**ALLEN METROPOLITAN HOUSING AUTHORITY**

**ALLEN COUNTY**

**SINGLE AUDIT**

**JULY 1, 2021 – JUNE 30, 2022**

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

OHIO AUDITOR OF STATE
KEITH FABER

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(800) 282-0370

Board of Commissioners
Allen Metropolitan Housing Authority
600 South Main Street
Lima, Ohio 45804

We have reviewed the *Independent Auditor's Report* of the Allen Metropolitan Housing Authority, Allen County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

December 28, 2022

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**ALLEN METROPOLITAN HOUSING AUTHORITY**
**ALLEN COUNTY**

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WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

# INDEPENDENT AUDITOR'S REPORT

Allen Metropolitan Housing Authority
Allen County
600 South Main Street
Lima, Ohio 45804

To the Board of Commissioners:

## Report on the Audit of the Financial Statements

### *Opinion*

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Allen Metropolitan Housing Authority, Allen County, Ohio as of June 30, 2022, and the changes in financial position and its cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

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


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***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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*, we

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

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

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

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

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

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

***Required Supplementary Information***

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

***Supplementary information***

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued[i] our report dated November 30, 2022, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
November 30, 2022

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The following discussion and analysis of the Allen Metropolitan Housing Authority (the "Authority") is to provide an introduction to the basic financial statements for the fiscal year ended June 30, 2022 with selected comparative information for the fiscal year ended June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements, notes to the financial statements, and supplementary information found in the report. This information taken collectively is designed to provide readers with an understanding of the Authority's finances.

## FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022 by $7,400,556 (net position). Of this amount, $3,245,701 (unrestricted Net Position) may be used to meet the Authority's ongoing obligations to citizens and creditors.

- Capital assets, net depreciation, increased by $45,390.

- Net Position increased by $1,394,681 in the fiscal year ended June 30, 2022. This correlates, to a great extent, to the large drop in the accrued pension liability, and the Extraordinary Item realized in the period.

- Revenues were practically unchanged from 2021, increasing by only $33,023.

- Expenses increased by $560,769. The largest difference was to pension and OPEB expense which increased $376,762 from ($702,951) to ($326,189).

- In March 2020, the United States and the State of Ohio declared a state of emergency due to the COVID-19 pandemic. HUD provided additional funds to the Authority's Public Housing and Housing Choice Voucher programs to help the Authority prepare for, prevent, and respond to the coronavirus, which helped the Authority maintain normal operations during the period since the emergency of the pandemic.

- The Authority realized an Extraordinary Item (gain) of $850,000 related to refinancing of debt in the period by owners of a tax credit project. At the project's inception in 2007, the Authority, through a wholly owned affiliate, was granted certain rights in the event of refinancing or sale of the property prior to maturity of the original notes on the property due in 2037.

## USING THIS ANNUAL REPORT

The following graphic outlines the format of this report.

| |
|---|
| MD&A<br>~ Management's Discussion and Analysis ~ |
| Basic Financial Statements<br>~ Statement of Net Position ~<br>~ Statement of Revenues, Expenses and Change in Fund Net Position ~<br>~ Statement of Cash Flows ~<br>~ Notes to the Basic Financial Statements ~ |
| Other Required Supplementary Information<br>~ Required Supplementary Information (Pension and OPEB Schedules) ~ |
| Other Supplementary Information<br>~ Financial Data Schedules ~<br>~ Schedule of Expenditures of Federal Awards ~ |

The focus is on both the Authority as a whole (authority-wide) and the major individual funds. Both perspectives (authority-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority's accountability.

**Basic Financial Statements**

The basic 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 and deferred outflows of resources, minus liabilities and deferred inflows of resources, equal "Net Position". Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one fiscal 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 and deferred outflows of resources, net of liabilities and deferred inflows of resources, for the entire Authority. Net Position is reported in three broad categories (as applicable):

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 and liabilities that are attributable to the acquisition, construction, or improvement of those assets. The Authority does not have any outstanding debt, but has equipment lease liabilities.

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

Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Investment in Capital Assets", or "Restricted Net Position". This account resembles the old operating reserves account.

The Authority financial statements include a Statement of Revenues, Expenses and Change in Fund Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, operating grants, and other revenues; Operating Expenses, such as administrative, utilities, maintenance, general, insurance, housing assistance payments, and depreciation; and Non-Operating Revenues, capital grant revenue, and investment/interest income.

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

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

**Fund Financial Statements**

The Authority consists exclusively of 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.

Accounting balances for many of the programs maintained by the Authority are segregated as required by HUD. Others are segregated to enhance accountability and control.

Public Housing Program (PH) – Under the Public Housing Program, the Authority rents units that it owns to low-income households. The Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Public Housing Program also includes the Capital Funds Program, which is the primary funding source for physical and management improvements to the Authority's properties. CARES Act Funding is also included in this Program. The CARES Act provided additional funding to PHAs to prevent, prepare for, and respond to coronavirus, including to maintain normal operations during the period the Program has been impacted by coronavirus.

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

Housing Choice Voucher Program (HCVP) – Under the Housing Choice Voucher Program, the Authority administers a contract with independent landlords that own the properties. The Authority subsidizes the family's rent through the Housing Assistance Payment made to the landlord. The Program is administered under the Annual Contributions Contract (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. CARES Act Funding is also included in this Program. The CARES Act provided additional funding to PHAs to prevent, prepare for, and respond to coronavirus, including to maintain normal operations during the period the Program has been impacted by coronavirus.

Special Needs Assistance Program (SNAP) – The Continuum of Care Program funding received from HUD for this Program is designed to link rental assistance to supportive services for hard-to-serve homeless persons with disabilities and their families if they are also homeless.

Section 8 Moderate Rehab – Single Room Only (SRO) – The Authority administers Section 8 Rental Assistance programs where HUD enters into annual contribution contract with a private owner. The owner rents housing to eligible low-income individuals who typically pay rent of 30% of adjusted gross income. The remaining portion of the rent for the unit is paid to the owner by HUD through the HAP contract. The Authority earns an administration fee for these services rendered.

FSS – Service Coordinators – The purpose of the PIH Family Self-Sufficiency Program is to provide funding to hire and maintain Service Coordinators who will assess the needs of residents of conventional Public Housing and coordinate available resources in the community to meet those needs. In the past, the ROSS grant had included programs such as ROSS-Family & Homeownership. These programs have been combined by HUD into the PIH Family Self-Sufficiency Program.

Business Activities - Represents other non-HUD activities

## Authority Activity Highlights

Revenues and Expenses

The following is a summary of the results of operations of the Authority for the fiscal years ended June 30, 2022 and 2021:

| | 2022 | 2021 |
|---|---|---|
| **Revenue** | | |
| Tenant Revenues - Rents and Other | $ 652,900 | $ 544,759 |
| Operating Subsidies | 7,298,959 | 7,261,550 |
| Capital Grants | 177,125 | 188,642 |
| Investment Income | 1,335 | 1,158 |
| Other Revenues | 174,672 | 275,859 |
| **Total Revenues** | 8,304,991 | 8,271,968 |
| **Expenses** | | |
| Administrative | 1,140,353 | 961,165 |
| Tenant Services | 90,689 | 217,843 |
| Utilities | 336,593 | 302,259 |
| Maintenance | 711,331 | 774,590 |
| General Expenses and Insurance | 255,686 | 141,526 |
| Housing Assistance Payments | 5,240,090 | 5,202,053 |
| Pension and OPEB | (326,189) | (702,951) |
| Depreciation | 311,757 | 303,056 |
| **Total Expenses** | 7,760,310 | 7,199,541 |
| Change in Net Position, before Extraordinary Item | 544,681 | 1,072,427 |
| Extraordinary Item | 850,000 | 0 |
| Change in Net Position | 1,394,681 | 1,072,427 |
| Total Net Position - Beginning of Year | 6,005,875 | 4,933,448 |
| **Total Net Position - End of Year** | $ 7,400,556 | $ 6,005,875 |

Housing Units Managed

The following table shows housing units managed by the Authority for fiscal years ended June 30, 2022 and 2021:

| | 2022 | 2021 |
|---|---|---|
| Owned by Authority | 245 | 245 |
| Units Under Vouchers | 1,041 | 1,041 |
| Units Under NC SR | 63 | 63 |
| **Total Housing Units Managed** | 1,349 | 1,349 |

Changes in Capital Assets

Total capital assets increased from the previous fiscal year by $45,390. The increase is a result of capital additions exceeding depreciation on assets. The following table summarizes changes in capital asset balances for fiscal years ending June 30, 2022 and 2021:

| | 2022 | 2021 |
|---|---|---|
| Land and Land Rights | $ 924,233 | $ 924,233 |
| Buildings | 21,700,439 | 21,406,633 |
| Equipment | 782,868 | 709,781 |
| Accumulated Depreciation | (19,252,217) | (18,930,714) |
| **Total Capital Assets** | $ 4,155,323 | $ 4,109,933 |

| | |
|---|---|
| **Beginning Balance - June 30, 2021** | $ 4,109,933 |
| Current Year Additions | 357,147 |
| Current Year Depreciation Expense | (311,757) |
| **Ending Balance - June 30, 2022** | $ 4,155,323 |
| Current Year Additions are summarized as follows: | |
| 305 W Circular/225 W Kibby Rebuild Casualty Loss Units | $ 99,192 |
| 619 Brower Road Improvements | 17,489 |
| 1338 Essex Remodel | 13,200 |
| 470 McKibbens Improvements | 8,350 |
| 102 Circular Improvements | 9,325 |
| 3652 Yoakam Renovation | 146,250 |
| Leased Assets - Copiers, Net | 63,341 |
| **Total 2022 Additions** | $ 357,147 |

Capital assets are presented in detail on page 23 of the notes.

Debt

The Authority has no outstanding debt at June 30, 2022. However, due to the implementation of GASB Statement No. 87, the Authority has an equipment lease liability at June 30, 2022. The following summarizes the change in the lease liability from last fiscal year-end.

| | |
|---|---|
| Equipment Lease Liability, June 30, 2021 | $ 0 |
| Additions in Period | 64,164 |
| Deletions in period | (13,837) |
| Equipment Lease Liability, June 30, 2022 | $ 50,327 |

Long-term liabilities are presented in detail in Note 6.

Financial Position

The Statement of Net Position presents the financial position of the Authority at the end of the fiscal year. The statement includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Authority. Net position is the difference between total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources and is an indicator of the current fiscal health of the Authority. The following is a summarized comparison of the Authority's assets, liabilities, deferred outflows, and deferred inflows of resources, and net position at June 30, 2022 and 2021:

| | 2022 | 2021 |
|---|---|---|
| **Assets and Deferred Outflows of Resources** | | |
| **Assets** | | |
| Current Assets | $ 4,559,225 | $ 3,566,328 |
| Capital Assets | 4,155,323 | 4,109,933 |
| Notes Receivable | 37,900 | 47,500 |
| OPEB Asset | 154,259 | 91,538 |
| **Total Assets** | 8,906,707 | 7,815,299 |
| **Deferred Outflows of Resources** | 141,719 | 124,526 |
| **Total Assets and Deferred Outflows of Resources** | $ 9,048,426 | $ 7,939,825 |
| **Liabilities, Deferred Inflows of Resources, and Net Position** | | |
| **Liabilities** | | |
| Current Liabilites | 309,009 | 304,883 |
| Non-Current Liabilities | 632,579 | 995,921 |
| **Total Liabilities** | 941,588 | 1,300,804 |
| **Deferred Inflows of Resources** | 706,282 | 633,146 |
| **Net Position** | | |
| Net Investment in Capital Assets | 4,104,996 | 4,109,933 |
| Restricted | 49,859 | 203,691 |
| Unrestricted | 3,245,701 | 1,692,251 |
| **Total Net Position** | 7,400,556 | 6,005,875 |
| **Total Liabilities, Deferred Inflows of Resources, and Net Position** | $ 9,048,426 | $ 7,939,825 |

Major Fluctuations Comments

The most notable changes on the financial statements from last fiscal year were related to the extraordinary item (a gain) of $850,000 realized by the Authority in the period. In this fiscal period, the owners of a tax credit property in Allen County, Ohio, sought to refinance the debt on the property. The original financing for the property in 2007 granted certain rights to a wholly owned affiliate of the Authority in the event of refinancing or sale of the property prior to maturity of the original notes on the property, which were due to mature in 2037. An acceleration clause in the original financing arrangement was triggered by the refinancing leading to the Authority to be in position to accept $850,000 as prepayment on the notes as full satisfaction for all amounts due to the affiliate of the Authority related to the original financing arrangement of the tax credit property.

On the Statement of Net Position, current assets increase nearly $993,000 over last fiscal year (a 28% increase). Unrestricted net position also increased impressively. The extraordinary item contributed greatly to these changes. Also contributing to the increase in unrestricted net position were changes in balances reported in accordance with GASB 68 and GASB 75. The reduction in noncurrent liabilities is largely due to balance reported in accordance with GASB 68.

On the Statement of Revenues, Expenses, and Change in Fund Net Position, the most notable balance is the extraordinary item of $850,000. But here are a few other balances that changed worthy of noting. Overall income was virtually unchanged from the prior fiscal year-end. Increases in tenant revenues were offset by a reduction in other income. The increase in tenant revenues is in rental income. Rents for the Public Housing Program residents are based on family incomes, so this increase reflects that on average the incomes of families being assisted by the Program increased. The drop in other income is generally due to other income in the previous fiscal-year being a bit higher than normal due to insurance proceeds and elevated family self-sufficiency forfeitures.

Expenses overall increased modestly, by $560,769 (or about 8%). The biggest part of that change is reflected in the change of pension and OPEB expense, which dropped almost $377,000. Pension expense is what is recorded when there are changes in balances reported in accordance with GASB 68 & GASB 75. It should be noted pension and OPEB expense was a negative expense in both fiscal 2022 and 2021, so in 2022 the expense is a much smaller negative balance than the previous period. Otherwise an increase in administrative expense was offset by a reduction in tenant services expense which was primarily due to a change in classification of costs as we all begin to start living life in the aftermath of the emergence of the COVID-19 pandemic. General expense and insurance increased by $114,160 (or 81%) over the previous fiscal period. That increase reflects increased collection losses incurred by the agency's programs.

To explain references above to changes in balances reported in accordance with GASB 68 and GASB 75, GASB 68 is an accounting standard that essentially requires the Authority to report financial balances for what is estimated to be its share of the unfunded pension liability, the net pension liability (NPL), and balances caused by changes in the pension liability of the of the pension system, the Ohio Public Employees Retirement System (OPERS). GASB 75 is an accounting standard that essentially requires the Authority to report financial balances for what is estimated to be its share of the other postemployment benefits (OPEB) liability/asset and balances caused by changes in the OPEB liability/asset of the pension system, the Ohio Public Employees Retirement System (OPERS). OPEB refers to the healthcare plan of the pension system, and actuaries have concluded the healthcare plan has surplus funding as of the measurement date applicable to this financial report and so the balance to be reported at this fiscal year-end is an OPEB asset. Deferred outflows of resources and deferred inflows of resources are caused by changes in the NPL and OPEB liability/asset. Some changes in the NPL and OPEB balances are amortized over a five-year period and those amortized balances are reported as deferred outflows of resources and deferred inflows of resources. The large changes to noncurrent assets, deferred outflows of resources, noncurrent liabilities and deferred inflows of resources are primarily related to changes in balances reported in accordance with GASB 68 and GASB 75.

Employees of the Authority are required by state law to be members of OPERS, and the Authority is required to make retirement contributions to OPERS for all of its employees. The Net Pension Liability is unlike other liabilities the Authority has in that these liabilities do not represent invoices to be paid by the agency but rather is an attempt to estimate the extent to which contributions to OPERS would have to increase in order for OPERS to fully fund its future obligations. In Ohio, there is no legal means to enforce the unfunded liability of the pension plan against a public employer like the Authority. Contribution rates for employees and employers are set by state law, so any change in contribution rates would require a change in state law. Similarly, there is no way for an employer like the Authority to access the OPEB asset. The reporting of the balances in accordance with GASB 68 and GASB 75 has a significant effect on unrestricted net position. Unrestricted net position as of June 30, 2022 is \$3,245,701 and is \$852,459 less than what it would be without balances reported in accordance with GASB 68 and GASB 75.

**Economic Factors**

According to the 2020 Ohio County Profiles prepared by the Offices of Research, the median annual household income for families in Allen County (where the Authority is based) is \$50,552, which is significantly lower than that same statistic statewide and nationally. Additionally, more than 30% of Allen County households make less than \$30,000 per year. So, the demand for services of the Authority is as great as ever.

Of course, nothing can be said about the past years without noting the coronavirus and its impact on everything. Yes, the Authority received an influx of cash through CARES Act funding, but those funds were restrictive and are a one-time shot in the arm. Additionally, because the national economy is currently in shambles and the inflation rates are through the roof, the uncertain nature of the Lima area is unsettling. Ironically, a recent boon in economic development in our area has actually resulted in a shortage of available affordable housing and our HCV/Section 8 lease-up numbers are down considerable due to that and other various economic conditions. Even though our lease-up is down, the HVC/S8 Program continues to be a High Performer under SEMAP, since due to the pandemic, we were able to keep our SEMAP score from the previous years.

The Public Housing Program is currently at 95% lease-up. The Program's financial condition is good. However, the Authority's housing stock is aging quickly, and constant major renovations are required. We are frequently re-evaluating how to make the most of our Public Housing assets. The Public Housing Program is still a High Performer under the PHAS system.

The Authority has managed to maneuver these difficult times by continuing to make sound financial decisions. We are diligent about monitoring our resources and serving our community the best we can with what we have.

**Requests for Information**

The annual financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to Anna Schnippel, Executive Director, Allen Metropolitan Housing Authority, 600 S Main, Lima, Ohio 45804.

# ALLEN METROPOLITAN HOUSING AUTHORITY
# ALLEN COUNTY, OHIO
# STATEMENT OF NET POSITION
# PROPRIETARY FUND
# JUNE 30, 2022

| | |
|---|---|
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | |
| **Assets** | |
| **Current Assets** | |
| Cash and Cash Equivalents | $ 4,000,244 |
| Restricted Cash | 365,563 |
| Receivables, Net | 92,764 |
| Prepaids | 51,500 |
| Inventories, Net | 49,154 |
| **Total Current Assets** | 4,559,225 |
| | |
| **Non-Current Assets** | |
| Capital Assets: | |
| Non-Depreciable Capital Assets | 924,233 |
| Depreciable Capital Assets, Net | 22,483,307 |
| Accumulated Depreciation | (19,252,217) |
| Total Capital Assets | 4,155,323 |
| | |
| Loans Receivable, Net of Current | 37,900 |
| Net OPEB Asset | 154,259 |
| **Total Non-Current Assets** | 4,347,482 |
| **Total Assets** | 8,906,707 |
| | |
| **Deferred Outflows of Resources** | |
| Pension | 138,665 |
| OPEB | 3,054 |
| **Total Deferred Outflows of Resources** | 141,719 |
| **TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | $ 9,048,426 |
| | |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION** | |
| **Liabilities** | |
| **Current Liabilities** | |
| Accounts Payable | $ 9,163 |
| Accrued Wages and Payroll Taxes | 17,899 |
| Intergovernmental Payables | 143,874 |
| Accrued Liabilities - Other | 67,921 |
| Tenant Security Deposits | 70,152 |
| **Total Current Liabilities** | 309,009 |
| | |
| **Non-Current Liabilities** | |
| Accrued Compensated Absences | 46,459 |
| Other Noncurrent Liabilities | 143,965 |
| Net Pension Liability | 442,155 |
| **Total Non-Current Liabilities** | 632,579 |
| **Total Liaiblities** | 941,588 |
| | |
| **Deferred Inflows of Resources** | |
| Pension | 543,292 |
| OPEB | 162,990 |
| **Total Deferred Inflows of Resources** | 706,282 |
| | |
| **Net Position** | |
| Net Investment in Capital Assets | 4,104,996 |
| Restricted | 49,859 |
| Unrestricted | 3,245,701 |
| **Total Net Position** | 7,400,556 |
| **TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION** | $ 9,048,426 |



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

**ALLEN METROPOLITAN HOUSING AUTHORITY**
**ALLEN COUNTY, OHIO**
**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION**
**PROPRIETARY FUND**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| | | |
|---|---|---|
| **OPERATING REVENUES** | | |
| Tenant Revenue | | $ 652,900 |
| Government Operating Grants | | 7,298,959 |
| Other Revenue | | 174,672 |
| **Total Operating Revenues** | | 8,126,531 |
| | | |
| **OPERATING EXPENSES** | | |
| Administrative | 1,140,353 | |
| Tenant Services | 90,689 | |
| Utilities | 336,593 | |
| Maintenance | 617,521 | |
| Insurance | 128,056 | |
| General | 127,630 | |
| Extraordinary Maintenance | 93,810 | |
| Housing Assistance Payments | 5,240,090 | |
| Pension and OPEB Expense | (326,189) | |
| Depreciation | 311,757 | |
| **Total Operating Expenses** | | 7,760,310 |
| Operating Income | | 366,221 |
| | | |
| **NONOPERATING REVENUES** | | |
| Capital Grants | | 177,125 |
| Interest | | 1,335 |
| **Total Nonoperating Revenues** | | 178,460 |
| Change in Net Position, before Extraordinary Item | | 544,681 |
| | | |
| Extraordinary Item | | 850,000 |
| Change in Net Position | | 1,394,681 |
| | | |
| Total Net Position at July 1, 2021 | | 6,005,875 |
| **Total Net Position at June 30, 2022** | | $ 7,400,556 |

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

# ALLEN METROPOLITAN HOUSING AUTHORITY
# ALLEN COUNTY, OHIO
# STATEMENT OF CASH FLOWS
# PROPRIETARY FUND
# FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| | |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Cash Received from Operating Grants | $ 7,201,136 |
| Cash Received from Tenants | 660,668 |
| Cash Received from Other Sources | 1,081,001 |
| Cash Payments for HAP | (5,255,105) |
| Cash Payments for Operating Expenses | (2,531,495) |
| **Net Cash Provided by Operating Activities** | 1,156,205 |
| | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Interest | 1,335 |
| **Net Cash Provided by Investing Activities** | 1,335 |
| | |
| **CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES** | |
| Capital Grant Funds Received | 177,125 |
| Acquisition of Capital Assets | (357,147) |
| Lease Proceeds | 64,164 |
| Payments on Lease Liabilities | (13,837) |
| Interest Payments on Lease Liabilities | (2,315) |
| **Net Cash Used by Capital and Related Activities** | (132,010) |
| Net Change in Cash and Cash Equivalents | 1,025,530 |
| | |
| Cash and Cash Equivalents at July 1, 2021 | 3,340,277 |
| **Cash and Cash Equivalents at June 30, 2022** | $ 4,365,807 |
| | |
| **RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES** | |
| Operating Income | $ 366,221 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | |
| Depreciation | 311,757 |
| Extraordinary Item | 850,000 |
| Changes in Assets and Liabilities: | |
| Accounts Receivable | 22,063 |
| Prepaid Items | 4,532 |
| Inventory | 6,038 |
| Mortgage Receivable | 9,600 |
| Accounts Payable | 79,564 |
| Accrued Wages and Payroll Taxes | (23,423) |
| Security Deposits | 966 |
| Net Pension/OPEB Liability | (382,132) |
| Unearned Revenue | (84,209) |
| Other Liabilities | (60,715) |
| Change in Deferred Outflows of Resources | (17,193) |
| Change in Deferred Inflows of Resources | 73,136 |
| **Net Cash Provided by Operating Activities** | $ 1,156,205 |

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

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Summary of Significant Accounting Policies**

The financial statements of the Allen Metropolitan Housing Authority (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 more significant of the Authority's accounting policies are described below.

**Reporting Entity**

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

The accompanying basic financial statements comply with the provisions of GASB Statement No. 39, *Determining Whether Organizations are Component Units,* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus,* in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources: (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

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

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

**Basis of Presentation**
The Authority's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

The Authority uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net position, 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.

**Fund Accounting**
The Authority uses the proprietary fund to report on its financial position and the results of its operations for its programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Funds are classified into three categories: governmental, proprietary, and fiduciary. The Authority uses the proprietary category for its programs.

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

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

**Measurement Focus/Basis of Accounting**
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 housing assistance payments and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Cash and Cash Equivalents**
For the purpose of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

**Investments**
Investments are restricted by the provisions of the HUD Regulations (See Note 2). Investments are valued at fair market value.

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

**Receivables – Net of Allowance**

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenant receivable balances at the end of the fiscal year. The allowance for uncollectable tenant receivables was $3,700, and the allowance for doubtful fraud receipts was $13,056 at June 30, 2022.

**Inventories**

Inventories are stated at cost, (first-in, first-out method). Inventory consists of supplies and maintenance parts. The allowance for obsolete inventory was $13,678 at June 30, 2022.

**Capital Assets**

Capital assets are stated at cost and depreciation is computed using the straight-line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The capitalization threshold is $7,500. The following are the useful lives used for depreciation purposes:

| | |
|---|---|
| Buildings – residential | 27.5 |
| Buildings – non- residential | 40 |
| Building improvements | 15 |
| Furniture – dwelling | 7 |
| Furniture – non-dwelling | 7 |
| Equipment – dwelling | 5 |
| Equipment – non dwelling | 7 |
| Autos and trucks | 5 |
| Computer hardware | 3 |
| Computer software | 3 |
| Leasehold improvements | 15 |
| Land improvements | 15 |

**Inter-program payables/receivables**

On the basic financial statements, intercompany receivables and payables reported on the FDS are eliminated.

**Compensated Absences**

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

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

**Compensated Absences** (Continued)
Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: 1) The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee, 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. The current portion of compensated absences is reported within accrued liabilities-other with the remaining balance reported as non-current liability.

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

**Budgetary Accounting**
The authority annually prepares its budget as prescribed by HUD. Budgets are submitted to HUD when applicable. Budgets are adopted by the Board of the Authority.

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

**Extraordinary and Special Items**
Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Authority's management and that are either unusual or infrequent in nature. An extraordinary item is reported n Note 13 while no special items occurred for fiscal year 2022.

**Accounting and Reporting for Non-exchange Transactions**
The Authority previously adopted GASB 33. Non-exchange transactions occur when the Public Housing Authority (PHA) receives (or gives) value without directly giving equal value in return. GASB 33 identifies four classes of non-exchange transactions as follows:

- Derived tax revenues: result from assessments imposed on exchange transactions (i.e., income taxes, sales taxes and other assessments on earnings or consumption).
- Imposed non-exchange revenues: result from assessments imposed on non-governmental entities, including individuals, other than assessments on exchange transactions (i.e. property taxes and fines).
- Government-mandated non-exchange transactions: occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (i.e., federal programs that state or local governments are mandated to perform).

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

**Accounting and Reporting for Non-exchange Transactions** (Continued)

- Voluntary non-exchange transactions: result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (i.e., certain grants and private donations).

PHA grants and subsidies will be defined as a government-mandated or voluntary non-exchange transaction.

GASB 33 establishes two distinct standards depending upon the kind of stipulation imposed by the provider.

- Time requirements specify (a) the period when resources are required to be used or when use may begin (for example, operating or capital grants for a specific period) or (b) that the resources are required to be maintained intact in perpetuity or until a specified date or event has occurred (for example, permanent endowments, term endowments, and similar agreements). Time requirements affect the timing of recognition of non-exchange transactions.

- Purpose restrictions specify the purpose for which resources are required to be used (i.e. capital grants used for the purchase of capital assets). Purpose restrictions do not affect when a non-exchange transaction is recognized. However, PHAs that receive resources with purpose restrictions should report resulting net position, equity, or fund balance as restricted.

The PHA will recognize assets (liabilities) when all applicable eligibility requirements are met or resources received whichever is first. Eligibility requirements established by the provider may stipulate the qualifying characteristics of recipients, time requirements, allowable costs, and other contingencies.

The PHA will recognize revenues (expenses) when all applicable eligibility requirements are met. For transactions that have a time requirement for the beginning of the following period, PHAs should record resources received prior to that period as unearned revenue and the provider of those resources would record an advance.

The PHA receives government-mandated or voluntary non-exchange transactions, which do not specify time requirements. Upon award, the entire subsidy should be recognized as a receivable and revenue in the period when applicable eligibility requirements have been met.

**Unearned Revenue**

Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied.

**Prepaid Items**

Payments made to vendor for services that will benefit beyond fiscal year-end are recorded as prepaid items via the consumption method. A current asset for prepaid amounts is recorded at the time of purchase and the expense is reported in the fiscal year the services are consumed.

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

**Pensions – Deferred inflow/outflow of Resources**

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

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. The net investment in capital assets consists of capital assets net of the lease liability and accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When an expense is incurred for purposes which both restricted and unrestricted net position is available, the Authority first applies restricted resources. The Authority reported restricted net position for modernization and development of public housing projects of $49,859 at June 30, 2022.

**Change in Accounting Principle**

GASB Statement No. 87, *Leases*, enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use leased asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Authority's financial statements; however, there was no effect on the beginning net position.

NOTE 2: **DEPOSITS AND INVESTMENTS**

**Deposits**

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

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

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

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

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

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

At fiscal year end June 30, 2022, the carrying amount of the Authority's deposits totaled $4,365,807 (including petty cash of $200 and change fund of $100), and its bank balance was $4,424,170. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of June 30, 2022, $250,000 was protected by FDIC and $4,174,170 was exposed to custodial risk as discussed below.

Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned. The Authority's policy is to place deposits with major local banks approved by the Board. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in single financial institution collateral pools at the 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 hold or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

**Investments**
HUD, State Statute and Board Resolutions authorize the Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, money market deposit accounts, municipal depository fund, super NOW accounts, and sweep accounts. Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Authority, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specific dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. The Authority had no investments at June 30, 2022.

## NOTE 3: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; damage to and theft or destruction of assets; errors and omissions; injuries to employees and natural disaster. 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 forty (40) housing authorities in Ohio, of which the Authority is a member. Settled claims have not exceeded the Authority's insurance in any of the past three fiscal years.

## NOTE 4: RESTRICTED CASH

Restricted cash balance as of June 30, 2022 consists of cash on hand for the following:

| | |
|---|---|
| HAP Payable | $ 13,651 |
| FSS Escrow Funds Held for Tenants | 108,039 |
| Tenant Security Deposits | 70,152 |
| Accounts Payable HUD | 123,862 |
| Development Funds on Hand | 49,859 |
| **Total Restricted Cash** | $ 365,563 |

## NOTE 5: CAPITAL ASSETS

The following is a summary of changes in capital assets:

| | Balance 6/30/2021 | Additions | Implement GASB 87 | Deletions | Balance 6/30/2022 |
|---|---|---|---|---|---|
| **Capital Assets Not Being Depreciated** | | | | | |
| Land | $ 924,233 | $ 0 | $ 0 | $ 0 | $ 924,233 |
| **Total Capital Assets Not Being Depreciated** | 924,233 | 0 | 0 | 0 | 924,233 |
| **Capital Assets Being Depreciated** | | | | | |
| Buildings and Improvements | 21,406,633 | 293,806 | 0 | 0 | 21,700,439 |
| Furniture and Equipment | 709,781 | 0 | 73,087 | 0 | 782,868 |
| **Total Capital Assets Being Depreciated** | 22,116,414 | 293,806 | 73,087 | 0 | 22,483,307 |
| **Accumulated Depreciation** | | | | | |
| Buildings and Improvements | (18,221,162) | (296,911) | 0 | 0 | (18,518,073) |
| Furniture and Equipment | (709,552) | (14,846) | (9,746) | 0 | (734,144) |
| **Total Accumulated Depreciation** | (18,930,714) | (311,757) | (9,746) | 0 | (19,252,217) |
| **Capital Assets Being Depreciated, Net** | 3,185,700 | (17,951) | 63,341 | 0 | 3,231,090 |
| **Total Capital Assets, Net** | $ 4,109,933 | $ (17,951) | $ 63,341 | $ 0 | $ 4,155,323 |

## NOTE 6: LONG-TERM LIABILITIES

The Authority entered into a sixty-month lease for copier equipment calling for monthly payments of $1,346 beginning November 1, 2020. The equipment is being amortized over the life of the lease. The annual interest rate charged on the lease is 4 percent.

Lease commitments for fiscal years ending June 30 are as follows:

| | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 14,401 | $ 1,751 | $ 16,152 |
| 2024 | 14,988 | 1,164 | 16,152 |
| 2025 | 15,598 | 554 | 16,152 |
| 2026 | 5,340 | 3,509 | 8,849 |
| Total | $ 50,327 | $ 6,978 | $ 57,305 |

The following is a summary of long-term liabilities:

| Description | Balance 7/1/2021 | Additions | Deletions | Balance 6/30/2022 | Due Within One Year |
|---|---|---|---|---|---|
| Compensated Absences | $ 64,469 | $ 54,644 | $ (55,827) | $ 63,286 | $ 16,827 |
| FSS Escrow Liability | 169,886 | 47,921 | (109,768) | 108,039 | 0 |
| Net Pension Liability | 761,566 | 0 | (319,411) | 442,155 | 0 |
| Lease Liability | 0 | 64,164 | (13,837) | 50,327 | 14,401 |
| **Total Long-Term Liabilities** | $ 995,921 | $ 166,729 | $ (498,843) | $ 663,807 | $ 31,228 |

## NOTE 7: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension/OPEB. The deferred outflows of resources related to pension are explained in Note 8, and deferred outflow of resources related to OPEB are explained in Note 9.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for pension/OPEB. The deferred inflows of resources related to pension are explained in Note 8, and deferred inflow of resources related to OPEB are explained in Note 9.

NOTE 8: **DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

When a traditional plan benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in 2019, the COLA is based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Cost-of living adjustments for OPERS members in 2022 will be 3 percent for all those eligible to receive the annual benefit increase.

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

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

Beginning in 2022, the combined plan will be consolidated under the Traditional pension plan (defined benefit plan) and the Combined plan will no longer be available for new hires beginning in 2022.

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

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

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

| | State and Local |
|---|---|
| **2021-2022 Statutory Maximum Contribution Rates** | |
| Employer | 14.0 % |
| Employee * | 10.0 % |
| | |
| **2021-2022 Actual Contribution Rates** | |
| Employer: | |
| Pension ** | 14.0 % |
| Post-Employment Health Care Benefits ** | 0.0 % |
| Total Employer | 14.0 % |
| | |
| Employee | 10.0 % |

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

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

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

The Authority's contractually required contributions used to fund pension benefits was $106,219 for fiscal year ending June 30, 2022.

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

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

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

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

| | OPERS Traditional Pension Plan |
|---|---|
| Proportion of the Net Pension Liability: | |
| Prior Measurement Date | 0.005143% |
| Proportion of the Net Pension Liability: | |
| Current Measurement Date | 0.005082% |
| Change in Proportionate Share | -0.000061% |
| | |
| Proportionate Share of the Net Pension Liability | $ 442,155 |
| Pension Expense | $ (79,080) |

At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | OPERS Traditional Pension Plan |
|---|---|
| **Deferred Outflows of Resources** | |
| Differences between expected and actual experience | $ 22,540 |
| Changes of assumptions | 55,291 |
| Changes in proportion and differences between Authority contributions and proportionate share of contributions | 7,511 |
| Authority contributions subsequent to the measurement date | 53,323 |
| **Total Deferred Outflows of Resources** | $ 138,665 |
| | |
| **Deferred Inflows of Resources** | |
| Net difference between projected and actual earnings on pension plan investments | $ 525,929 |
| Differences between expected and actual experience | 9,697 |
| Changes in proportion and differences between Authority contributions and proportionate share of contributions | 7,666 |
| **Total Deferred Inflows of Resources** | $ 543,292 |

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

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

$53,323 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | OPERS Traditional Pension Plan |
|---|---|
| Year Ending June 30: | |
| 2023 | $ (67,516) |
| 2024 | (183,105) |
| 2025 | (123,667) |
| 2026 | (83,662) |
| Total | $ (457,950) |

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2% down to 6.9%, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

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

***Actuarial Assumptions – OPERS*** (Continued)

| | Traditional Pension Plan |
|---|---|
| Wage Inflation | |
| Current Measurement Date: | 2.75 percent |
| Prior Measurement Date: | 3.25 percent |
| Future Salary Increases, including inflation | |
| Current Measurement Date: | 2.75 to 10.75 percent including wage inflation |
| Prior Measurement Date: | 3.25 to 10.75 percent including wage inflation |
| COLA or Ad Hoc COLA | |
| Pre 1/7/2013 retirees: | 3 percent, simple |
| Post 1/7/2013 retirees: | |
| Current Measurement Date: | 3 percent, simple through 2022, then 2.05 percent simple |
| Prior Measurement Date: | 0.50 percent, simple through 2021, then 2.15 percent simple |
| Investment Rate of Return | |
| Current Measurement Date: | 6.9 percent |
| Prior Measurement Date: | 7.2 percent |
| Actuarial Cost Method | Individual Entry Age |

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3 percent for 2021.

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

***Actuarial Assumptions – OPERS*** (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The 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 real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Geometric) |
|---|---|---|
| Fixed Income | 24.00 % | 1.03 % |
| Domestic Equities | 21.00 | 3.78 |
| Real Estate | 11.00 | 3.66 |
| Private Equity | 12.00 | 7.43 |
| International Equities | 23.00 | 4.88 |
| Risk Parity | 5.00 | 2.92 |
| Other investments | 4.00 | 2.85 |
| Total | 100.00 % | 4.21 % |

***Discount Rate*** The discount rate used to measure the total pension liability was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate*** The following table presents the Authority’s proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.9 percent, as well as what the Authority’s proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate:

| | 1% Decrease (5.90%) | Current Discount Rate (6.90%) | 1% Increase (7.90%) |
|---|---|---|---|
| Authority's proportionate share of the net pension liability | $ 1,165,760 | $ 442,155 | $ 159,981 |

NOTE 9: **DEFINED BENEFIT OPEB PLANS**

***Net OPEB Asset***

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

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

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

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

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

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

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

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

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

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

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2021, measurement date health care valuation.

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

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. In 2021-2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021-2022, OPERS did not allocate any employer contributions to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021-2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution allocated to health care was $1,246 for fiscal year 2022.

***Net OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

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

| | OPERS |
|---|---|
| Proportion of the Net OPEB Asset: Prior Measurement Date | 0.005138% |
| Proportion of the Net OPEB Asset: Current Measurement Date | 0.004925% |
| Change in Proportionate Share | -0.000213% |
| | |
| Proportionate Share of the Net OPEB Asset | $ 154,259 |
| OPEB Expense | $ (139,644) |

At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

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

| | | OPERS |
|---|---|---|
| **Deferred Outflows of Resources** | | |
| Changes in proportion and differences between Authority contributions and proportionate share of contributions | $ | 2,430 |
| Authority contributions subsequent to the measurement date | | 624 |
| **Total Deferred Outflows of Resources** | $ | 3,054 |
| | | |
| **Deferred Inflows of Resources** | | |
| Net difference between projected and actual earnings on OPEB plan investments | $ | 73,537 |
| Differences between expected and actual experience | | 23,399 |
| Changes of assumptions | | 62,443 |
| Changes in proportion and differences between Authority Authority contributions and proportionate share of contributions | | 3,611 |
| **Total Deferred Inflows of Resources** | $ | 162,990 |

$624 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | OPERS |
|---|---|
| Year Ending June 30: | |
| 2023 | $ (98,506) |
| 2024 | (35,425) |
| 2025 | (16,066) |
| 2026 | (10,563) |
| Total | $ (160,560) |

***Actuarial Assumptions - OPERS***

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

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

***Actuarial Assumptions – OPERS*** (Continued)

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used the following actuarial assumptions and methods, reflecting experience study results, applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

| | |
|---|---|
| Wage Inflation | |
| Current Measurement Date: | 2.75 percent |
| Prior Measurement Date: | 3.25 percent |
| Projected Salary Increases, including inflation | |
| Current Measurement Date: | 2.75 to 10.75 percent, including wage inflation |
| Prior Measurement Date: | 3.25 to 10.75 percent, including wage inflation |
| Single Discount Rate: | 6.00 percent |
| Investment Rate of Return | 6.00 percent |
| Municipal Bond Rate | |
| Current Measurement Date: | 1.84 percent |
| Prior Measurement Date: | 2.00 percent |
| Health Care Cost Trend Rate | |
| Current Measurement Date: | 5.50 percent initial, 3.50 percent ultimate in 2034 |
| Prior Measurement Date: | 8.50 percent initial, 3.50 percent ultimate in 2035 |
| Actuarial Cost Method | Individual Entry Age |

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

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

***Actuarial Assumptions – OPERS*** (Continued)

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.3 percent for 2021.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Geometric) |
|---|---|---|
| Fixed Income | 34.00 % | 0.91 % |
| Domestic Equities | 25.00 | 3.78 |
| Real Estate Investment Trust | 7.00 | 3.71 |
| International Equities | 25.00 | 4.88 |
| Risk Parity | 2.00 | 2.92 |
| Other investments | 7.00 | 1.93 |
| Total | 100.00 % | 3.45 % |

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

***Actuarial Assumptions – OPERS*** (Continued)

***Discount Rate*** A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

***Sensitivity of the Authority's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate*** The following table presents the Authority's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the Authority's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1.0 percent lower or 1.0 percent higher than the current rate:

| | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
|---|---|---|---|
| Authority's proportionate share of the net OPEB asset | $ 90,719 | $ 154,259 | $ 206,998 |

***Sensitivity of the Authority's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate. Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

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

***Actuarial Assumptions – OPERS*** (Continued)

| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|---|---|---|---|
| Authority's proportionate share of the net OPEB asset | $ 155,926 | $ 154,259 | $ 152,281 |

NOTE 10: **MORTGAGES RECEIVABLE**

When the Authority sells a Public Housing home under the 4(h) Homeownership program, the difference between the appraised value of the home and the price actually paid for the home is secured by a promissory note and a subordinate second mortgage. This amount dissipates 20% each year after the fifth year the family maintains residency. Therefore, after a period of 10 years, the mortgage amount is ZERO. If the family leaves the residence or fails to make its mortgage payment within the first 5 years of residency, the family would owe the entire amount of the note to the Authority. If, however, the family decides to leave the residence or fails to make its mortgage payment after the 10$^{th}$ year of residency, the family owes nothing to the Authority. If the family wants to leave in its eighth year, the amount the family owes to the Authority would be calculated to reflect a 60% reduction, etc.

On December 12, 2016, the Authority sold a house to an eligible family in which the second mortgage amount was $24,000. If the family remains in the unit until December 2026, they will owe the Authority nothing. The balance at June 30, 2022 is $19,200. The current portion is $4,800.

On April 10, 2020, the Authority sold a house to an eligible family in which the second mortgage amount was $23,500. If the family remains in the unit until April 2030, they will owe the Authority nothing. The balance at June 30, 2022 is $23,500.

NOTE 11: **CONTINGENCIES/LITIGATIONS AND CLAIMS**

In the normal course of operations, the Authority may be subject to litigation and claims. At June 30, 2022, the Authority was not involved in such matters.

NOTE 12: **COVID-19**

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 likely impact subsequent periods of the Authority. The investments of the pension and other postemployment benefit plan in which the Authority participates 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 Authority's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 13: **EXTRAORDINARY ITEM**

In this fiscal period ended June 30, 2022, owners of the Maplewood-Northwood Apartment Project, a tax credit project in Allen County, Ohio, sought to refinance the debt on the property. The original financing on the property in 2007 granted certain rights to Allen Metropolitan Housing Management and Development Corporation, an Ohio non-profit wholly owned by the Authority, to include in the event of sale or refinancing of the debt on the property, the acceleration clause caused amounts to become due and payable to the holder of certain notes on the property, the Allen Metropolitan Housing Management and Development Corporation. The Authority, on behalf of the wholly owned non-profit Allen Metropolitan Housing Management and Development Corporation, acted to accept as prepayment on the notes the total sum of $850,000 as satisfaction for all amounts due to the Corporation related to the Maplewood-Northwood Apartment Project. The Authority received payment of the $850,000 in March of 2022.

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|
| Authority's Proportion of the Net Pension Liability | 0.005082% | 0.005143% | 0.004980% | 0.005287% | 0.005810% | 0.005825% | 0.005395% | 0.006221% | 0.006221% |
| Authority's Proportionate Share of the Net Pension Liability | $ 442,155 | $ 761,566 | $ 984,331 | $1,448,002 | $ 911,476 | $1,322,758 | $ 933,482 | $ 750,322 | $ 733,375 |
| Authority's Covered Payroll | $ 737,541 | $ 724,295 | $ 700,691 | $ 713,800 | $ 767,825 | $ 753,017 | $ 671,426 | $ 762,762 | $ 810,896 |
| Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 59.95% | 105.15% | 140.48% | 202.86% | 118.71% | 175.66% | 139.03% | 98.37% | 90.44% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 92.62% | 86.88% | 82.17% | 74.70% | 84.66% | 77.25% | 81.08% | 86.45% | 86.36% |

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

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

See accompanying notes to the required supplementary information

# ALLEN METROPOLITAN HOUSING AUTHORITY
# ALLEN COUNTY, OHIO
# REQUIRED SUPPLEMENTARY INFORMATION
# SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS – PENSION
# OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
# LAST TEN FISCAL YEARS

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually Required Contributions | $ 106,219 | $ 101,547 | $ 98,903 | $ 103,438 | $ 98,771 | $ 96,287 | $ 89,663 | $ 89,055 | $ 107,639 | $ 87,402 |
| Contributions in Relation to the Contractually Required Contribution | (106,219) | (101,547) | (98,903) | (103,438) | (98,771) | (96,287) | (89,663) | (89,055) | (107,639) | (87,402) |
| Contribution Deficiency / (Excess) | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |
| Authority's Covered Payroll | $ 758,707 | $ 725,336 | $ 706,450 | $ 738,843 | $ 733,112 | $ 770,563 | $ 747,192 | $ 742,125 | $ 861,112 | $ 760,679 |
| Pension Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 14.00% | 14.00% | 13.47% | 12.50% | 12.00% | 12.00% | 12.50% | 11.49% |

See accompanying notes to the required supplementary information

# ALLEN METROPOLITAN HOUSING AUTHORITY
# ALLEN COUNTY, OHIO
# REQUIRED SUPPLEMENTARY INFORMATION
# SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/ASSET
# OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
# LAST SIX FISCAL YEARS (1)

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|
| Authority's Proportion of the Net OPEB Liability/Asset | 0.004925% | 0.005138% | 0.005070% | 0.005405% | 0.005690% | 0.005710% |
| Authority's Proportionate Share of the Net OPEB Liability/(Asset) | $ (154,259) | $ (91,538) | $ 700,299 | $ 704,684 | $ 617,892 | $ 576,729 |
| Authority's Covered Payroll | $ 768,013 | $ 777,046 | $ 766,024 | $ 783,993 | $ 805,408 | $ 788,591 |
| Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll | 20.09% | 11.78% | 91.42% | 89.88% | 76.72% | 73.13% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 128.23% | 115.57% | 47.80% | 46.33% | 54.14% | 54.05% |

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

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

See accompanying notes to the required supplementary information

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|
| Contractually Required Contribution | $ 1,246 | $ 1,375 | $ 2,665 | $ 2,659 | $ 5,317 | $ 13,043 | $ 14,720 | $ 15,125 |
| Contributions in Relation to the Contractually Required Contribution | (1,246) | (1,375) | (2,665) | (2,659) | (5,317) | (13,043) | (14,720) | (15,125) |
| Contribution Deficiency (Excess) | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |
| Authority Covered Payroll | $ 789,855 | $ 759,698 | $ 773,070 | $ 805,314 | $ 768,997 | $ 806,966 | $ 747,192 | $ 780,505 |
| Contributions as a Percentage of Covered Payroll | 0.16% | 0.18% | 0.34% | 0.33% | 0.69% | 1.62% | 1.97% | 1.94% |

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

See accompanying notes to the required supplementary information

***OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)***

***Net Pension Liability***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014-2022.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. For 2019, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 7.50% to 7.20%. For 2020, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 3.00% simple through 2018 to 1.40% simple through 2020, then 2.15% simple. For 2021, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the cost-of-living adjustments for post-1/7/2013 retirees were reduced from 1.40% simple through 2020 to 0.50% simple through 2021, then 2.15% simple. For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75% (b) the cost-of-living adjustments for post-1/7/2013 retirees were increased from 0.50% simple through 2021 to 3.00% simple through 2022, then 2.05% simple (c) the expected investment return was reduced from 7.20% to 6.90%.

***Net OPEB Liability/Asset***

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2018-2022.

*Changes in assumptions:* For 2018, the single discount rate changed from 4.23% to 3.85%. For 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the expected investment return was reduced from 6.50% to 6.00% (b) In January 2019, the Board adopted changes to health care coverage for Medicare and pre-Medicare retirees. It will include discontinuing the PPO plan for pre-Medicare retirees and replacing it with a monthly allowance to help participants pay for a health care plan of their choosing. The base allowance for Medicare eligible retirees will be reduced. The specific effect of these changes on the net OPEB liability and OPEB expense are unknown at this time (c) the single discount rate changed from 3.85% to 3.96%. For 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 3.96% to 3.16%. For 2021, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the single discount rate changed from 3.16% to 6.00% (b) the municipal bond rate changed from 2.75% to 2.00% (c) the health care cost trend rate changed from 10.50% initial and 3.50% ultimate in 2030 to 8.50% initial and 3.50% ultimate in 2035. For 2022, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the expected long-term average wage inflation rate was reduced from 3.25% to 2.75%. (b) the municipal bond rate changed from 2.00% to 1.84% (c) the health care cost trend rate changed from 8.50% initial and 3.50% ultimate in 2035 to 5.50% initial and 3.50% ultimate in 2034.

Allen Metropolitan Housing Authority

Entity-Wide Balance Sheet Summary - FDS Schedule Submitted to HUD

June 30, 2022

| | Project Total | 14.PHC Public Housing CARES Act Funding | 14.896 PIH Family Self-Sufficiency Program | 14.182 N/C S/R Section 8 Programs | 1 Business Activities | 8 Other Federal Program 1 | 14.871 Housing Choice Vouchers | 14.238 Shelter Plus Care | 14.HCC HCV CARES Act Funding | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| 111 Cash - Unrestricted | $2,278,325 | | | $521 | $987,571 | | $733,827 | | | $4,000,244 |
| 113 Cash - Other Restricted | $49,859 | | | | | | $108,039 | | | $157,898 |
| 114 Cash - Tenant Security Deposits | $68,937 | | | | $1,215 | | | | | $70,152 |
| 115 Cash - Restricted for Payment of Current Liabilities | | | | $123,862 | | | $13,651 | | | $137,513 |
| 100 Total Cash | $2,397,121 | $0 | $0 | $124,383 | $988,786 | $0 | $855,517 | $0 | $0 | $4,365,807 |
| | | | | | | | | | | |
| 122 Accounts Receivable - HUD Other Projects | | | | | $0 | | $64,649 | | | $64,649 |
| 126 Accounts Receivable - Tenants | $18,915 | | | | | | $0 | | | $18,915 |
| 126.1 Allowance for Doubtful Accounts -Tenants | -$3,700 | | | | | | $0 | | | -$3,700 |
| 127 Notes, Loans, & Mortgages Receivable - Current | $12,900 | | | | | | | | | $12,900 |
| 128 Fraud Recovery | | | | | | | $13,056 | | | $13,056 |
| 128.1 Allowance for Doubtful Accounts - Fraud | | | | | | | -$13,056 | | | -$13,056 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | $28,115 | $0 | $0 | $0 | $0 | $0 | $64,649 | $0 | $0 | $92,764 |
| | | | | | | | | | | |
| 142 Prepaid Expenses and Other Assets | $51,500 | | | | | | | | | $51,500 |
| 143 Inventories | $62,832 | | | | | | | | | $62,832 |
| 143.1 Allowance for Obsolete Inventories | -$13,678 | | | | | | | | | -$13,678 |
| 150 Total Current Assets | $2,525,890 | $0 | $0 | $124,383 | $988,786 | $0 | $920,166 | $0 | $0 | $4,559,225 |
| | | | | | | | | | | |
| 161 Land | $924,233 | | | | | | | | | $924,233 |
| 162 Buildings | $21,495,461 | | | | $168,354 | | $36,624 | | | $21,700,439 |
| 163 Furniture, Equipment & Machinery - Dwellings | $56,271 | | | | | | | | | $56,271 |
| 164 Furniture, Equipment & Machinery - Administration | $576,953 | | | | | | $149,644 | | | $726,597 |
| 166 Accumulated Depreciation | -$18,990,889 | | | | -$94,887 | | -$166,441 | | | -$19,252,217 |
| 160 Total Capital Assets, Net of Accumulated Depreciation | $4,062,029 | $0 | $0 | $0 | $73,467 | $0 | $19,827 | $0 | $0 | $4,155,323 |
| | | | | | | | | | | |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | $37,900 | | | | | | | | | $37,900 |
| 174 Other Assets | $53,991 | | | | | | $100,268 | | | $154,259 |
| 180 Total Non-Current Assets | $4,153,920 | $0 | $0 | $0 | $73,467 | $0 | $120,095 | $0 | $0 | $4,347,482 |
| | | | | | | | | | | |
| 200 Deferred Outflow of Resources | $49,602 | | | | | | $92,117 | | | $141,719 |
| | | | | | | | | | | |
| 290 Total Assets and Deferred Outflow of Resources | $6,729,412 | $0 | $0 | $124,383 | $1,062,253 | $0 | $1,132,378 | $0 | $0 | $9,048,426 |
| | | | | | | | | | | |
| 312 Accounts Payable <= 90 Days | $1,958 | | | | | | $7,205 | | | $9,163 |
| 321 Accrued Wage/Payroll Taxes Payable | $6,172 | | | | | | $11,727 | | | $17,899 |
| 322 Accrued Compensated Absences - Current Portion | $8,114 | | | | | | $8,713 | | | $16,827 |
| 331 Accounts Payable - HUD PHA Programs | | | | $123,862 | | | | | | $123,862 |
| 333 Accounts Payable - Other Government | $20,012 | | | | | | | | | $20,012 |
| 341 Tenant Security Deposits | $68,937 | | | | $1,215 | | | | | $70,152 |
| 345 Other Current Liabilities | | | | | | | $13,651 | | | $13,651 |
| 346 Accrued Liabilities - Other | $32,403 | | | | | | $5,040 | | | $37,443 |
| 310 Total Current Liabilities | $137,596 | $0 | $0 | $123,862 | $1,215 | $0 | $46,336 | $0 | $0 | $309,009 |
| | | | | | | | | | | |
| 353 Non-current Liabilities - Other | $23,352 | | | | | | $120,613 | | | $143,965 |
| 354 Accrued Compensated Absences - Non Current | $11,479 | | | | | | $34,980 | | | $46,459 |
| 357 Accrued Pension and OPEB Liabilities | $154,754 | | | | | | $287,401 | | | $442,155 |
| 350 Total Non-Current Liabilities | $189,585 | $0 | $0 | $0 | $0 | $0 | $442,994 | $0 | $0 | $632,579 |
| | | | | | | | | | | |
| 300 Total Liabilities | $327,181 | $0 | $0 | $123,862 | $1,215 | $0 | $489,330 | $0 | $0 | $941,588 |
| | | | | | | | | | | |
| 400 Deferred Inflow of Resources | $247,199 | | | | | | $459,083 | | | $706,282 |
| | | | | | | | | | | |
| 508.4 Net Investment in Capital Assets | $4,029,316 | | | | $73,467 | | $2,213 | | | $4,104,996 |
| 511.4 Restricted Net Position | $49,859 | | | | | | $0 | | | $49,859 |
| 512.4 Unrestricted Net Position | $2,075,857 | $0 | $0 | $521 | $987,571 | $0 | $181,752 | $0 | $0 | $3,245,701 |
| 513 Total Equity - Net Assets / Position | $6,155,032 | $0 | $0 | $521 | $1,061,038 | $0 | $183,965 | $0 | $0 | $7,400,556 |
| | | | | | | | | | | |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | $6,729,412 | $0 | $0 | $124,383 | $1,062,253 | $0 | $1,132,378 | $0 | $0 | $9,048,426 |

Allen Metropolitan Housing Authority
Entity-Wide Revenue and Expense Summary - FDS Schedule Submitted to HUD
For the Fiscal Year Ended June 30, 2022

| | Project Total | 14.PHC Public Housing CARES Act Funding | 14.896 PIH Family Self-Sufficiency Program | 14.182 N/C S/R Section 8 Programs | 1 Business Activities | 8 Other Federal Program 1 | 14.871 Housing Choice Vouchers | 14.238 Shelter Plus Care | 14.HCC HCV CARES Act Funding | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| 70300 Net Tenant Rental Revenue | $529,380 | | | | $14,580 | | | | | $543,960 |
| 70400 Tenant Revenue - Other | $108,940 | | | | | | | | | $108,940 |
| 70500 Total Tenant Revenue | $638,320 | $0 | $0 | $0 | $14,580 | $0 | $0 | $0 | $0 | $652,900 |
| 70600 HUD PHA Operating Grants | $1,369,869 | $85,332 | $43,065 | $205,118 | | | $5,345,299 | $166,067 | $84,209 | $7,298,959 |
| 70610 Capital Grants | $177,125 | | | | | | | | | $177,125 |
| 70800 Other Government Grants | | | | | | | | | | |
| 71100 Investment Income - Unrestricted | $952 | | | | $383 | | | | | $1,335 |
| 71400 Fraud Recovery | | | | | | | $29,576 | | | $29,576 |
| 71500 Other Revenue | $99,193 | | | | | | $45,903 | | | $145,096 |
| 70000 Total Revenue | $2,285,459 | $85,332 | $43,065 | $205,118 | $14,963 | $0 | $5,420,778 | $166,067 | $84,209 | $8,304,991 |
| 91100 Administrative Salaries | $180,454 | $33,110 | | $31,200 | | | $458,700 | | $66,650 | $770,114 |
| 91200 Auditing Fees | $3,950 | | | $340 | | | $7,056 | | | $11,346 |
| 91400 Advertising and Marketing | | | | | | | $1,324 | | | $1,324 |
| 91500 Employee Benefit contributions - Administrative | -$114,013 | $324 | | $17,940 | | | $16,264 | | $589 | -$78,896 |
| 91600 Office Expenses | $23,580 | | | | $2,727 | | $85,965 | | | $112,272 |
| 91700 Legal Expense | $8,279 | | | | $19,193 | | | | | $27,472 |
| 91800 Travel | $4,974 | | | | | | $11,685 | | | $16,659 |
| 91810 Allocated Overhead | | | | | | | | | | |
| 91900 Other | $1,973 | | | | | | $6,613 | | $16,970 | $25,556 |
| 91000 Total Operating - Administrative | $109,197 | $33,434 | $0 | $49,480 | $21,920 | $0 | $587,607 | $0 | $84,209 | $885,847 |
| 92100 Tenant Services - Salaries | | | $31,200 | | | | | $8,697 | | $39,897 |
| 92300 Employee Benefit Contributions - Tenant Services | | | $11,865 | | | | | $2,453 | | $14,318 |
| 92400 Tenant Services - Other | $11,065 | $25,409 | | | | | | | | $36,474 |
| 92500 Total Tenant Services | $11,065 | $25,409 | $43,065 | $0 | $0 | $0 | $0 | $11,150 | $0 | $90,689 |
| 93100 Water | $254,984 | | | | | | | | | $254,984 |
| 93200 Electricity | $51,001 | | | | | | | | | $51,001 |
| 93300 Gas | $20,510 | | | | | | | | | $20,510 |
| 93600 Sewer | $10,098 | | | | | | | | | $10,098 |
| 93000 Total Utilities | $336,593 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $336,593 |
| 94100 Ordinary Maintenance and Operations - Labor | $94,574 | $9,000 | | | | | | | | $103,574 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | $143,044 | | | | | | | | | $143,044 |
| 94300 Ordinary Maintenance and Operations Contracts | $358,973 | | | | | | | | | $358,973 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | -$59,753 | | | | | | | | | -$59,753 |
| 94000 Total Maintenance | $536,838 | $9,000 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $545,838 |
| 96110 Property Insurance | $119,986 | | | | | | | | | $119,986 |
| 96130 Workmen's Compensation | $3,074 | | | | | | $4,996 | | | $8,070 |
| 96100 Total insurance Premiums | $123,060 | $0 | $0 | $0 | $0 | $0 | $4,996 | $0 | $0 | $128,056 |
| 96200 Other General Expenses | $2,040 | | | | | | $29,497 | | | $31,537 |
| 96210 Compensated Absences | | | | | | | $5,305 | | | $5,305 |
| 96300 Payments in Lieu of Taxes | $20,013 | | | | | | | | | $20,013 |
| 96400 Bad debt - Tenant Rents | $65,975 | | | | | | | | | $65,975 |
| 96500 Bad debt - Mortgages | $4,800 | | | | | | | | | $4,800 |
| 96000 Total Other General Expenses | $92,828 | $0 | $0 | $0 | $0 | $0 | $34,802 | $0 | $0 | $127,630 |
| 96900 Total Operating Expenses | $1,209,581 | $67,843 | $43,065 | $49,480 | $21,920 | $0 | $627,405 | $11,150 | $84,209 | $2,114,653 |
| 97000 Excess of Operating Revenue over Operating Expenses | $1,075,878 | $17,489 | $0 | $155,638 | -$6,957 | $0 | $4,793,373 | $154,917 | $0 | $6,190,338 |
| 97100 Extraordinary Maintenance | $93,810 | | | | | | | | | $93,810 |
| 97300 Housing Assistance Payments | | | | $155,638 | | | $4,929,535 | $154,917 | | $5,240,090 |
| 97400 Depreciation Expense | $298,669 | | | | $6,122 | | $6,966 | | | $311,757 |
| 90000 Total Expenses | $1,602,060 | $67,843 | $43,065 | $205,118 | $28,042 | $0 | $5,563,906 | $166,067 | $84,209 | $7,760,310 |
| 10010 Operating Transfer In | $102,635 | | | | | | | | | $102,635 |
| 10020 Operating transfer Out | -$102,635 | | | | | | | | | -$102,635 |
| 10070 Extraordinary Items, Net Gain/Loss | | | | | $850,000 | | | | | $850,000 |
| 10100 Total Other financing Sources (Uses) | $0 | $0 | $0 | $0 | $850,000 | $0 | $0 | $0 | $0 | $850,000 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | $683,399 | $17,489 | $0 | $0 | $836,921 | $0 | -$143,128 | $0 | $0 | $1,394,681 |
| 11020 Required Annual Debt Principal Payments | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| 11030 Beginning Equity | $5,454,144 | $0 | $0 | $521 | $224,117 | $0 | $327,093 | $0 | $0 | $6,005,875 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | $17,489 | -$17,489 | | | | | | | | $0 |
| 11170 Administrative Fee Equity | | | | | | | $183,965 | | | $183,965 |
| 11180 Housing Assistance Payments Equity | | | | | | | $0 | | | $0 |
| 11190 Unit Months Available | 2911 | | | 756 | 12 | | 12492 | 356 | | 16527 |
| 11210 Number of Unit Months Leased | 2809 | | | 467 | 12 | | 11371 | 356 | | 15015 |

**ALLEN METROPOLITAN HOUSING AUTHORITY**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| Federal Grantor/Pass Through Grantor Program/Cluster Title | Pass-Through Number | Assistance Listing Number | Total Federal Expenditures |
|---|---|---|---|
| **U.S. Department of Housing and Urban Development** | | | |
| *Direct Funding:* | | | |
| Section 8 Project Based Cluster: | | | |
| Section 8 - New Construction and Substantial Rehab | N/A | 14.182 | $ 205,118 |
| Total Section 8 Project Based Cluster | | | 205,118 |
| Shelter Plus Care | N/A | 14.238 | 166,067 |
| Public and Indian Housing: | | | |
| Public and Indian Housing | N/A | 14.850 | 1,173,424 |
| COVID-19 - Public Housing CARES Act Funding | N/A | 14.PHC | 85,332 |
| Total Public and Indian Housing | | | 1,258,756 |
| Housing Voucher Cluster: | | | |
| Section 8 Housing Choice Vouchers | N/A | 14.871 | 5,345,299 |
| COVID-19 - HCV CARES Act Funding | N/A | 14.HCC | 84,209 |
| Total Housing Voucher Cluster | | | 5,429,508 |
| Public Housing Capital Fund | N/A | 14.872 | 373,570 |
| Family Self-Sufficiency Program | N/A | 14.896 | 43,065 |
| **Total Expenditures of Federal Awards** | | | $ 7,476,084 |

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### NOTE A – BASIS OF PRESENTATION

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

### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior fiscal years.

### NOTE C – INDIRECT COST RATE

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

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

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

Allen Metropolitan Housing Authority
Allen County
600 South Main Street
Lima, Ohio 45804

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Allen Metropolitan Housing Authority, Allen County, (the Authority) as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 30, 2022.

***Report on Internal Control Over Financial Reporting***

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

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

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


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***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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

Wilson, Shannon & Snow, Inc.

Newark, Ohio
November 30, 2022

WILSON, SHANNON & SNOW INC. CPAs & ADVISORS

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

Allen Metropolitan Housing Authority
Allen County
600 South Main Street
Lima, Ohio 45804

To the Board of Commissioners:

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited Allen 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 the Authority's major federal program for the fiscal year ended June 30, 2022. The Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

***Basis for Opinion on the Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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


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***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

**Report on Internal Control Over Compliance**

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

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

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

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

Wilson, Shannon & Snow, Inc.

Newark, Ohio
November 30, 2022

**ALLEN METROPOLITAN HOUSING AUTHROITY**
**ALLEN COUNTY**

**SCHEDULE OF FINDINGS**
**2 CFR § 200.515**
**JUNE 30, 2022**

## 1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

## 3. FINDINGS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE
KEITH FABER

**ALLEN COUNTY METROPOLITAN HOUSING AUTHORITY**

**ALLEN 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 1/10/2023**

88 East Broad Street, Columbus, Ohio 43215
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