OHIO AUDITOR OF STATE
KEITH FABER

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY
JUNE 30, 2020

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Statement of Net Position	13
Statement of Revenues, Expenses, and Changes in Net Position	14
Statement of Cash Flows	15
Notes to the Financial Statements	17
Required Supplementary Information:	
Schedule of the Authority's Proportionate Share of the Net Pension Liability Ohio Public Employees Retirement System	48
Schedule of the Authority's Contributions – Pension Ohio Public Employees Retirement System	50
Schedule of the Authority's Proportionate Share of the Net OPEB Liability Ohio Public Employees Retirement System	52
Schedule of the Authority's Contributions – OPEB Ohio Public Employees Retirement System	53
Notes to the Required Supplementary Information	54
Supplementary Information:	
Entity Wide Balance Sheet Summary	56
Entity Wide Revenue and Expense Summary	58
Schedule of Expenditures of Federal Awards	63
Notes to the Schedule of Expenditures of Federal Awards	64
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*	65
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	67
Schedule of Findings	69

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INDEPENDENT AUDITOR'S REPORT

Dayton Metropolitan Housing Authority
Montgomery County
400 Wayne Avenue
Dayton Ohio 45410

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of Dayton Metropolitan Housing Authority, Montgomery County, Ohio (the Authority), as of and for the fiscal year ended June 30, 2020, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider 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 to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Dayton Metropolitan Housing Authority, as of June 30, 2020, and the changes in its financial position and its cash flows thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the financial impact of COVD-19 and the continuing emergency measures may impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole.

The Financial Data Schedules present additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents 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 not a required part of the financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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.

Keith Faber
Auditor of State
Columbus, Ohio

March 22, 2021

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As management of the Dayton Metropolitan Housing Authority (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

• Total assets and deferred outflows of the Authority exceeded its liabilities as of June 30, 2020 by $35,600,641 (an increase of $491,666, or 1.4 percent, from June 30, 2019)

Net investment in capital assets, $29,531,747 as of June 30, 2020 (a decrease of $2,299,699 or 7 percent, from June 30, 2019). Unrestricted net position totaled $4,397,817 as of June 30, 2020 (an increase of $2,127,013 from June 30, 2019).

• The Authority had total operating revenue of $45,974,294 (a decrease of $4,272,801 or 8.5 percent, from June 30, 2019). The Authority had total operating expenditures of $51,522,629 (a $1,594,470 increase, or 3 percent, from June 30, 2019) resulting in a net operating loss of $5,548,335 for the year ended June 30, 2020, and had other non-operating revenues, expenses and losses in a net amount of $329,407 and capital contributions in the amount of $6,369,408, resulting in an increase in total net position of $491,666 for the year.

• The Authority's capital additions for the year were $920,439.

USING THIS ANNUAL REPORT

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

MD&A
Management Discussion and Analysis

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

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

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

The focus of the *Statement of Net Position* is to represent the available assets, net of liabilities that are available to the Authority. Net position are reported in three broad categories.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dayton View Commons, LLC. – Dayton View Commons GP was established as single purpose for-profit corporation to manage the tax credit project Dayton View Commons. The development is operated by Dayton View Commons GP, Inc. as the general partner. The assets, liabilities, and results of operations for Dayton View Commons GP, Inc. are included as part of the accompanying financial statements. Dayton View Commons LP was dissolved due to the provisions of the tax credit agreement.

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

FINANCIAL ANALYSIS OF THE AUTHORITY

Statement of Net Position

The following table represents condensed Statements of Net Position.

	2020 (in thousands)	2019 (in thousands)
Assets and Deferred Outflows of Resources		
Current and Other Assets	$ 17,187	$ 16,309
Capital Assets	35,358	38,115
Other Non-Current Assets	9,171	6,493
Deferred Outflows of Resources	2,069	4,095
Total Assets and Deferred Outflows of Resources	63,785	65,012
Liabilities and Deferred Inflows of resources		
Current Liabilities	2,012	2,335
Non-Current Liabilities	22,769	26,989
Deferred Inflows of Resources	3,403	579
Total Liabilities and Deferred Inflows of Resources	28,184	29,903
Net Position		
Net Investment in Capital Assets	29,532	31,831
Restricted	1,671	1,007
Unrestricted	4,398	2,271
Total Net Position	$ 35,601	$ 35,109

By far the largest portion of the Authority's net position (83 percent) reflects its net investments in capital assets. The decrease from 2019 was primarily the net result of annual depreciation expenses. The Authority uses these capital assets (e.g., buildings, machinery, and equipment) to provide housing services to residents; consequently, these assets are not available for future spending. The unrestricted net position of the Authority are available for future use to provide program services. The increase in Unrestricted Net Position was primarily due to GASB 68 and GASB 75 Pension and OPEB Reporting.

Statements of Revenues, Expenses, and Changes in Net Position

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

	2020 (in thousands)	2019 (in thousands)
Revenue		
Tenant Rental Revenue	$ 5,380	$ 5,004
Government Operating Grants	39,043	43,457
Other Revenue	1,552	1,786
Total Operating Revenue	45,975	50,247
Expenses		
Operating Expenses		
Operating Expenses	23,346	23,396
Depreciation Expense	3,677	3,829
Housing Assistance Payments	24,500	22,703
Total Operating Expenses	51,523	49,928
Net Operating Gain/(Loss)	(5,548)	319
Non-Operating Revenue (Expenses)	(329)	(35)
Income Before Contributions	(5,877)	284
Capital Contributions	6,369	461
Change in Net Position	$ 492	$ 745
Total Net Position, Beginning	35,109	34,364
Total Net Assets, End of Year	$ 35,601	$ 35,109

During 2020, the net position of the Authority increased by a total of $491,666.

The Authority's revenues are largely governmental operating grants received from cost reimbursement and capital grants. The Authority draws down monies from the grant awards for allowable program expenses, except for non-cash transactions, such as depreciation expense and changes in compensated absences. The Authority's governmental operating grants and charges for services were not sufficient to cover all non-depreciation related expenses incurred during the year.

The Authority's operating grants decreased by $4,414,714, and operating expenses increased by $1,594,470. Section 8 Housing Assistance Payments increased by $1,797,234 from the previous year as a result of increased leasing.

Capital contributions increased by $5,907,927 to $6,369,408 during 2020 primarily due to investment in properties not owned by the Agency.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2020 the Authority's capital assets totaled $35,358,164 (capital assets net of accumulated depreciation) as reflected in the following schedule.

	2020 (in thousands)	2019 (in thousands)
Land	$ 9,521	$ 9,521
Buildings and Improvements	126,044	125,970
Equipment and Vehicles	5,924	5,888
Construction in Progress	755	1
Accumulated Depreciation	(106,886)	(103,265)
Total	$ 35,358	$ 38,115

The net increase in Buildings and Improvements is a result of the net purchase and disposals of properties. Additional information on the Authority's capital assets can be found on note 4 of this report.

Debt

As of June 30, 2020, the Authority had $5,826,417 of debt, a decrease of $456,923 from the prior year. The decrease was due to normal debt schedule payments made during the year.

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

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

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

During 2020 the Authority's net pension obligation decreased by $3,865,108.

Additional information on the Authority's long-term debt can be found on Note 5 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors were considered in preparing the Authority's budget for the 2020 fiscal year.

The Authority has continued to follow site-specific budgeting and accounting. Both FY2020 and FY2021 budgets were prepared using the site-specific format as directed by HUD. Under site-specific budget format, there are strict guidelines on how the Central Office Cost Center (COCC) will be funded. Funding for the COCC will be derived from fees charged to Asset Management Projects (AMP). The AMPs represent site-specific public housing areas and are managed as separate subsidiary organizations. As such, AMPs will have their own financial statements with revenues coming from subsidy transfers, rental accounts, and capital fund transfers. Oversight and supportive services will be provided on a fee basis by the Authority's COCC. Additional revenue for the COCC will be from the service fees charged to the Voucher programs and other smaller programs. Failing to maintain occupancy rates of 97 percent or higher for the AMPs will also reduce operating subsidy transfers from HUD.

Public housing operating subsidy revenue from HUD for FY2021 is expected to remain at its current low level (92%) of calculated amounts.

The Housing Choice Voucher (HCV) program generates revenue for operations from administrative fees earned from HUD. A portion of these revenues are paid to the COCC as fees for supportive services. At this time the COCC does not charge the HCV program the maximum rate for administrative fees so the HCV program can balance its administrative budget. In FY2021 the COCC will continue to give a discount to the HCV program if required. HCV revenues for FY2021 are expected to be consistent with or slightly lower than previous levels. The Authority expects HUD to continue withholds in the Administrative Fee schedule further reducing resources to administer the voucher programs.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Executive Officer, Dayton Metropolitan Housing Authority, 400 Wayne Avenue, Dayton, Ohio 45410, or call (937) 910- 7500.

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DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF NET POSITION
June 30, 2020

ASSETS	
Current Assets	
Cash and Cash Equivalents	12,931,728
Restricted Cash and Cash Equivalents	2,897,390
Accounts Receivable, Net:	
Tenants, Net of Allowance for Doubtful Accounts of $ 104,015	130,797
HUD	171,250
Other Receivables	367,068
Inventory, Net of Allowance for Obsolete Inventory of $ 19,236	621,974
Prepaid Expenses	67,195
Total Current Assets	17,187,402
Non-Current Assets	
Capital Assets	
Capital Assets , Not Depreciated	10,277,021
Capital Assets, Being Depreciated, Net of Accumulated Depreciation	25,081,143
Total Capital Assets	35,358,164
Notes, Loans, & Mortgages Receivable Non-Current	9,170,723
Pension Assets	-
Total Non-Current Assets	44,528,887
Total Assets	61,716,289
Deferred Outflows of Resources	
Pension	1,017,592
OPEB	1,050,921
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,068,513
LIABILITIES	
Current Liabilities	
Accounts Payable	50
Accrued Wages and Benefits	311,854
Accrued Liabilities - Other	23,511
Accrued Compensated Absences - Current Portion	227,029
Tenants' Security Deposits	297,376
Deferred Revenues	-
Other Current Liabilities	672,617
Current Portion of Note Payable	480,077
Total Current Liabilities	2,012,514
Non-Current Liabilities	
Notes Payable, Net of Current Portion	5,346,340
Compensated Absences, Net of Current Portion	1,162,452
Net Pension Liability	9,577,548
Net OPEB Liability	6,615,267
Other Non-Current Liabilities	67,445
Total Non-Current Liabilities	22,769,052
Total Liabilities	24,781,566
Deferred Inflows of Resources	
Pension	2,340,267
OPEB	1,062,328
Total Deferred Inflows of Resources	3,402,595
NET POSITION	
Net Investment in Capital Assets	29,531,747
Restricted	1,671,077
Unrestricted	4,397,817
TOTAL NET POSITION	$ 35,600,641

See accompanying notes to the financial statements.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2020

Operating Revenues	
Rental Revenue	$ 5,380,021
Governmental Revenue	39,042,803
Other Revenue	1,551,470
Total Operating Revenues	45,974,294
Operating Expenses	
Administrative Expense	10,078,863
Tenant Services	334,430
Utilities Expense	2,446,125
Ordinary Maintenance and Operations	7,718,859
Protective Services	522,449
General Expenses	2,245,297
Housing Assistance Payments	24,499,712
Depreciation and Amortization	3,676,894
Total Operating Expenses	51,522,629
Operating Loss	(5,548,335)
Nonoperating Revenues (Expenses)	
Interest and Investment Income	47,825
Interest Expense	(357,152)
Insurance Proceeds/(Casualty Losses)	(20,073)
Gain/(Loss) on Disposal of Capital Assets	(7)
Total Nonoperating Revenues (Expenses)	(329,407)
Income Before Contributions	(5,877,742)
Capital Contributions	6,369,408
Net Change in Net Position	491,666
Net Position - Beginning of Year	35,108,975
Net Position - End of Year	$ 35,600,641

See accompanying notes to the financial statements.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2020

Cash Flows from Operating Activities	
Receipts from Residents and Other Deposits	$ 5,310,383
Governmental Operating Revenues	38,976,768
Other Receipts	1,518,994
Administrative Expenses	(10,078,863)
Other Operating Expenses	(12,108,561)
Housing Assistance Payments	(24,499,712)
Net Cash Provided by Operating Activities	(880,991)
Cash Flows from Capital and Related Financing Activities	
Capital Assets Additions	(920,439)
Debt Proceeds/Insurance Proceeds/(Casualty Loss)	(20,073)
Principal Paid on Debt	(456,923)
Cash from Disposal of Assets	(12)
Interest Paid on Debt	(357,152)
Capital Grants	6,369,408
Net Cash Provided by Capital and Related Financing Activities	4,614,809
Cash Flows from Investing Activities	
Investment Income	47,825
Investment in Notes Receivable	(2,717,020)
Proceeds from sales of non-current assets	-
Net Cash Used in Investing Activities	(2,669,195)
Net (Increase) in Cash and Cash Equivalents	1,064,623
Cash and Cash Equivalents - Beginning of Year	14,764,495
Cash and Cash Equivalents - End of Year	$ 15,829,118
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities	
Operating Income/(Loss)	$ (5,548,335)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	3,676,894
Decrease/(Increase) in Deferred Outflows and Pension Assets	2,065,496
Decrease/(Increase) in Tenant Receivables	(113,806)
Decrease/(Increase) in HUD Receivables	99,935
Decrease/(Increase) in Other Assets/Receivables	(32,476)
Decrease/(Increase) in Inventory	5,184
Decrease/(Increase) in Prepaid Expenses	227,753
Increase/(Decrease) in Accrued Wages and Benefits Payable	(38,399)
Increase/(Decrease) in Security Deposits	44,168
Increase/(Decrease) in Accounts Payable	(91,870)
Increase/(Decrease) in Compensated Absences	114,181
Increase/(Decrease) in Accrued Liabilities	23,511
Increase/(Decrease) in Unearned Revenue	(165,970)
Increase/(Decrease) in Net Pension/ OPEB Liability	(3,865,108)
Increase/(Decrease) in Deferred Inflows	2,823,311
Increase/(Decrease) in Other Liabilities	(105,460)
Net Cash Provided by Operating Activities	$ (880,991)

See accompanying notes to the financial statements.

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NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **Description of the Entity and Programs**

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

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

Reporting Entity – The accompanying basic financial statements comply with the provisions of the Governmental Accounting Standard Board (GASB) Statement 14, *The Financial Reporting Entity*, as amended by GASB Statements 39 and 80 in that the financial statements include all divisions and operations for which the Authority is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's government board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefits to, or to impose specific financial burdens on, the primary government/component unit. On this basis, four governmental organization other than the Authority itself are included in the financial reporting entity as blended component units.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dayton View Commons, LLC – Dayton View Commons GP was established as single purpose for-profit corporation to manage the tax credit project Dayton View Commons. The development is operated by Dayton View Commons GP, Inc. as the general partner. The assets, liabilities, and results of operations for Dayton View Commons GP, Inc. are included as part of the accompanying financial statements. Dayton View Commons LP was dissolved due to the provisions of the tax credit agreement.

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

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

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

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

B. **Summary of Significant Accounting Policies**

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

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

Cash and Cash Equivalents – During fiscal year 2020, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio investment programs are a very liquid investment and are reported as a cash equivalent in the basic financial statements.

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

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

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

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes

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

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

Investments – The provisions of HUD Regulations restrict investments. Investments are valued at amortized cost.

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

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

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

Equipment and vehicles	3-7 years
Building and site improvements	15 years
Buildings	40 years

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 7 and 8.

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 7 and 8.

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

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

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

NOTE 2: **CHANGE IN ACCOUNTING PRINCIPLE**

For the fiscal year ended June 30, 2020, the following have been implemented Governmental Accounting Standards Board (GASB) Statement No. 83, Certain Asset Retirement Obligations and GASB No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.

GASB Statement No. 83 sets out to address the accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The implementation of GASB Statement No. 83 did not have an effect on the financial statements.

GASB Statement No. 88 sets out to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. If applicable, GASB Statement No. 88 has been implemented in the notes to financial statements.

NOTE 3: DEPOSITS AND INVESTMENTS

A. Deposits

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

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

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

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

Protection of Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At fiscal year end, the carrying amount of the Authority's deposits totaled $13,127,481, of which $2,600 was held in petty cash. The corresponding bank balances totaled $13,557,627. Based on criteria described in GASB Statement No. 40, " Deposit and Investment Risk Disclosure," as of June 30, 2020, $12,808,752 was exposed to custodial risk as discussed below, while $748,875 was covered by the Federal Depository Insurance Corporation.

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

A. **Deposits** (Continued)

Custodial credit risk is the risk that in the event of a bank failure the Authority will not be able to deposits or collateral securities that are in the possession of an outside party. The Authority has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Authority's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the Authority's financial institutions were approved for a reduced collateral rate through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Authority to a successful claim by the FDIC.

B. **Investments**

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

The Authority's investments at June 30, 2020 were as follows:

Uncategorized Investments	Fair Value	Weighted Average Maturity	Rating
STAR Ohio	$2,701,637	60.0 days	AAAm*

*Standard & Poor's

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

B. **Investments** (Continued)

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

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority's investments in STAR Ohio are rated AAAm by Standards and Poor's.

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

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

A reconciliation of Cash, Cash Equivalents and Investments is as follows:

	Cash and Cash Equivalents *	Investments
Per Statement of Net Position	$ 15,829,118	$ -
STAR Ohio	(2,701,637)	2,701,637
Per GASB Statement No. 3	$ 13,127,481	$ 2,701,637

* Includes restricted cash and cash equivalents.

Restricted equity consists of the following:

Replacement Reserves	$ 1,250,800
Proceeds from Public Housing Dispositions	239,911
Housing Choice Voucher HAP Funding	180,366
	$ 1,671,077

NOTE 4: **CAPITAL ASSETS**

A summary of changes in the Authority's capital assets for the year ended June 30, 2020 follows:

	Balance 06/30/19	Additions	Deletions	Reclasses	Balance 06/30/20
Capital assets not being depreciated:					
Land	$ 9,521,703		$ (168)	$ -	$ 9,521,535
Construction in Progess	-	755,486	-	-	755,486
Total not being depreciated	9,521,703	755,486	(168)	-	10,277,021
Capital assets being depreciated:					
Buildings and improvements	125,970,214	73,281			126,043,495
Equipment and vechicles	5,888,213	91,672	(56,331)		5,923,554
Subtotal Capital Assets being depreciated	131,858,427	164,953	(56,331)	-	131,967,049
Total cost	141,380,130	920,439	(56,499)	-	142,244,070
Accummulated Depreciation:					
Buildings and improvements	98,084,346	3,532,395		-	101,616,741
Equipment and vehicles	5,180,999	144,497	(56,331)	-	5,269,165
Total Accumulated Depreciation	103,265,345	3,676,892	(56,331)	-	106,885,906
Total Capital Assets, Net	$ 38,114,785	$ (2,756,453)	$ (168)	$ -	$ 35,358,164

During the year, the Authority continued with HUD approved sales and demolition of various projects.

NOTE 5: **LONG-TERM OBLIGATIONS**

Changes in the Authority's long-term obligations during fiscal year 2020 are as follows:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Fannie Mae note	$ 6,156,209	$ 0	$ 444,418	$ 5,711,791	$ 467,572
County Corp note	127,131	0	12,505	114,626	12,505
Net Pension Liability/OPEB	20,057,923	0	3,865,108	16,192,813	0
Compensated absences	1,275,301	313,178	198,998	1,389,481	227,029
Total	$ 27,616,564	$ 313,178	$4,521,029	$ 23,408,713	$ 707,106

NOTE 5: **LONG-TERM OBLIGATIONS (**Continued)

The Fannie Mae Modernization note matures as follows:

CFFP - Deutsche Bank			
Year ended June 30	Principal Amount	Interest Amount	Total
2021	467,572	329,988	797,560
2022	496,411	301,149	797,560
2023	527,028	270,532	797,560
2024	559,534	238,026	797,560
2025	594,045	203,515	797,560
2026-2030	3,067,201	428,631	3,495,832
Total	$ 5,711,791	$ 1,771,841	$ 7,483,632

The County Corp. note matures as follows:

County Corp			
Year ended June 30	Principal Amount	Interest Amount	Total
2021	$ 12,505	$ -	$ 12,505
2022	12,505	-	12,505
2023	12,505		12,505
2024	12,505		12,505
2025	12,505		12,505
2026-2030	52,101	-	52,101
Total	$ 114,626	$ -	$ 114,626

NOTE 6: **RISK MANAGEMENT**

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

NOTE 6: **RISK MANAGEMENT** (Continued)

The Authority is covered for property damage, general liability, automobile liability, public official's liability, and other crime liabilities through membership in the Ohio Housing Authority Property Casualty, Inc. (OHAPCI) and the Public Entity Risk Consortium (PERC). OHAPCI is an insurance risk sharing and purchasing pool comprised of three Ohio housing authorities. PERC is an Ohio public entity joint self-insurance pool restricted to mid-size public entities including pools (of which OHAPCI is a member).

OHAPCI is a corporation governed by a board of trustees, consisting of a representative appointed by each of the member housing authorities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. The board is responsible for its own financial matters, and the corporation maintains its own books of account. Budgeting and financing of OHAPCI is subject to the approval of the board. The following is a summary of insurance coverage in effect as of June 30, 2020:

Coverage	Limit
Real & Personal Property	$250,000,000
General Liability	8,000,000
Automobile	8,000,000
Public Officials	8,000,000
Crime	1,000,000
Pollution	1,000,000
Boiler & Machinery	100,000,000

As of June 30, 2020, the pool maintained a reserve in excess of actual and estimated claims relative to the Authority. During the year, settled claims for the Authority did not exceed the coverage provided by OHAPCI.

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

NOTE 7: **DEFINED BENEFIT PENSION PLANS**

Net Pension Liability

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

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (Continued)

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

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

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

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

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 7: **DEFINED BENEFIT PENSION PLANS** (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.

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

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

NOTE 7: DEFINED BENEFIT PENSION PLANS (Continued)

	State and Local
2019-2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2019-2020 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 portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for calendar years 2019-2020 for the Traditional and Combined plans. The portion of the employer's contribution allocated to health care was 4% for the Member-Directed plan for calendar years 2019-2020. The Authority's contractually required contributions used to fund pension benefits was $971,288 for fiscal year ending June 30, 2020.

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

The net pension liability/asset for OPERS was measured as of December 31, 2019, 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 7: DEFINED BENEFIT PENSION PLANS (Continued)

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.050050%	0.353060%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	0.488010%	0.327550%	
Change in Proportionate Share	-0.001249%	-0.002551%	
Proportionate Share of the Net Pension Liability/(Asset)	$ 9,645,850	$ (68,302)	$ 9,557,548
Pension Expense	$ 1,352,774	$ (1,527)	$ 1,351,247

At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Changes of assumptions	$ 515,201	$ 7,042	$ 522,243
Changes in proportion and differences between Authority contributions and proportionate share of contributions	0	6,393	6,393
Authority contributions subsequent to the measurement date	479,449	9,507	488,956
Total Deferred Outflows of Resources	$ 994,650	$ 22,942	$ 1,017,592
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$ 1,924,128	$ 8,860	$ 1,932,988
Differences between expected and actual experience	121,959	16,033	137,992
Changes in proportion and differences between Authority contributions and proportionate share of contributions	261,960	7,327	269,287
Total Deferred Inflows of Resources	$ 2,308,047	$ 32,220	$ 2,340,267

NOTE 7: <u>DEFINED BENEFIT PENSION PLANS</u> (Continued)

$488,956 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Pension Plan	OPERS Combined Plan	Total
Year Ending June 30:			
2021	$ (427,868)	$ (4,674)	$ (432,542)
2022	(680,649)	(4,507)	(685,156)
2023	79,678	(2,034)	77,644
2024	(764,007)	(5,275)	(769,282)
2025	0	(971)	(971)
Thereafter	0	(1,324)	(1,324)
Total	$(1,792,846)	$ (18,785)	$(1,811,631)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 1.40 percent, simple through 2020, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (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 most recent experience study was completed for the five-year period ended December 31, 2015.

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

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, and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2 percent for 2019.

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 2019 and the long-term expected real rates of return:

NOTE 7: **DEFINED BENEFIT PENSION PLANS** (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

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	$ 15,909,126	$ 9,645,849	$ 4,015,346
Combined Plan	$ (41,271)	$ (68,302)	$ (87,783)

NOTE 8: **DEFINED BENEFIT OPEB PLANS**

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.

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. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in accrued wages and benefits.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (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. During 2019, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In calendar years 2019-2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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 years 2019-2020. 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 2019-2020 was 4.0 percent.

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution allocated to health care was $7,522 for fiscal year 2020.

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 for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, 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	0.048707%
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.047893%
Change in Proportionate Share	-0.000814%
Proportionate Share of the Net OPEB Liability	$ 6,615,267
OPEB Expense	$ 640,099

At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Differences between expected and actual experience	$ 177
Changes of assumptions	1,047,125
Authority contributions subsequent to the measurement date	3,619
Total Deferred Outflows of Resources	$ 1,050,921
Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 336,848
Differences between expected and actual experience	604,996
Changes in proportion and differences between Authority contributions and proportionate share of contributions	120,484
Total Deferred Inflows of Resources	$ 1,062,328

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

$3,619 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in fiscal year 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending June 30:	
2021	$ 76,649
2022	51,998
2023	267
2024	(143,940)
Total	$ (15,026)

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, 2018, rolled forward to the measurement date of December 31, 2019. 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	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	2.75 percent
Health Care Cost Trend Rate	10.5 percent initial, 3.50 percent ultimate in 2030
Actuarial Cost Method	Individual Entry Age

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (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 2019, 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 19.70 percent for 2019.

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 2019 and the long-term expected real rates of return:

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

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 2.75 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 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of 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 3.16 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 (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
Authority's proportionate share of the net OPEB liability	$ 8,657,139	$ 6,615,267	$ 4,980,393

NOTE 8: **DEFINED BENEFIT OPEB PLANS** (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 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is 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 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	$ 6,420,057	$ 6,615,267	$ 6,807,990

Changes Between Measurement Date and Report Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

NOTE 9: **CONTINGENCIES**

Litigations and Claims

In the normal course of operations, the Authority may be subjected to litigation and claims. At June 30, 2020, the Authority is involved in several matters. While the outcome of these matters cannot be presently determined, management believes that the ultimate resolution will not have a material effect of the financial statements.

NOTE 10: **COVID - 19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. The investments of the pension and other employee benefit plan in which the Authority participates have fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Authority's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 11: **Subsequent Events**

On October 21, 2020 the Board approved the issuance of revenue obligation of the Authority in one or more series in the aggregate amount not to exceed $15,550,000.

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Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System
Last Seven Fiscal Years (1)

Traditional Plan	**2020**	**2019**	**2018**
Authority's Proportion of the Net Pension Liability	0.048801%	0.050050%	0.051817%
Authority's Proportionate Share of the Net Pension Liability	$ 9,645,850	$ 13,707,680	$ 8,129,083
Authority's Covered Payroll	$ 6,866,236	$ 6,760,156	$ 6,847,639
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.48%	202.77%	118.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%

Combined Plan	**2020**	**2019**	**2018**
Authority's Proportion of the Net Pension Asset	0.032755%	0.035306%	0.029073%
Authority's Proportionate Share of the Net Pension (Asset)	$ (68,302)	$ (39,480)	$ (39,578)
Authority's Covered Payroll	$ 145,808	$ 151,000	$ 119,069
Authority's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	46.84%	26.15%	33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	145.28%	126.64%	137.28%

(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.

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

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

Dayton Metropolitan Housing Authority
Montgomery County
Required Supplementary Information
Schedule of the Authority's Contributions - Pension
Ohio Public Employees Retirement System
Last Eight Fiscal Years (1)

	2020	2019	2018
Contractually Required Contributions			
Traditional Plan	$ 952,748	$ 957,325	$ 918,717
Combined Plan	18,540	22,302	15,975
Total Required Contributions	971,288	979,627	934,692
Contributions in Relation to the Contractually Required Contribution	(971,288)	(979,627)	(934,692)
Contribution Deficiency / (Excess)	$ 0	$ 0	$ 0
Authority's Covered Payroll			
Traditional Plan	$ 6,805,343	$ 6,838,036	$ 6,803,710
Combined Plan	$ 132,429	$ 159,300	$ 118,305
Pension Contributions as a Percentage of Covered Payroll			
Traditional Plan	14.00%	14.00%	13.50%
Combined Plan	14.00%	14.00%	13.50%

(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

2017	2016	2015	2014	2013
$ 881,192	$ 736,730	$ 688,100	$ 700,539	$ 772,257
20,089	16,210	12,866	6,493	11,297
901,281	752,940	700,966	707,032	783,554
(901,281)	(752,940)	(700,966)	(707,032)	(783,554)
$ 0	$ 0	$ 0	$ 0	$ 0
$ 7,060,833	$ 6,139,417	$ 5,734,167	$ 5,837,825	$ 5,940,438
$ 160,970	$ 135,083	$ 107,217	$ 54,108	$ 86,900
12.48%	12.00%	12.00%	12.00%	13.00%
12.48%	12.00%	12.00%	12.00%	13.00%

Dayton Metropolitan Housing Authority
Montgomery County
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System
Last Four Fiscal Years (1)

	2020	**2019**	**2018**	**2017**
Authority's Proportion of the Net OPEB Liability	0.047893%	0.048707%	0.050170%	0.050610%
Authority's Proportionate Share of the Net OPEB Liability	$ 6,615,267	$ 6,350,243	$ 5,448,092	$ 5,111,782
Authority's Covered Payroll	$ 7,012,044	$ 6,911,156	$ 6,966,708	$ 6,923,625
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	94.34%	91.88%	78.20%	73.83%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.05%

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

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

See accompanying notes to the required supplementary information.

Dayton Metropolitan Housing Authority
Montgomery County
Required Supplementary Information
Schedule of the Authority's Contributions - OPEB
Ohio Public Employees Retirement System
Last Six Fiscal Years (1)

	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 7,522	$ 8,290	$ 41,051	$ 112,879	$ 126,958	$ 118,019
Contributions in Relation to the Contractually Required Contribution	(7,522)	(8,290)	(41,051)	(112,879)	(126,958)	(118,019)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Authority Covered Payroll	$ 6,937,772	$ 6,997,336	$ 6,922,015	$ 7,221,803	$ 6,274,500	$ 5,841,384
Contributions as a Percentage of Covered Payroll	0.11%	0.12%	0.59%	1.56%	2.02%	2.02%

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

See accompanying notes to the required supplementary information

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2020.

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

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2018-2020.

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

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DAYTON METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE BALANCE SHEET SUMMARY

JUNE 30, 2020

	Project Total	14.892 Choice Neighborhoods Planning Grants	6.2 Component Unit - Blended	14.895 Jobs-Plus Pilot Initiative	14.182 N/C S/R Section 8 Programs	1 Business Activities
111 Cash - Unrestricted	$5,463,761	$9,502	$1,124,205	$20,103	$50,351	$1,991,528
112 Cash - Restricted - Modernization and Development			1,250,800			
113 Cash - Other Restricted	67,484		96,959			
114 Cash - Tenant Security Deposits	357,398		14,546			900
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	5,888,643	9,502	2,486,510	20,103	50,351	1,992,428
121 Accounts Receivable - PHA Projects	14,300					
122 Accounts Receivable - HUD Other Projects		98,247		36,676	0	
125 Accounts Receivable - Miscellaneous	272,487	25,884	27,121	268		
126 Accounts Receivable - Tenants	214,461		18,130			1,164
126.1 Allowance for Doubtful Accounts -Tenants	(88,480)		(14,324)			(1,211)
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	412,768	124,131	30,927	36,944	0	(47)
131 Investments - Unrestricted						
142 Prepaid Expenses and Other Assets	62,992		2,513			
143 Inventories	632,222		8,988			
143.1 Allowance for Obsolete Inventories	(18,966)		(270)			
150 Total Current Assets	6,977,659	133,633	2,528,668	57,047	50,351	1,992,381
161 Land	8,107,480		64,000			5,292
162 Buildings	118,676,135		1,787,550			140,276
163 Furniture, Equipment & Machinery - Dwellings	847,734					
164 Furniture, Equipment & Machinery - Administration	3,288,669		42,323			
166 Accumulated Depreciation	(99,837,841)		(1,065,447)			(61,094)
167 Construction in Progress	208,989		560,798			
160 Total Capital Assets, Net of Accumulated Depreciation	31,291,166	0	1,389,224	0	0	84,474
171 Notes, Loans and Mortgages Receivable - Non-Current	9,170,723				0	
180 Total Non-Current Assets	40,461,889	0	1,389,224	0	0	84,474
200 Deferred Outflow of Resources	1,009,330		34,461			
290 Total Assets and Deferred Outflow of Resources	48,448,878	133,633	3,952,353	57,047	50,351	2,076,855
312 Accounts Payable <= 90 Days						
321 Accrued Wage/Payroll Taxes Payable	149,716		4,604			
322 Accrued Compensated Absences - Current Portion	114,839		1,515	673		
324 Accrued Contingency Liability	23,511					
325 Accrued Interest Payable			35			
331 Accounts Payable - HUD PHA Programs					25,876	
341 Tenant Security Deposits	281,930		14,546			900
342 Unearned Revenue	0				0	
343 Current Portion of Long-term Debt - Capital Projects/Mortgage	467,572					
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities	71,201	33	111,353	13		
346 Accrued Liabilities - Other	107,821		114,626		146	
310 Total Current Liabilities	1,216,590	33	246,679	686	26,022	900
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	5,244,219		0		0	
353 Non-current Liabilities - Other	3,054		125			
354 Accrued Compensated Absences - Non Current	527,828		8,585	3,814		
357 Accrued Pension and OPEB Liabilities	7,901,282		269,771		0	
350 Total Non-Current Liabilities	13,676,383	0	278,481	3,814	0	0
300 Total Liabilities	14,892,973	33	525,160	4,500	26,022	900
400 Deferred Inflow of Resources	1,660,296		56,687			
508.4 Net Investment in Capital Assets	25,579,375		1,389,224			84,474
511.4 Restricted Net Position	142,952		1,347,759			
512.4 Unrestricted Net Position	6,173,282	133,600	633,523	52,547	24,329	1,991,481
513 Total Equity - Net Assets / Position	31,895,609	133,600	3,370,506	52,547	24,329	2,075,955
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$48,448,878	$133,633	$3,952,353	$57,047	$50,351	$2,076,855

14.866 Revitalization of Severely Distressed	2 State/Local	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
	$73,233		$39,440		$1,512,365	$10,284,488		$10,284,488
						1,250,800		1,250,800
		467,985		460,946		1,093,374		1,093,374
						372,844		372,844
		180,372				180,372		180,372
0	73,233	648,357	39,440	460,946	1,512,365	13,181,878		13,181,878
						14,300		14,300
		0	36,327		0	171,250		171,250
		7,864			3,261	336,885		336,885
						233,755		233,755
						(104,015)		(104,015)
		17,509				17,509		17,509
		(2,626)				(2,626)		(2,626)
0	0	22,747	36,327	0	3,261	667,058		667,058
	1,115,232				1,535,267	2,650,499		2,650,499
	1	1,186			501	67,193		67,193
						641,210		641,210
						(19,236)		(19,236)
0	1,188,466	672,290	75,767	460,946	3,051,394	17,188,602		17,188,602
827,588	460,335				56,839	9,521,534		9,521,534
2,168,842	3,241,372				15,019	126,029,194		126,029,194
					14,069	861,803		861,803
	103,319	301,306			1,326,132	5,061,749		5,061,749
(1,722,266)	(2,645,610)	(257,871)			(1,295,775)	(106,885,904)		(106,885,904)
						769,787		769,787
1,274,164	1,159,416	43,435	0	0	116,284	35,358,163		35,358,163
						9,170,723		9,170,723
1,274,164	1,159,416	43,435	0	0	116,284	44,528,886		44,528,886
		274,471			750,251	2,068,513		2,068,513
1,274,164	2,347,882	990,196	75,767	460,946	3,917,929	63,786,001		63,786,001
		50				50		50
		76,455			81,079	311,854		311,854
		33,491	2,955		73,556	227,029		227,029
						23,511		23,511
						35		35
						25,876		25,876
						297,376		297,376
				460,946		460,946		460,946
						467,572		467,572
		43,191			197,276	423,067		423,067
			1,190			223,783		223,783
0	0	153,187	4,145	460,946	351,911	2,461,099		2,461,099
						5,244,219		5,244,219
		64,269				67,448		67,448
		188,663	16,746		416,816	1,162,452		1,162,452
		2,148,626			5,873,134	16,192,813		16,192,813
0	0	2,401,558	16,746	0	6,289,950	22,666,932		22,666,932
0	0	2,554,745	20,891	460,946	6,641,861	25,128,031		25,128,031
		451,490			1,234,122	3,402,595		3,402,595
1,274,164	1,159,416	43,435		0	116,283	29,646,371		29,646,371
		635,972		0		2,126,683		2,126,683
0	1,188,466	(2,695,446)	54,876	0	(4,074,337)	3,482,321		3,482,321
1,274,164	2,347,882	(2,016,039)	54,876	0	(3,958,054)	35,255,375		35,255,375
$1,274,164	$2,347,882	$990,196	$75,767	$460,946	$3,917,929	$63,786,001		$63,786,001

DAYTON METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED: JUNE 30, 2020

	Project Total	14.892 Choice Neighborhoods Planning Grants	6.2 Component Unit - Blended	14.895 Jobs-Plus Pilot Initiative	14.182 N/C S/R Section 8 Programs	1 Business Activities
70300 Net Tenant Rental Revenue	$5,192,168	$0	$149,726	$0	$0	$13,274
70400 Tenant Revenue - Other	25,492		380			
70500 Total Tenant Revenue	5,217,660	0	150,106	0	0	13,274
70600 HUD PHA Operating Grants	9,640,567		84,162		169,721	
70610 Capital Grants	3,670,971		2,100,156	621,489		
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue						
70800 Other Government Grants		400,506				
71100 Investment Income - Unrestricted	2,700	3	27		4	360
71400 Fraud Recovery						
71500 Other Revenue	389,557	6,000	15,680		226	254,856
71600 Gain or Loss on Sale of Capital Assets	2,391					
70000 Total Revenue	18,923,846	406,509	2,350,131	621,489	169,951	268,490
91100 Administrative Salaries	1,477,894		19,073	59,547	17,136	493
91200 Auditing Fees	20,065		475		135	
91300 Management Fee	2,478,721		27,518		10,512	1,855
91310 Book-keeping Fee	227,597		3,053		6,573	90
91500 Employee Benefit contributions - Administrative	590,819		7,907	15,378	4,884	
91600 Office Expenses	612,142	382,024	10,090	196,128	2,400	377,612
91700 Legal Expense	1,176					
91900 Other	40,055		1,896	265,642	281	49,893
91000 Total Operating - Administrative	5,448,469	382,024	70,012	536,695	41,921	429,943
92000 Asset Management Fee	334,170		3,250			
92100 Tenant Services - Salaries	80,041		1,081	20,849		
92300 Employee Benefit Contributions - Tenant Services	41,115		555	7,933		
92400 Tenant Services - Other	27,228		241	24	15	
92500 Total Tenant Services	148,384	0	1,877	28,806	15	0
93100 Water	460,686		13,804			229
93200 Electricity	1,157,780		11,380			972
93300 Gas	331,019		2,302	8,707		929
93600 Sewer	396,455		18,404			142
93000 Total Utilities	2,345,940	0	45,890	8,707	0	2,272
94100 Ordinary Maintenance and Operations - Labor	1,990,292		48,131			
94200 Ordinary Maintenance and Operations - Materials and Other	862,433		7,833		75	
94300 Ordinary Maintenance and Operations Contracts	2,947,045		89,216	1,240	1,959	7,997
94500 Employee Benefit Contributions - Ordinary Maintenance	1,004,659		18,837			
94000 Total Maintenance	6,804,429	0	164,017	1,240	2,034	7,997
95100 Protective Services - Labor	50,881		687			
95200 Protective Services - Other Contract Costs	437,447		4,132		16	
95300 Protective Services - Other			209			
95500 Employee Benefit Contributions - Protective Services	27,179		232			
95000 Total Protective Services	515,507	0	5,260	0	16	0
96110 Property Insurance	1,004,573		38,349		176	
96130 Workmen's Compensation	101,460	(384)	883	2,030	411	
96140 All Other Insurance	4,146					
96100 Total insurance Premiums	1,110,179	(384)	39,232	2,030	587	0
96200 Other General Expenses	252,274		993			
96210 Compensated Absences	75,949		10,009	3,310	1,435	
96300 Payments in Lieu of Taxes	83,593		739			7,552
96400 Bad debt - Tenant Rents	172,557					
96600 Bad debt - Other	123					
96800 Severance Expense	14,244				9	
96000 Total Other General Expenses	598,740	0	11,741	3,310	1,444	7,552

14.866 Revitalization of Severely Distressed	2 State/Local	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
$0	$0	$0	$0	$0	$0	$5,355,168	$0	$5,355,168
						25,872		25,872
0	0	0	0	0	0	5,381,040	0	5,381,040
		26,859,479				36,753,929		36,753,929
						6,392,616		6,392,616
					3,174,002	3,174,002	(3,174,002)	0
					337,420	337,420	(337,420)	0
					646,931	646,931	(646,931)	0
					70,656	70,656	(70,656)	0
					383,581	383,581		383,581
					4,612,590	4,612,590	(4,229,009)	383,581
991,009			189,951		1,571	1,583,037		1,583,037
	19,151	262			25,317	47,824		47,824
		13,558				13,558		13,558
	5,000	19,712				691,031		691,031
						2,391		2,391
991,009	24,151	26,893,011	189,951	0	4,639,478	55,478,016	(4,229,009)	51,249,007
	43,405	991,804			2,175,483	4,784,835		4,784,835
		7,785			7,200	35,660		35,660
		655,398				3,174,004	(3,174,002)	2
		409,621				646,934	(646,931)	3
	7,814	418,521			966,013	2,011,336		2,011,336
30,000	2,471	177,333			198,451	1,988,651		1,988,651
						1,176		1,176
673,088	2,762	18,282			90,675	1,142,574		1,142,574
703,088	56,452	2,678,744	0	0	3,437,822	13,785,170	(3,820,933)	9,964,237
						337,420	(337,420)	0
			119,910			221,881		221,881
			34,581			84,184		84,184
		857				28,365		28,365
0	0	857	154,491	0	0	334,430	0	334,430
					1,116	475,835		475,835
					39,625	1,209,757		1,209,757
					4	342,961		342,961
					2,571	417,572		417,572
0	0	0	0	0	43,316	2,446,125	0	2,446,125
					83,319	2,121,742		2,121,742
		4,828			18,588	893,757		893,757
287,920		125,758			254,556	3,715,691	(70,656)	3,645,035
					34,829	1,058,325		1,058,325
287,920	0	130,586	0	0	391,292	7,789,515	(70,656)	7,718,859
						51,568		51,568
		939			727	443,261		443,261
						209		209
						27,411		27,411
0	0	939	0	0	727	522,449	0	522,449
		9,705			7,821	1,060,624		1,060,624
	1,084	23,788	2,572		55,228	187,072		187,072
						4,146		4,146
0	1,084	33,493	2,572	0	63,049	1,251,842	0	1,251,842
		15,588			920	269,775		269,775
	(6,846)	83,055	(7,994)		40,080	198,998		198,998
					6,864	98,748		98,748
						172,557		172,557
		(8,278)				(8,155)		(8,155)
		496			2,367	17,116		17,116
0	(6,846)	90,861	(7,994)	0	50,231	749,039	0	749,039

DAYTON METROPOLITAN HOUSING AUTHORITY
SUPPLEMENTAL FINANCIAL SCHEDULE
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
FOR THE FISCAL YEAR ENDED: JUNE 30, 2020

	Project Total	14.892 Choice Neighborhoods Planning Grants	6.2 Component Unit - Blended	14.895 Jobs-Plus Pilot Initiative	14.182 N/C S/R Section 8 Programs	1 Business Activities
96710 Interest of Mortgage (or Bonds) Payable	357,152					
96700 Total Interest Expense and Amortization Cost	357,152	0	0	0	0	0
96900 Total Operating Expenses	17,662,970	381,640	341,279	580,788	46,017	447,764
97000 Excess of Operating Revenue over Operating Expenses	1,260,876	24,869	2,008,852	40,701	123,934	(179,274)
97200 Casualty Losses - Non-capitalized	20,359				(5)	
97300 Housing Assistance Payments					114,280	
97400 Depreciation Expense	3,302,225		101,502			4,295
97800 Dwelling Units Rent Expense	244,413					
90000 Total Expenses	21,229,967	381,640	442,781	580,788	160,292	452,059
10091 Inter Project Excess Cash Transfer In	1,778,903					
10092 Inter Project Excess Cash Transfer Out	(1,778,904)					
10093 Transfers between Program and Project - In	20,398		73,440			
10094 Transfers between Project and Program - Out	(89,062)					
10100 Total Other financing Sources (Uses)	(68,665)	0	73,440	0	0	0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	($2,374,786)	$24,869	$1,980,790	$40,701	$9,659	($183,569)
11020 Required Annual Debt Principal Payments	$451,817	$0	$0	$0	$0	$0
11030 Beginning Equity	$34,270,393	$108,731	$707,093	$11,846	$14,670	$2,259,524
11040 Prior Period Adjustments, Equity Transfers and Correction of	$2	$0	$682,623		$0	
11170 Administrative Fee Equity						
11180 Housing Assistance Payments Equity						
11190 Unit Months Available	30,790		244			12
11210 Number of Unit Months Leased	29,494		141			12
11270 Excess Cash	$3,611,851					
11610 Land Purchases	$0					
11620 Building Purchases	$35,333					
11630 Furniture & Equipment - Dwelling Purchases	$36,017					
11640 Furniture & Equipment - Administrative Purchases	$28,559					
11650 Leasehold Improvements Purchases	$262,018					
11660 Infrastructure Purchases	$0					
13510 CFFP Debt Service Payments	$449,101					
13901 Replacement Housing Factor Funds	$0	$0	$0	$0	$0	$0

14.866 Revitalization of Severely Distressed	2 State/Local	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
						357,152		357,152
0	0	0	0	0	0	357,152	0	357,152
991,008	50,690	2,935,480	149,069	0	3,986,437	27,573,142	(4,229,009)	23,344,133
1	(26,539)	23,957,531	40,882	0	653,041	27,904,874	0	27,904,874
		(281)				20,073		20,073
		24,385,432				24,499,712		24,499,712
125,693	111,129	14,430			17,620	3,676,894		3,676,894
						244,413		244,413
1,116,701	161,819	27,335,061	149,069	0	4,004,057	56,014,234	(4,229,009)	51,785,225
						1,778,903		1,778,903
						(1,778,904)		(1,778,904)
					(4,782)	89,056		89,056
						(89,062)		(89,062)
0	0	0	0	0	(4,782)	(7)	0	(7)
($125,692)	($137,668)	($442,050)	$40,882	$0	$630,639	($536,225)	$0	($536,225)
$0	$0	$0	$0	$0	$0	$451,817		451,817
$1,399,856	$2,485,550	($1,573,989)	$13,994	$0	($4,588,693)	$35,108,975		35,108,975
		$0			$0	$682,625		682,625
		($2,652,011)				($2,652,011)		(2,652,011)
		$635,972				$635,972		635,972
		50,700				81,746		81,746
		46,369				76,016		76,016
						$3,611,851		3,611,851
					$0	$0		0
					$0	$35,333		35,333
					$0	$36,017		36,017
					$0	$28,559		28,559
					$0	$262,018		262,018
					$0	$0		0
					$0	$449,101		449,101
$0	$0	$0	$0	$0	$0	$0		0

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DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal CFDA Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Program		
Section 8 Project-Based Cluster:		
Lower Income Housing Assistance Program Section 8 New Construction/ Substantial Rehabilitation	14.182	$169,721
Total Section 8 Project-Based Cluster		169,721
Public and Indian Housing	14.850	9,724,912
Hope VI Cluster:		
Demolition and Revitalization of Severely Distressed Public Housing	14.866	991,009
Total Hope VI Cluster		991,009
Resident Opportunity and Supportive Services - Service Coordinators	14.870	189,954
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	26,859,479
Total Housing Voucher Cluster		26,859,479
Public Housing Capital Fund	14.872	5,771,113
Choice Neighborhoods Planning Grants	14.892	400,506
Jobs-Plus Pilot Initiative	14.895	621,489
Total U.S. Department of Housing and Urban Development		**44,728,183**
Total Expenditures of Federal Awards		**$44,728,183**

The accompanying notes are an integral part of this schedule.

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Dayton Metropolitan Housing Authority (the Authority's) under programs of the federal government for the fiscal year ended June 30, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COST RATE

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

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KEITH FABER

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

Dayton Metropolitan Housing Authority
Montgomery County
400 Wayne Avenue
Dayton, Ohio 45410

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Dayton Metropolitan Housing Authority, Montgomery County, (the Authority) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 22, 2021, wherein we noted that the financial impact of COVID-19 and the continuing emergency measures may impact the subsequent periods of the Authority.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

March 22, 2021

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

Dayton Metropolitan Housing Authority
Montgomery County
400 Wayne Avenue
Dayton, Ohio 45410

To the Board of Commissioners:

Report on Compliance for each Major Federal Program

We have audited Dayton Metropolitan Housing Authority's (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Dayton Metropolitan Housing Authority's major federal programs for the fiscal year ended June 30, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies each of the Authority's major federal programs.

Management's Responsibility

The Authority's Management is responsible for complying 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 opine on the Authority's compliance for each of the Authority's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on each of the Authority's major programs. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on each Major Federal Program

In our opinion, Dayton Metropolitan Housing Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the fiscal year ended June 30, 2020.

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

March 22, 2021

DAYTON METROPOLITAN HOUSING AUTHORITY
MONTGOMERY COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2020

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Public and Indian Housing (CFDA # 14.850) Public Housing Capital Fund (CFDA # 14.872)
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 1,341,840 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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DAYTON METROPOLITAN HOUSING AUTHORITY

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/30/2021

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