MEDINA METROPOLITAN HOUSING AUTHORITY

MEDINA 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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Columbus, Ohio 43215
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(800) 282-0370

Board of Commissioners
Medina Metropolitan Housing Authority
850 Walter Road
Medina, Ohio 44256

We have reviewed the *Independent Auditor's Report* of the Medina Metropolitan Housing Authority, Medina 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 Medina Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

February 09, 2023

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MEDINA METROPOLITAN HOUSING AUTHORITY
MEDINA COUNTY

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WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Medina Metropolitan Housing Authority
Medina County
850 Walter Street
Medina, Ohio 44256

To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Medina Metropolitan Housing Authority, Medina 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 Medina Metropolitan Housing Authority, Medina 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 our report dated January 27, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
January 27, 2023

MEDINA METROPOLITAN HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

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

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

Financial Highlights

- The Authority's Net Position increased by $654,031 during the fiscal year 2022. Net Position was $10,956,315 and $10,302,284 for 2022 and 2021, respectively.
- Revenues decreased by $1,032,750 during fiscal year 2022. Total revenue was $7,498,141 and $8,530,891 for 2022 and 2021, respectively.
- The total expenses of the Authority's programs increased by $741,695. Total expenses were $6,844,110 and $6,102,415 for 2022 and 2021, respectively.

Overview of the Financial Statements

The Authority is a special purpose governmental entity and accounts for its financial activities as an enterprise fund. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated, except for land, over their useful lives. See notes to the financial statements for a summary of the Authority's significant accounting policies and practices.

USING THIS REPORT

The Report includes the "Management's Discussion and Analysis (MD&A)," "Basic Financial Statements," "Notes to the Basic Financial Statements" "Required Supplementary Information," and "Supplementary Information". The primary focus of the Authority's financial statement is on the Authority as a whole.

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 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 Authority. Net Position is reported in three broad categories:

> *Net Investment in Capital Assets*: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
>
> *Restricted Net Position*: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, the Authority's Board of Commissioners, etc.
>
> *Unrestricted Net Position*: This component of Net Position consists of unrestricted assets that do not meet the definition of "Net Investment in Capital Assets," or "Restricted Net Position."

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

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

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

THE AUTHORITY'S PROGRAMS

Rental Assistance Demonstration Program (RAD) is a voluntary program of the Department of Housing and Urban Development (HUD). RAD seeks to preserve public housing by providing Public Housing Agencies with access to more stable funding to make needed improvements to properties. RAD allows PHAs to manage a property using one of two types of HUD funding contracts that are tied to a specific building:

- Section 8 project-based voucher (PBV); or
- Section 8 project-based rental assistance (PBRA)

On July 1, 2016, Medina Metropolitan Housing Authority converted its public housing units to RAD and selected the PBRA model. Under this model, Medina Metropolitan Housing Authority is the property owner of the building known as North View Manor and HUD removed the declaration of trust.

Management entered into a contract agreement with HUD to subsidize the rent for tenants residing at the units. The contract agreement equals to the operating subsidies and capital improvement funding previously received under the public housing program.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own rental property for use by eligible families. The Authority subsidizes the families' rent through a monthly Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure contracts that set the families' rent at 30% of household income.

Shelter Plus Care Program – The Shelter Plus Care 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.

Business Activities – This represents non-HUD resources developed from a variety of activities. These include:

> *Leases* – The Authority leases residential property from two different entities: the Wadsworth Housing Development Corporation (WHDC) and the Brunswick Housing Development Corporation (BHDC). The housing units are then sublet to eligible households consistent with the Authority's mission. The fee income and operating expenses for those services are noted in the Statement of Revenue, Expenses, and Changes in Net Position.
>
> *Service Contracts* – The Authority provides property management services for three properties owned by the Medina County ADAMH Board. The properties provide housing to persons with severe mental illness. The Authority also administers a program for the ADAMH Board that provides affordable housing services for persons with low to moderate income that have been diagnosed with severe mental illness.
>
> The Authority provided management services to a 70-unit residential apartment complex owned by Menwa Apartments, L.P. in Wadsworth, Ohio. The Authority also provided management services to a 54-unit residential apartment complex owned by Southwick Manor Apartments, LLC in Brunswick, Ohio. The Authority also provided management services to a 48-unit residential apartment complex owned by South Court Senior Villas, LLC in Medina, Ohio. The Authority also provided management services to a 50-unit residential townhome complex owned by New Brunswick Apartments, L.P. in Brunswick, Ohio begin October 2019.
>
> In addition, the Authority has an agreement with Battered Women's Shelter to provide maintenance services.
>
> The fee income and operating expenses for those services are noted in the Statement of Revenues, Expenses, and Changes in Net Position.

Grants
The Authority administers one state grant and other local grants, the purpose of which is to provide emergency assistance for households experiencing a housing crisis. The fee income and operating expenses for services are noted in the Statement of Revenues, Expenses, and Changes in Net Position.

Interest Income
The Authority manages its surplus cash in compliance with HUD and State guidelines. The Authority generates interest income from the investment of surplus cash. Interest income is also derived from allowable forms of investment, including loans to affiliated organizations, which furthers the development of housing. The loans are secured by notes and mortgages.

Other Rental Units
Wadsworth Villas - The Authority constructed a new five-units, non-subsidized housing development in fiscal year 2011 named Wadsworth Villas. These units are designated for persons with sensory and/or mobility impairments. The units were constructed using Authority funds (lent to the development) and a loan from the Ohio Housing Finance Agency.

BASIC STATEMENTS

The following table reflects the condensed Statement of Net Position compared to the prior fiscal year. The Authority is engaged only in Business-Type Activities.

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

	2022	2021
Current and Other Noncurrent Assets	$ 11,443,627	$ 9,780,703
Capital Assets	5,147,683	5,090,385
Deferred Outflows	350,931	156,372
Total Assets & Deferred Outflows of Resources	$ 16,942,241	$ 15,027,460
Current Liabilities	$ 1,810,015	$ 1,947,469
Long-Term Liabilities	2,980,073	1,864,453
Deferred Inflows	1,195,838	913,254
Total Liabilities and Deferred Inflows of Resources	5,985,926	4,725,176
Net Positions:		
Net Investment in Capital Assets	4,360,488	4,532,003
Restricted Net Positions	789,539	625,416
Unrestricted Net Positions	5,806,288	5,144,865
Total Net Positions	10,956,315	10,302,284
Total Liabilities, Deferred Inflows and Net Positions	$ 16,942,241	$ 15,027,460

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

Major Factors Affecting the Statement of Net Positions

Total assets and deferred outflows of resources increased by $1,914,781 from 2021 to 2022. The increase in assets was due mainly to change in Deferred Outflows, change in GASB 68 and 75, and increase in note receivable from New Brunswick Apt., LP.

Total liabilities and deferred inflows of resources increased by $1,260,750 due to changes in GASB 68 and 75 and increase in Note Payable to OHFA for the New Brunswick Apt., LP.

Capital assets net of accumulated depreciation increased by $57,298. The change is due to current fiscal year acquisitions, less depreciation expense for the fiscal year.

The following table presents details on the change in Net Positions.

Table 2 - Change in Net Positions

	Unrestricted Net Position	Net Investment in Capital Assets	Restricted Net Position
Beginning Net Position	$ 5,144,865	$ 4,532,003	$ 625,416
Results from Operation	489,908	0	164,123
Adjustment:			
Current Year Depreciation Expense	344,457	(344,457)	0
Current Year Capital Expenditures	(401,755)	401,755	0
Reductions in Debt Balance	(31,627)	31,627	0
Increases in Debt Balance	260,440	(260,440)	0
Ending Net Position	$ 5,806,288	$ 4,360,488	$ 789,539

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Net Positions provides a clearer change in financial well-being. Only the portions of debt balances related to capital assets of the Authority are included in the calculations above.

The following table reflects the condensed Statement of Revenues, Expenses and Changes in Net Positions compared to prior fiscal year.

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Table 3 - Statement of Revenue, Expenses & Changes in Net Positions

	2022	2021
Revenues		
Tenant Revenues	$ 1,619,183	$ 1,576,434
Operating Subsidies Grants	4,714,652	4,939,766
Interest Revenue	135,656	138,712
Other Revenues	1,028,650	1,875,979
Total Revenues	**7,498,141**	**8,530,891**
Expenses		
Administrative	1,463,887	1,447,082
Utilities	221,442	231,412
Maintenance	794,498	690,936
General Expenses	361,270	538,081
Housing Assistance Payments	3,914,668	3,820,584
Pension and OPEB Expenses	(375,355)	(914,205)
Interest expense	119,243	14,400
Depreciation	344,457	274,125
Total Expenses	**6,844,110**	**6,102,415**
Change in Net Position	654,031	2,428,476
Beginning Net Position	10,302,284	7,873,808
Total Net Position - Ending	**$ 10,956,315**	**$ 10,302,284**

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

Total revenue decreased by $1,032,750 in comparison with last fiscal year. The change was due to the Authority net developer fee earned in prior fiscal year from the New Brunswick Apartments, L.P. (Southwick Place) project.

Total expenses increased $741,695. The increase in expenses is due to increase in housing assistance payments and change in GASB 68 and 75 activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of fiscal year-end, the Authority had $5,147,683 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions less disposals and depreciation) of $57,298 from the end of last fiscal year.

Table 4 - Condensed Statement of Changes in Capital Assets

	2022	2021
Land	$ 754,590	$ 752,231
Building & Improvements	6,132,049	5,632,904
Equipment	1,438,551	1,380,579
Construction in Progress	1,717,563	1,925,939
Accumulated Depreciation	(4,895,070)	(4,601,268)
Total	$ 5,147,683	$ 5,090,385

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in the Note 8.

Table 5 – Change in Capital Assets

Beginning Balance	$5,090,385
Current year purchases	401,755
Less Depreciation Expense	(344,457)
Ending Balance	$5,147,683

Additions for the current fiscal year include buildings and land, along with purchases of various equipment and leasehold improvements at Authority properties.

Debt Outstanding

The following is a summary of the change in outstanding debt:

Table 6 - Condensed Statement of Changes in Debt Outstanding

	2022	2021
Beginning Balance	$ 796,746	$ 828,372
Current year debt issued	1,510,440	-
Current year debt retired	(31,627)	(31,626)
Ending Balance	$ 2,275,559	$ 796,746

Debt is presented in detail in Note 10.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income and the overall costs associated with the Section 8 Housing Choice Voucher Program.
- Inflationary pressure on utility rates, supplies and other costs.
- Decreased rates of return on investments which affect investment income.
- Unknown financial and operational impacts as well as impacts to federal programs because of the COVID-19 pandemic.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Skip Sipos, Executive Director of the Medina Metropolitan Housing Authority. Specific requests may be submitted to Mr. Sipos' attention at 850 Walter Road; Medina, Ohio 44256-1515 or skip@mmha.org. His telephone number is 330-725-7531.

MEDINA METROPOLITAN HOUSING AUTHORITY
Statement of Net Position
Proprietary Fund
June 30, 2022

ASSETS	
Current assets	
Cash and cash equivalents	$762,383
Restricted cash and cash equivalents	888,893
Receivables, net	302,124
Prepaid expenses	91,901
Total current assets	**2,045,301**
Noncurrent assets	
Capital assets:	
Nondepreciable Capital Assets	2,472,153
Depreciable Assets	7,570,600
Accumulated Depreciation	(4,895,070)
Total capital assets	5,147,683
Other noncurrent assets:	
Net OPEB Asset	266,358
Notes Receivable	9,131,968
Total noncurrent assets	***14,546,009***
Total Assets	**$16,591,310**
Deferred Outflows of Resources:	
Deferred Outflows of Resources - Pension	$350,931
Total Deferred Outflows of Resources	***$350,931***
LIABILITIES	
Current liabilities	
Accounts payable	$40,037
Accrued liabilities	269,981
Tenant security deposits	99,354
Unearned revenue	1,369,017
Current Portion of Long-term Debt	31,626
Total current liabilities	***$1,810,015***

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

MEDINA METROPOLITAN HOUSING AUTHORITY
Statement of Net Position (Continued)
Proprietary Fund
June 30, 2022

Noncurrent liabilities	
Loan Liability	$2,243,933
Net Pension Liability	736,140
Total noncurrent liabilities	***2,980,073***
Total Liabilities	**$4,790,088**
Deferred Inflows of Resources	
Deferred Inflows of Resources - Pension	$891,759
Deferred Inflows of Resources - OPEB	304,079
Total Deferred Inflows of Resources	***$1,195,838***
Net Position	
Net Investment in Capital Assets	$4,360,488
Restricted Net Position	789,539
Unrestricted Net Position	5,806,288
Total Net Position	**$10,956,315**

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

MEDINA METROPOLITAN HOUSING AUTHORITY
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2022

OPERATING REVENUES	
Tenant Revenue	$1,619,183
Government operating grants	4,714,652
Other revenue	1,028,650
Total operating revenues	**7,362,485**
OPERATING EXPENSES	
Administrative	1,463,887
Utilities	221,442
Maintenance	794,498
General and Insurance	361,270
Housing assistance payment	3,914,668
Pension and OPEB Expenses	(375,355)
Depreciation	344,457
Total operating expenses	***6,724,867***
Operating income (loss)	**637,618**
NON-OPERATING REVENUES (EXPENSES)	
Interest revenue	135,656
Interest Expense	(119,243)
Total nonoperating revenues (expenses)	***16,413***
Change in Net Position	654,031
Beginning Net Position	10,302,284
Total Net Position - Ending	**$10,956,315**

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

Medina Metropolitan Housing Authority
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from operating grants	$4,696,902
Cash received from tenant	1,522,007
Cash received from other sources	867,714
Cash payment for general and administrative services	(2,929,117)
Cash payments for housing assistance payments	(3,914,668)
Net cash provided by operating activities	242,838
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest revenue	135,656
Net change in Note receivable	(1,194,243)
Net cash used by investing activities	(1,058,587)
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES	
Proceeds from Debt Issued	1,510,440
Principal Debt Retired	(31,627)
Payment of interest	(119,243)
Acquisition of capital assets	(401,755)
Net cash provided by capital and related activities	957,815
Net increase in cash	142,066
Cash and cash equivalents - Beginning of year	1,509,210
Cash and cash equivalents - End of year	$1,651,276

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

Medina Metropolitan Housing Authority
Statement of Cash Flows (Continued)
Proprietary Fund
For the Fiscal Year Ended June 30, 2022

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net Operating Income	$637,618
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities	
- Depreciation	344,457
(Increases) Decreases in:	
- Accounts Receivables	(201,626)
- Prepaid Assets	(498)
- Net OPEB Asset	(124,491)
- Deferred Outflows of Resources	(194,559)
Increases (Decreases) in:	
- Accounts Payable	21,229
- Accrued Liabilities Payable	23,550
- Unearned Revenue	44,034
- Tenant Security Deposits	6,857
- Other current liabilities	(233,124)
- Deferred Inflows of Resources	282,584
- Net Pension liability	(363,193)
Net cash provided by operating activities	$242,838

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

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Medina Metropolitan Housing Authority (the Authority) is a political subdivision of the State of Ohio, created under Section 3735.27 of the Ohio Revised Code. The Authority contracts with the United States Department of Housing and Urban Development (HUD) and other outside entities to provide safe and sanitary housing for people in low to moderate income brackets.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, in that the statements include all organizations, activities, functions and component units for which the Authority (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization and either the Authority's ability to impose its will over the organization's governing body or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the Authority. There were no potential component units that met the criteria imposed by GASB Statement No. 61 to be included in the Authority's reporting entity.

Description of Programs

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

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

B. Shelter Plus Care Program
   The Shelter Plus Care 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.

C. State and Local Grants
   The Authority administers a state grant and other local grants, the purpose of which is to provide emergency assistance for households experiencing a housing crisis.

D. Business Activity
   The Business Activity Program was set-up to separate the HUD funded programs with non-HUD activities. This program is used to account for the financial activities for the various properties and programs managed by the Authority that are separate from annual contribution contracts with HUD.

E. Rental Assistance Demonstration Program

The Authority volunteer converted the Low Rent Public Housing Program known as Northview Manor to a Section 8 (PBRA) platform with a long-term contract with HUD to provide a project based rental assistance. Residents continue to pay 30% of their income toward the rent, HUD subsidies the remaining balance of the contract rent.

Fund Accounting/Financial Reporting Entity

The Authority's basic financial statements consist of a statement of net position, statement of revenues, expenses and changes in net position, and a statement of cash flows. It 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, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus/Basis of Accounting

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred.

Budgets and Budgetary Accounting

The Authority is required by contractual agreements to adopt annual, appropriated operating budgets for its Enterprise Funds receiving federal expenditure awards. All budgets are prepared on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end. The Board of Commissioners adopts the budget through passage of a budget resolution.

Accounting and Reporting for Non-exchange Transactions

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

In conformity with the requirements of GASB 33, the Authority has recognized grant funds expended for capitalizable capital assets acquired after June 30, 2000 as revenues and the related depreciation thereon, as expenses in the accompanying statement of revenues, expenses and changes in net position.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as a receivable or revenue, or unearned revenue of the current fiscal period.

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 statement of net position date by those employees who currently are eligible to receive termination payments. To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees, if both of the following conditions are met:

1) The employees’ rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee.

2) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

In the proprietary fund, the compensated absences are expensed when earned with the amount reported as a fund liability.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less. The Authority places its temporary cash investments with high credit quality financial institutions. Amounts in excess of FDIC insurance limits are fully collateralized.

Restricted Cash and Investments

Restricted cash and investments represent money required by the RAD Project and the lease agreements with Brunswick Housing Development Corporation and Wadsworth Housing Development Corporation to be kept in separate restricted bank accounts that can only be used for specific purposes:

Reserves for Replacements - Money set aside each month to cover the cost for property repairs and replacements.

Operating Reserve - The Operating Reserve is primarily for the purpose of covering any deficiencies the other various reserve accounts suffer. If no deficiencies exist, the balance in the operating reserve fund may be used for any purpose with the agreement of both parties to the lease.

Taxes and Insurance Fund - Funds set aside to cover the cost of taxes and insurance.

Tenant Security Deposit – Funds on deposited by the tenants as a requirement of their lease agreement.

Property and Equipment

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

Land improvements	20 years
Buildings and building improvements	40 years
Furniture, equipment and machinery	5 years
Leasehold improvements	20 years

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable includes amounts due from tenants, amounts identified for fraud recovery, accrued interest on certificates of deposits, and other revenue sources. Management considers all accounts receivable (excluding tenant accounts receivable) to be collected in full. On June 30, 2022, allowance for doubtful accounts in tenant accounts receivable was $37,118 and for fraud recovery receivable was $69,778.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Actual results could vary from those estimates.

Net Position

Net Position represents the difference between all other elements of the statement of net position. Net Position – net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position are recorded as restricted when there are limitations imposed on their use by internal or external restrictions. The amount reported as restricted Net Position at fiscal year-end represents the amounts restricted by HUD for future Housing Assistance Payments and amounts required by the leased agreements with Brunswick Housing Development Corporation and Wadsworth Housing Development Corporation that can only be used for specific purposes. When an expense is incurred for purposes which both restricted and unrestricted Net Position is available, the Authority first applies restricted Net Position.

Income Taxes

No provision for income taxes is recorded as the Authority is a political subdivision of that state of Ohio and is exempt from all income taxes.

Operating Revenues and Expenses

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

Capital Contributions

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

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 and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Note 6 and 7.

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 include pension and OPEB. Deferred inflows of resources related to pension and OPEB are reported on the statement of net position. The deferred inflows of resources related to pension and OPEB are explained in Note 6 and 7.

Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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

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

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

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

At fiscal year end June 30, 2022, the carrying balance was $1,651,276 and the bank balance was $1,800,324 the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2022, $1,550,324 was exposed to custodial risk as discussed below, while $250,000 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover the deposits. 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 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 holds, or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

NOTE 3 – RELATED PARTY TRANSACTIONS

Brunswick Housing Development Corporation
Wadsworth Housing Development Corporation

The Wadsworth Housing Development Corporation (WHDC) and the Brunswick Housing Development Corporation (BHDC) are both non-profit corporations under the internal revenue service ruling 501(c) (3). Both entities operate autonomously, and each is governed by its own separate Board of Directors (independent of the MMHA). WHDC owns Wadsworth Tower, a federally assisted, elderly housing complex located in Wadsworth, Ohio. The BHDC owns Jefferson Place, Manhattan Place, and Home Place. Jefferson Place, and Manhattan Place are all affordable housing complexes located in Medina County, Ohio. Home Place is a group of scattered-site rental single-family units located in Medina County.

Medina Metropolitan Housing Authority has entered into a lease agreement with both non-profit corporations to manage the operation of the apartment complexes for which in return the Authority receives all revenues associated with the operation of the projects and is responsible for all expenses related thereto. The non-profit corporations retain ownership to the properties and are responsible for the debt associated with the buildings. The repayment of the debt is made by Medina Metropolitan Housing Authority from the rental revenue collected during the fiscal year. The current year activities of these apartment complexes have been reported in the financial statements of Medina Metropolitan Housing Authority as Business Activities.

Medina Metropolitan Housing Authority has several loans outstanding with Brunswick Housing Development Corporation. The details of these loans are listed in Note 5, below.

NOTE 4 – INSURANCE COVERAGE

As of June 30, 2022, the Authority had general liability insurance limits of $2,000,000 (each occurrence) with no annual aggregate; director and officer liability coverage of $2,000,000 per loss and in the aggregate; vehicle liability coverage of $2,000,000; and real and personal property coverage of $500,000 per occurrence. There is also coverage of $4,000,000 in Excess Liability over the underlying $2,000,000 liability coverage. Coverage also includes basic Cyber, Crime and Professional liability associated with lead paint assessment inspections. There was no significant reduction in coverage from the prior fiscal year. Insurance settlements have not exceeded available coverage limits during each of the fiscal years ended June 30, 2022, 2021, and 2020.

NOTE 5 – NOTES RECEIVABLE – RELATED ENTITIES

Notes receivable – related entities consists of the following as of June 30, 2022:

Mortgage note receivable from Brunswick Housing Development Corporation with interest at 4% per annum, to be received by the Authority as the income and cash flow of BHDC permits, with the entire remaining outstanding balance payable to the Authority; secured by an open end Mortgage on Southwick Place property. Interest accrued on this note is $475,000 which is included in the balance outstanding.	$2,475,000
Mortgage note receivable from New Brunswick Apts., L.P. (NBALP) $1,291,928 with interest at 2.5% per annum, to be received by the Authority as the income and cash flow of NBALP permits, with the entire remaining outstanding balance payable to the Authority due with a balloon payment for the principle on December 31, 2059; secured by an open end mortgage on Southwick Place property. Interest accrued on this note is $56,244 which is included in the balance outstanding.	1,348,172
Mortgage note receivable from New Brunswick Apts., L.P. (NBALP) $1,802,812 with interest at 1.5% per annum, to be received by the Authority as the income and cash flow of NBALP permits, with the entire remaining outstanding balance payable to the Authority due with a balloon payment for the principle on December 31, 2059; secured by an open end mortgage on Southwick Place property. Interest accrued on this note is $73,959 which is included in the balance outstanding.	1,876,771
Mortgage note receivable Brunswick Housing Development Corporation for $565,000 with interest at 4% per annum; interest only monthly payments in the amount of $1,882.44 is due with a balloon payment for the principle in February 2024; secured by New Manhattan Place property.	565,000
Mortgage note receivable Brunswick Housing Development Corporation with interest at 4% per annum; payable in monthly installment of $1,118.12 through February 2024 secured by Jefferson Place Apartments.	335,437

Mortgage note receivable Southwick Manor Apartments, Inc with interest at 2% per annum on the unpaid balance. In fiscal year 2014, the Authority entered an open-end mortgage of $400,000 with Southwick Manor Apartments, LLC for the Southwick Manor property. The outstanding balance of interest accrued on this note as of June 30, 2022 is $4,000 which is included in the balance outstanding.	404,000
Mortgage note receivable Brunswick Housing Development Corporation with interest at 2% per annum; payable in monthly installments of $233 through February 2024; secured by the Home Place scattered-site rental single-family properties.	140,000
Mortgage note receivable from Brunswick Housing Development Corporation with interest at 4% per annum; payable in 120 monthly interest only payments with a balloon payment due in December 2029. This note is secured by Home Place scattered-site rental single-family properties.	291,495
Developer fee earned but not received as of June 30, 2022 New Brunswick Apts., L.P. (NBALP).	330,402
Mortgage note receivable from Menwa Apartments, L.P. for $100,000 with interest at 2.5% per annum. Principal and interest due and payable on December 2060. The note is secured by a mortgage on Menwa Apartments, a 70-unit multi-family dwelling. Interest accrued on the note as of June 30, 2022 is $15,691.	115,691
Note receivable from New Brunswick Apts., LP. To offset the note payable to OHFA for the development and construction of Southwick Place Townhomes. The note accrues interest at a rate of two percent per annum. The note shall become due if the Authority ceases to use the property to provide low-income housing, therefore the events have not occurred or are anticipated to occur which would result in repayment of the note. Therefore, no amortization schedules are provided.	1,250,000
Total Note Receivable	$9,131,968

NOTE 6 – DEFINED BENEFIT PENSION PLAN

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* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the fiscal year is included in *accrued liabilities* on the accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 62 with 5 years of service credit or Age 57 with 25 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

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

A death benefit of $500 - $2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Tradition pension plan and the Combined Plan. Death benefits are not available to beneficiaries of Member-Directed Plan participants.

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of OPERS contributing members hired in 2022 and beyond. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care.

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.

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

	State and Local
The Statutory Maximum Contribution Rates:	
- Employer	14.00%
- Employee	10.00%

With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of the Traditional Pension Plan employer contributions allocated to health care was 0.0 percent for 2021-2022.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution for pension was $183,285 for fiscal year ending June 30, 2022. Of this amount $13,367 is report with accrued liabilities.

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

The net pension liability 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:

	Traditional Plan
Proportionate Share of Net Pension Liability	$736,140
Proportion of the Net Pension Liability	
- Prior Measurement Date	0.007424%
- Current Meassurement Date	0.008461%
Change in Proportion from Prior	0.001037%
Pension Expense (Income)	($220,764)

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

	Traditional Plan
Deferred Outflows of Resources	
Assumption Changes	$92,054
Difference between expected and actual experience	37,528
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	130,848
Authority contributions subsequent to the measurement date	90,501
Total Deferred Outflows of Resources	$350,931

	Traditional Plan
Deferred Inflows of Resources	
Net Difference between projected and actual earning on pension plan investments	$875,614
Difference between expected and actual experience	16,145
Total Deferred Inflows of Resources	$891,759

$90,501 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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:

	Traditional Plan
Fiscal Year Ending June 30:	
2023	($21,940)
2024	(264,207)
2025	(205,894)
2026	(139,288)
Total	($631,329)

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, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Actuarial Information	Traditional Plan
Measurement and Valuation Date	December 31, 2021
Experience Study	5-year ended 12/31/2020
Actuarial Cost Method	Individual entry age
Actuarial Assumption:	
Investment Rate of Return	6.9%
Wage Inflation	2.75%
Future Salary Increases, including inflation 2.75%	2.75 - 10.75 %
Cost-of-Living Adjustment	Pre 01/07/13 Retirees: 3% Simple Post 01/07/13 Retirees: 3.0% Simple through 2022, then 2.05% Simple

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.

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

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation as of December 31, 2021	Weighted Average Long-Term Expected Real Rate of Return
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%

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and 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 investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3% for 2021.

The following table presents the net pension liability or asset calculated using the discount rate of 6.9%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Authority's proportionate share of the net pension liability			
- Traditional Pension Plan	$1,940,869	$736,140	$266,352

Changes Between Measurement Date and Report Date

Subsequent to December 31, 2021, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2022 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

NOTE 7 – DEFINED BENEFIT OPEB PLAN

Net OPEB Liability/Asset

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

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

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including OPEB. GASB 75 assumes the liability is solely the obligation of the employer, because (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 OPEB plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each OPEB plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability/asset on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the fiscal year is included in *accrued liabilities* on the accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' ACFR 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. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care. Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2022 remained at 0 percent for both plans. 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 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 was $3,404 for the year ending June 30, 2022.

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

The total OPEB liability/asset 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 liability/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:

	Health Care Plan
Proportionate Share of Net OPEB Asset	$266,358
Proportion of the Net OPEB Asset	
- Prior Measurement Date	0.007963%
- Current Meassurement Date	0.008504%
Change in Proportion from	0.000541%
Prior OPEB Expense	($185,073)

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

Deferred Inflows of Resources	
Net Difference between projected and actual earning on pension plan investments	$126,981
Assumption Changes	107,819
Difference between expected and actual experience	40,402
Change in proportionate share and difference between Employer contribution and proportionate share of contribution	28,877
Total Deferred Inflows of Resources	$304,079

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

		Health Care Plan
Fiscal Year Ending June 30:		
	2023	($189,849)
	2024	(68,249)
	2025	(27,745)
	2026	(18,236)
	Total	($304,079)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions.

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

Actuarial Information	
Actuarial Valuation Date	December 31, 2020
Rolled-Forward Measurement Date	December 31, 2021
Experianse Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions	
Single Discount Rate	6.00%
Investment Rate of Return	6.00%
Municipal Bond Rate	1.84%
Wage Inflation	2.75%
Future Salary Increases, including inflation 2.75%	2.75 - 10.75%
Health Care Cost Trend Rate	5.5% initial, 3.5% ultimate in 2034

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

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

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation as of December 31, 2021	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	34.00%	0.91%
Domestic Equities	25.00%	3.78%
REITs	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%

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% for 2021.

The following table presents the net OPEB liability or asset calculated using the single discount rate of 6.00%, and the expected net OPEB liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease (5.00%)	Single Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB asset	$156,644	$266,358	$357,423

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	$269,237	$266,358	$262,944

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

NOTE 8 - CAPITAL ASSETS

The following is a summary of the capital assets activities during the fiscal year:

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	Balance 6/30/2021	Increases	Adjust / Decreases	Balance 6/30/2022
Capital Assets Not Depreciated:				
Land	$752,231	$2,359	$0	$754,590
Construction in Process	1,925,939	0	(208,376)	1,717,563
Total Capital Assets Not Depreciated	2,678,170	2,359	(208,376)	2,472,153
Capital Assets Depreciated:				
Building	4,567,646	307,708	208,376	5,083,730
Furniture, Mach & Equip	1,380,579	57,972	0	1,438,551
Leasehold Improvement	1,065,258	33,716	(50,655)	1,048,319
Total Assets Depreciated	7,013,483	399,396	157,721	7,570,600
Accumulated Depreciation:				
Building	(2,984,137)	(52,708)	0	(3,036,845)
Furniture, Mach & Equip	(1,206,787)	(47,526)	0	(1,254,313)
Leasehold Improvement	(410,344)	(244,223)	50,655	(603,912)
Total Accumulated Depreciation	(4,601,268)	(344,457)	50,655	(4,895,070)
Total Assets Depreciated, Net	2,412,215	54,939	208,376	2,675,530
Total Capital Assets, Net	$5,090,385	$57,298	$0	$5,147,683

NOTE 9 – COMPENSATED ABSENCES

Employees earn 2-5 weeks of annual vacation leave per calendar year, based on years of service. Annual leave may be taken after 1 year of employment. As of June 30, 2022, the liability for compensated absences totaled $47,042 and has been included in the accompanying statement of net position. The Authority considers all compensated absences payable as due within one year and is reported within accrued liabilities.

NOTE 10 – LONG-TERM DEBT

The following is a summary of changes in long-term debt and compensated absence for the fiscal year ended June 30, 2022:

	Balance 06/30/21	Additions	Deletions	Balance 06/30/22	Due Within One Year
Promissory Note – WHDC	$238,364	$0	$0	$238,364	$0
Promissory Note – MCBDD	32,468	0	9,740	22,728	9,740
Promissory Note – MCBDD	41,333	0	5,334	35,999	5,333
Promissory Note – MCBDD	182,081	0	16,553	165,528	16,553
Promissory Note – MCBDD	0	260,440	0	260,440	0
Promissory Note – OHFA	302,500	0	0	302,500	0
Promissory Note – OHFA	0	1,250,000	0	1,250,000	0
Total Promissory Notes	$796,746	$1,510,440	$31,627	$2,275,559	$31,626

	Balance 06/30/21	Additions	Deletions	Balance 06/30/22	Due Within One Year
Compensated Leave Liability	$126,394	$0	$79,352	$47,042	$47,042
Net Pension Liability	1,099,333	0	363,193	736,140	0
Total Compensated Leave and Net Pension Liability	$1,225,727	$0	$442,545	$783,182	$47,042

On December 8, 2009, the Authority entered a no interest promissory note with the Medina County Board of Developmental Disabilities (MCBODD) in the amount of $146,102 to purchase the property located in Chippewa Lake, Ohio (known as Honey Shade). The note is forgiven over 180-month period. The note shall become due on the sale or transfer of the property securing the note and upon other specific events as detailed in the agreement. The outstanding balance as of June 30, 2022 is $22,728.

On May 13, 2014, the Authority entered a no interest promissory note with the Medina County Board of Development and Disability (MCBODD) in the amount of $80,000 to purchase the Coal Ridge property in Wadsworth. The note is forgiven over 180-month period. The note shall become due on the sale or transfer of the property securing the note and upon other specific events as detailed in the agreement. The outstanding balance as of June 30, 2022 is $35,999.

On July 31, 2017, The Authority entered a no interest promissory note with the Medina County Board of Development and Disability (MCBODD) in the amount of $31,092. On July 3, 2017, the Authority entered a no interest promissory note with the Ohio Board of Development and Disability in the amount of $217,200. Both loans were used for the purchase of the Birch Hill property in Medina. The notes are forgiven over 180-month period. The note shall become due on the sale or transfer of the property securing the notes and upon the specific events as detailed in the agreement. The outstanding balance as of June 30, 2022 is $165,528.

The Authority issued a no interest promissory note in the amount of $238,364 dated October 31, 2008 to Wadsworth Housing Development Corporation (WHDC). The funds are due in a balloon payment on October 31, 2038. There is no repayment schedule. Therefore, no amortization schedule is presented.

On July 9, 2010, the Authority entered a promissory note with the Ohio Housing Finance Agency (OHFA) in the amount of $302,500 to build housing units located in Wadsworth, Ohio for mobility and sensory impaired persons (known as Wadsworth Villas). The note accrues interest at a rate of two percent per annum. The note shall become due upon specific events as detailed in the agreement, of which, as of June 30, 2022, none of these events have occurred or are anticipated to occur. Therefore, no amortization schedules are provided.

On September 1, 2021, the Authority entered a no interest promissory note with the Medina County Board of Development and Disability (MCBODD) in the amount of $37,480 and a note with Ohio Department of Developmental Disabilities in the amount of $222,960; the combined funding is to be used for a construction of a single home. The note is forgiven over 180-month period. The note shall become due on the sale or transfer of the property securing the note and upon other specific events as detailed in the agreement. As of June 30, 2022, the construction of the home has not started, therefore the full amount of $260,440 is outstanding.

During the fiscal year the Authority entered into a promissory note with the Ohio Housing Finance Agency (OHFA) in the amount of $1,250,000 for the development and construction of Southwick Place Townhomes. The note accrues interest at a rate of two percent per annum. The note shall become due if the Authority ceases to use the South Oak Place for low-income housing, as detailed in the agreement; as of June 30, 2022, the Authority continues to use the property to provide low-income housing, therefore the events have not occurred or are anticipated to occur which would result in repayment of the note. Therefore, no amortization schedules are provided.

Below is the amortization of the promissory note schedule:

Fiscal Years	Principal
2022	$31,626
2023	31,626
2024	31,626
2025	25,134
2026	21,886
2027-After	2,133,661
Total	$2,275,559

NOTE 11 - CONTINGENT LIABILITIES

A. Grants

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

B. Litigation

The Authority is unaware of any outstanding lawsuits or other contingencies.

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

NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2022, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases and related guidance from (GASB) Implementation Guide No. 2019-3, Leases.

GASB Statement 87 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 lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority did not have any contracts that met the GASB 87 definition of a lease; there was no effect on beginning net positon.

The Authority is also implementing Implementation Guide No. 2020-1, GASB Statement No. 92 –Omnibus 2020, and GASB Statement No. 97 -- Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. These changes were incorporated in the Authority's fiscal year 2022 financial statements, however, there was no effect on beginning net position.

Medina Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Last Eight Fiscal Years

Traditional Plan	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.008461%	0.007424%	0.007358%	0.007349%	0.006473%	0.006251%	0.005936%	0.005978%
Authority's Proportionate Share of the Net Pension Liability	$736,140	$1,099,333	$1,454,359	$2,012,742	$1,015,490	$1,419,496	$1,028,190	$721,014
Authority's Covered-Employee Payroll	$1,331,462	$1,237,367	$1,035,209	$1,095,770	$968,899	$875,477	$738,806	$732,870
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	55.29%	88.84%	140.49%	183.68%	104.81%	162.14%	139.17%	98.39%
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%

1) The amounts presented for each fiscal year were determined as of the calendar year-end occurring within the fiscal year.
2) Information prior to 2014 is not available. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

Medina Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net OPEB Liability/Asset
Last Six Fiscal Years

	2021	2020	2019	2018	2017	2016
Authority's Proportion of the Net OPEB Liability/Asset	0.008504%	0.007963%	0.008046%	0.007924%	0.007080%	0.007080%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	($266,358)	($141,867)	$1,111,362	$1,033,103	$768,836	$715,104
Authority's Covered-Employee Payroll	$1,233,334	$1,237,367	$1,035,209	$1,095,770	$968,899	$875,477
Authority's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Employee Payroll	21.60%	11.47%	107.36%	94.28%	79.35%	81.68%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	128.23%	115.57%	47.80%	46.33%	54.14%	68.52%

1) The amounts presented for each fiscal year were determined as of the calendar year-end occurring within the fiscal year.

2) Information prior to 2016 is not available. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

Medina Metropolitan Housing Authority
Required Supplementary Information
Schedule of Authority's Contributions - Pension
Ohio Public Employees Retirement System
For the Last Ten Fiscal Years

Traditional Plan	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Contractually Required Contribution										
Pension	$183,285	$150,901	$141,072	$148,247	$123,232	$117,904	$110,413	$104,799	$109,180	$80,424
Contributions in Relation to the										
Contractually Required Contribution	$183,285	$150,901	$141,072	$148,247	$123,232	$117,904	$110,413	$104,799	$109,180	$80,424
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Authority's Covered-Employee Payroll	$1,309,181	$1,077,868	$1,007,656	$1,095,770	$968,899	$982,534	$920,109	$873,325	$873,440	$699,948
Contributions as a Percentage of										
Covered-Employee Payroll										
Pension	14.00%	14.00%	14.00%	13.53%	12.72%	12.00%	12.00%	12.00%	12.50%	11.49%

Medina Metropolitan Housing Authority
Required Supplementary Information
Schedule of Authority's Contributions - OPEB
Ohio Public Employees Retirement System
For the Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution										
OPEB	$3,404	$5,315	$5,853	$5,161	$4,447	$17,503	$18,393	$17,416	$13,125	$17,499
Contributions in Relation to the Contractually Required Contribution	3,404	5,315	5,853	5,161	4,447	17,503	18,393	17,416	13,125	17,499
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Authority's Covered-Employee Payroll	$1,331,462	$1,237,367	$1,185,248	$1,095,770	$968,899	$982,534	$920,109	$873,325	$873,440	$699,948
Contributions as a Percentage of Covered-Employee Payroll										
OPEB	0.26%	0.43%	0.49%	0.47%	0.46%	1.78%	2.00%	1.99%	1.50%	2.50%

MEDINA METROPOLITAN HOUSING AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Ohio Public Employees' Retirement System

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 2022 to 0.50% simple through 2021, then 2.15% simple.

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

Medina Metropolitian Housing Authority

Financial Data Schedules

For the Fiscal Year Ended June 30, 2022

	1 Business Activities	2 State/Local	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Subtotal	ELIM	Total
111 Cash - Unrestricted	$368,767	$0	$0	$0	$393,616	$0	$762,383	$0	$762,383
113 Cash - Other Restricted	$501,642	$0	$220,280	$0	$67,617	$0	$789,539	$0	$789,539
114 Cash - Tenant Security Deposits	$72,839	$0	$26,515	$0	$0	$0	$99,354	$0	$99,354
100 Total Cash	$943,248	$0	$246,795	$0	$461,233	$0	$1,651,276	$0	$1,651,276
122 Accounts Receivable - HUD Other Projects	$0	$0	$0	$759	$0	$3,772	$4,531	$0	$4,531
124 Accounts Receivable - Other Government	$9,975	$8,648	$0	$0	$0	$0	$18,623	$0	$18,623
125 Accounts Receivable - Miscellaneous	$222,632	$960	$0	$0	$3,172	$0	$226,764	$0	$226,764
126 Accounts Receivable - Tenants	$76,058	$0	$13,266	$0	$0	$0	$89,324	$0	$89,324
126.1 Allowance for Doubtful Accounts -Tenants	($32,491)	$0	($4,627)	$0	$0	$0	($37,118)	$0	($37,118)
128 Fraud Recovery	$0	$0	$0	$0	$69,778	$0	$69,778	$0	$69,778
128.1 Allowance for Doubtful Accounts - Fraud	$0	$0	$0	$0	($69,778)	$0	($69,778)	$0	($69,778)
120 Total Receivables, Net of Allowances for Doubtful Accounts	$276,174	$9,608	$8,639	$759	$3,172	$3,772	$302,124	$0	$302,124
142 Prepaid Expenses and Other Assets	$76,086	$0	$5,667	$0	$10,148	$0	$91,901	$0	$91,901
144 Inter Program Due From	$183,340	$30,902	$0	$0	$759	$0	$215,001	($215,001)	$0
150 Total Current Assets	$1,478,848	$40,510	$261,101	$759	$475,312	$3,772	$2,260,302	($215,001)	$2,045,301
161 Land	$602,915	$0	$151,675	$0	$0	$0	$754,590	$0	$754,590
162 Buildings	$2,300,325	$0	$2,783,405	$0	$0	$0	$5,083,730	$0	$5,083,730
163 Furniture, Equipment & Machinery - Dwellings	$16,880	$0	$526,901	$0	$0	$0	$543,781	$0	$543,781
164 Furniture, Equipment & Machinery - Administration	$459,209	$0	$385,199	$0	$50,362	$0	$894,770	$0	$894,770
165 Leasehold Improvements	$1,048,319	$0	$0	$0	$0	$0	$1,048,319	$0	$1,048,319
166 Accumulated Depreciation	($1,699,054)	$0	($3,169,780)	$0	($26,236)	$0	($4,895,070)	$0	($4,895,070)
167 Construction in Progress	$1,717,563	$0	$0	$0	$0	$0	$1,717,563	$0	$1,717,563
160 Total Capital Assets, Net of Accumulated Depreciation	$4,446,157	$0	$677,400	$0	$24,126	$0	$5,147,683	$0	$5,147,683
171 Notes, Loans and Mortgages Receivable - Non-Current	$9,131,968	$0	$0	$0	$0	$0	$9,131,968	$0	$9,131,968
174 Other Assets	$169,481	$0	$46,435	$0	$50,442	$0	$266,358	$0	$266,358
180 Total Non-Current Assets	$13,747,606	$0	$723,835	$0	$74,568	$0	$14,546,009	$0	$14,546,009
200 Deferred Outflow of Resources	$137,080	$0	$95,704	$0	$118,147	$0	$350,931	$0	$350,931
290 Total Assets and Deferred Outflow of Resources	$15,363,534	$40,510	$1,080,640	$759	$668,027	$3,772	$17,157,242	($215,001)	$16,942,241
312 Accounts Payable <= 90 Days	$26,113	$449	$6,338	$0	$6,239	$898	$40,037	$0	$40,037
321 Accrued Wage/Payroll Taxes Payable	$99,299	$0	$4,676	$0	$7,028	$0	$111,003	$0	$111,003
322 Accrued Compensated Absences - Current Portion	$29,573	$0	$5,621	$0	$11,848	$0	$47,042	$0	$47,042
325 Accrued Interest Payable	$111,936	$0	$0	$0	$0	$0	$111,936	$0	$111,936
341 Tenant Security Deposits	$72,839	$0	$26,515	$0	$0	$0	$99,354	$0	$99,354
342 Unearned Revenue	$1,327,505	$40,061	$1,451	$0	$0	$0	$1,369,017	$0	$1,369,017
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	$31,626	$0	$0	$0	$0	$0	$31,626	$0	$31,626
347 Inter Program - Due To	$169,215	$0	$38,636	$759	$3,517	$2,874	$215,001	($215,001)	$0
310 Total Current Liabilities	$1,868,106	$40,510	$83,237	$759	$28,632	$3,772	$2,025,016	($215,001)	$1,810,015

	1 Business Activities	2 State/Local	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Subtotal	ELIM	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$755,569	$0	$0	$0	$0	$0	$755,569	$0	$755,569
355 Loan Liability - Non Current	$1,488,364	$0	$0	$0	$0	$0	$1,488,364	$0	$1,488,364
357 Accrued Pension and OPEB Liabilities	$442,083	$0	$136,180	$0	$157,877	$0	$736,140	$0	$736,140
350 Total Non-Current Liabilities	$2,686,016	$0	$136,180	$0	$157,877	$0	$2,980,073	$0	$2,980,073
300 Total Liabilities	$4,554,122	$40,510	$219,417	$759	$186,509	$3,772	$5,005,089	($215,001)	$4,790,088
400 Deferred Inflow of Resources	$701,325	$0	$212,515	$0	$281,998	$0	$1,195,838	$0	$1,195,838
508.4 Net Investment in Capital Assets	$3,658,962	$0	$677,400	$0	$24,126	$0	$4,360,488	$0	$4,360,488
511.4 Restricted Net Position	$501,642	$0	$220,280	$0	$67,617	$0	$789,539	$0	$789,539
512.4 Unrestricted Net Position	$5,947,483	$0	($248,972)	$0	$107,777	$0	$5,806,288	$0	$5,806,288
513 Total Equity - Net Assets / Position	$10,108,087	$0	$648,708	$0	$199,520	$0	$10,956,315	$0	$10,956,315
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$15,363,534	$40,510	$1,080,640	$759	$668,027	$3,772	$17,157,242	($215,001)	$16,942,241
70300 Net Tenant Rental Revenue	$1,333,142	$0	$286,041	$0	$0	$0	$1,619,183	$0	$1,619,183
70500 Total Tenant Revenue	$1,333,142	$0	$286,041	$0	$0	$0	$1,619,183	$0	$1,619,183
70600 HUD PHA Operating Grants	$0	$0	$266,998	$62,288	$3,930,957	$352,874	$4,613,117	$0	$4,613,117
70800 Other Government Grants	$18,972	$82,563	$0	$0	$0	$0	$101,535	$0	$101,535
71100 Investment Income - Unrestricted	$44,870	$0	$96	$0	$213	$0	$45,179	$0	$45,179
71200 Mortgage Interest Income	$90,477	$0	$0	$0	$0	$0	$90,477	$0	$90,477
71400 Fraud Recovery	$0	$0	$0	$0	$26,627	$0	$26,627	$0	$26,627
71500 Other Revenue	$993,111	$1,456	$6,270	$0	$1,186	$0	$1,002,023	$0	$1,002,023
70000 Total Revenue	$2,480,572	$84,019	$559,405	$62,288	$3,958,983	$352,874	$7,498,141	$0	$7,498,141
91100 Administrative Salaries	$488,302	$0	$95,619	$4,369	$203,684	$0	$791,974	$0	$791,974
91200 Auditing Fees	$17,076	$0	$1,954	$0	$1,954	$0	$20,984	$0	$20,984
91400 Advertising and Marketing	$1,810	$0	$32	$0	$1,527	$0	$3,369	$0	$3,369
91500 Employee Benefit contributions - Administrative	($41,830)	$0	($17,051)	$0	($50,168)	$0	($109,049)	$0	($109,049)
91600 Office Expenses	$20,985	$0	$2,111	$0	$20,660	$0	$43,756	$0	$43,756
91700 Legal Expense	$27,413	$0	$2,063	$0	$7,396	$0	$36,872	$0	$36,872
91800 Travel	$2,352	$0	$266	$0	$285	$0	$2,903	$0	$2,903
91900 Other	$154,484	$12,300	$26,361	$0	$117,697	$34,341	$345,183	$0	$345,183
91000 Total Operating - Administrative	$670,592	$12,300	$111,355	$4,369	$303,035	$34,341	$1,135,992	$0	$1,135,992
93100 Water	$31,380	$0	$11,673	$0	$0	$0	$43,053	$0	$43,053
93200 Electricity	$76,930	$0	$40,590	$0	$0	$0	$117,520	$0	$117,520
93300 Gas	$24,726	$0	$13,448	$0	$0	$0	$38,174	$0	$38,174
93600 Sewer	$12,952	$0	$9,743	$0	$0	$0	$22,695	$0	$22,695
93000 Total Utilities	$145,988	$0	$75,454	$0	$0	$0	$221,442	$0	$221,442
94100 Ordinary Maintenance and Operations - Labor	$195,561	$0	$84,896	$0	$11,994	$0	$292,451	$0	$292,451
94200 Ordinary Maintenance and Operations - Materials and Other	$73,991	$0	$29,800	$0	$7,854	$0	$111,645	$0	$111,645

Medina Metropolitan Housing Authority
Financial Data Schedules
For the Fiscal Year Ended June 30, 2022

	1 Business Activities	2 State/Local	14.195 Section 8 Housing Assistance Payments Program_Special Allocations	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	Subtotal	ELIM	Total
94300 Ordinary Maintenance and Operations Contracts	$204,884	$0	$69,538	$0	$350	$0	$274,772	$0	$274,772
94500 Employee Benefit Contributions - Ordinary Maintenance	$81,990	$0	($18,398)	$0	$4,578	$0	$68,170	$0	$68,170
94000 Total Maintenance	$556,426	$0	$165,836	$0	$24,776	$0	$747,038	$0	$747,038
96110 Property Insurance	$17,801	$0	$6,065	$0	$701	$0	$24,567	$0	$24,567
96120 Liability Insurance	$16,898	$0	$4,415	$0	$2,372	$0	$23,685	$0	$23,685
96130 Workmen's Compensation	$5,601	$0	$1,796	$0	$14,010	$0	$21,407	$0	$21,407
96100 Total insurance Premiums	$40,300	$0	$12,276	$0	$17,083	$0	$69,659	$0	$69,659
96200 Other General Expenses	$204,201	$71,719	$39,152	$0	$1,484	$0	$316,556	$0	$316,556
96210 Compensated Absences	($16,750)	$0	($9,768)	$0	($380)	$0	($26,898)	$0	($26,898)
96300 Payments in Lieu of Taxes	$1,953	$0	$0	$0	$0	$0	$1,953	$0	$1,953
96000 Total Other General Expenses	$189,404	$71,719	$29,384	$0	$1,104	$0	$291,611	$0	$291,611
96710 Interest of Mortgage (or Bonds) Payable	$119,243	$0	$0	$0	$0	$0	$119,243	$0	$119,243
96700 Total Interest Expense and Amortization Cost	$119,243	$0	$0	$0	$0	$0	$119,243	$0	$119,243
96900 Total Operating Expenses	$1,721,953	$84,019	$394,305	$4,369	$345,998	$34,341	$2,584,985	$0	$2,584,985
97000 Excess of Operating Revenue over Operating Expenses	($1,721,953)	($84,019)	($394,305)	($4,369)	($345,998)	($34,341)	($2,584,985)	$0	($2,584,985)
97300 Housing Assistance Payments	$0	$0	$0	$113,377	$3,481,978	$318,533	$3,913,888	$0	$3,913,888
97350 HAP Portability-In	$0	$0	$0	$0	$780	$0	$780	$0	$780
97400 Depreciation Expense	$238,409	$0	$103,367	$0	$2,681	$0	$344,457	$0	$344,457
90000 Total Expenses	$1,960,362	$84,019	$497,672	$117,746	$3,831,437	$352,874	$6,844,110	$0	$6,844,110
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$520,210	$0	$61,733	($55,458)	$127,546	$0	$654,031	$0	$654,031
11020 Required Annual Debt Principal Payments	$49,833	$0	$0	$0	$0	$0	$49,833	$0	$49,833
11030 Beginning Equity	$9,587,877	$0	$586,975	$55,458	$71,974	$0	$10,302,284	$0	$10,302,284
11170 Administrative Fee Equity	$0	$0	$0	$0	$131,903	$0	$131,903	$0	$131,903
11180 Housing Assistance Payments Equity	$0	$0	$0	$0	$67,617	$0	$67,617	$0	$67,617
11190 Unit Months Available	1,205	0	1,008	480	8,196	0	10,889	0	10,889
11210 Number of Unit Months Leased	1,149	0	998	222	7,419	0	9,788	0	9,788

MEDINA 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 Housing Assistance Payments Program	N/A	14.195	$ 266,998
Total Section 8 Project Based Cluster			266,998
Shelter Plus Care	N/A	14.238	352,874
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	N/A	14.871	3,930,957
Mainstream Vouchers	N/A	14.879	62,288
Total Housing Voucher Cluster			3,993,245
Total Expenditures of Federal Awards			$ 4,613,117

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 Medina 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*

Medina Metropolitan Housing Authority
Medina County
850 Walter Street
Medina, Ohio 44256

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 Medina Metropolitan Housing Authority, Medina 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 January 27, 2023.

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
January 27, 2023

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

Medina Metropolitan Housing Authority
Medina County
850 Walter Street
Medina, Ohio 44256

To the Board of Commissioners:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Medina 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 Medina 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.

Newark, Ohio
January 27, 2023

MEDINA METROPOLITAN HOUSING AUTHROITY
MEDINA 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 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

MEDINA METROPOLITAN HOUSING AUTHORITY

MEDINA 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 2/21/2023

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