WARREN METROPOLITAN HOUSING AUTHORITY
WARREN COUNTY, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

James G. Zupka, CPA, Inc.
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Directors
Warren Metropolitan Housing Authority
990 East Ridge Drive
Lebanon, Ohio 45036

We have reviewed the *Independent Auditor's Report* of the Warren Metropolitan Housing Authority, Warren County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2019 through December 31, 2019. 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 Warren Metropolitan Housing Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

November 12, 2020

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WARREN METROPOLITAN HOUSING AUTHORITY
WARREN COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

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JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board
Warren Metropolitan Housing Authrity
Lebanon, Ohio

Regional Inspector General of Audit
Department of Housing and Urban
Development

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Warren Metropolitan Housing Authrity, Ohio, (the Authority) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Warren Metropolitan Housing Authrity as of December 31, 2019, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis 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, and is also not a required part of the basic financial statements.

The Financial Data Schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 July 24, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

July 24, 2020

As management of the Warren Metropolitan Housing Authority ("the Authority"), we offer this narrative and analysis of the financial activities of the Authority for the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's assets and deferred outflow of resources exceeded its liabilities and deferred inflows of resources as of December 31, 2019 by $7,958,157 (net position).
- The Authority's cash balance at December 31, 2019 was $1,682,547, representing a decrease of $294,552 from the prior year.
- The Authority had revenues of $7,046,387 in HUD operating grants for the year ended December 31, 2019.
- The Authority's total revenues were $8,267,857 as of December 31, 2019, representing an increase of $716,411. Total expenses were $8,896,380, representing an increase of $604,844.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged only in a business-type activity. The following statements are included within this report:

- Statement of Net Position - reports the Authority's current financial resources (short term expendable resources) with capital assets and long-term debt obligations.
- Statement of Revenues, Expenses, and Changes in Net Position - reports the Authority's operating and non-operating revenues, by major sources, along with operating and non-operating expenses and capital contributions.
- Statement of Cash Flows - reports net cash provided by, or used for, operating activities, non-capital financing activities, and from capital and related financing activities.

THE AUTHORITY'S PROGRAMS

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30 percent of household income.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The Program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions funding to enable the Authority to structure a lease that sets the participants' rent at 30 percent of household income.

Mainstream Voucher Program – The Mainstream Voucher Program assists non-elderly persons with disabilities. Aside from serving a special population, Mainstream Vouchers are administered using the same rules as the Housing Choice Voucher Program.

Capital Fund Program (CFP) – This is the current primary funding source for the Authority's physical and management improvements. While the formula funding methodology used for the CGP was revised for the CFP, funds are still provided by formula allocation and based on size and age of the Authority's units.

Continuum of Care Program (CoC) – "The Hearth Act" amended the McKinney Vento Homeless Act and consolidated the Authority's Supportive Housing and Shelter Plus Care programs under the Continuum of Care Program. The CoC is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

State Program – Region 14 - The State Program is a pass-through program administered by the Authority for the State of Ohio. The annual funding represents the Ohio's Homeless Crisis Response Program that provides homelessness prevention and rapid re-housing assistance to individuals, families, and individuals who are below 30 percent median income and imminently at risk of homelessness in Butler, Warren, and Clermont Counties (Region 14). Additionally, the Authority is a pass-through for a Targeted Grant serving Transitional Age Youth (TAY) providing Rapid Rehousing to Youth between the ages of 18 and 24. The key partners in providing this pass-through assistance are Butler-WMHA, Clermont Community Services, Greater Cincinnati Behavioral Health, and Interfaith Hospitality Network.

AUTHORITY-WIDE STATEMENTS

Statement of Net Position

The following table compares the condensed Statement of Net Position for the current and previous year.

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

	2019	2018
Assets and Deferred Outflows of Resources		
Current and Other Assets	$ 1,964,553	$ 1,972,956
Current and Other Assets - Restricted	49,819	181,945
Capital Assets - Net	7,757,520	8,192,014
Other Non-Current Assets	31,900	40,035
Deferred Outflows of Resources	478,094	251,719
Total Assets and Deferred Outflows of Resources	$ 10,281,886	$ 10,638,669
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities and Deferred Inflows of Resources		
Current Liabilities	$ 160,483	$ 312,535
Non-Current Liabilities	2,073,862	1,428,525
Deferred Inflows of Resources	89,384	310,929
Total Liabilities and Deferred Inflows of Resources	2,323,729	2,051,989
Net Position		
Net Investment in Capital Assets	7,757,520	8,192,014
Restricted	10,993	15,050
Unrestricted	189,644	379,616
Total Net Position	7,958,157	8,586,680
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 10,281,886	$ 10,638,669

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Total cash of the Authority decreased by $294,552. Major factors include the changes in accounts receivables and deferred revenues.

Current assets (not including cash) of the Authority showed an increase of $154,023 from 2018 to 2019. The main reason for the increase in current assets is Accounts Receivables from the State Program.

Current liabilities decreased by $152,052 due to the repayment of unearned HUD revenue for the Continuum of Care Program.

Statement of Revenues, Expenses, and Changes in Net Position

The following schedule compares the revenues and expenses for the current and previous fiscal year.

Table 2 - Statement of Revenues, Expenses, and Changes in Net Position

	2019	2018	Net Change
Revenues			
Total Tenant Revenues	$ 464,638	$ 445,105	$ 19,533
Operating Subsidies and Grants - HUD	7,046,387	6,504,535	541,852
Capital Grants - HUD	25,882	0	25,882
Other Government Grants - State	681,759	542,284	139,475
Interest on Investments	3,913	2,252	1,661
Gain on Sale of Capital Assets	10,658	0	10,658
Other Revenues	34,620	57,270	(22,650)
Total Revenues	8,267,857	7,551,446	716,411
Expenses			
Administrative	1,201,789	991,675	210,114
Tenant Services	712,644	630,547	82,097
Utilities	90,036	87,892	2,144
Maintenance	505,542	485,339	20,203
General Expenses	248,849	315,312	(66,463)
Housing Assistance Payments	5,517,315	5,148,624	368,691
Depreciation	620,205	632,147	(11,942)
Total Expenses	8,896,380	8,291,536	604,844
Net Increase (Decrease)	$ (628,523)	$ (740,090)	$ 111,567

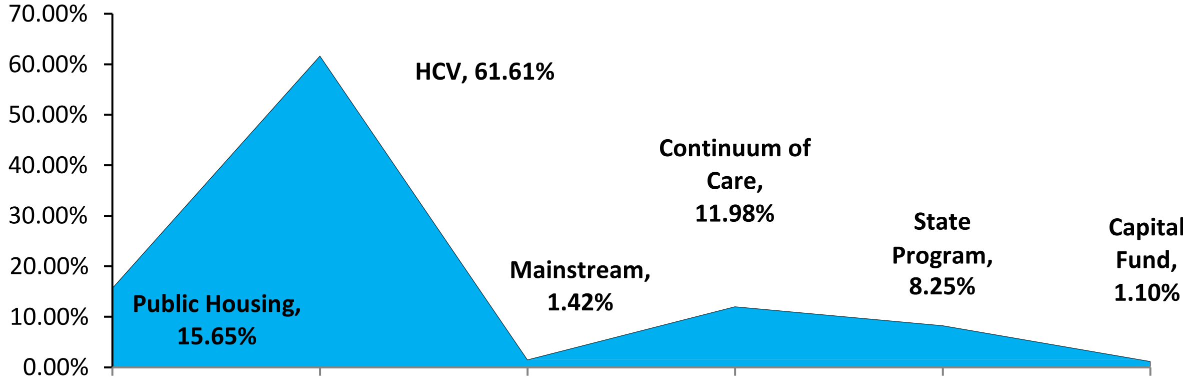
MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

Overall revenue increased by $716,411. The major factor increasing the overall revenue was HUD Operating grants for both the Housing Choice Voucher Program and the Mainstream Program. Tenant revenues increased slightly. Other governmental grants increased by $139,475.

Overall expenses increased by $604,844 from prior year. Housing assistance payments increased due to higher occupancy in the Housing Choice Voucher Program and the Mainstream Program. Administrative expenses increased due to changes in balances reported in accordance with GASB 68 and GASB 75. General expenses decreased due to the reduction of tenant collection loss and compensated absences.

The table below shows percentage of total revenue by funding sources.

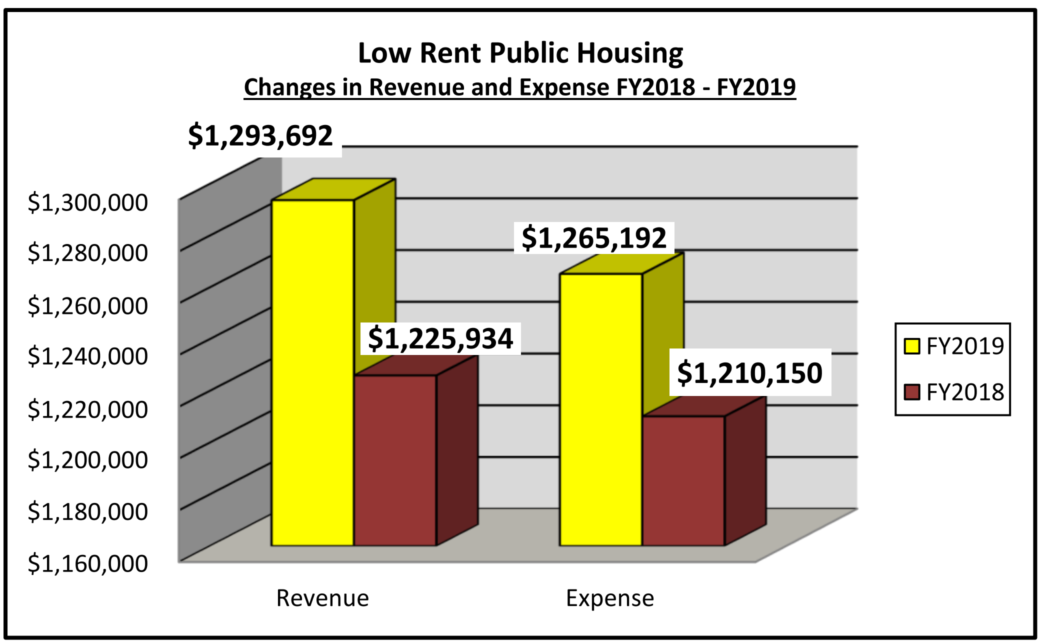
Revenue by Funding Source



FINANCIAL OVERVIEW BY PROGRAM

Low Rent Public Housing

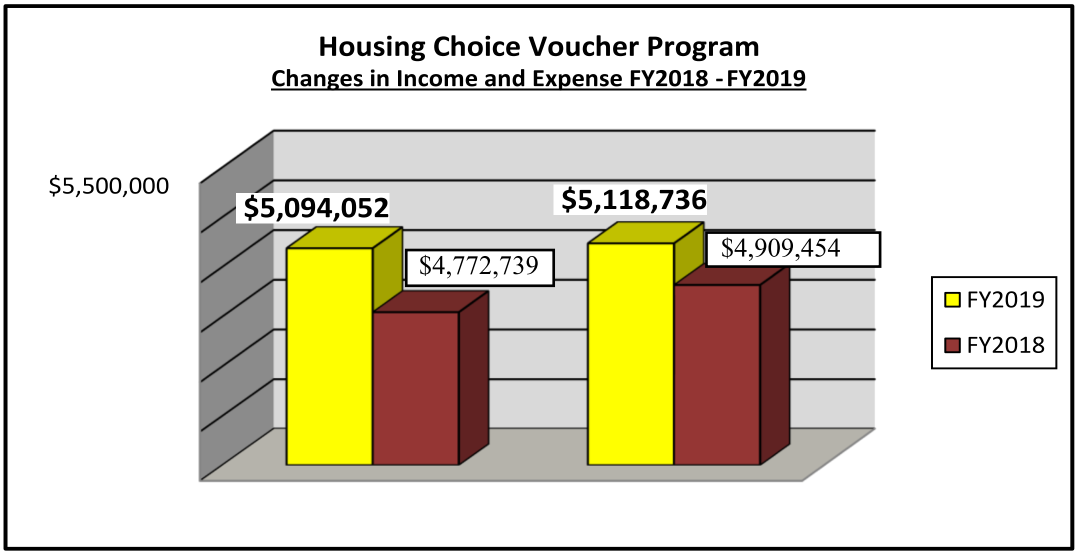
The table below shows how the revenue and expenses have changed between the fiscal year ended 2018 and 2019 for the Low Rent Public Housing Program. Total revenue for fiscal year ended 2019 increased from fiscal year ended 2018 revenue by 5.5 percent, which is due to the proration of Operating Subsidy in 2019 and increased tenant revenues. The increase in fiscal year ended 2019 total operating expenses from fiscal year ended 2018 operating expenses of 4.5 percent is attributable to an increase in spending on employment benefits.



Note: The above table does not include depreciation.

Housing Choice Voucher Program

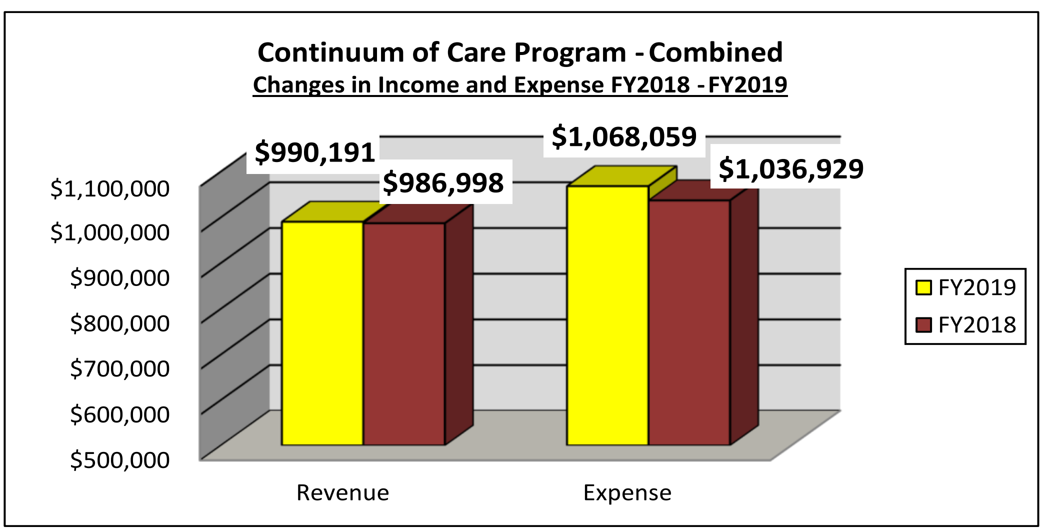
The following chart illustrates the Housing Choice Voucher Program changes in revenue and expenses for the years 2018 to 2019. Revenue and expenses increased in fiscal year ended 2019 for the HCV Program due to an increase in housing assistance payments due to higher leasing rates.



Note: The above table does not include depreciation.

Continuum of Care Program:

The following chart illustrates the Continuum of Care Program (previously reported separately as the Supportive Housing and Shelter Plus Care Programs) changes in income and expenses for the fiscal years ended 2018 and 2019. The total revenue for fiscal year ended 2019 remained virtually unchanged from fiscal year ended 2018. The increase in fiscal year ended 2019 total operating expenses from fiscal year ended 2018 operating expenses is mainly attributed to housing assistance payments due to increased leasing.



Note: The above table does not include depreciation.

Capital Assets

The following table summarizes the changes in capital assets between December 31, 2018 and 2019:

Table 3 - Condensed Statement of Changes in Capital Assets

	2019	2018	Net Change
Land	$ 1,638,445	$ 1,638,445	$ 0
Building	19,260,114	19,239,819	20,295
Equipment	1,750,817	1,660,529	90,288
Leasehold Improvements	10,731	10,731	0
Construction-in-Progress	15,903	0	15,903
Accumulated Depreciation	(14,918,490)	(14,357,510)	(560,980)
Net Capital Assets	$ 7,757,520	$ 8,192,014	$ (434,494)

Debt

The Authority had no debt as of December 31, 2019.

Economic Factors

Significant economic factors affecting the Authority are as follows:

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

Financial Contact

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. The individual to be contacted regarding this report is Jacqueline Adkins, Executive Director of the Warren Metropolitan Housing Authority. Specific requests may be submitted to the Warren Metropolitan Housing Authority at 990 East Ridge Drive, Lebanon, Ohio 45036-1678.

WARREN METROPOLITAN HOUSING AUTHORITY
WARREN COUNTY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2019

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets	
Current Assets	
Cash and Cash Equivalents - Unrestricted	$ 1,632,728
Cash and Cash Equivalents - Restricted	49,819
Receivable, Net	294,095
Prepaid Expenses	37,730
Total Current Assets	2,014,372
Non-Current Assets	
Capital Assets:	
Capital Assets, Not Depreciated	1,654,348
Capital Assets Being Depreciation, Net of Accumulated Depreciation	6,103,172
Total Capital Assets	7,757,520
Pension Assets	31,900
Total Non-Current Assets	7,789,420
Defered Outflows of Resources	
Pension	423,505
OPEB	54,589
Total Defered Outflows of Resources	478,094
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 10,281,886
LIABILITIES, DEFERRED INFLOWS AND RESOURCES, AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	$ 22,109
Other Current Liabilities	195
Accrued Liabilities	68,565
Intergoernmental Payables	34,559
Tenant Security Deposits	26,576
Unearned Revenue	8,479
Total Current Liabilities	160,483
Non-Current Liabilities	
Compensated Absences, Net of Current Portion	42,888
Other Non-Current Liabilities	12,055
Net Pension Liability	1,322,839
Net OPEB Liability	696,080
Total Non-Current Liabilities	2,073,862
Total Liabilities	2,234,345
Deferred Inflow of Resources	
Pension	71,073
OPEB	18,311
Total Defered Outflows of Resources	89,384
Net Position	
Net Investment in Captial Assets	7,757,520
Restricted	10,993
Unrestricted	189,644
Total Net Position	7,958,157
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 10,281,886

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

WARREN METROPOLITAN HOUSING AUTHORITY
WARREN COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

Operating Revenue	
Tenant Revenues	$ 464,638
Government Operating Grants and Subsidies	7,728,146
Other Revenues	34,620
Total Operating Revenue	8,227,404
Operating Expenses	
Administrative	1,201,789
Tenant Services	712,644
Utilities	90,036
Maintenance	505,542
General	248,849
Housing Assistance Payments	5,517,315
Depreciation	620,205
Total Operating Expenses	8,896,380
Operating Income (Loss)	(668,976)
Non-Operating Revenues (Expenses)	
Interest and Investment Revenue	3,913
Gain on Sale of Capital Assets	10,658
Capital Gains	25,882
Total Non-Operating Revenues (Expenses)	40,453
Change in Net Postion	(628,523)
Total Net Position at Beginning of Year	8,586,680
Total Net Position at End of Year	$ 7,958,157

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

WARREN METROPOLITAN HOUSING AUTHORITY
WARREN COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

Cash Flows from Operating Activities	
Operating Grants Received	$ 7,597,131
Tenant Revenue Received	488,244
Other Revenue Received	34,620
Operating Expenses	(2,751,974)
Housing Assistance Payments	(5,517,315)
Net Cash Provided (Used) by Operating Activities	(149,294)
Cash Flows from Investing Activities	
Interest Income	3,913
Net Cash Provided (Used) by Investing Actvities	3,913
Cash Flows from Capital and Related Activities	
Cash from Asset Sale	10,658
Capital Grant Funds Received	25,882
Property and Equipment Purchased	(185,711)
Net Cash Provided (Used) by Capital and Related Activities	(149,171)
Net Increase (Decrease) in Cash	(294,552)
Cash and Cash Equivalents at Beginning of Year	1,977,099
Cash and Cash Equivalents at End of Year	$ 1,682,547
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Net Operating Income (Loss)	$ (668,976)
Adjustments to Reconcile Operating Loss to Net Cash	
Used by Operating Activities:	
Depreciation	620,205
(Increase) Decrease in:	
Accounts Receivable	(154,302)
Prepaid Expenses	279
Deferred Outflows of Resources and Pension Assets	(218,240)
Increase (Decrease) in:	
Accounts Payable	(42,158)
Intergovernmental Payable	3,422
Accrued Compensated Absences	(3,135)
Accrued Expenses Payable	22,621
Unearned Revenue	(135,845)
Tenant Security Deposits	222
Other Non-Current Liabilities	5,110
Net Pension Liability	543,142
Net OPEB Liability	99,906
Deferred Inflows of Resources	(221,545)
Net Cash Provided by Operating Activities	$ (149,294)

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

NOTE 1: SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The financial statements of the Warren Metropolitan Housing Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United State of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Reporting Entity

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

The accompanying basic financial statements comply with the provision of Governmental Accounting Standards Board (GASB) Statement No. 61, *the Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34;* in that the financial statements include all organizations, activities, and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's government body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government a) is entitled to the organization's resources; b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or c) is obligated in some manner for the debt of the organization.

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

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

Basis of Presentation

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

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

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

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

Fund Accounting

The Authority uses the proprietary fund to report on its financial position and the results of its operations for the HUD 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.

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

Description of Programs

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

A. Public Housing Program

The Public Housing Program is designed to provide low-cost housing within Warren County. Under this Program, HUD provides funding via an annual contribution contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the Program.

B. Capital Fund Program

The Capital Fund Program provides funds annually, via a formula, to public housing agencies for capital and management activities, including modernization and development housing.

C. 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.

D. Mainstream Voucher Program

The Mainstream Voucher Program assists non-elderly persons with disabilities. Aside from serving a special population, Mainstream vouchers are administered using the same rules as the Housing Choice Voucher Program.

E. Continuum of Care Program

"The Hearth Act" amended the McKinney Vento Homeless Act and consolidated the Authority's Supportive Housing and Shelter Plus Care programs under the Continuum of Care (CoC) program. The Continuum of Care (CoC) Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

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

Description of Programs (Continued)

F. State Program – Region 14

The State Program is a pass-through program administered by the Authority for the State of Ohio. The annual funding represents the Ohio's Homeless Crisis Response Program that provides homelessness prevention and rapid re-housing assistance to individuals, families, and individuals who are below 30 percent median income and imminently at risk of homelessness in Butler, Warren, and Clermont Counties (Region 14). Additionally, the Authority is a pass-through for a Targeted Grant serving Transitional Age Youth (TAY) providing Rapid Rehousing to Youth between the ages of 18 and 24. The key partners in providing this pass-through assistance are Butler-WMHA, Clermont Community Services, Greater Cincinnati Behavioral Health, and Interfaith Hospitality Network.

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

Investments
The provisions of the HUD regulations restrict investments. Investments are valued at market value. Interest income earned in the fiscal year ending December 31, 2019 totaled $3,913.

Prepaid expenses

Payments made to vendors for services that will benefit periods beyond the year end are recorded as prepaid expenses using the consumption method. A current asset for the amount is recorded at the time of the purchase and expense is reported in the year in which the services are consumed.

Capital Assets
Capital assets are stated at cost. 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 $1,000 or more per unit. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	40 year
Buildings Improvements	15 years
Furniture, equipment and machinery	3-7 years

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

Compensated Absences

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

Unearned Revenue

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

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets – net of related debt 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 assets are recorded as restricted when there are limitations imposed on their use by internal or external restrictions.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Authority, these revenues are tenant revenues, operating grants from HUD, and other miscellaneous revenue.

Operating expenses are those expenses that are generated from the primary activity of the proprietary fund. For the Authority, these expenses are administrative, utilities, maintenance, PILOT, insurance, bad debt, and housing assistance payments.

Capital Grant

This represents grants provided by HUD that the Authority spends on capital assets.

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

Budgetary Accounting
The Authority annually prepares its budget as prescribed by HUD. This budget is submitted to HUD and, once approved, is adopted by the Board of the Housing Authority.

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

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. 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 plans are explained in Notes 5 and 6.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the statement of net position for pension and OPEB. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 5 and 6.

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

NOTE 2: **DEPOSITS AND INVESTMENTS**

Deposits
State statutes classify monies held by the Authority into three categories:

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

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

Deposits (Continued)

B. Inactive deposits are public deposits that the Authority has identified as not required for use within the 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 the depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

C. 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 December 31, 2019, the carrying amount of the Authority's deposits totaled $1,682,547, and its bank balance was $1,712,045. Based on the criteria described in GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, as of December 31, 2019 $1,462,045 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 percent of the carrying value of the deposits.

NOTE 3: **RESTRICTED CASH**

The restricted cash balance of $49,819 on the financial statements represents the following:

Cash on Hand for Housing Assistance Payments	$	11,188
FSS Escrow Cash Accounts		12,055
Tenant Security Deposits		26,576
Total Restricted Cash	$	49,819

NOTE 4: CAPITAL ASSETS

The following is a summary of changes:

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/19
Capital Assets Not Being Depreciated				
Land	$ 1,638,445	$ 0	$ 0	$ 1,638,445
Construction-in-Progress	0	15,903	0	15,903
Total Capital Assets Not Being Depreciated	1,638,445	15,903	0	1,654,348
Capital Assets Being Depreciated				
Buildings	19,239,819	20,295	0	19,260,114
Furniture, Machinery, and Equipment:				
Dwelling	1,166,180	14,839	0	1,181,019
Administrative	494,349	134,674	(59,225)	569,798
Leasehold Improvements	10,731	0	0	10,731
Toatl Capital Assets Being Depreciated	20,911,079	169,808	(59,225)	21,021,662
Accumulated Deprecation				
Buildings	(13,501,479)	(524,485)	0	(14,025,964)
Furniture, Machinery, and Equipment	(850,748)	(95,005)	59,225	(886,528)
Leasehold Improvements	(5,283)	(715)	0	(5,998)
Total Accumulated Deprecation	(14,357,510)	(620,205)	59,225	(14,918,490)
Toal Capital Assets Being Depreciated, Net	6,553,569	(450,397)	0	6,103,172
Total Capital Assets, Net	$ 8,192,014	$ (434,494)	$ 0	$ 7,757,520

NOTE 5: DEFINED BENEFIT PENSION PLAN

Net Pension Liability

The net pension liability/(asset) 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.

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Net Pension Liability (Continued)

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 year is included as a current liability on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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' CAFR referenced above for additional information):

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

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

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

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

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

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-Employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

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

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

The Authority's contractually required contributions was $114,047 for fiscal year ending December 31, 2019.

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

The net pension liability/(asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability/(asset) was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.004970%	0.029409%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.004830%	0.028527%	
Change in Proportionate Share	-0.000140%	-0.000882%	
Proportionate Share of the Net Pension Liability/(Asset)	$ 1,322,839	$ (31,900)	$ 1,290,939
Pension Expense	$ 255,420	$ 7,590	$ 263,010

At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 179,548	$ 6,871	$ 186,419
Differences between expected and actual experience	60	0	60
Changes of assumptions	115,155	7,125	122,280
Changes in proportion and differences between Authority contributions and proportionate share of contributions	0	699	699
Authority contributions subsequent to the measiurement date	96,444	17,603	114,047
Total Deferred Outflows of Resources	$ 391,207	$ 32,298	$ 423,505
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 17,369	$ 13,028	$ 30,397
Changes in proportion and differences between Authority contributions and proportionate share of contributions	31,562	9,114	40,676
Total Deferred Inflows of Resources	$ 48,931	$ 22,142	$ 71,073

$114,047 reported as deferred outflows of resources related to pension resulting from Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Year Ending December 31:			
2020	$ 95,382	$ (185)	$ 95,197
2021	50,289	(1,556)	48,733
2022	16,658	(1,414)	15,244
2023	83,503	738	84,241
2024	0	(2,082)	(2,082)
Thereafter	0	(2,948)	(2,948)
Total	$ 245,832	$ (7,447)	$ 238,385

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 was determined by an actuarial valuation as of December 31, 2018, 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:

Actuarial Information	**Traditional Pension Plan**	**Combined Plan**
Measurement and Valuation Date	December 31, 2018	December 31, 2018
Experience Study	5-Year Period Ended December 31, 2015	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%)	3.25% - 8.25% (includes wage inflation at 3.25%)
Cost-of-living Adjustments	Pre-1/7/2013 retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple	Pre-1/7/2013 retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

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

OPERS manages investments in three investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94 percent for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

NOTE 5: **DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Assumptions – OPERS (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

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

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

Authority's proportionate share of the net pension liability/(asset)	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Traditional Pension Plan	$ 1,954,218	$ 1,322,839	$ 798,158
Combined Plan	$ (10,555)	$ (31,900)	$ (47,355)

NOTE 6: **POST-EMPLOYMENT BENEFITS**

Net OPEB Liability

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

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

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

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

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

NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

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

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

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' CAFR 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 2019, 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 2018. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2019 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 2018 was 4.0 percent.

NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

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

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

The Authority's contractually required contribution was $0 for fiscal year ending December 31, 2019.

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

The net OPEB liability and total OPEB liability were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, 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 was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Liability:	
Prior Measurement Date	0.005490%
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.005339%
Change in Proportionate Share	-0.000151%
Proportionate Share of the Net OPEB Liability	$ 696,080
OPEB Expense	$ 54,301

At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 31,910
Differences between expected and actual experience	236
Changes of assumptions	22,443
Total Deferred Outflows of Resources	$ 54,589
Deferred Inflows of Resources	
Differences between expected and actual experience	$ 1,889
Changes in proportion and differences between Authority contributions and proportionate share of contributions	16,422
Total Deferred Inflows of Resources	$ 18,311

NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

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

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

	OPERS
Year Ending December 31:	
2020	$ 14,919
2021	209
2022	5,075
2023	16,075
Total	$ 36,278

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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.71 percent
Health Care Cost Trend Rate	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age

NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

Actuarial Assumptions – OPERS (Continued)

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

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

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

During 2018, 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 loss of 5.60 percent for 2018.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

Actuarial Assumptions – OPERS (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
Authority's proportionate share of the net OPEB liability	$ 890,545	$ 696,080	$ 541,428

NOTE 6: **POST-EMPLOYMENT BENEFITS** (Continued)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.0 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	$ 669,083	$ 696,080	$ 727,172

NOTE 7: **RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending December 31, 2019, the Authority maintains comprehensive insurance coverage with private carriers for health, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

Settled claims have not exceeded this coverage in any of the last three years. There has been no significant reduction in coverage from last year.

NOTE 8: **CONTINGENCIES**

Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs or excess reserve balances. Management cannot presently determine amounts grants 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 December 31, 2019.

Litigations and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At December 31, 2019, the Authority was not aware of any such matters.

NOTE 9: PAYMENT IN LIEU OF TAXES

The Authority has cooperation agreements with certain municipalities under which it makes payment in lieu of real estate taxes for various public services. Expense recognized for payment in lieu of taxes for the year ended December 31, 2019 totaled $34,559.

NOTE 10: SUMMARY OF CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	Balance 12/31/2018	Additions	Deletions	Balance 12/31/2019	Due Within One Year
FSS Escrows	$ 6,945	$ 11,037	$ (5,927)	$ 12,055	$ 0
Compensated Absences	50,788	47,083	(50,218)	47,653	4,765
Net Pension Liability	779,697	543,142	0	1,322,839	0
Net OPEB Liability	596,174	99,906	0	696,080	0
Total	$ 1,433,604	$ 701,168	$ (56,145)	$2,078,627	$ 4,765

NOTE 11: SUBSEQUENT EVENTS

The United States and the State of Ohio declared a statement of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will likely impact subsequent periods of Warren MHA. The investments of the pension and other postemployment benefit plan in which Warren MHA 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 Warren MHA’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. Management believes there will not be a significant impact to the future financial position of the Authority.

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

Traditional Plan	**2018**	**2018**	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	0.004830%	0.004970%	0.005265%	0.005662%	0.005366%	0.005366%
Authority's Proportionate Share of the Net Pension Liability	$ 1,322,839	$ 779,697	$ 1,195,592	$ 980,730	$ 647,200	$ 632,581
Authority's Covered Payroll	$ 652,379	$ 628,277	$ 598,917	$ 707,233	$ 653,675	$ 603,985
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.77%	124.10%	199.63%	138.67%	99.01%	104.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Combined Plan	**2018**	**2018**	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Asset	0.028527%	0.029409%	0.024144%	0.011220%	0.011910%	0.011910%
Authority's Proportionate Share of the Net Pension (Asset)	$ (31,900)	$ (40,035)	$ (13,438)	$ (5,459)	$ (4,586)	$ (1,249)
Authority's Covered Payroll	$ 122,007	$ 86,754	$ 82,700	$ 40,842	$ 41,625	$ 38,777
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	26.15%	46.15%	16.25%	13.37%	11.02%	3.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	126.64%	137.28%	116.55%	116.90%	114.83%	104.33%

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

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

See accompanying notes to the required supplementary information

WARREN METROPOLITAN HOUSING AUTHORITY
WARREN COUNTY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - PENSION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS (1)

	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contributions							
Traditional Plan	$ 96,444	$ 91,333	$ 81,676	$ 71,870	$ 84,868	$ 78,441	$ 78,518
Combined Plan	17,603	17,081	11,278	9,924	4,901	4,995	5,041
Total Required Contributions	$ 114,047	$ 108,414	$ 92,954	$ 81,794	$ 89,769	$ 83,436	$ 83,559
Contributions in Relation to the Contractually Required Contribution	(114,047)	(108,414)	(92,954)	(81,794)	(89,769)	(83,436)	(83,559)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority's Covered Payroll							
Traditional Plan	$ 688,886	$ 652,379	$ 628,277	$ 598,917	$ 707,233	$ 653,675	$ 603,985
Combined Plan	$ 125,736	$ 122,007	$ 86,754	$ 82,700	$ 40,842	$ 41,625	$ 38,777
Pension Contributions as a Percentage of Covered Payroll							
Traditional Plan	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

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

See accompanying notes to the required supplementary information

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

	2019	2018	2017
Authority's Proportion of the Net OPEB Liability	0.005339%	0.005490%	0.005610%
Authority's Proportionate Share of the Net OPEB Liability	$ 696,080	$ 596,174	$ 566,629
Authority's Covered Payroll	$ 774,386	$ 715,031	$ 681,617
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	89.89%	83.38%	83.13%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.05%

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

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

See accompanying notes to the required supplementary information

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

	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 0	$ 0	$ 7,150	$ 13,632	$ 14,962	$ 13,906	$ 6,428
Contributions in Relation to the Contractually Required Contribution	0	0	(7,150)	(13,632)	(14,962)	(13,906)	(6,428)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority Covered Payroll	$ 814,622	$ 774,386	$ 715,031	$ 681,617 0	$ 748,075	$ 695,300	$ 642,762
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%

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

See accompanying notes to the required supplementary information

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2019.

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%.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2018. 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%.

WARREN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2019

	Project Total	2 State/Local	14.879 Mainstream Vouchers	14.267 Continuum of Care Program	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	682,405	-	729	49,522	17,422	882,650	1,632,728	-	1,632,728
113 Cash - Other Restricted	8,953	-	5,151	-	8,944	-	23,048	-	23,048
114 Cash - Tenant Security Deposits	26,576	-	-	-	-	-	26,576	-	26,576
115 Cash - Restricted for Payment of Current Liabilities	-	-	195	-	-	-	195	-	195
100 Total Cash	717,934	-	6,075	49,522	26,366	882,650	1,682,547	-	1,682,547
122 Accounts Receivable - HUD Other Projects	58,882	-	-	26,605	-	-	85,487	-	85,487
124 Accounts Receivable - Other Government	-	198,774	-	-	-	-	198,774	-	198,774
126 Accounts Receivable - Tenants	4,430	-	-	-	-	-	4,430	-	4,430
126.1 Allowance for Doubtful Accounts -Tenants	-1,548	-	-	-	-	-	-1,548	-	-1,548
127 Notes, Loans, & Mortgages Receivable - Current	6,952	-	-	-	-	-	6,952	-	6,952
120 Total Receivables, Net of Allowances for Doubtful Accounts	68,716	198,774	-	26,605	-	-	294,095	-	294,095
142 Prepaid Expenses and Other Assets	20,452	-	-	2,182	-	15,096	37,730	-	37,730
144 Inter Program Due From	-	-	-	-	-	193,825	193,825	-193,825	-
150 Total Current Assets	807,102	198,774	6,075	78,309	26,366	1,091,571	2,208,197	-193,825	2,014,372
161 Land	1,638,445	-	-	-	-	-	1,638,445	-	1,638,445
162 Buildings	18,867,346	-	-	-	-	392,768	19,260,114	-	19,260,114
163 Furniture, Equipment & Machinery - Dwellings	1,181,019	-	-	-	-	-	1,181,019	-	1,181,019
164 Furniture, Equipment & Machinery - Administration	247,590	1,076	-	75,787	149,615	95,730	569,798	-	569,798
165 Leasehold Improvements	-	-	-	2,352	8,379	-	10,731	-	10,731
166 Accumulated Depreciation	-14,563,025	-179	-	-49,813	-64,839	-240,634	-14,918,490	-	-14,918,490
167 Construction in Progress	15,903	-	-	-	-	-	15,903	-	15,903
160 Total Capital Assets, Net of Accumulated Depreciation	7,387,278	897	-	28,326	93,155	247,864	7,757,520	-	7,757,520
174 Other Assets	12,122	-	-	5,104	7,656	7,018	31,900	-	31,900
180 Total Non-Current Assets	7,399,400	897	-	33,430	100,811	254,882	7,789,420	-	7,789,420
200 Deferred Outflow of Resources	181,676	-	-	76,495	114,742	105,181	478,094	-	478,094
290 Total Assets and Deferred Outflow of Resources	8,388,178	199,671	6,075	188,234	241,919	1,451,634	10,475,711	-193,825	10,281,886
312 Accounts Payable <= 90 Days	15,222	326	-	1,226	2,174	3,161	22,109	-	22,109
321 Accrued Wage/Payroll Taxes Payable	9,675	2,981	-	1,912	5,560	38,492	58,620	-	58,620
322 Accrued Compensated Absences - Current Portion	1,736	164	-	100	869	1,896	4,765	-	4,765
333 Accounts Payable - Other Government	34,559	-	-	-	-	-	34,559	-	34,559
341 Tenant Security Deposits	26,576	-	-	-	-	-	26,576	-	26,576
342 Unearned Revenue	7,729	-	-	-	-	750	8,479	-	8,479
345 Other Current Liabilities	-	-	195	-	-	-	195	-	195
346 Accrued Liabilities - Other	4,136	-	-	307	462	275	5,180	-	5,180
347 Inter Program - Due To	-	193,825	-	-	-	-	193,825	-193,825	-
310 Total Current Liabilities	99,633	197,296	195	3,545	9,065	44,574	354,308	-193,825	160,483

WARREN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2019

	Project Total	2 State/Local	14.879 Mainstream Vouchers	14.267 Continuum of Care Program	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
353 Non-current Liabilities - Other	8,953	-	-	-	3,102	-	12,055	-	12,055
354 Accrued Compensated Absences - Non Current	15,623	1,478	-	899	7,826	17,062	42,888	-	42,888
357 Accrued Pension and OPEB Liabilities	767,189	-	-	323,027	484,540	444,163	2,018,919	-	2,018,919
350 Total Non-Current Liabilities	791,765	1,478	-	323,926	495,468	461,225	2,073,862	-	2,073,862
300 Total Liabilities	891,398	198,774	195	327,471	504,533	505,799	2,428,170	-193,825	2,234,345
400 Deferred Inflow of Resources	33,966	-	-	14,302	21,453	19,663	89,384	-	89,384
508.4 Net Investment in Capital Assets	7,387,278	897	-	28,326	93,155	247,864	7,757,520	-	7,757,520
511.4 Restricted Net Position	-	-	5,151	-	5,842	-	10,993	-	10,993
512.4 Unrestricted Net Position	75,536	-	729	-181,865	-383,064	678,308	189,644	-	189,644
513 Total Equity - Net Assets / Position	7,462,814	897	5,880	-153,539	-284,067	926,172	7,958,157	-	7,958,157
600 Total Liabilities, Deferred Inflow of Resources, and Equity - Net	8,388,178	199,671	6,075	188,234	241,919	1,451,634	10,475,711	-193,825	10,281,886

WARREN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Project Total	2 State/Local	14.879 Mainstream Vouchers	14.267 Continuum of Care Program	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	423,714	-	-	27,024	-	-	450,738	-	450,738
70400 Tenant Revenue - Other	13,900	-	-	-	-	-	13,900	-	13,900
70500 Total Tenant Revenue	437,614	-	-	27,024	-	-	464,638	-	464,638
70600 HUD PHA Operating Grants	906,809	-	117,267	961,054	5,061,257	-	7,046,387	-	7,046,387
70610 Capital Grants	25,882	-	-	-	-	-	25,882	-	25,882
70710 Management Fee	-	-	-	-	-	290,902	290,902	-290,902	-
70720 Asset Management Fee	-	-	-	-	-	24,960	24,960	-24,960	-
70730 Book Keeping Fee	-	-	-	-	-	57,500	57,500	-57,500	-
70700 Total Fee Revenue	-	-	-	-	-	373,362	373,362	-373,362	-
70800 Other Government Grants	-	681,759	-	-	-	-	681,759	-	681,759
71100 Investment Income - Unrestricted	2,730	-	14	74	574	521	3,913	-	3,913
71400 Fraud Recovery	-	-	-	180	28,475	-	28,655	-	28,655
71500 Other Revenue	2,219	-	-	-	3,746	-	5,965	-	5,965
71600 Gain or Loss on Sale of Capital Assets	8,799	-	-	1,859	-	-	10,658	-	10,658
70000 Total Revenue	1,384,053	681,759	117,281	990,191	5,094,052	373,883	8,641,219	-373,362	8,267,857
91100 Administrative Salaries	127,520	19,328	1,868	39,746	155,273	161,611	505,346	-	505,346
91200 Auditing Fees	2,885	270	-	1,920	7,817	823	13,715	-	13,715
91300 Management Fee	169,302	5,246	2,064	29,447	84,843	-	290,902	-290,902	-
91310 Book-keeping Fee	18,502	-	1,290	-	37,708	-	57,500	-57,500	-
91400 Advertising and Marketing	1,347	-	-	-	343	-	1,690	-	1,690
91500 Employee Benefit contributions - Administrative	110,093	23,932	289	53,560	164,074	126,686	478,634	-	478,634
91600 Office Expenses	47,306	5,424	-	27,178	58,437	29,445	167,790	-	167,790
91700 Legal Expense	3,095	-	-	37	248	69	3,449	-	3,449
91800 Travel	986	430	-	3,713	-	986	6,115	-	6,115
91900 Other	3,543	-	-	79	754	20,674	25,050	-	25,050
91000 Total Operating - Administrative	484,579	54,630	5,511	155,680	509,497	340,294	1,550,191	-348,402	1,201,789
92000 Asset Management Fee	24,960	-	-	-	-	-	24,960	-24,960	-
92100 Tenant Services - Salaries	11,515	48,752	-	46,439	-	-	106,706	-	106,706
92300 Employee Benefit Contributions - Tenant Services	9,479	22,173	-	20,738	-	-	52,390	-	52,390
92400 Tenant Services - Other	1,933	551,215	-	400	-	-	553,548	-	553,548
92500 Total Tenant Services	22,927	622,140	-	67,577	-	-	712,644	-	712,644
93100 Water	39,439	-	-	1,478	2,878	1,133	44,928	-	44,928
93200 Electricity	33,869	-	-	1,762	2,056	1,762	39,449	-	39,449
93300 Gas	4,820	-	-	224	447	168	5,659	-	5,659
93000 Total Utilities	78,128	-	-	3,464	5,381	3,063	90,036	-	90,036
94100 Ordinary Maintenance and Operations - Labor	198,984	-	-	-	-	-	198,984	-	198,984
94200 Ordinary Maintenance and Operations - Materials and Other	72,458	-	-	1,778	4,150	24	78,410	-	78,410

WARREN METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

	Project Total	2 State/Local	14.879 Mainstream Vouchers	14.267 Continuum of Care Program	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
94300 Ordinary Maintenance and Operations Contracts	56,138	-	-	118	137	118	56,511	-	56,511
94500 Employee Benefit Contributions - Ordinary Maintenance	171,637	-	-	-	-	-	171,637	-	171,637
94000 Total Maintenance	499,217	-	-	1,896	4,287	142	505,542	-	505,542
95200 Protective Services - Other Contract Costs	7,876	-	-	-	-	-	7,876	-	7,876
95000 Total Protective Services	7,876	-	-	-	-	-	7,876	-	7,876
96110 Property Insurance	88,874	-	-	-	5,228	10,456	104,558	-	104,558
96120 Liability Insurance	4,323	-	-	319	1,849	6,865	13,356	-	13,356
96130 Workmen's Compensation	190	127	-	-	221	202	740	-	740
96140 All Other Insurance	4,351	-	-	2,268	542	522	7,683	-	7,683
96100 Total insurance Premiums	97,738	127	-	2,587	7,840	18,045	126,337	-	126,337
96200 Other General Expenses	1,455	-	202	-	1,687	-	3,344	-	3,344
96210 Compensated Absences	17,103	3,786	-	2,409	12,863	10,922	47,083	-	47,083
96300 Payments in Lieu of Taxes	34,559	-	-	-	-	-	34,559	-	34,559
96400 Bad debt - Tenant Rents	29,650	-	-	-	-	-	29,650	-	29,650
96000 Total Other General Expenses	82,767	3,786	202	2,409	14,550	10,922	114,636	-	114,636
96900 Total Operating Expenses	1,298,192	680,683	5,713	233,613	541,555	372,466	3,132,222	-373,362	2,758,860
97000 Excess of Operating Revenue over Operating Expenses	85,861	1,076	111,568	756,578	4,552,497	1,417	5,508,997	-	5,508,997
97300 Housing Assistance Payments	-	-	105,688	834,446	4,573,837	-	5,513,971	-	5,513,971
97350 HAP Portability-In	-	-	-	-	3,344	-	3,344	-	3,344
97400 Depreciation Expense	591,391	179	-	6,832	6,625	15,178	620,205	-	620,205
90000 Total Expenses	1,889,583	680,862	111,401	1,074,891	5,125,361	387,644	9,269,742	-373,362	8,896,380
10010 Operating Transfer In	32,000	-	-	-	-	-	32,000	-32,000	-
10020 Operating transfer Out	-32,000	-	-	-	-	-	-32,000	32,000	-
10100 Total Other financing Sources (Uses)	-	-	-	-	-	-	-	-	-
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-505,530	897	5,880	-84,700	-31,309	-13,761	-628,523	-	-628,523
11030 Beginning Equity	7,968,344	-	-	-68,839	-252,758	939,933	8,586,680	-	8,586,680
11170 Administrative Fee Equity	-	-	-	-	-289,909	-	-289,909	-	-289,909
11180 Housing Assistance Payments Equity	-	-	-	-	5,842	-	5,842	-	5,842
11190 Unit Months Available	2,484	-	228	1,030	9,427	-	13,169	-	13,169
11210 Number of Unit Months Leased	2,455	-	172	1,018	9,427	-	13,072	-	13,072

WARREN METROPOLITAN HOUSING AUTHORITY
WARREN COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

FEDERAL GRANTOR/ *Pass-Through Grantor/* Program/Title	**Federal CFDA Number**	**Federal Expenditures**
U.S. Department of Housing and Urban Development		
Direct Programs:		
Continuum of Care	14.267	$ 961,054
Public and Indian Housing	14.850	841,809
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	5,061,257
Mainstream Vouchers	14.879	117,267
Total Housing Voucher Cluster		5,178,524
Public Housing Capital Fund	14.872	90,882
Total Direct Programs		7,072,269
Total U.S. Department of Housing and Urban Development		7,072,269
Total Expenditures of Federal Awards		$ 7,072,269

See accompanying notes to the Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Warren Metropolitan Housing Authority under programs of the Federal government for the year ended December 31, 2019. The information in this Schedule is presented 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 Warren Metropolitan Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of Warren Metropolitan Housing Authority.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: INDIRECT COST RATE

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

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

To the Members of the Board
Warren Metropolitan Housing Authrity
Lebanon, Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Warren Metropolitan Housing Authrity, Ohio, (the Authority) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 24, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of This Report

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

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

July 24, 2020

JAMES G. ZUPKA, C.P.A., INC.
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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Members of the Board
Warren Metropolitan Housing Authrity
Lebanon, Ohio

Regional Inspector General of Audit
Department of Housing and Urban Development

Report on Compliance for Each Major Federal Program

We have audited the Warren Metropolitan Housing Authrity, Ohio's (the Authority) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2019. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Warren Metropolitan Housing Authrity complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

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

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

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

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

James G. Zupka, CPA, Inc.

James G. Zupka, CPA, Inc.
Certified Public Accountants

July 24, 2020

WARREN METROPOLITAN HOUSING AUTHORITY
WARREN COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2019

1. SUMMARY OF AUDITOR'S RESULTS

2019(i)	Type of Financial Statement Opinion	Unmodified
2019(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2019(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2019(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2019(iv)	Were there any material internal control weaknesses reported for major Federal programs?	No
2019(iv)	Were there any significant deficiencies in internal control reported to major Federal programs?	No
2019(v)	Type of Major Programs' Compliance Opinion	Unmodified
2019(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2019(vii)	Major Programs (list): Continuum of Care - CFDA #14.267 Public and Indian Housing - CFDA #14.850	
2019(viii)	Dollar Threshold: Type A\B Programs	Type A: $750,000 Type B: All Others
2019(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

WARREN METROPOLITAN HOUSING AUTHORITY
WARREN COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

The audit report for the fiscal year ending December 31, 2018, contained no audit findings or management letter recommendations.

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OHIO AUDITOR OF STATE
KEITH FABER

WARREN METROPOLITAN HOUSING AUTHORITY

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 11/24/2020

88 East Broad Street, Columbus, Ohio 43215
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