WAYNE METROPOLITAN HOUSING AUTHORITY

Financial Condition

As of

December 31, 2021

Together with Auditors' Report

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

Board of Directors
Wayne Metropolitan Housing Authority
345 N. Market St.
Wooster, OH 44691

We have reviewed the *Independent Auditors' Report* of Wayne Metropolitan Housing Authority, Wayne County, prepared by Kevin L. Penn, Inc, for the audit period January 1, 2021 through December 31, 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. Wayne Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

July 07, 2022

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WAYNE METROPOLITAN HOUSING AUTHORITY
WOOSTER, OHIO

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INDEPENDENT AUDITOR'S REPORT

Wayne Metropolitan Housing Authority
Wayne County
345 North Market Avenue
Wooster, Ohio 44691

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the business-type activities, of the Wayne Metropolitan Housing Authority, Wayne County, Ohio, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Wayne Metropolitan Housing Authority's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Wayne Metropolitan Housing Authority, Wayne County, Ohio as of December 31, 2021, and the respective changes in financial position and, cash flows thereof and for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Wayne Metropolitan Housing Authority's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wayne Metropolitan Housing Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wayne Metropolitan Housing Authority's basic financial statements. The Supplemental Financial Data Schedules and Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Supplemental Financial Data Schedules and Schedule of Expenditures of Federal Awards is 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*, I have also issued my report dated June 6, 2022, on my consideration of the Wayne Metropolitan Housing Authority's internal control over financial reporting and my 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 my 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 Wayne Metropolitan Housing 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 Wayne Metropolitan Housing Authority's internal control over financial reporting and compliance.

Kevin L. Penn, Inc.

June 6, 2022
Cleveland, Ohio

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

Since the MD&A is designed to focus on the 2021 year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statement.

FINANCIAL HIGHLIGHTS

- The Authority's net position increased by $914,422 or 19.7% from what was reported at December 31, 2020. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net position.
- Revenues increased by $221,814 or 2.9% during 2021.
- Total expenses of all Authority programs decreased by $538,631, or 7.2% during 2021.

Authority Financial Statements

The Authority financial statements are designed to be corporate-like in that all business type activities are consolidated into columns, which add to a total for the entire Authority.

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

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

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

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

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

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

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

Fund Financial Statements

The Authority consists of exclusively Enterprise Funds. Enterprise Funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

Many of the funds maintained by the Authority are done so as required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

THE AUTHORITY'S PROGRAMS

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

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income. The Authority earns administrative fees to cover the cost of administering the program.

State / Local – State / Local represents Authority owned housing properties that are not subsidized by HUD; management services that the Authority provides to a local non-profit entity under contract for management (Secrest Village Apartments); Community Housing Impact and Preservation programs that the Authority administers and implements under contract with both Wayne County and the City of Wooster; and a multi-family project that is subsidized by USDA Rural Development (Shreve Manor Apartments). The revenue and expenses for these services are identified and tracked separate from the HUD activities.

The Authority's properties not subsidized by HUD or USDA Rural Development are generally dedicated to clients of the local Board of Developmental Disabilities (DD) or the local Mental Health and Recovery Board (MHRB). Some of these properties have debt attached to them, however most received a portion of their acquisition costs from either client-family contributions, from the State of Ohio Community Capital Assistance Funds applied for through the Board of DD, or from a forgivable grant received through the Ohio Department of Mental Health.

The Authority's management contract is with a not-for-profit entity that depends on the Authority to handle all of its management concerns including day-to-day operations as well as corporate accounting and reporting.

The net pension liability (NPL) is the largest single liability reported by the Authority at December 31, 2021 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For calendar year 2018, the Authority adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pension costs (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability or net OPEB liability*.

GASB 68 and GASB 75 takes an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.

2. Minus plan assets available to pay these benefits.

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

The Ohio revised Code permits but does not require the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability.

As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability is satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

AUTHORITY STATEMENTS

Statement of Net Position

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

TABLE 1

STATEMENT OF NET POSITION

	2021	2020
Current Assets	$ 1,246,833	$ 1,618,847
Capital and Non-Current Assets	8,401,049	8,025,615
Total Assets	$ 9,647,882	$ 9,644,462
Deferred Outflows	$ 61,588	$ 196,363
Total Assets & Deferred Outflows	**$ 9,709,470**	**$ 9,840,825**
Current Liabilities	$ 525,035	$ 846,493
Long-Term Liabilities	2,816,657	3,953,236
Total Liabilities	$ 3,341,692	$ 4,799,729
Deferred Inflows	$ 815,637	$ 403,377
Net Position:		
Net Investment in Capital Assets	$ 6,307,113	$ 6,072,988
Restricted Net Position	133,879	119,827
Unrestricted Net Position	(888,851)	(1,555,096)
Total Net Position	$ 5,552,141	$ 4,637,719
Total Liabilities, Deferred Inflows, and Net Position	**$ 9,709,470**	**$ 9,840,825**

Major Factors Affecting the Statement of Net Position

During 2021, current assets decreased by $372,014, and current liabilities decreased by $321,458. The decrease in both current assets and current liabilities is mostly due to the expenditure of CARES Act funds on hand from last year, and also the payment of our short-term line of credit balance.

Net Investment in Capital Assets also increased from $6,072,988 to $6,307,113. The $234,125 increase can be attributed to improvements and rehabilitation of several properties and the acquisition of a new property and the addition of several pieces of equipment in 2021, offset by regular annual depreciation and new mortgage financing. For more detail see "Capital Assets" presented later in this report.

The following table presents details on the change in Unrestricted Net Position.

TABLE 2

CHANGE OF UNRESTRICTED NET POSITION

	Unrestricted	Restricted	Investment In Capital Assets
Beginning Balance - January 1, 2021	$ (1,555,096)	$ 119,827	$ 6,072,988
Results of Operation	914,422		
Adjustments:			
Current Year Depreciation Expense (1)	513,554		(513,554)
Capital Expenditure, Net of Disposal (2)	(668,195)		668,195
Current Year Debt Proceeds, Net of Retirement	(79,484)		79,484
Transfer to (from) Restricted Net Position	(14,052)	14,052	
Ending Balance - December 31, 2021	**$ (888,851)**	**$ 133,879**	**$ 6,307,113**

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Position.

(2) Capital expenditures represent an outflow of unrestricted net position, but are not treated as an expense against Results of Operations, and therefore must be deducted.

The following schedule compares the revenues and expenses for the current and previous calendar year. The Authority is engaged only in Business-Type Activities.

TABLE 3

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2021	2020
Revenues		
Total Tenant Rent Revenues	$ 1,063,967	$ 1,066,016
Operating Subsidies	6,202,300	6,020,343
Capital Grants	94,461	173,307
Investment Income	1,994	4,330
Other Revenues	501,780	378,692
Total Revenues	**7,864,502**	**7,642,688**
Expenses		
Administrative	612,540	1,309,708
Utilities	375,339	380,928
Maintenance	974,977	858,901
General and Interest Expenses	296,790	219,496
Housing Assistance Payments	4,176,880	4,261,225
Depreciation	513,554	458,453
Total Expenses	**6,950,080**	**7,488,711**
Net Increases (Decreases)	**$ 914,422**	**$ 153,977**

Major Factors Affecting The Statement Of Revenue, Expenses And Changes In Net Position

Tenant revenue decreased by $2,049 during 2021 compared to the prior year. The decrease was due to primarily to decreases in unit occupancy as compared to 2020. Capital Grants show a decrease of $78,846 from 2020 due to lower spending for capital expenditures from the grant during the year. Overall total revenue increased by $221,814 from 2020, mostly due to emergency funding from HUD through the CARES Act, through increased Section 8 HAP funds and Public Housing operating subsidy, and through private donations for the purchase of new fixed assets.

Administrative expenses decreased by $697,168 from 2020. This was mostly due to decreased expense for proportionate share of pension and OPEB liabilities per GASB 68 and GASB 75 requirements. Maintenance expense increased by $116,076 due to increased contracts expense and the hiring of additional maintenance employees. General expenses increased by $77,294 primarily due to increased insurance expense and the payment of incentives to landlords on the Housing Choice Voucher program to encourage additional leasing, as allowed under the CARES Act funding. All other expense categories varied by less than 10% from the previous year.

CAPITAL ASSETS

Capital Assets

As of year-end, the Authority had $7,975,599 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase of $254,784 or about 3.3% from the end of 2020. This increase was a result of significant improvements and rehabilitation of several properties and the purchase of several vehicles and pieces of equipment, combined with the normal payment of mortgage debts and the accumulated depreciation of all properties and other fixed assets.

TABLE 4

CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATON)

	2021	2020
Land and Land Rights	$ 2,310,732	$ 2,310,732
Buildings and Improvements/Additions	21,558,220	20,691,852
Furniture & Equipment	887,127	803,758
Construction in Progress	328,304	609,847
Accumulated Depreciation	(17,108,784)	(16,695,374)
Total	**$ 7,975,599**	**$ 7,720,815**

The following reconciliation identifies the change in Capital Assets.

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TABLE 5

CHANGE IN CAPITAL ASSETS

Beginning Balance - January 1, 2021	$ 7,720,815
Current Year Additions	776,743
Current Year Depreciation Expense	(513,553)
Adjustments to A/D to Properly State Assets	100,142
Disposal of Assets	(108,548)
Ending Balance - December 31, 2021	**$ 7,975,599**
Current Year Additions are summarized as follows:	
Buildings Improvements & Additions	903,833
Equipment Additions	154,453
Change in Construction in Progress	(281,543)
Total Additions, 2021	$ 776,743

Debt Outstanding

As of year-end, the Authority has $1,668,486 in debt (mortgages and loans) outstanding compared to $1,807,827 in the previous year. The $139,341 decrease was primarily a result of a refinance of our short-term line of credit balance into a new permanent mortgage loan, combined with regular principal payments on existing loans.

TABLE 6

CONDENSED STATEMENT OF CHANGES IN DEBT OUTSTANDING

Beginning Balance - January 1, 2021	$ 1,807,827
Current Year Loans	332,100
Current Year Loan Retirements	(471,441)
Ending Balance - December 31, 2021	**$ 1,668,486**

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is Debra A. Catlett, Executive Director of the Wayne Metropolitan Housing Authority, who can be reached by phone at (330) 264-2727.

Specific requests may be submitted to the Wayne Metropolitan Housing Authority at:

345 North Market Street, Wooster, Ohio 44691
Fax: (330) 263-1521
Email: dcatlett@waynemha.org

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2021

ASSETS		
Current Assets		
Cash and Cash Equivalents - Unrestricted (Note 1)	$	679,089
Cash and Cash Equivalents - Restricted (Note 3)		330,169
Receivable, (Net of Allowance for Doubtful Accounts)		101,077
Inventory (Net of Allowance for obsolete)		30,768
Prepaid Expenses and Other Assets		105,730
Total Current Assets		1,246,833
Non-Current Assets		
Other Noncurrent Assets		425,450
Capital Assets: (Note 4)		
Non-Depreciable Capital Assets		2,639,036
Depreciation Capital Assets		5,336,563
Total Non-Current Assets		8,401,049
Deferred Outflow of Resources – Pension (Note 6 & 7)		61,588
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$	9,709,470

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

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2021
(continued)

LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION

Current Liabilities		
Accounts Payable	$	337
Accrued Wages/Payroll		122,436
Tenant Security Deposits		74,309
Accrued Compensated Absences - Current Portion (Note 8)		10,987
Intergovernmental Payable		84,736
Unearned Revenue		22,479
Other Liabilities		59,064
Current Portion of Long-Term Debt (Note 10)		150,687
Total Current Liabilities		525,035
Non-Current Liabilities		
Noncurrent Liabilities – Other		250,568
Net Pension Liability (Note 6)		986,028
Accrued Compensated Absences, Net of Current Portion (Note 8)		62,262
Long-Term Debt - Net of Current Portion (Note 10)		1,517,799
Total Non-Current Liabilities		2,816,657
Total Liabilities	$	3,341,692
Deferred Inflow of Resources – Pension (Note 6 & 7)	$	815,637
Net Position		
Investment in Capital Assets	$	6,307,113
Restricted		133,879
Unrestricted		(888,851)
Total Net Position	$	5,552,141

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

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

Operating Revenue:	
HUD Operating Subsidies and Grants	$ 6,202,300
Tenant Revenue	1,063,967
Other Revenue	493,772
Total Operating Revenue	7,760,039
Operating Expenses:	
Administrative Expense	612,541
Utilities	375,339
Maintenance and Operations	974,977
General Expenses	241,178
Housing Assistance Payments	4,176,880
Depreciation Expense	513,553
Total Operating Expenses	6,894,468
Net Operating Income (Loss)	865,571
Non-Operating Revenues (Expenses)	
Interest and Investment Income	1,994
Interest Expense	(55,612)
Gain(Loss) on Sale of Capital Assets	8,008
Total Non-Operating Revenues (Expenses)	(45,610)
Excess of Revenue Over(Under) Expenses before Capital Grants	819,961
Capital Grants	94,461
Change in Net Position	914,422
Net Position - Beginning of Year	4,637,719
Net Position - End of Year	$ 5,552,141

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

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash Flows From Operating Activities:	
Cash Received from HUD	$ 6,202,300
Cash Received from Tenant	959,974
Cash Received from Other Income	493,772
Cash Payments for Housing assistance payments	(4,176,880)
Cash Payments for Administrative	(1,455,167)
Cash Payments for Other Operating Expenses	(1,721,867)
Net Cash Provided (Used) by Operating Activities	302,132
Cash Flows From Capital and Related Financing Activities:	
Property and Equipment Additions	(768,337)
Gain(Loss) on Sale of Capital Assets	8,008
Debt Payments (including Interest)	20,659
Interest Expense	(55,612)
Capital Grant Funds Received	94,461
Net Cash Provided (Used) by Capital and Related Financing Activities	(700,821)
Cash Flows From Investing Activities:	
Interest and Investment Income	1,994
Net Cash Provided (Used) by Investing Activities	1,994
Increase (Decrease) in Cash and Cash Equivalents	(396,695)
Cash and Cash Equivalents - Beginning of Year	1,405,953
Cash and Cash Equivalents - End of Year	$ 1,009,258

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

WAYNE METROPOLITAN HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(continued)

Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:	
Operating Income (Loss)	$ 865,571
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities:	
Depreciation	513,553
(Increase) decrease in:	
Receivables	(13,503)
Inventory	(2,382)
Other Noncurrent Assets	(120,650)
Deferred Outflow of Resources - Pension	134,775
Prepaid Expenses	(8,796)
Increase (decrease) in:	
Accounts Payable	(3,877)
Accrued Wages/Payroll	49,621
Unearned Revenue	(215,954)
Compensated Absences	(5,630)
Other Liabilities	(11,006)
Intergovernmental Payable	3,678
Accrued Pension	(1,154,533)
Deferred Inflow of Resources - Pension	412,260
Tenant Security Deposits	4,662
Noncurrent Liabilities - Other	(145,657)
Net Cash Provided (Used) by Operating Activities	$ 302,132

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Wayne Metropolitan Housing Authority (the Authority) was created under the Ohio Revised Code Section 3735.27 to engage in the acquisition, development leasing, and administration of a low-rent housing program. An Annual Contributions Contract (ACC) was signed by the Authority and the U.S. Department of Housing and Urban Development (HUD) under the provisions of the United States Housing Act of 1937 (42 U.S.C. 1437) Section 1.1. The Authority was also created in accordance with state law to eliminate housing conditions which are detrimental to the public peace, health, safety, morals, or welfare by purchasing, acquiring, constructing, maintaining, operating, improving, extending, and repairing housing facilities.

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 61 is the "primary government". A fundamental characteristic of a primary government is that it is a calendar year independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability are the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. The Authority has no component units based on the above considerations.

Basis of Presentation

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.

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

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

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

Basis of Presentation (Continued)
The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. A fund is defined as a calendar and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net assets, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

Measurement Focus and Basis of Accounting
The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the Authority are included on the statement of net assets. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

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

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

Cash and Cash Equivalents
The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, and certificate of deposits regardless of maturity, to be cash equivalents.

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

Capital Assets

Capital assets are recorded at cost. Costs that materially add to the productive capacity or extend the life of an asset are capitalized while maintenance and repair costs are expensed as incurred. Depreciation is computed on the straight line method based on the following estimated useful lives:

Buildings	30 years
Building Improvements	15 years
Land Improvements	15 years
Equipment	5 years
Autos	5 years
Computers	5 years

Capitalization of Interest

The Authority's policy is not to capitalize interest related to the construction or purchase of capital assets.

Investments

Investments are stated at fair value. Cost based measures of fair value were applied to nonnegotiable certificates of deposit and money market investments.

Compensated Absences

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

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

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a liability. Information regarding compensated absences is detailed in Note 8.

NOTE 2: **DEPOSITS AND INVESTMENTS**

Cash on Hand
At December 31, 2021, the carrying amount of the Authority's deposits was $1,009,258 (including $330,169 of restricted funds, and $100 of petty cash).

At December 31, 2021, the bank balance of the Authority's cash deposits was $1,137,718. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2020, deposits totaling $500,000 were covered by Federal Depository Insurance and deposits totaling $637,718 were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Authority's name.

Custodial credit is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. Multiple financial institution collateral pools that insure public deposits must maintain collateral in excess of 110 percent of deposits. All deposits, except for deposits held by calendar and escrow agents, are collateralized with eligible securities in amounts equal to at least 110 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve bank in the name of the Authority.

Investments
The Authority has a formal investment policy. The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At December 31, 2021, the Authority had no investments.

Interest Rate Risk
As a means of limiting its exposure to fair value of losses caused by rising interest rates, the Authority's investment policy requires that operating funds be invested primarily in short-term investments maturing within 2 years from the date of purchase and that its investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk
The credit risks of the Authority's investments are in the table below. The Authority has no investment policy that would further limit its investment choices.

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the controller or qualified trustee.

Concentration of Credit Risk

The Authority places no limit on the amount it may invest in any one insurer. The Authority's deposits in financial institutions represent 100 percent of its deposits.

Cash and investments at year-end were as follows:

Cash and Investment Type	Fair Value	Investment Maturities (≤ 1 Year)
Carrying Amount of Deposits	$ 1,009,158	$ 1,009,158
Petty Cash	100	100
Totals	$ 1,009,258	$ 1,009,258

NOTE 3: **RESTRICTED CASH**

The restricted cash balance of $330,169 on the financial statements represents the following:

Excess cash advanced to the Housing Choice Voucher Program by HUD for Housing Assistance Payments	$ 72,726
Tenant Security Deposits	74,309
FSS Escrow Funds	121,981
Reserve for Replacement and Mortgage Sinking Funds	61,153
Total Restricted Cash	$ 330,169

NOTE 4: CAPITAL ASSETS

A summary of capital assets at December 31, 2021 by class is as follows:

	Balance 12/31/2020	Reclasses	Additions	Deletions	Balance 12/31/2021
Capital Assets Not Being Depreciated					
Land	$ 2,310,732	$ -	$ -	$ -	$ 2,310,732
Construction in Progress	609,847	(586,675)	305,132	-	328,304
Total Capital Assets Not Being Depreciated	2,920,579	(586,675)	305,132	-	2,639,036
Capital Assets Being Depreciated					
Buildings and Improvements	20,691,853	586,675	317,158	(37,464)	21,558,222
Furniture, Equipment, and Machinery - Dwelling	190,677	-	5,103	(1,314)	194,466
Furniture, Equipment, and Machinery - Admin	613,080	-	149,351	(69,770)	692,661
Subtotal Capital Assets Being Depreciated	21,495,610	586,675	471,612	(108,548)	22,445,349
Accumulated Depreciation					
Buildings and Improvements	(16,004,823)	-	(439,726)	37,464	(16,407,085)
Furniture and Equipment - Dwelling	(176,981)	-	(5,489)	1,314	(181,156)
Furniture and Equipment - Admin	(513,570)	-	(68,338)	61,363	(520,545)
Subtotal Accumulated Depreciation	(16,695,374)	-	(513,553)	100,141	(17,108,786)
Capital Assets Being Depreciated, Net	4,800,236	586,675	(41,941)	(8,407)	5,336,563
Total Capital Assets, Net	$ 7,720,815	$ -	$ 263,191	$ (8,407)	$ 7,975,599

Depreciation is calculated using the straight line method with lives varying between 5 and 30 years. The depreciation expense for the year ended December 31, 2021 was $513,553.

NOTE 5: RESTRICTED NET ASSETS

The Authority's restricted net assets are as follows:

Section 8 Housing Choice Voucher funds provided for Housing Assistance Payments in excess of the amounts used	$ 72,726
Reserve for Replacement and Mortgage Sinking Funds	61,153
Total Restricted Net Assets	$133,879

NOTE 6: **DEFINED BENEFIT PENSION PLAN**

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees).

State statute requires the OPERS to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, the OPERS Board of Trustees must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (continued)

Plan Description

All public employees, except those covered by another state retirement system in Ohio or the Cincinnati Retirement System, are required to become contributing members of OPERS when they begin public employment unless they are exempted or excluded as defined by the Ohio Revised Code. For actuarial purposes, employees who have earned sufficient service credit (60 contributing months) are entitled to a future benefit from OPERS. Employer, employee and retiree data as of December 31, 2020 can be found in the OPERS 2020 Comprehensive Annual Financial Report.

Pension Benefits – All benefits of the OPERS, and any benefit increases, are established by the legislature pursuant to Ohio Revised Code Chapter 145.

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

Age-and-Service Defined Benefits – Benefits in the Traditional Pension Plan are calculated on the basis of age, final average salary (FAS), and service credit. Members in transition Groups A and B are eligible for retirement benefits at age 60 with 60 contributing months of service credit or at age 55 with 35 or more years of service credit. Group C is eligible for retirement at age 57 with 25 years of service or at age 62 with 5 years of service. For Groups A and B, the annual benefit is based on 2.2% of final average salary multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. 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. Refer to the age-and-service tables located in the OPERS 2014 CAFR Plan Statement for additional information regarding the requirements for reduced and unreduced benefits.

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

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (continued)

Prior to 2000, payments to OPERS benefit recipients were limited under Section 415(b) of the Internal Revenue Code (IRC). OPERS entered into a Qualified Excess Benefit Arrangement (QEBA) with the Internal Revenue Service (IRS) to all OPERS benefit recipients to receive their full statutory benefit even when the benefit exceeds IRC 415(b) limitations. Monthly QEBA payments start when the total amount of benefits received by the recipients exceeds the IRC limit each year. The portion of the benefit in excess of the IRC 415(b) limit is paid out of the QEBA and taxed as employee payroll in accordance with IRS regulations.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the members' FAS for the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined Contribution Benefits – Defined contribution plan benefits are established in the plan documents, which may be amended by the Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits.

The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections.

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (continued)

Employee contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance of their individual OPERS accounts. Options include the purchase of a monthly annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vest account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Disability Benefits – OPERS administers two disability plans for participants in the Traditional Pension and Combined plans. Members in the plan as of July 29, 1992, could elect, by April 7, 1993, coverage under either the original plan or the revised plan. All members who entered OPERS after July 29, 1992, are automatically covered under the revised plan. Under the original plan, a member who becomes disabled before age 60 and has completed 60 contributing months is eligible for a disability benefit. Benefits are funded by the employee and employer contributions and terminate if the member is able to return to work.

The revised plan differs in that a member who becomes disabled at any age with 60 contributing months will be eligible for disability benefits until a determined age. The benefit is funded by reserves accumulated from employer contributions. After the disability benefit ends, the member may apply for a service retirement benefit or a refund of contributions, which are not reduced by the amount of disability benefits received. Members participating in the Member-Directed Plan are not eligible for disability benefits.

Survivor Benefits – Dependents of deceased members who participated in either the Traditional Pension Plan or the Combined Plan may quality for survivor benefits if the deceased employee had at least one and a half years of service credit with the plan, and at least one quarter year of credit within the two and one-half years prior to the date of death. Ohio Revised Code Chapter 145 specifies the dependents and the conditions under which they quality for survivor benefits. Other Benefits – Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual 3% cost-of-living adjustment is provided on the member's base benefit. Members retiring under the Combined Plan receive a 3% cost-of-living adjustment on the defined benefit portion of their benefit. 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 Traditional Pension Plan and Combed Plan. Death benefits are not available to beneficiaries of Member-Direct Plan participants.

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (continued)

Money Purchase Annuity - Age-and-service retirees who become re-employed in an OPERS-covered position must contribute the regular contribution rates, which are applied towards a money purchase annuity. The money purchase annuity calculation is based on the accumulated contributions of the retiree for the period of re-employment, and an amount of the employer contributions determined by the Board of Trustees. Upon termination of service, members over the age of 65 can elect to receive a lump-sum payout or a monthly annuity. Members under age 65 may leave the funds on deposit with OPERS to receive an annuity benefit at age 65 or may elect to receive a refund of their employee contributions made during the period of reemployment, plus interest.

Refunds – Members who have terminated service in OPERS-covered employment may file an application for refund of their account. The Ohio Revised Code requires a three-month waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's rights and benefits in OPERS.

Refunds processed for the Traditional Pension Plan members include the member's accumulated contributions, interest and any qualifying employer funds. A Combined Plan member's refund may consist of member contributions for the purchase of service plus interest, qualifying employer funds, and the value of their account in the defined contribution plan consisting of member contributions adjusted by the gains or losses incurred based on their investment selections. Refunds paid to members in the Member-Direct Plan include member contributions and vested employer contributions adjusted by the gains or losses incurred based on their investment selections.

Contributions – The OPERS funding policy provides for periodic employee and employer contributions to all three plans (Traditional Pension, Combined and Member-Directed) at rates established by the Board of Trustees, subject to limits set in statute. The rates established for member and employer contributions were approved based upon the recommendations of the OPERS external actuary. All contribution rates were within the limits authorized by the Ohio Revised Code. Member and employer contribution rates, as a percent of covered payroll, were the same for each covered group across all three plans for the year ended December 31, 2020.

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (continued)

Within the Traditional Pension Plan and Combined Plan, member and employer contributions (employer contributions only for the Combined Plan) and an actuarially determined rate of return are adequate to accumulate sufficient assets to pay defined benefits when due. Employee contributions within the Combined Plan are not used to fund the defined benefit retirement allowance. Employer contribution rates as a level percent of payroll dollars are determined using the entry age actuarial funding method.

This formula determines the amount of contributions necessary to fund: (1) the current service cost, representing the estimated amount necessary to pay for defined benefits earned by the employees during the current service year; and (2) the prior service cost for service earned prior to the current year and subsequent benefit increases. These contributions represent the amount necessary to fund accrued liabilities for retirement allowances and survivor benefits over a period of time.

The employee and employer contribution rates are currently set at the maximums authorized by Ohio Revised Code of 10% and 14%, respectively. Based upon the recommendation of the OPERS external actuary, a portion of each employer's contributions to OPERS is set aside for the funding of post-employment health care coverage. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 1.0% for fiscal year 2021. The employer contribution as a percent of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for fiscal year 2021 was 4.5%. The amount of contributions recognized by the OPERS from the Authority during calendar year 2021 was $179,585, which represented 100% of the Authority's required contribution, and the Authority's proportionate share of pension expense during the same period was $179,585. The Authority did not make any contributions to the Combined Plan during calendar year 2021.

Ohio Revised Code Chapter 145 assigned authority to the Board of Trustees to amend the funding policy. As of December 31, 2020, the Board of Trustees adopted the contribution rates that were recommended by the external actuary. The contribution rates were included in a new funding policy adopted by the Board of Trustees in October 2013 and are certified biennially by the Board of Trustees as required by the Ohio Revised Code.

As of December 31, 2020, the date of the last actuarial study, the funding period for all defined benefits of the OPERS was 21 years.

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (continued)

Net Pension Liability

The net pension liability was measured as of December 31, 2020, and the total pension liabilities were determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on both member and employer contributions to OPERS relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

Traditional Plan:

Proportionate Share of the Net Pension Liability	$1,005,155
Proportion of the Net Pension Liability	0.0067880%
Pension Expense	$ 18,486

Combined Plan:

Proportionate Share of the Net Pension Liability	$ (19,127)
Proportion of the Net Pension Liability	0.0066260%
Pension Expense	$ 451

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the 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 was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requires of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented below:

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (continued)

Actuarial Methods and Assumptions (continued)

Actuarial Information	Traditional Pension Plan	Combined Plan
Valuation Date	December 31, 2020	December 31, 2020
Experience Study	5 Year Period Ending December 31, 2015	5 Year Period Ending December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25-10.75% (includes wage inflation at 3.25%)	3.25–8.25% (includes wage inflation at 3.25%)
Cost-of-living Adjustments	3.00% Simple	3.00% Simple

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. 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.

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

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (continued)

Actuarial Methods and Assumptions (continued)

Sensitivity of Net Pension Liability to Changes in the Discount Rate - The following table presents the net pension liability calculated using the discount rate of 7.2% and the expected net pension liability if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Authority's proportionate share of the net pension liability/(assets)			
Traditional Plan	$ 1,917,338	$ 1,005,155	$ 246,676
Contribution Plan	$ (13,318)	$ (19,127)	$ (23,456)

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

Asset Class	Allocation	Real Rate of Return
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%

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

OPERS manages investments in four investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio.

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (continued)

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, and the VEBA 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 money-weighted rate of return, net of investment expense, for the Defined Benefit portfolio was .4% for 2020.

Average Remaining Service Life

GASB 68 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in pension expense over the average remaining service life of all employees provided with benefits through the pension plan (active and inactive). This is to consider these differences on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees with the understanding that inactive employees have no remaining service period. As of December 31, 2020, the average of the expected remaining service lives of all employees calculated by our external actuaries for the Traditional Pension Plan was 2.5076 years and for the Combined Plan was 8.5461years.

Deferred Inflows and Deferred Outflows

The deferred inflows and outflows reported in the Statement of Net Position do not include the layer of amortization that is recognized in current year pension expense and represents the balances of deferred amounts as of December 31, 2020. The table below discloses the original amounts of the deferred inflows and outflows, calculated by OPERS external actuaries, and the current year amortization on those amounts included in pension expense as of and for the year ended December 31, 2020.

At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Traditional Plan:

Deferred Outflows of Resources	
	$ 0
Total Deferred Outflows of Resources	$ 0
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$391,780
Differences between expected and actual experience	42,047
Total Deferred Inflows of Resources	$433,827

NOTE 6: **DEFINED BENEFIT PENSION PLAN** (continued)

Combined Plan:

Deferred Outflows of Resources	
Changes in Assumptions	$ 1,194
Total Deferred Outflows of Resources	$ 1.194
Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 2,844
Differences between expected and actual experience	3,609
Total Deferred Inflows of Resources	$ 6,453

Amounts reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date is recognized as a reduction of the net pension liability in the Authority's financial statements. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as disclosed in the table below:

Calendar Year Ending December 31	Traditional Pension Plan Net Deferred Outflows of Resources	Combined Plan Net Deferred Inflows of Resources
2021	$ 165,388	$ 1,370
2022	55,303	870
2023	159,703	1,526
2024	53,433	710
2025	-	304
Thereafter	-	479
Total	$ 433,827	$ 5,258

NOTE 7: **OTHER POST-EMPLOYMENT BENEFITS**

Net OPEB Liability

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

NOTE 7: **OTHER POST-EMPLOYMENT BENEFITS** (continued)

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

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

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

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

Plan Description – OPERS

Health Care Plan Description - The Ohio Public Employees Retirement System (OPERS. OPERS administers three separate plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit plan. The member directed plan is a defined contribution plan and the combined plan is a cost sharing, multiple-employer defined benefit plan with defined contribution features. As of December 2020, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated.

NOTE 7: **OTHER POST-EMPLOYMENT BENEFITS** (continued)

The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115Ttrust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans.

The OPERS health care plans are reported as other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage.

Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees that purchase supplemental coverage through the Connector may receive a monthly allowance in their HRA that can be used to reimburse eligible health care expenses.

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In fiscal year 2021, Authority contributed at a rate of 14 percent of earnable salary.

NOTE 7: **OTHER POST-EMPLOYMENT BENEFITS** (continued)

The Ohio Revised Code currently limits the employer contribution rate not to exceed 14 percent of covered payroll. Active member contributions do not fund health care. With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage.

The portion of employer contributions allocated to healthcare was 1.0% for calendar year 2020. As recommended by OPERSs actuary, the portion of employer contributions allocated to healthcare beginning January 1, 2021 decrease to 0%.

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

Authority's contractually required contribution was $179,585 for the calendar year 2021.

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

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

Proportionate Share of the Net OPEB Liability	$ (122,850)
Proportion of the Net OPEB Liability	0.0066260%
OPEB Expense	$ (743,471)

At December 31, 2021, The Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Inflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 65,432
Changes in assumptions	199,054
Differences between expected and actual experience	110,871
Total Deferred Inflows of Resources	$375,357
Deferred Outflows of Resources	
Changes in assumptions	$ 60,394
Total Deferred Outflows of Resources	$ 60,394

NOTE 7: **OTHER POST-EMPLOYMENT BENEFITS** (continued)

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

Calendar Year Ending December 31	Traditional Pension Plan Net Deferred Inflows/(Outflows) of Resources
2021	$ 164,442
2022	114,377
2023	28,434
2024	7,710
Thereafter	0
Total	$ 314,963

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

Wage Inflation	3.25%
Future Salary Increases, including inflation	3.25% 3.25 - 10.75%
Single Discount Rate	6.00%
Investment Rate of Return	6.00%
Municipal Bond Rate	2.00%
Health Care Cost Trend Rate	8.5% initial, 3.50% ultimate in 2035
Actuarial Cost Method	Individual entry age

NOTE 7: **OTHER POST-EMPLOYMENT BENEFITS** (continued)

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

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

Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	34.00%	1.07%
Domestic Equities	25.00%	5.64%
REITs	7.00%	6.48%
International Equities	25.00%	7.36%
Other Investments	9.00%	4.02%
TOTAL	100.00%	4.43%

Discount Rate: The single discount rate used to measure the OPEB liability was 6.00 percent. 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).

NOTE 7: **OTHER POST-EMPLOYMENT BENEFITS** (continued)

This discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the Authority's proportionate share of the net OPEB liability calculated using the current period discount rate assumption of 6.00 percent, as well as what The Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Single Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB liability	$(30,547)	$(122,850)	$(198,730)

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability.

The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate. Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%.

If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

NOTE 7: **OTHER POST-EMPLOYMENT BENEFITS** (continued)

	1% Decrease	Current Cost Trend Rate (8.50%)	1% Increase
Authority's proportionate share of the net OPEB liability	$(125,844)	$(122,850)	$(119,500)

Average Remaining Service Life

GASB 75 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in OPEB expense over the average remaining service life of all employees provided with coverage through the health care plans (active and inactive). This is to consider these differences on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees with the understanding that inactive employees have no remaining service period. As of December 31, 2020, the average of the expected remaining service lives of all employees calculated by our external actuaries was 2.6345 years. Employers should use this amount when calculating elements of OPEB expense subject to amortization requirements as defined in GASB 75 and reported in the Schedule of Collective OPEB Amounts.

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NOTE 8: COMPENSATED ABSENCES

Vacation and sick leave policies are established by the Board of Commissioners based on local and state laws.

All permanent employees will earn 15 days sick leave per year of service. Unused sick leave may be accumulated without limit. At the time of separation, employees receive payment for up to thirty (30) days of unused sick leave. All permanent employees will earn vacation hours accumulated based on length of service. Vacation shall not be accrued for a period longer than two (2) years. Any vacation accrued in excess of two (2) years shall be forfeited.

At December 31, 2021, based on the vesting method, $73,249 was accrued by the Authority for unused vacation and sick time. The current portion is $10,987 and the long-term portion is $62,262.

NOTE 9: INSURANCE

The Authority is covered for property damage, general liability, automobile liability, law enforcement liability, public officials' liability, and other crime liabilities through membership in the State Housing Authority Risk Pool Association, Inc. (SHARP). SHARP is an insurance risk pool comprised of thirty-six (36) Ohio housing authorities, of which the Authority is one. Deductibles and coverage limits are summarized below:

Type of Coverage	Deductible	Coverage Limits
Property	$ 1,500	$250,000,000 (Per Occurrence)
Boiler and Machinery	1,000	50,000,000
General Liability	0	6,000,000
Automobile Liability	500/0	ACV/6,000,000
Law Enforcement	0	6,000,000
Public Officials	0	6,000,000
Crime	500	1,000,000

Additionally, Workers' Compensation insurance is maintained through the State of Ohio Bureau of Workers' Compensation, in which rates are calculated retrospectively. The Authority is also fully insured through a premium payment plan with Aetna Health, Inc. for employee health care benefits. Settled claims have not exceeded the Authority's insurance in any of the past three years.

NOTE 10: **LONG-TERM DEBT**

As of December 31, 2021 the Authority's long-term debt is as follows:

	Balance at 12/31/2021
Loan payable to JPMorgan Chase Bank to finance the purchase and rehabilitation of the administration building at 345 North Market Street. The total amount borrowed for this financing was $1,125,000 at a fixed rate of 5.75% for 15 years.	$ 235,892
Loan payable to Commercial & Savings Bank to consolidate existing loans for the acquisition of 2 properties from the former Home Place Housing Corporation, and for the purchase and renovation of the property located at 224 East South Street, Shreve. The interest rate on this debt is at a fixed rate of 4.75% for 15 years. Total amount borrowed for the financing was $209,409.	143,561
Mortgage Revenue Bond dated July 26, 2002 in the amount of $50,000, due in July 2032; interest rate 4.75% with an annual payment of principal and interest due July 1. Proceeds of the bond were used to purchase the property located at 1401 Moreland Road.	26,600
Mortgage Revenue Bond dated February 24, 2003 in the amount of $55,000, due in February 2033; interest rate of 4.625% with an annual payment of principal and interest due February 1. Proceeds of the bond were used to purchase a property located at 1701 Westwood Circle.	31,000
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in April 2010, where the Authority received a grant for $9,038 to be used for the purchase of property located at 1701 Westwood Circle. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	1,958
Mortgage Revenue Bond dated July 26, 2002 in the amount of $50,000 due in July 2032; interest rate 4.75% with an annual payment of principal and interest due July 1 of each year. Bond proceeds were used to purchase a property located at 617-619 Jefferson Avenue, Orrville.	26,600

NOTE 10: **LONG-TERM DEBT (Continued)**

The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in February 2009 where the Authority received a grant for $10,000 to be used for renovations to the property located at 617-619 Jefferson Avenue, Orrville. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	1,389
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in March 2010 where the Authority received a grant for $5,725 to be used for renovations to the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	1,209
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in July 2010 where the Authority received a grant for $8,950 to be used for renovations to the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	2,088
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in June 2011 where the Authority received a grant for $9,250 to be used for renovations to the property located at 138 North Millborne Road. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	2,724
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities on March 2010 where the Authority received a grant for $6,043 to be used for renovation of property at 2610 Impala Street. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant less the prorated amount of number of months used by DD clients.	1,276

NOTE 10: **LONG-TERM DEBT (Continued)**

The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in March 2010 where the Authority received a grant for $8,176 to be used for renovations to the property located at 571 North Grant Street. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	1,726
The PHA entered into a contractual agreement with Ohio Department of Developmental Disabilities in January 2011, where the Authority received a grant for $104,262 to be used for the purchase of property located at 1688 Barnes Drive. The grant has a restriction that the property shall be used as a residential facility for DD clients for a period of 15 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used by DD clients.	27,803
The PHA entered into a contractual agreement with Ohio Department of Mental Health in June 2012, where the Authority assumed the remaining forgivable loan balance from the former Home Place Housing Corporation. The original loan was dated April 1989 in the amount of $634,000 at 0% interest. The loan has a restriction that the properties shall be used for approved mental health purposes for a period of 40 years. In the event of violation of this restriction, the Authority shall pay back the amount equal to the grant amount less the prorated amount of number of months used.	114,511
Loan payable to USDA Rural Development to finance the purchase of property located at 208 East South Street, Shreve. The total amount borrowed for this financing was $740,000 at a fixed rate of 3.25% over 50 years. USDA Rural Development subsidizes a portion of the interest for the first 30 years, and the Authority pays an effective interest rate of 1%.	672,723
Loan payable to Commercial & Savings Bank for the purchase of property located at 111 South Main Street, Rittman. The interest rate on this debt is at a fixed rate of 4.5% for 15 years. Total amount borrowed for the financing was $64,811.	48,044
Loan payable to Commercial & Savings Bank for the consolidation of construction debt for property located at 346 East Bowman Street, Wooster. The interest rate on this debt is at a fixed rate of 4.0% for 20 years. Total amount borrowed for the financing was $332,100.	329,382
	$ 1,668,486
Total Outstanding Debt	
Less Current Portion	(150,687)
Total Long-Term Debt	$ 1,517,799

NOTE 10: **LONG-TERM DEBT (Continued)**

The following is a summary of changes in long-term debt For the Year Ended December 31, 2021:

	Balance - (Restated) at 12/31/20	Additions	Deletions	Balance at 12/31/21	Due Within One Year
Compensated Absences	$ 78,879	$ 132,558	$(138,188)	$ 73,249	$ 10,987
Loan Payable	1,807,827	332,100	(471,441)	1,668,486	150,687
Net OPEB Liability	773,505		(896,355)	(122,850)	0
Net Pension Liability - Traditional	1,367,056		(381,028)	986,028	0
Total	$4,027,267	$ 464,658	$(1,887,012)	$2,604,913	$ 161,674

See Note 6 and 7 for information on the Authority's net pension liability. The Net OPEB Liability of $122,850 will be recorded as Other Assets.

Maturities of the debt over the next five years are as follows:

For the Year Ended December 31,	Principal	Interest	Total Payments
2022	150,687	47,249	197,936
2023	157,361	40,575	197,936
2024	138,870	33,597	172,467
2025	71,744	31,047	102,791
2026	65,509	27,504	93,013
2027-2031	299,298	102,213	401,511
2032-2036	164,143	63,858	228,001
2037-2041	176,461	33,011	209,472
2042-2046	84,244	61,956	146,200
2047-2051	99,087	50,828	149,915
2052-2056	116,545	33,370	149,915
2057-2061	137,079	12,836	149,915
2062-2066	7,458	40	7,498
TOTAL	$ 1,668,486	$ 538,084	$ 2,206,570

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NOTE 11: **CONSTRUCTION AND OTHER COMMITMENTS**

The Authority had no material construction commitments at December 31, 2021.

NOTE 12: **INTERPROGRAM RECEIVABLES/PAYABLES**

The Authority had the following inter-program receivable or payable balances at December 31, 2021:

Program/Project	Due From	Due To
State/Local	$ 305,473	$ -
Business Activities	-	(309,850)
10.427 Rural Rental Assistance Program	-	(37,486)
14.195 S8 Special Allocations	174,971	
Central Office Cost Center	-	(133,108)
TOTAL	$ 480,444	$ (480,444)

These amounts represent funds that are owed from various programs to each other as a result of the movement of money between bank accounts, the timing of the payment of invoices, and other such purposes to support operations as permitted.

NOTE 13: **OPERATING TRANSFER**

The Authority had the following operating transfers in 2021:

Program/Project	Transfer From	Transfer To
Capital Fund	$ 135,393	$ -
Public Housing	-	135,393
TOTAL	$ 135,393	$ 135,393

This transfer represents the Capital Fund Grant allocation to support operations as permitted.

NOTE 14: **CONTINGENCIES**

The Authority is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received several Federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

NOTE 15 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal financial assistance programs of the Wayne Metropolitan Housing Authority (the Authority) For the Year Ended December 31, 2021. The Authority’s reporting entity is defined in Note 1 to the Authority’s financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

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

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

NOTE 16 SUBSEQUENT EVENTS

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements as issued or are available to be issued. Management has evaluated subsequent events through June 6, 2022, the date on which the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the Financial Statements; however the following subsequent event has occurred, which required disclosure in the in the Notes to the Financial Statements.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Wayne Metropolitan Housing Authority.
The Wayne Metropolitan Housing Authority’s investments of the pension and other employee benefit plan in which the Wayne Metropolitan Housing Authority participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Wayne Metropolitan Housing Authority’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Wayne Metropolitan Housing Authority
Statement of Net Position
December 31, 2021

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Public Housing	Family Self-Sufficiency	Section 8 Housing Assistance Payments	Rural Rental Assistance Payments
111	Cash - Unrestricted	$ 397,723		$ 185,427	
113	Cash - Other Restricted				$ 40,114
114	Cash - Tenant Security Deposits	39,403		3,982	18,495
100	Total Cash	437,126	-	189,409	58,609
121	Acct. Rec. - PHA Projects				
122	Acct. Rec. - HUD Other Projects				
124	Acct. Rec. - Other Governments				
125	Acct. Rec. - Misc.				
126	Acct. Rec. - Tenants	18,231		9,124	794
126.1	Allowance Doubtful Accts. - Tenants	(14,036)		(7,180)	(557)
127	Notes, Loans, & Mortgages Rec. - Current				
128	Fraud Recovery	83,861			1,069
128.1	Allowance Doubtful Accts.	(77,104)			(852)
120	Net Total Receivables	10,952	-	1,944	454
142	Prepaid Expenses	58,946		4,566	8,846
143	Inventories				
144	Inter Program Due From			174,971	
150	**Total Current Assets**	507,024	-	370,890	67,909
161	Land	1,394,687		160,422	65,690
162	Buildings	14,628,294		1,023,318	921,935
163	Furniture, Equip. & Mach. - Dwellings	158,006			22,301
164	Furniture, Equip. & Mach. - Admin.	414,475			7,106
166	Accumulated Depreciation	(13,959,854)		(394,336)	(334,811)
167	Construction in Progress	72,811			
160	Net Fixed Assets	2,708,419	-	789,404	682,221
171	Notes, Loans, & Mortgages Rec. - Non-Current				
174	Other Assets	16,322		246	4,247
200	Deferred Outflow of Resources	8,182		123	2,129
190	**TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES**	**$ 3,239,947**	**$ -**	**$ 1,160,663**	**$ 756,506**

See Auditor's Report.

Wayne Metropolitan Housing Authority

Statement of Net Position

December 31, 2021

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Housing Choice Voucher	State & Local	Business Activities	COCC
111	Cash - Unrestricted	$ 95,839	$ -	$ -	$ 100
113	Cash - Other Restricted	194,707		21,039	
114	Cash - Tenant Security Deposits		8,924	3,505	
100	Total Cash	290,546	8,924	24,544	100
121	Acct. Rec. - PHA Projects	8,590			
122	Acct. Rec. - HUD Other Projects				
124	Acct. Rec. - Other Governments		10,000	36,029	
125	Acct. Rec. - Misc.			4,353	14,911
126	Acct. Rec. - Tenants		5,907	3,520	
126.1	Allowance Doubtful Accts. - Tenants		(4,299)	(2,100)	
127	Notes, Loans, & Mortgages Rec. - Current			2,400	
128	Fraud Recovery	301,386	11,657		
128.1	Allowance Doubtful Accts.	(293,608)	(11,019)		
120	Net Total Receivables	16,368	12,246	44,202	14,911
142	Prepaid Expenses	7,452	6,608	6,367	12,945
143	Inventories			1,217	29,551
144	Inter Program Due From		305,473		
150	**Total Current Assets**	314,366	333,251	76,330	57,507
161	Land		255,170	297,294	137,470
162	Buildings		1,289,327	2,029,677	1,665,669
163	Furniture, Equip. & Mach. – Dwellings		14,160		
164	Furniture, Equip. & Mach. - Admin.	46,670		34,967	189,442
166	Accumulated Depreciation	(23,612)	(358,363)	(764,060)	(1,273,748)
167	Construction in Progress		60,713	194,779	
160	Net Fixed Assets	23,058	1,261,007	1,792,657	718,833
171	Notes, Loans, & Mortgages Rec. - Non-Current			302,600	
174	Other Assets	25,799	562	9,266	66,408
200	Deferred Outflow of Resources	12,933	282	4,645	33,294
190	**TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES**	**$ 376,156**	**$ 1,595,102**	**$ 2,185,498**	**$ 876,042**

See Auditor's Report.

Wayne Metropolitan Housing Authority
Statement of Net Position
December 31, 2021

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Subtotal	Elimination	Total
111	Cash - Unrestricted	$ 679,089		$ 679,089
113	Cash - Other Restricted	255,860		255,860
114	Cash - Tenant Security Deposits	74,309		74,309
100	Total Cash	1,009,258	-	1,009,258
121	Acct. Rec. - PHA Projects	8,590		8,590
122	Acct. Rec. - HUD Other Projects	-		-
124	Acct. Rec. - Other Governments	46,029		46,029
125	Acct. Rec. - Misc.	19,264		19,264
126	Acct. Rec. - Tenants	37,576		37,576
126.1	Allowance Doubtful Accts. - Tenants	(28,172)		(28,172)
127	Notes, Loans, & Mortgages Rec. - Current	2,400		2,400
128	Fraud Recovery	397,973		397,973
128.1	Allowance Doubtful Accts.	(382,583)		(382,583)
120	Net Total Receivables	101,077	-	101,077
142	Prepaid Expenses	105,730		105,730
143	Inventories	30,768		30,768
144	Inter Program Due From	480,444	(480,444)	-
150	**Total Current Assets**	1,727,277	(480,444)	1,246,833
161	Land	2,310,733		2,310,733
162	Buildings	21,558,220		21,558,220
163	Furniture, Equip. & Mach. - Dwellings	194,467		194,467
164	Furniture, Equip. & Mach. - Admin.	692,660		692,660
166	Accumulated Depreciation	(17,108,784)		(17,108,784)
167	Construction in Progress	328,303		328,303
160	Net Fixed Assets	7,975,599	-	7,975,599
171	Notes, Loans, & Mortgages Rec. - Non-Current	302,600		302,600
174	Other Assets	122,850		122,850
200	Deferred Outflow of Resources	61,588		61,588
190	**TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES**	**$ 10,189,914**	**$ (480,444)**	**$ 9,709,470**

See Auditor's Report.

Wayne Metropolitan Housing Authority
Statement of Net Position
December 31, 2021

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Public Housing	Family Self-Sufficiency	Section 8 Housing Assistance Payments	Rural Rental Assistance Payments
312	A/P <= 90 days	$ 2		$ 275	
321	Accrued Wage/Taxes Payable				
322	Accrued Compensated Absences - Current Portion				
333	Accounts Payable - Other Government	31,634		3,276	6,370
341	Tenant Security Deposits	39,403		3,982	18,495
342	Unearned Revenue	7,744		1,115	2,008
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Rev.				8,242
345	Other Current Liabilities	2,600			
346	Accrued Liabilities - Other	31,588		2,030	5,568
347	Inter Program - Due To				37,486
357	Accrued Pension	131,001		1,972	34,088
310	Total Current Liabilities	243,972	-	12,650	112,257
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Rev,				664,481
353	Non-current Liabilities - Other				
354	Accrued Comp. Abs. - Noncurrent				
	TOTAL Liabilities	243,972	-	12,650	776,738
400	Deferred Inflow of Resources	108,363		1,631	28,198
508.1	Invested in Capital Assets Net	2,708,419		789,404	9,498
511.1	Restricted Net Position				40,114
512.1	Unrestricted Net Position	179,193		356,978	(98,042)
513	TOTAL Equity/Net Position	2,887,612	-	1,146,382	(48,430)
600	**TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY**	**$ 3,239,947**	**$ -**	**$ 1,160,663**	**$ 756,506**

See Auditor's Report.

Wayne Metropolitan Housing Authority
Statement of Net Position
December 31, 2021

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Housing Choice Voucher	State & Local	Business Activities	COCC
312	**A/P <= 90 days**	$ 60		$ -	$ -
321	**Accrued Wage/Taxes Payable**				122,436
322	**Accrued Compensated Absences - Current Portion**				10,987
333	**Accounts Payable - Other Government**		13,866	29,590	
341	**Tenant Security Deposits**		8,924	3,505	
342	**Unearned Revenue**		1,066	10,546	
343	**Current Portion of Long-term Debt - Capital Projects/Mortgage Rev.**		15,850	44,661	81,934
345	**Other Current Liabilities**				
346	**Accrued Liabilities - Other**		2,647	6,419	8,212
347	**Inter Program - Due To**			309,850	133,108
357	**Accrued Pension**	207,066	4,508	74,375	533,018
310	**Total Current Liabilities**	207,126	46,861	478,946	889,695
351	**Long-term Debt, Net of Current - Capital Projects/Mortgage Rev,**		98,661	600,699	153,958
353	**Non-current Liabilities - Other**	121,981		128,587	
354	**Accrued Comp. Abs. - Noncurrent**				62,262
	TOTAL Liabilities	329,107	145,522	1,208,232	1,105,915
400	**Deferred Inflow of Resources**	171,284	3,729	61,522	440,910
508.1	**Invested in Capital Assets Net**	23,058	1,146,496	1,147,297	482,941
511.1	**Restricted Net Position**	72,726		21,039	
512.1	**Unrestricted Net Position**	(220,019)	299,355	(252,592)	(1,153,724)
513	**TOTAL Equity/Net Position**	(124,235)	1,445,851	915,744	(670,783)
600	**TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY**	**$ 376,156**	**$ 1,595,102**	**$2,185,498**	**$ 876,042**

See Auditor's Report.

Wayne Metropolitan Housing Authority
Statement of Net Position
December 31, 2021

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Subtotal	Elimination	Total
312	A/P <= 90 days	$ 337		$ 337
321	Accrued Wage/Taxes Payable	122,436		122,436
322	Accrued Compensated Absences - Current Portion	10,987		10,987
333	Accounts Payable - Other Government	84,736		84,736
341	Tenant Security Deposits	74,309		74,309
342	Unearned Revenue	22,479		22,479
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Rev.	150,687		150,687
345	Other Current Liabilities	2,600		2,600
346	Accrued Liabilities - Other	56,464		56,464
347	Inter Program - Due To	480,444	(480,444)	-
357	Accrued Pension	986,028		986,028
310	Total Current Liabilities	1,991,507	(480,444)	1,511,063
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Rev,	1,517,799		1,517,799
353	Non-current Liabilities - Other	250,568		250,568
354	Accrued Comp. Abs. - Noncurrent	62,262		62,262
	TOTAL Liabilities	3,822,136	(480,444)	3,341,692
400	Deferred Inflow of Resources	815,637		815,637
508.1	Invested in Capital Assets Net	6,307,113		6,307,113
511.1	Restricted Net Position	133,879		133,879
512.1	Unrestricted Net Position	(888,851)		(888,851)
513	TOTAL Equity/Net Position	5,552,141	-	5,552,141
600	**TOTAL LIAB., DEFERRED INFLOWS OF RESOURCES AND EQUITY**	**$ 10,189,914**	**$ (480,444)**	**$ 9,709,470**

See Auditor's Report.

Wayne Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2021

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Public Housing	Family Self-Sufficiency	Section 8 Housing Assistance Payments	Rural Rental Assistance Payments
703	Net Tenant Rental Revenue	$ 561,757	$ -	$ 30,570	$ 98,021
704	Tenant Revenue - Other	1,132		80	28,133
705	Total Tenant Revenue	562,889	-	30,650	126,154
706	HUD PHA Operating Grants	907,979	45,514	97,272	
706.1	Capital Grants	94,461			
707.1	Management Fee				
707.2	Asset Management Fee				
707.3	Bookkeeping Fee				
707.4	Front Line Service Fee				
707.5	Other Fees				
708	Other Government Grants				119,983
711	Investment Income - Unrestricted	1,509		394	28
714	Fraud Recovery	1,203			
715	Other Revenue	22,221			12,495
716	Gain or Loss on Sale of Capital Assets	3,008			
720	Investment Income - Restricted				44
700	TOTAL REVENUE	1,593,270	45,514	128,316	258,704
911	Admin Salaries	145,510	20,481	2,734	13,024
912	Audit	2,835		561	905
913	Management Fee	143,928		9,710	27,216
913.1	Bookkeeping Fee	19,133		3,600	3,600
915	Employee Benefits	(58,207)	25,033	(595)	(27,958)
916	Office Expenses	26,432		364	5,167
917	Legal Expense	2,565			
918	Travel	8,080		96	336
919	Other	1,607		255	89
	Total Operating - Admin.	291,883	45,514	16,725	22,379
920	Asset Management Fee	26,880			
931	Water	102,558		1,407	51,933
932	Electricity	80,389		800	11,235
933	Gas	15,137		1,397	1,470
936	Sewer	1,353			
930	Total Utilities	199,437	-	3,604	64,638

See Auditor's Report.

Wayne Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2021

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Housing Choice Voucher	State & Local	Business Activities	COCC
703	Net Tenant Rental Revenue		104,028	146,184	
704	Tenant Revenue - Other		73,108	20,954	
705	Total Tenant Revenue	-	177,136	167,138	-
706	HUD PHA Operating Grants	4,868,836			
706.1	Capital Grants				
707.1	Management Fee				327,304
707.2	Asset Management Fee				28,680
707.3	Bookkeeping Fee				111,030
707.4	Front Line Service Fee				470,134
707.5	Other Fees			82,388	51,790
708	Other Government Grants		25,850	136,866	
711	Investment Income - Unrestricted			8	
714	Fraud Recovery	13,260			
715	Other Revenue	21,546	100	288,298	471
716	Gain or Loss on Sale of Capital Assets				5,000
720	Investment Income - Restricted			11	
700	TOTAL REVENUE	4,903,642	203,086	674,709	994,409
911	Admin Salaries	294,886	6,420	79,323	237,980
912	Audit	2,205	588	1,632	1,999
913	Management Fee	127,594	8,700	10,156	
913.1	Bookkeeping Fee	79,747	3,600	1,350	
915	Employee Benefits	(9,289)	(1,390)	(98,439)	(147,154)
916	Office Expenses	17,384	917	7,118	21,913
917	Legal Expense		1,585	1,652	140
918	Travel		173	216	532
919	Other	8,907	17	10,949	2,962
	Total Operating - Admin.	521,434	20,610	13,957	118,372
920	Asset Management Fee			1,800	
931	Water		11,895	17,383	3,085
932	Electricity		13,795	25,821	12,993
933	Gas		5,880	11,113	5,011
936	Sewer			684	
930	Total Utilities	-	31,570	55,001	21,089

See Auditor's Report.

Wayne Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2021

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Subtotal	Elimination	Total
703	Net Tenant Rental Revenue	$ 940,560		$ 940,560
704	Tenant Revenue - Other	123,407		123,407
705	Total Tenant Revenue	1,063,967	-	1,063,967
706	HUD PHA Operating Grants	5,919,601		5,919,601
706.1	Capital Grants	94,461		94,461
707.1	Management Fee	327,304	$ (327,304)	-
707.2	Asset Management Fee	28,680	(28,680)	-
707.3	Bookkeeping Fee	111,030	(111,030)	-
707.4	Front Line Service Fee	470,134	(470,134)	-
707.5	Other Fees	134,178		134,178
708	Other Government Grants	282,699		282,699
711	Investment Income - Unrestricted	1,939		1,939
714	Fraud Recovery	14,463		14,463
715	Other Revenue	345,131		345,131
716	Gain or Loss on Sale of Capital Assets	8,008		8,008
720	Investment Income - Restricted	55		55
700	TOTAL REVENUE	8,801,650	(937,148)	7,864,502
911	Admin Salaries	800,358		800,358
912	Audit	10,725		10,725
913	Management Fee	327,304	(327,304)	-
913.1	Bookkeeping Fee	111,030	(111,030)	-
915	Employee Benefits	(317,999)		(317,999)
916	Office Expenses	79,295		79,295
917	Legal Expense	5,942		5,942
918	Travel	9,433		9,433
919	Other	24,786		24,786
	Total Operating - Admin.	1,050,874	(438,334)	612,540
920	Asset Management Fee	28,680	(28,680)	-
931	Water	188,261		188,261
932	Electricity	145,033		145,033
933	Gas	40,008		40,008
936	Sewer	2,037		2,037
930	Total Utilities	375,339	-	375,339

See Auditor's Report.

Wayne Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2021

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Public Housing	Family Self-Sufficiency	Section 8 Housing Assistance Payments	Rural Rental Assistance Payments
941	Ordinary Maint. & Operations - Labor	$ 53,288		1,092	5,204
942	Ordinary Maint. & Operations - Materials & Other	96,443		5,636	3,267
943	Ordinary Maint. & Operations - Contracts	396,893		13,731	39,583
945	Employee Benefits Contributions - Ordinary Maint.	28,218		521	1,946
940	Total Maintenance	574,842	-	20,980	50,000
961.1	Property Insurance	46,345		4,612	8,246
961.2	Liability Insurance				
961.3	Workmen's Compensation	1,458		22	380
961.4	All Other Insurance	993			352
961	Total Insurance	48,796	-	4,634	8,978
962	Other General Expenses				
963	Payments in Lieu of Taxes	32,660		3,527	6,394
964	Bad Debt - Tenant Rents	19,765		2,591	467
960	Total Other General Expenses	52,425	-	6,118	6,861
96710	Interest of Mortgage Payable	10,022			10,859
967	Total Interest Expense	10,022	-	-	10,859
	TOTAL OPERATING EXPENSES	1,204,285	45,514	52,061	163,715
970	Excess Operating Revenue over Expenses	388,985	-	76,255	94,989
973	Housing Assistance Payments				
974	Depreciation Expense	229,057		45,585	42,134
900	TOTAL EXPENSES	1,433,342	45,514	97,646	205,849
1001	Operating Transfer In	55,416			
1002	Operating Transfer Out	(55,416)			
10092	Inter Project Excess Cash Transfer Out	(79,977)			
1010	Total Other Financing Sources (Uses)	(79,977)	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ 79,951	$ -	$ 30,670	$ 52,855

See Auditor's Report.

Wayne Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2021

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Housing Choice Voucher	State & Local	Business Activities	COCC
941	Ordinary Maint. & Operations - Labor	$ -	$ 2,565	$ 31,696	$ 354,245
942	Ordinary Maint. & Operations - Materials & Other	1,305	3,862	16,069	40,516
943	Ordinary Maint. & Operations - Contracts	496	31,075	55,205	57,903
945	Employee Benefits Contributions - Ordinary Maint.	-	1,179	18,592	184,581
940	Total Maintenance	1,801	38,681	121,562	637,245
961.1	Property Insurance		6,652	6,316	6,901
961.2	Liability Insurance	629			
961.3	Workmen's Compensation	2,305	50	796	5,772
961.4	All Other Insurance			106	742
961	Total Insurance	2,934	6,702	7,218	13,415
962	Other General Expenses	50,000			
963	Payments in Lieu of Taxes		13,914	11,356	72
964	Bad Debt - Tenant Rents		7,030	725	
960	Total Other General Expenses	50,000	20,944	12,081	72
96710	Interest of Mortgage Payable			28,468	6,263
967	Total Interest Expense	-	-	28,468	6,263
	TOTAL OPERATING EXPENSES	576,169	118,507	240,087	796,456
970	Excess Operating Revenue over Expenses	4,327,473	84,579	434,622	197,953
973	Housing Assistance Payments	4,176,880			
974	Depreciation Expense	7,477	46,694	75,323	67,284
900	TOTAL EXPENSES	4,760,526	165,201	315,410	863,740
1001	Operating Transfer In				
1002	Operating Transfer Out				79,977
10094	Transfers between Program and Project-Out				
1010	Total Other Financing Sources (Uses)	-	-	-	79,977
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ 143,116	$ 37,885	$ 359,299	$ 210,646

See Auditor's Report.

Wayne Metropolitan Housing Authority
Statement of Revenues and Expenses
For the Year Ended December 31, 2021

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Subtotal	Elimination	Total
941	Ordinary Maint. & Operations - Labor	448,090		448,090
942	Ordinary Maint. & Operations - Materials & Other	167,098		167,098
943	Ordinary Maint. & Operations - Contracts	594,886	(470,134)	124,752
945	Employee Benefits Contributions - Ordinary Maint.	235,037		235,037
940	Total Maintenance	1,445,111	(470,134)	974,977
961.1	Property Insurance	79,072		79,072
961.2	Liability Insurance	629		629
961.3	Workmen's Compensation	10,783		10,783
961.4	All Other Insurance	2,193		2,193
961	Total Insurance	92,677	-	92,677
962	Other General Expenses	50,000		50,000
963	Payments in Lieu of Taxes	67,923		67,923
964	Bad Debt - Tenant Rents	30,578		30,578
960	Total Other General Expenses	148,501	-	148,501
96710	Interest of Mortgage Payable	55,612		55,612
967	Total Interest Expense	55,612		55,612
	TOTAL OPERATING EXPENSES	3,196,794	(937,148)	2,259,646
970	Excess Operating Revenue over Expenses	5,604,856		5,604,856
973	Housing Assistance Payments	4,176,880		4,176,880
974	Depreciation Expense	513,554		513,554
900	TOTAL EXPENSES	7,887,228	(937,148)	6,950,080
1001	Operating Transfer In	55,416	(55,416)	-
1002	Operating Transfer Out	24,561	(24,561)	-
10094	Transfers between Program and Project-Out	(79,977)	79,977	-
1010	Total Other Financing Sources (Uses)	-	-	-
1000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ 914,422	$ -	$ 914,422

See Auditor's Report.

Wayne Metropolitan Housing Authority
Additional Information Required by HUD
For the Year Ended December 31, 2021

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	Public Housing	Section 8 Housing Assistance Payments	Rural Rental Assistance Payments	Housing Choice Vouchers
11190	Unit Months Available	2,688	192	540	11,448
11210	Number of Unit Month Leased	2,551	179	4,886	10,633

See Auditor's Report.

Financial Data Schedule Submitted to U.S. Department of HUD

Line item	Account Description	State & Local	Business Activities
11190	Unit Months Available	348	192
11210	Number of Unit Month Leased	315	192

See Auditor's Report.

WAYNE METROPOLITAN HOUSING AUTHORITY
WOOSTER, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST EIGHT (1) CALENDAR YEARS
(UNAUDITED)

Traditional Plan	2020	2019	2018	2017	2016	2015	2014	2013
Authority's Proportion of the Net Pension Liability	0.006788%	0.006945%	0.006928%	0.006647%	0.006481%	0.006637%	0.006512%	0.006512%
Authority's Proportionate Share of the Net Pension Liability	$1,005,155	$1,372,726	$1,897,439	$1,042,785	$1,471,725	$1,149,614	$785,421	$767,680
Authority's Covered-Employee Payroll	$1,218,812	$982,915	$989,324	$936,703	$895,935	$825,992	$798,433	$863,231
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	82.47%	139.66%	191.79%	111.33%	164.27%	139.18%	98.37%	88.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Combined Plan	2020	2019	2018	2017	2016	2015	2014	2013
Authority's Proportion of the Net Pension (Asset)	0.006626%	0.002719%	0.000000%	0.004273%	0.006200%	0.006710%	0.003501%	0.003501%
Authority's Proportionate Share of the Net Pension (Asset)	($19,127)	($5,670)	$0	($5,817)	($3,451)	($3,265)	($1,347)	($367)
Authority's Covered-Employee Payroll	$63,941	$59,871	$55,518	$53,528	$52,306	$24,417	$12,800	$0
Authority's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	29.91%	9.47%	0.00%	10.87%	6.60%	13.37%	10.52%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

(1) Amounts presented as of the Authority's measurement date which is the prior year.

(2) Information prior to 2013 is not available.

WAYNE METROPOLITAN HOUSING AUTHORITY
WOOSTER, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST FIVE (2) CALENDAR YEARS
(UNAUDITED)

	2020	2019	2018	2017	2016
Authority's Proportion of the Net OPEB Liability	0.0068956%	0.0056000%	0.0061500%	0.0066900%	0.0061000%
Authority's Proportionate Share of the Net OPEB Liability	$ (122,850)	$ 773,505	$ 801,815	$ 726,485	$ 61,612
Authority's Covered Employee Payroll	$ 1,282,753	$ 1,042,786	$ 1,044,842	$ 989,231	$ 948,241
Authority's Proportionate Share of the Net OPEB Liability as a percentage of its covered employee payroll	-9.58%	74.18%	76.74%	73.44%	6.50%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	115.57%	47.80%	46.33%	54.14%	68.52%

(1) Amounts presented as of the Authority's measurement date which is the prior year.

(2) Information prior to 2016 is not available.

WAYNE METROPOLITAN HOUSING AUTHORITY
WOOSTER, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
LAST NINE (1) CALENDAR YEARS
(UNAUDITED)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required employer contribution									
Traditional Plan	$ 146,257	$ 117,950	$118,719	$112,284	$ 107,512	$ 106,542	$ 99,119	$ 95,812	$112,220
Combined Plan	$ 7,673	$ 7,184	$ 6,662	$ 6,423	$ 6,277	$ 3,148	$ 2,930	$ 1,536	$ -
Total Required Contributions	$ 153,930	$ 125,134	$125,381	$ 118,707	$ 113,789	$ 109,690	$ 102,049	$ 97,348	$112,220
Contributions in relation to the contractually required contribution	$(153,930)	$(125,134)	$(125,381)	$(118,707)	$(113,789)	$(109,690)	$(102,049)	$(97,348)	$112,220)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority covered-employee payroll									
Traditional Plan	$1,218,812	$ 982,915	$ 989,324	$ 935,703	$ 895,935	$ 887,850	$ 825,992	$798,433	$863,231
Combined Plan	$ 63,941	$ 59,871	$ 55,518	$ 53,528	$ 52,306	$ 26,233	$ 24,417	$ 12,800	$ -
Contribution as a percentage of covered-employee payroll:									
Traditional Plan	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	13.00%
Pension	12.52%	12.52%	12.52%	12.52%	12.52%	12.00%	12.00%	13.00%	10.00%
OPEB	1.49%	1.49%	1.49%	1.49%	1.49%	2.00%	2.00%	1.00%	4.00%

(1) – Information prior to 2013 is not available.

NOTE 1 - PENSION OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported from 2019 to 2020. Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions from 2019 to 2020. Cost-of-living Adjustment: There was a decrease in the post – 1/7/2013 retirees rate, of 1.40% for 2019 to .50% for 2020.

NOTE 2- OTHER POSTEMPLOYMENT BENEFITS (OPEB) OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2017-2019. Changes in assumptions: (a) there was an increase in single discount rate from 3.16% in 2019 to 6% in 2020; (b) there was a decrease in the municipal bond rate from 2.75% in 2019 to 2% in 2020 and (c) there was a decrease in the health care cost trend rate from 10.5% initial, 3.50% ultimate in 2030 in 2019 to 8.5% initial, 3.50% ultimate in 2035 in 2020.

WAYNE METROPOLITAN HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	Federal CFDA Number	Expenditures	Fund Expended
U.S. Department of Housing and Urban Development			
Direct Programs:			
Low Rent Public Housing Program	14.850	$ 701,947	$ 0
Low Rent Public Housing Program - CARES	14.850	31,005	0
Capital Fund Program	14.872	269,488	0
Project Based Rental Assistance Program	14.195	97,272	0
Section 8 Housing Choice Voucher Program	14.871	4,693,262	0
Section 8 Housing Choice Voucher Program - CARES	14.871	175,574	0
PIH Family Self-Sufficiency Program	14.896	45,514	0
Total Direct Awards		6,014,062	0
U.S. Department of Agriculture			
Direct Programs:			
Rural Rental Assistance Payments	10.427	119,983	0
Rural Rental Housing Loan	10.415	0	672,723
Total U.S. Department of Agriculture		119,983	672,723
Total Federal Expenditures		$6,134,045	$ 672,723

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

Kevin L.
Penn, Inc.

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

Wayne Metropolitan Housing Authority
Wayne County
345 North Market Avenue
Wooster, Ohio 44691

To the Board of Trustees:

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, of the Wayne Metropolitan Housing Authority, Wayne County, (the Authority) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued my report thereon dated June 6, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I 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 purposes of expressing our opinion**(s)** on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control.

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

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, I 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 my audit and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

I noted certain matters that I reported to management of the Wayne Metropolitan Housing Authority's in a separate letter dated June 6, 2022.

Purpose of This Report

The purpose of this report is solely to describe the scope of my 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.

Kevin L. Penn, Inc.

June 6, 2022
Cleveland, Ohio

Kevin L. Penn, Inc.

Certified Public Accountant
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Wayne Metropolitan Housing Authority
Wayne County
345 North Market Avenue
Wooster, Ohio 44691

To the Board of Trustees:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Wayne Metropolitan Housing Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each Wayne Metropolitan Housing Authority's major federal programs for the year ended December 31, 2021. Wayne Metropolitan Housing Authority's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In my opinion, Wayne Metropolitan Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

I am required to be independent of the Wayne Metropolitan Housing Authority and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the Wayne Metropolitan Housing Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor’s Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Kevin L. Penn, Inc.

June 6, 2022
Cleveland, Ohio

Wayne Metropolitan Housing Authority
Schedule of Findings
December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant Deficiency(ies) identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over compliance:	
Material weakness(es) identified?	No
Significant Deficiency(ies) identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major program:	Unmodified
Are there any reportable findings under 2 CFR Section 200.516(a)?	No
Identification of major programs:	
14.871	Housing Choice Voucher
14.850	Low Rent Public Housing
Dollar threshold used to distinguish between Type A and Type B programs:	Type A: > $750,000 Type B: all others
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings

None

There were no prior year audit findings.

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OHIO AUDITOR OF STATE
KEITH FABER

WAYNE METROPOLITAN HOUSING AUTHORITY

WAYNE 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 7/19/2022