicles	3-7 years
Buildings and Improvements	15 years
Buildings	40 years

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

B. **Summary of Significant Accounting Policies** (Continued)

Compensated Absences – The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

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

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

Debt Obligations – Debt obligations of the Authority consist of mortgages for a homeownership program, capital projects, and property acquisition.

Net Position – Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The amount reported as restricted net position at fiscal year end represents the amounts restricted by HUD for future housing assistance payments and amounts from unspent debt proceeds. When an expense is incurred for purposes which both restricted and unrestricted net position are available, the Authority first applied restricted net position.

Revenue Recognition – Grant revenue is recognized when the earnings process is complete and exchange has taken place, and any restrictions imposed by the terms of the grant have been met. Rent revenue is recognized over the period for which housing has been provided. Investment income is recognized and recorded when earned and is allocated to programs based upon monthly investment balances.

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

B. **Summary of Significant Accounting Policies** (Continued)

Operating Revenues and Expenses – Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grants, and other miscellaneous revenue. Non-operating revenues are HUD capital grants, interest income, and gains on disposal of capital assets. Operating expenses are those that are expended directly for the primary activity of the propriety fund. For the Authority, these expenses are administrative, tenant services, utilities, maintenance and operation, protective services, general expenses, housing assistance payments, depreciation, and amortization. Non-operating expenses include interest expense and losses on disposal of capital assets.

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

Budgetary Accounting – The Authority annually prepares its budget as prescribed by HUD. The Authority's budgets are submitted to HUD and, once approved, are adopted by the Board of the Authority.

Use of Estimates – The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 8 and 9.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the Statement of Net Position for pension and OPEB. The deferred inflows of resources related to pension and OPEB are explained in Notes 8 and 9.

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

B. **Summary of Significant Accounting Policies** (Continued)

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

NOTE 2: **CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENT**

During fiscal year 2021, the Authority implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the end of a Construction Period.* This Statement establishes accounting requirements for interest cost incurred before the end of a construction period and requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the Authority.

At the prior year-end, Dayton View Commons, LLC, was reported as a blended component unit of the Authority. Changes in the relationship between the Authority and Dayton View Commons, LLC, since then has led the Authority to conclude Dayton View Commons, LLC should no longer be reported as a component unit of the Authority. In addition, the HCV Program's CARES Program revenue in the prior year was overstated by the unearned portion at June 30, 2020. A prior period adjustment of $(1,087,851) was needed to net position for this reporting period as summarized below:

Dayton View Commons, LLC no longer is a component unit	$ (626,905)
Correct HCV CARES Unearned Revenue at June 30, 2020	(460,946)
Prior Period Adjustment Reported	$ (1,087,851)

NOTE 3: **DEPOSITS AND INVESTMENTS**

A. **Deposits**

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

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

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

A. **Deposits** (Continued)

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

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

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

At fiscal year end, the carrying amount of the Authority's deposits totaled $14,562,921, of which $2,700 was held in petty cash. The corresponding bank balances totaled $14,509,917. Based on criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of June 30, 2021, $14,259,917 was exposed to custodial risk as discussed below, while $250,000 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Authority has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Authority to a successful claim by the FDIC.

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

B. **Investments**

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

The Authority's investments at June 30, 2021 were as follows:

Uncategorized Investments	Fair Value	Weighted Average Maturity	Rating
STAROhio	$ 2,647,849	54.4 days	AAAm*

* Standard & Poor's

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

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

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

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

NOTE 3: **DEPOSITS AND INVESTMENTS** (Continued)

B. **Investments** (Continued)

A reconciliation of cash, cash equivalents, and investments is as follows:

	Cash and Cash Equivalents *	Investments
Per Statement of Net Position	$ 17,210,770	$ -
STAR Ohio	(2,647,849)	2,647,849
Per GASB Statement No. 3	$ 14,562,921	$ 2,647,849

* Includes restricted cash and cash equivalents.

Restricted cash consists of the following:

Security Deposits	$ 186,671
Replacement Reserves	1,252,001
Proceeds from Public Housing Dispositions	148,610
Family Self-Sufficiency Escrow	219,377
Housing Choice Voucher HAP Funding	1,231,672
	$ 3,038,331

NOTE 4: **CAPITAL ASSETS**

A summary of changes in the Authority's capital assets for the year ended June 30, 2021 follows:

	Balance June 30, 2020	Increases	Transfers	Decreases	Balance June 30, 2021
Capital Assets Not Being Depreciated					
Land	$ 9,521,535	$ 103,231	$ -	$ -	$ 9,624,766
Construction in Progress	755,486	531,132	(560,798)	-	725,820
Total Capital Assets Not Being Depreciated	10,277,021	634,363	(560,798)	-	10,350,586
Capital Assets Being Depreciated					
Buildings and Improvements	126,043,495	1,200,698	560,798	(14,687)	127,790,304
Equipment and Vehicles	5,923,554	125,871	-	(49,890)	5,999,535
Subtotal Capital Assets Being Depreciated	131,967,049	1,326,569	560,798	(64,577)	133,789,839
Total Cost	142,244,070	1,960,932	-	(64,577)	144,140,425
Accumulated Depreciation					
Buildings and Improvements	101,616,741	3,330,662	-	-	104,947,403
Equipment and Vehicles	5,269,165	143,547	-	(49,890)	5,362,822
Total Accumulated Depreciation	106,885,906	3,474,209	-	(49,890)	110,310,225
Total Capital Assets, Net	$ 35,358,164	$ (1,513,277)	$ -	$ (14,687)	$ 33,830,200

NOTE 5: NOTES RECEIVABLE

The Authority entered into mixed finance loan arrangements with various development partners. The arrangements have terms of 40 years. Repayment is based on cash flow realized by properties; otherwise, all amounts are due at maturity. A summary of amounts owed to the Authority at June 30, 2021 is as follows:

Audubon Crossing	$ 2,793,443
Germantown	3,742,335
Brandt Meadows	2,650,000
Total Notes Receivable	**$ 9,185,778**

NOTE 6: LONG-TERM OBLIGATIONS

Changes in the Authority's long-term obligations during fiscal year 2021 are as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Fannie Mae Note	$ 5,711,791	$ -	$ (467,573)	$ 5,244,218	$ 496,410
County Corp. Note	114,626	-	(12,505)	102,121	12,505
Net Pension/OPEB Liablity	16,192,813	-	(9,076,469)	7,116,344	-
Compensated Absences	1,389,481	326,310	(228,789)	1,487,002	226,336
Other	-	219,377	-	219,377	166,334
Total Long-Term Obligations	$ 23,408,711	$ 545,687	$ (9,785,336)	$ 14,169,062	$ 901,585

Direct Borrowings

Loan Payable – Montgomery County's Housing Trust

During 2007, the Authority executed a loan payable in the amount of $250,902 to be used to fill the financing gap in the cost of acquiring and making improvements to the 35-unit Windcliff Village Project. The loan is at an interest rate of 0 percent for a 20-year period and will terminate on or before December 31, 2028. Monthly payments of $1,042 are made on the loan. No collateral was required for the Project.

Fiscal Year Ended June 30	Principal	Interest	Total
2022	$ 12,505	$ -	$ 12,505
2023	12,505	-	12,505
2024	12,505	-	12,505
2025	12,505	-	12,505
2026	12,505	-	12,505
2027-2030	39,596	-	39,596
Total	$ 102,121	$ -	$ 102,121

NOTE 6: **LONG-TERM OBLIGATIONS** (Continued)

Loan Payable – FANNE MAE Modernization Note

During 2010, the Authority executed a Capital Fund Financing Program (CFFP) note in the amount of $9,235,000 to be used to modernize Public Housing Program units at four AMP locations. The note is at 6 percent per annum. The twenty-year note calls for monthly payments of $66,463 with the final payment due November 2029. Payments on the note are made form a portion of the Authority's Capital Fund Program revenue from HUD.

Fiscal Year Ended June 30	Principal	Interest	Total
2022	$ 496,410	$ 301,150	$ 797,560
2023	527,028	270,532	797,560
2024	559,534	238,026	797,560
2025	594,045	203,515	797,560
2026	630,685	166,875	797,560
2027-2030	2,436,516	261,756	2,698,272
Total	$ 5,244,218	$ 1,441,854	$ 6,686,072

NOTE 7: **RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

The Authority is covered for property damage, general liability, automobile liability, public official's liability, and other crime liabilities through membership in the Ohio Housing Authority Property Casualty, Inc. (OHAPCI) and the Public Entity Risk Consortium (PERC). OHAPCI is an insurance risk sharing and purchasing pool comprised of three Ohio housing authorities. PERC is an Ohio public entity joint self-insurance pool restricted to mid-size public entities including pools (of which OHAPCI is a member). OHAPCI is a corporation governed by a Board of Trustees, consisting of a representative appointed by each of the member housing authorities. The Board of Trustees elects the officers of the Corporation, with each Trustee having a single vote. The Board is responsible for its own financial matters, and the Corporation maintains its own books of account. Budgeting and financing of OHAPCI is subject to the approval of the Board. The following is a summary of insurance coverage in effect as of June 30, 2021:

Coverage	Limit
Real and Personal Property	$ 250,000,000
General Liability	6,000,000
Automobile	6,000,000
Public Officials	6,000,000
Crime	500,000
Pollution	100,000

NOTE 7: **RISK MANAGEMENT** (Continued)

As of June 30, 2021, the Pool maintained a reserve in excess of actual and estimated claims relative to the Authority. During the year, settled claims for the Authority did not exceed the coverage provided by OHAPCI.

The Authority also maintains employee bonding and employee major medical, dental, and vision coverage with private carriers.

NOTE 8: **DEFINED BENEFIT PENSION PLAN**

Net Pension Liability/Asset

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

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

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

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

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

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

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

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

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

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

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

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for fiscal year 2021 for the Traditional and Combined plans. The portion of the employer's contribution allocated to health care was 4% for the Member-Directed plan for fiscal year 2021. The Authority's contractually required contributions used to fund pension benefits was $965,286 for fiscal year ending June 30, 2021.

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

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

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.048801%	0.032755%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.048058%	0.030049%	
Change in Proportionate Share	-0.000743%	-0.002706%	
Proportionate Share of the Net Pension Liability/(Asset)	$ 7,116,344	$ (86,741)	$ 7,029,603
Pension Expense	$ (608,704)	$ (6,833)	$ (615,537)

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Changes of assumptions	$ -	$ 5,417	$ 5,417
Changes in proportion and differences between Authority proportionate share of contributions	-	9,036	9,036
Authority contributions subsequent to the measurement date	478,500	9,580	488,080
Total Deferred Outflows of Resources	$ 478,500	$ 24,033	$ 502,533
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 2,773,742	$ 12,900	$ 2,786,642
Differences between expected and actual experience	297,682	16,365	314,047
Changes in proportion and differences between Authority contributions and proportionate share of contributions proportionate share of contributions	162,774	6,072	168,846
Total Deferred Inflows of Resources	$ 3,234,198	$ 35,337	$ 3,269,535

$488,080 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Year Ending June 30:			
2022	$ (1,298,828)	$ (6,056)	$ (1,304,884)
2023	(426,401)	(3,789)	(430,190)
2024	(1,130,673)	(6,761)	(1,137,434)
2025	(378,296)	(2,791)	(381,087)
2026	-	(589)	(589)
Thereafter	-	(898)	(898)
Total	$ (3,234,198)	$ (20,884)	$ (3,255,082)

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions - OPERS

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

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

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

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

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

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

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees 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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

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

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

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

Authority's proportionate share of the net pension liability/(asset)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Traditional Pension Plan	$ 13,574,463	$ 7,116,344	$ 1,746,428
Combined Plan	$ (60,398)	$ (86,741)	$ (106,373)

NOTE 9: **DEFINED BENEFIT OPEB PLANS**

Net OPEB Asset

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

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

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

GASB 75 assumes any liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium.

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

Net OPEB Asset (Continued)

The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB asset. Resulting adjustments to the net OPEB asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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

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

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

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

The Authority's contractually required contribution allocated to health care was $5,038 for fiscal year 2021.

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

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

	OPERS
Proportion of the Net OPEB Liability:	
Prior Measurement Date	0.047893%
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.046685%
Change in Proportionate Share	-0.001208%
Proportionate Share of the Net OPEB Asset	$ 831,731
OPEB Expense	$ (5,193,542)

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

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

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

	OPERS
Deferred Outflows of Resources	
Changes of assumptions	$ 408,888
Authority contributions subsequent to the measurement date	2,285
Total Deferred Outflows of Resources	$ 411,173
Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 442,989
Differences between expected and actual expenses	750,634
Changes of assumptions	1,347,653
Changes in proportion and differences between Authority contributions and proportionate share of contributions	132,475
Total Deferred Inflows of Resources	$ 2,673,751

$2,285 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in fiscal year 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending June 30:	
2022	$ (1,205,031)
2023	(815,129)
2024	(192,505)
2025	(52,198)
Total	$ (2,264,863)

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.

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74:

Wage inflation	3.25%
Projected salary increases	3.25% to 10.75%, including wage inflation
Singe discount rate:	
Current measurement period	6.00%
Prior measurement period	3.16%
Investment rate of return	6.00%
Municipal bond rate:	
Current measurement period	2.00%
Prior measurement period	2.75%
Health care cost trend rate:	
Current measurement period	8.5% initial, 3.50% ultimate in 2035
Prior measurement period	10.5% initial, 3.50% ultimate in 2030
Actuarial cost method	Individual entry age

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

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

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

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

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

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

NOTE 9: **DEFINED BENEFIT OPEB PLANS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB asset	$ 206,815	$ 831,731	$ 1,345,462

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

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	$ 852,001	$ 831,731	$ 809,051

NOTE 10: **CONTINGENCIES**

Litigations and Claims

In the normal course of operations, the Authority may be subjected to litigation and claims. At June 30, 2021, the Authority is involved in several matters. While the outcome of these matters cannot be presently determined, management believes that the ultimate resolution will not have a material effect on the financial statements.

NOTE 11: **COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID19 pandemic. The State of Ohio's declared state of emergency ended June 2021, while the national state of emergency continues. The financial impact of COVID-19 and the ensuing emergency measures impacted fiscal year 2021, the second half of fiscal year 2020, and will impact subsequent periods of the Authority. The impact on the Authority's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

During fiscal year 2021, the Authority recognized revenue amounting to $2,479,489 in federal CARES Act funding.

NOTE 12: **SUBSEQUENT EVENTS**

In September 2021, the Authority authorized the issuance of $8,875,000 Multifamily Housing Revenue bonds payable for the acquisition, construction, renovation, improvement and equipping of 163 living units for rental to low and moderate income families located in Montgomery County, Ohio.

Required Supplementary Information

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

LAST EIGHT FISCAL YEARS (1) (2)

Traditional Plan	2021	2020	2019
Authority's Proprtion of the Net Pension Liability	0.048058%	0.048801%	0.050050%
Authority's Proportionate Share of the Net Pension Liability	$ 7,116,344	$ 9,645,849	$ 13,707,680
Authority's Covered Payroll	$ 6,768,733	$ 6,866,236	$ 6,760,156
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.14%	140.48%	202.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%

Combined Plan	2021	2020	2019
Authority's Proprtion of the Net Pension Asset	0.030049%	0.032755%	0.035306%
Authority's Proportionate Share of the Net Pension (Asset)	$ (86,741)	$ (68,302)	$ (39,480)
Authority's Covered Payroll	$ 132,426	$ 145,808	$ 151,000
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	65.50%	46.84%	26.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	157.67%	145.28%	126.64%

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

(2) Amounts presented for each year were determined as of the Authority's measurement date, which is the prior year-end.

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.051817%	0.052365%	0.047814%	0.045155%	0.045155%
$ 8,129,083	$ 11,891,201	$ 8,281,989	$ 5,446,198	$ 5,323,186
$ 6,847,639	$ 6,769,301	$ 5,950,984	$ 5,535,661	$ 5,889,134
118.71%	175.66%	139.17%	98.38%	90.39%
84.66%	77.25%	81.08%	86.45%	86.36%

2018	2017	2016	2015	2014
0.029073%	0.039646%	0.035980%	0.020933%	0.020933%
$ (39,578)	$ (22,066)	$ (17,506)	$ (8,060)	$ (2,196)
$ 119,069	$ 154,324	$ 130,934	$ 76,519	$ 70,503
33.24%	14.30%	13.37%	10.53%	3.11%
137.28%	116.55%	116.90%	114.83%	104.33%

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

LAST NINE FISCAL YEARS (1)

	2021	2020	2019
Contractually Required Contributions			
Traditional Plan	$ 946,673	$ 952,748	$ 957,325
Combined Plan	18,613	18,540	22,302
Total Required Contributions	965,286	971,288	979,627
Contributions in Relation to the Contractually Required Contribution	(965,286)	(971,288)	(979,627)
Contribution Deficiency / (Excess)	$ -	$ -	$ -
Authority's Covered Payroll			
Traditional Plan	$ 6,761,950	$ 6,805,343	$ 6,838,036
Combined Plan	$ 132,950	$ 132,429	$ 159,300
Pension Contributions as a Percentage of Covered Payroll			
Traditional Plan	14.00%	14.00%	14.00%
Combined Plan	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information.

	2018	2017	2016	2015	2014	2013
	$ 918,717	$ 881,192	$ 736,730	$ 688,100	$ 700,539	$ 772,257
	15,975	20,089	16,210	12,866	6,493	11,297
	934,692	901,281	752,940	700,966	707,032	783,554
	(934,692)	(901,281)	(752,940)	(700,966)	(707,032)	(783,554)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 6,803,710	$ 7,060,833	$ 6,139,417	$ 5,734,167	$ 5,837,825	$ 5,940,438
	$ 118,305	$ 160,970	$ 135,083	$ 107,217	$ 54,108	$ 86,900
	13.50%	12.48%	12.00%	12.00%	12.00%	13.00%
	13.50%	12.48%	12.00%	12.00%	12.00%	13.00%

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

LAST FIVE FISCAL YEARS (1) (2)

	2021	2020
Authority's Proprtion of the Net OPEB Liability/Asset	0.046685%	0.047893%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	$ (831,731)	$ 6,615,267
Authority's Covered Payroll	$ 7,060,471	$ 7,235,616
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-11.78%	91.43%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	46.33%

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

(2) Amounts presented for each year were determined as of the Authority's measurement date, which is the prior year-end.

See accompanying notes to the required supplementary information.

2019	2018	2017
0.048707%	0.050170%	0.050610%
$ 6,350,243	$ 5,448,092	$ 5,111,782
$ 7,064,813	$ 7,106,737	$ 6,994,666
89.89%	76.66%	73.08%
46.33%	54.14%	54.05%

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS -OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

LAST SEVEN FISCAL YEARS (1)

	2021	2020	2019
Contractually Required Contributions	$ 5,038	$ 7,522	$ 8,290
Contributions in Relation to the Contractually Required Contribution	(5,038)	(7,522)	(8,290)
Contribution Deficiency / (Excess)	$ -	$ -	$ -
Authority's Covered Payroll	$ 7,020,853	$ 7,125,816	$ 7,204,578
Pension Contributions as a Percentage of Covered Payroll	0.07%	0.11%	0.12%

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015
$ 41,051	$ 112,879	$ 126,958	$ 118,019
(41,051)	(112,879)	(126,958)	(118,019)
$ -	$ -	$ -	$ -
$ 7,165,990	$ 7,236,270	$ 6,353,000	$ 5,936,159
0.57%	1.56%	2.00%	1.99%

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

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

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

Net OPEB Liability

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

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

Supplementary Information

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

	Project Total	14.892 Choice Neighborhoods Planning Grants	6.2 Component Unit - Blended	14.895 Jobs-Plus Pilot Initiative	14.182 N/C S/R Section 8 Programs	1 Business Activities
111 Cash - Unrestricted	$ 4,895,843	$ 88,406	$ 401,978	$ 11,659	$ 47,831	$ 1,764,525
112 Cash - Restricted - Modernization and Development	35,250					
113 Cash - Other Restricted	113,360		1,252,593			
114 Cash - Tenant Security Deposits	182,174		4,497			
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	5,226,627	88,406	1,659,068	11,659	47,831	1,764,525
121 Accounts Receivable - PHA Projects	5,412					
122 Accounts Receivable - HUD Other Projects	42,983			58,988		
125 Accounts Receivable - Miscellaneous	305,394	30,786	24,489	268		1,114
126 Accounts Receivable - Tenants	712,320		11,131			
126.1 Allowance for Doubtful Accounts -Tenants	(598,095)		(9,739)			
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
120 Total Receivables, Net of Allowances for Doubtful Accounts	468,014	30,786	25,881	59,256	-	1,114
142 Prepaid Expenses and Other Assets	260,943		5,674			
143 Inventories	621,822		8,043			
143.1 Allowance for Obsolete Inventories	(18,655)		(241)			
150 Total Current Assets	6,558,751	119,192	1,698,425	70,915	47,831	1,765,639
161 Land	7,918,622	42,000	310,904			8,478
162 Buildings	118,173,739		3,875,660			213,397
163 Furniture, Equipment & Machinery - Dwellings	920,235					
164 Furniture, Equipment & Machinery - Administration	3,323,291		42,323			
166 Accumulated Depreciation	(102,346,811)		(1,762,993)			(65,389)
167 Construction in Progress	321,089	30,000	252,582			122,149
160 Total Capital Assets, Net of Accumulated Depreciation	28,310,165	72,000	2,718,476	-	-	278,635
171 Notes, Loans and Mortgages Receivable - Non-Current	9,185,778					
180 Total Non-Current Assets	37,495,943	72,000	2,718,476	-	-	278,635
200 Deferred Outflow of Resources	475,355	-	-	-	-	-
290 Total Assets and Deferred Outflow of Resources	44,530,049	191,192	4,416,901	70,915	47,831	2,044,274
312 Accounts Payable <= 90 Days	53,040		441	33,767		
321 Accrued Wage/Payroll Taxes Payable	417,915		9,894			
322 Accrued Compensated Absences - Current Portion	88,592		1,800	560		
331 Accounts Payable - HUD PHA Programs			36,497		14,022	
341 Tenant Security Deposits	182,174		4,497			
342 Unearned Revenue	6,831					
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	496,410		12,505			
345 Other Current Liabilities	181,699	33	20,826	13		
346 Accrued Liabilities - Other	500,823		45,363			41,675
310 Total Current Liabilities	1,927,484	33	131,823	34,340	14,022	41,675
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	4,747,809		89,615			
353 Non-current Liabilities - Other	52,451		592			
354 Accrued Compensated Absences - Non Current	502,019		10,201	3,172		
357 Accrued Pension and OPEB Liabilities	3,224,440					
350 Total Non-Current Liabilities	8,526,719	-	100,408	3,172	-	-
300 Total Liabilities	10,454,203	33	232,231	37,512	14,022	41,675
400 Deferred Inflow of Resources	3,091,994	-	-	-	-	-
508.4 Net Investment in Capital Assets	23,065,946	72,000	2,616,356			278,635
511.4 Restricted Net Position	148,610		1,252,593			
512.4 Unrestricted Net Position	7,769,296	119,159	315,721	33,403	33,809	1,723,964
513 Total Equity - Net Assets / Position	30,983,852	191,159	4,184,670	33,403	33,809	2,002,599
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$ 44,530,049	$ 191,192	$ 4,416,901	$ 70,915	$ 47,831	$ 2,044,274

14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.HCC HCV CARES Act Funding	14.PHC Public Housing CARES Act Funding	14.CCC Central Office Cost Center CARES Act Funding	COCC	Subtotal	ELIM	Total
$ -	$ 1,128,029	$ 1,446,502	$ 546	$ -	$ -	$ -	$ 4,489,654	$ 14,274,973	$ -	$ 14,274,973
								35,250		35,250
		1,181,153						2,547,106		2,547,106
								186,671		186,671
		166,332						166,332		166,332
-	1,128,029	2,793,987	546	-	-	-	4,489,654	17,210,332	-	17,210,332
								5,412		5,412
			34,775					136,746		136,746
		37,720					3,261	403,032		403,032
								723,451		723,451
								(607,834)		(607,834)
		10,260						10,260		10,260
		(2,626)						(2,626)		(2,626)
-	-	45,354	34,775	-	-	-	3,261	668,441	-	668,441
		21,877					20,092	308,586		308,586
								629,865		629,865
								(18,896)		(18,896)
-	1,128,029	2,861,218	35,321	-	-	-	4,513,007	18,798,328	-	18,798,328
827,588	460,335						56,839	9,624,766		9,624,766
2,168,842	3,241,372						117,294	127,790,304		127,790,304
							14,069	934,304		934,304
	103,319	301,307					1,314,252	5,084,492		5,084,492
(1,840,220)	(2,756,299)	(272,300)					(1,285,474)	(110,329,486)		(110,329,486)
								725,820		725,820
1,156,210	1,048,727	29,007	-	-	-	-	216,980	33,830,200	-	33,830,200
								9,185,778		9,185,778
1,156,210	1,048,727	29,007	-	-	-	-	216,980	43,015,978	-	43,015,978
-	-	131,412	-	-	-	-	306,939	913,706		913,706
1,156,210	2,176,756	3,021,637	35,321	-	-	-	5,036,926	62,728,012	-	62,728,012
		7,351					119,855	214,454		214,454
		164,890					163,756	756,455		756,455
	1,810	27,922	7,236				98,416	226,336		226,336
								50,519		50,519
								186,671		186,671
								6,831		6,831
								508,915		508,915
		82,154					188,584	473,309		473,309
		71,282	1,760				85,753	746,656		746,656
-	1,810	353,599	8,996	-	-	-	656,364	3,170,146	-	3,170,146
								4,837,424		4,837,424
								53,043		53,043
	10,256	146,851	41,004				557,688	1,271,191		1,271,191
		891,398					2,082,034	6,197,872		6,197,872
-	10,256	1,038,249	41,004	-	-	-	2,639,722	12,359,530	-	12,359,530
-	12,066	1,391,848	50,000	-	-	-	3,296,086	15,529,676	-	15,529,676
-	-	854,783	-	-	-	-	1,996,509	5,943,286		5,943,286
1,156,210	1,048,727	29,007					216,980	28,483,861		28,483,861
		1,181,153						2,582,356		2,582,356
	1,115,963	(435,154)	(14,679)				(472,649)	10,188,833		10,188,833
1,156,210	2,164,690	775,006	(14,679)	-	-	-	(255,669)	41,255,050	-	41,255,050
$ 1,156,210	$ 2,176,756	$ 3,021,637	$ 35,321	$ -	$ -	$ -	$ 5,036,926	$ 62,728,012	$ -	$ 62,728,012

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

	Project Total	14.892 Choice Neighborhoods Planning Grants	6.2 Component Unit - Blended	14.895 Jobs-Plus Pilot Initiative	14.182 N/C S/R Section 8 Programs	1 Business Activities
70300 Net Tenant Rental Revenue	$ 4,921,507	$ -	$ 173,959	$ -	$ -	$ 5,725
70400 Tenant Revenue - Other	28,527		360			
70500 Total Tenant Revenue	4,950,034	-	174,319	-	-	5,725
70600 HUD PHA Operating Grants	9,378,369		187,355		114,337	
70610 Capital Grants	2,810,985		109,902			
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue	-	-	-	-	-	-
70800 Other Government Grants	3,400	321,197		208,071		5,000
71100 Investment Income - Unrestricted	541	2	64			132
71200 Mortgage Interest Income					2	
71400 Fraud Recovery						
71500 Other Revenue	132,724	1,658	14,622		411	100,646
71600 Gain or Loss on Sale of Capital Assets	(1,692)					
70000 Total Revenue	17,274,361	322,857	486,262	208,071	114,750	111,503
91100 Administrative Salaries	345,420		11,312	61,223	12,097	
91200 Auditing Fees	11,840		168		242	
91300 Management Fee	2,700,030		42,057		11,183	2,784
91310 Book-keeping Fee	199,394		4,303		6,989	135
91500 Employee Benefit contributions - Administrative	(624,362)		(48,232)	18,489	2,687	
91600 Office Expenses	496,466	233,346	16,815	137,836	1,718	150,976
91900 Other	87,763	1,952	(150,224)		26	5,000
91000 Total Operating - Administrative	3,216,551	235,298	(123,801)	217,548	34,942	158,895
92000 Asset Management Fee	299,005		4,688			
92100 Tenant Services - Salaries	55,427		919			
92200 Relocation Costs	394		17,310			
92300 Employee Benefit Contributions - Tenant Services	(22,156)		(2,666)	104		
92400 Tenant Services - Other					4	
92500 Total Tenant Services	33,665	-	15,563	104	4	-
93100 Water	497,749		19,337			
93200 Electricity	994,486		12,458			37
93300 Gas	412,194		13,992			
93600 Sewer	425,253		27,110			
93000 Total Utilities	2,329,682	-	72,897	-	-	37
94100 Ordinary Maintenance and Operations - Labor	1,848,617		50,258			
94200 Ordinary Maintenance and Operations - Materials and Other	830,409		37,786		25	
94300 Ordinary Maintenance and Operations Contracts	3,585,791	30,000	469,822	8,702	1,533	20,358
94500 Employee Benefit Contributions - Ordinary Maintenance	(674,783)		(239,137)			
94000 Total Maintenance	5,590,034	30,000	318,729	8,702	1,558	20,358
95100 Protective Services - Labor	56,329		1,292			
95200 Protective Services - Other Contract Costs	468,568		3,979		4	
95500 Employee Benefit Contributions - Protective Services	(31,061)		(3,640)			
95000 Total Protective Services	493,836	-	1,631	-	4	-
96110 Property Insurance	544,250		10,223		41	
96130 Workmen's Compensation	153,996		4,590	1,617	(146)	
96140 All Other Insurance	19,842					
96100 Total insurance Premiums	718,088	-	14,813	1,617	(105)	-
96200 Other General Expenses	146,148		140		5	1,264
96210 Compensated Absences	47,400		1,915	(756)	(348)	
96300 Payments in Lieu of Taxes	102,095		1,367			10
96400 Bad debt - Tenant Rents	167,541		(916)			
96800 Severance Expense	18,465				10	
96000 Total Other General Expenses	$ 481,649	$ -	$ 2,506	$ (756)	$ (333)	$ 1,274

14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.HCC HCV CARES Act Funding	14.PHC Public Housing CARES Act Funding	14.CCC Central Office Cost Center CARES Act Funding	COCC	Subtotal	ELIM	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,101,191	$ -	$ 5,101,191
								28,887		28,887
-	-	-	-	-	-	-	-	5,130,078	-	5,130,078
		28,323,860		1,068,642	1,410,847			40,483,410		40,483,410
								2,920,887		2,920,887
							3,319,277	3,319,277	(3,224,785)	94,492
							463,691	463,691	(452,212)	11,479
							562,860	562,860	(562,860)	-
							36,528	36,528	(36,528)	-
							43,547	43,547		43,547
-	-	-	-	-	-	-	4,425,903	4,425,903	(4,276,385)	149,518
6,011			266,967				502	811,148		811,148
	1,784	165					2,557	5,245		5,245
								2		2
		7,728						7,728		7,728
		39,365				248,402	527,404	1,065,232	(248,402)	816,830
							1,045	(647)		(647)
6,011	1,784	28,371,118	266,967	1,068,642	1,410,847	248,402	4,957,411	54,848,986	(4,524,787)	50,324,199
	44,466			937,087	1,162,445		2,183,120	4,757,170		4,757,170
		18,626					6,866	37,742		37,742
		605,184			778			3,362,016	(3,362,016)	-
		364,105			99,105			674,031	(674,031)	-
	9,466	(360,463)					(1,834,036)	(2,836,451)		(2,836,451)
	2,052	122,197					342,754	1,504,160		1,504,160
6,011		2,108	5,493				76,806	34,935		34,935
6,011	55,984	751,757	5,493	937,087	1,262,328	-	775,510	7,533,603	(4,036,047)	3,497,556
					148,519			452,212	(452,212)	-
			195,102					251,448		251,448
								17,704		17,704
			101,532					76,814		76,814
		337				144,771		145,112		145,112
-	-	337	296,634	-	-	144,771	-	491,078	-	491,078
							1,398	518,484		518,484
							33,430	1,040,411		1,040,411
								426,186		426,186
							1,431	453,794		453,794
-	-	-	-	-	-	-	36,259	2,438,875	-	2,438,875
							33,881	1,932,756		1,932,756
		930					21,740	890,890		890,890
				131,555			248,575	4,496,336	(36,528)	4,459,808
							(17,779)	(931,699)		(931,699)
-	-	930	-	131,555	-	-	286,417	6,388,283	(36,528)	6,351,755
								57,621		57,621
		476						473,027		473,027
							9,417	(25,284)		(25,284)
-	-	476	-	-	-	-	9,417	505,364	-	505,364
		3,625					4,166	562,305		562,305
	1,238	25,627	5,856				58,557	251,335		251,335
								19,842		19,842
-	1,238	29,252	5,856	-	-	-	62,723	833,482	-	833,482
		13,415					3,062	164,034		164,034
	12,066	(38,972)	28,539				158,365	208,209		208,209
							3,194	106,666		106,666
								166,625		166,625
		575					4,591	23,641		23,641
$ -	$ 12,066	$ (24,982)	$ 28,539	$ -	$ -	$ -	$ 169,212	$ 669,175	$ -	$ 669,175

DAYTON METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)
FOR THE FISCAL YEAR ENDED: JUNE 30, 2021

	Project Total	14.892 Choice Neighborhoods Planning Grants	6.2 Component Unit - Blended	14.895 Jobs-Plus Pilot Initiative	14.182 N/C S/R Section 8 Programs	1 Business Activities
96710 Interest of Mortgage (or Bonds) Payable	$ 227,692	$ -	$ -	$ -	$ -	$ -
96730 Amortization of Bond Issue Costs	102,296					
96700 Total Interest Expense and Amortization Cost	329,988	-	-	-	-	-
96900 Total Operating Expenses	13,492,498	265,298	307,026	227,215	36,070	180,564
97000 Excess of Operating Revenue over Operating Expenses	3,781,863	57,559	179,236	(19,144)	78,680	(69,061)
97200 Casualty Losses - Non-capitalized	17,958					
97300 Housing Assistance Payments					69,200	
97400 Depreciation Expense	3,036,429		171,561			4,295
97800 Dwelling Units Rent Expense	90,155					
90000 Total Expenses	16,637,040	265,298	478,587	227,215	105,270	184,859
10091 Inter Project Excess Cash Transfer In	895,014					
10092 Inter Project Excess Cash Transfer Out	(895,014)					
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ 637,321	$ 57,559	$ 7,675	$ (19,144)	$ 9,480	$ (73,356)
11020 Required Annual Debt Principal Payments	$ 496,410		$ 12,505			
11030 Beginning Equity	$ 31,895,219	$ 133,600	$ 3,255,212	$ 52,547	$ 24,329	$ 2,075,955
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$ (1,548,688)		$ 921,783			
11170 Administrative Fee Equity						
11180 Housing Assistance Payments Equity						
11190 Unit Months Available	29,980		876		672	
11210 Number of Unit Months Leased	26,677		604		262	
11270 Excess Cash	$ 2,606,079					
11610 Land Purchases	$ 10,525					
11620 Building Purchases	$ 61,168					
11630 Furniture & Equipment - Dwelling Purchases	$ 195,324					
11640 Furniture & Equipment - Administrative Purchases	$ 36,097					
13510 CFFP Debt Service Payments	$ 79,756					

14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.HCC HCV CARES Act Funding	14.PHC Public Housing CARES Act Funding	14.CCC Central Office Cost Center CARES Act Funding	COCC	Subtotal	ELIM	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 227,692	$ -	$ 227,692
								102,296		102,296
-	-	-	-	-	-	-	-	329,988	-	329,988
6,011	69,288	757,770	336,522	1,068,642	1,410,847	144,771	1,339,538	19,642,060	(4,524,787)	15,117,273
-	(67,504)	27,613,348	(69,555)	-	-	103,631	3,617,873	35,206,926	-	35,206,926
	5,000							22,958		22,958
		24,807,874						24,877,074		24,877,074
117,954	110,688	14,429					18,853	3,474,209		3,474,209
					-			90,155		90,155
123,965	184,976	25,580,073	336,522	1,068,642	1,410,847	144,771	1,358,391	48,106,456	(4,524,787)	43,581,669
								895,014		895,014
								(895,014)		(895,014)
-	-	-	-	-	-	-	-	-	-	-
$ (117,954)	$ (183,192)	$ 2,791,045	$ (69,555)	$ -	$ -	$ 103,631	$ 3,599,020	$ 6,742,530	$ -	$ 6,742,530
								$ 508,915		$ 508,915
$ 1,274,164	$ 2,347,882	$ (2,016,039)	$ 54,876	$ 460,946			$ (3,958,050)	$ 35,600,641		$ 35,600,641
				$ (460,946)		$ (103,631)	$ 103,361	$ (1,088,121)		$ (1,088,121)
		$ (406,147)						$ (406,147)		$ (406,147)
		$ 1,181,153						$ 1,181,153		$ 1,181,153
		51,156						82,684		82,684
		48,882						76,425		76,425
								$ 2,606,079		$ 2,606,079
								$ 10,525		$ 10,525
								$ 61,168		$ 61,168
								$ 195,324		$ 195,324
								$ 36,097		$ 36,097
								$ 79,756		$ 79,756

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal ALN**	**Total Federal Expenditures**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Program		
Section 8 Project-Based Cluster:		
Lower Income Housing Assistance Program - Section 8 New Construction/ Substantial Rehabilitation	14.182	$ 114,337
Total Section 8 Project-Based Cluster		114,337
Public and Indian Housing	14.850	9,548,411
COVID-19 - Public and Indian Housing	14.850	1,410,847
		10,959,258
Hope VI Cluster:		
Demolition and Revitalization of Severely Distressed Public Housing	14.866	6,011
Total Hope VI Cluster		6,011
Resident Opportunity and Supportive Services - Service Coordinators	14.870	266,967
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	25,580,073
COVID-19 - Section 8 Housing Choice Vouchers	14.871	1,068,642
Total Housing Voucher Cluster		26,648,715
Public Housing Capital Fund	14.872	2,920,887
Choice Neighborhoods Planning Grants	14.892	321,197
Jobs-Plus Pilot Initiative	14.895	208,071
Total U.S. Department of Housing and Urban Development		41,445,443
Total Expenditures of Federal Awards		$ 41,445,443

The accompanying notes are an integral part of this schedule

NOTE 1: **BASIS OF PRESENTATION**

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

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

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

NOTE 3: **INDIRECT COST RATE**

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

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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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*

Board of Commissioners
Dayton Metropolitan Housing Authority
Dayton, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Dayton Metropolitan Housing Authority (the "Authority"), which comprise the statement of net position as of June 30, 2021 and the related statement of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 15, 2022.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 15, 2022

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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

Board of Commissioners
Dayton Metropolitan Housing Authority
Dayton, Ohio

Report on Compliance for Each Major Federal Program
We have audited the Dayton 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 June 30, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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 June 30, 2021.

Report on Internal Control Over Compliance
Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on 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 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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
March 15, 2022

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

ALN 14.871 – Section 8 Housing Choice Vouchers

Dollar threshold to distinguish between Type A and Type B programs:	$1,243,363
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None noted

Section III – Federal Awards Findings and Questioned Costs

None noted

Section IV – Summary of Prior Audit Findings and Questioned Costs

None noted

OHIO AUDITOR OF STATE
KEITH FABER

DAYTON METROPOLITAN HOUSING AUTHORITY

MONTGOMERY 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 5/5/2022

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