LONDON METROPOLITAN HOUSING AUTHORITY

MADISON COUNTY

REGULAR AUDIT

OCTOBER 1, 2019 – SEPTEMBER 30, 2020

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Commissioners
London Metropolitan Housing Authority
179 South Main Street
London, Ohio 43140

We have reviewed the *Independent Auditor's Report* of London Metropolitan Housing Authority, Madison County, prepared by Wilson, Shannon & Snow, Inc., for the audit period October 1, 2019 through September 30, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

April 28, 2021

LONDON METROPOLITAN HOUSING AUTHORITY
MADISON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	12
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	13
STATEMENT OF CASH FLOWS	14
NOTES TO THE BASIC FINANCIAL STATEMENTS	15
REQUIRED SUPPLEMENTARY INFORMATION:	
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	38
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY	39
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS	40
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION	42
SUPPLEMENTARY INFORMATION:	
FINANCIAL DATA SCHEDULES	43
COST CERTIFICATIONS	48
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*	49

This page intentionally left blank.

WILSON, SHANNON & SNOW INC.
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

London Metropolitan Housing Authority
Madison County
179 South Main Street
London, Ohio 43140

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the London Metropolitan Housing Authority, Madison County, Ohio (the Authority), as of and for the fiscal year ended September 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 overall financial statement presentation.

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

10 West Locust Street | Newark, Ohio 43055 | Phone: 740-345-6611 | Fax: 740-345-5635 | wssinc.net

Opinion

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

Emphasis of Matter

As disclosed in Note 10 to financial statements, during fiscal year 2020, the financial impact of COVID-19 and the ensuing emergency measures will 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 Information

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

The Financial Data Schedules and Cost Certifications as required by the Department of Housing and Urban Development present additional analysis and are not a required part of the basic financial statements.

The schedules and certifications 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 8, 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.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
March 8, 2021

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

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

FINANCIAL HIGHLIGHTS

- Net Position was $1,719,128 and $1,450,837 for fiscal year ending September 30, 2020 and 2019, respectively. The Authority-wide statements reflect an increase of $268,291 during fiscal year 2020. This increase is reflective of the fiscal year's activities.
- The business-type activity revenue increased by $230,333 during fiscal year 2020, and was $972,587 and $742,254 for 2020 and 2019, respectively. The increase was due to the Capital Grant Revenue earned for the fiscal year.
- The total expenses of all Authority programs decreased by $26,269. Total expenses were $704,296 and $730,565 for 2020 and 2019, respectively.
- In March 2020, the United States and the State of Ohio declared a state of emergency due to the COVID-19 pandemic. HUD provided additional funds to the Authority's Public Housing program to help the Authority prepare for, prevent, and respond to the coronavirus, which has helped the Authority maintain normal operations during this period.

USING THIS ANNUAL REPORT

The following graphic outlines the format of this report:

MD&A ~ Management's Discussion and Analysis ~
Basic Financial Statements ~ Statement of Net Position ~ ~ Statement of Revenues, Expenses and Changes in Net Position ~ ~ Statement of Cash Flows ~ ~ Notes to the Basic Financial Statements ~
Other Required Supplementary Information ~ Required Supplementary Information (Pension and OPEB Schedules) ~
Supplementary and Other Information ~ Financial Data Schedules ~ ~ Cost Certifications ~

The primary focus of the Authority's financial statements is on the Authority as a whole. The Authority operates as a single enterprise fund and this presentation allows the user to address relevant questions, broaden basis for comparison (fiscal year-to-fiscal year or Authority to Authority), and enhance the Authority's accountability.

Government-Wide Financial Statements

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

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

<u>Net Investment in Capital Assets</u>: This component of Net Position consists of all Capital Assets, net of accumulated depreciation, 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.

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

<u>Unrestricted</u>: Consists of assets that do not meet the definition of "Net Investment in Capital Assets", or "Restricted".

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

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

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

THE AUTHORITY'S FUND

The Authority consists exclusively of an Enterprise Fund. The Enterprise Fund utilizes the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized in the private sector. The fund maintained by the Authority is required by the Department of Housing and Urban Development (HUD).

Business Type Activities:

Conventional Public Housing (PH) – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy to enable the PHA to provide the housing at a rent that is based upon 30% of adjusted gross household income. CARES Act Funding is also included in this program. The CARES Act provided additional funding to PHAs to prevent, prepare for, and respond to coronavirus, including to maintain normal operations during the period the program was impacted by coronavirus.

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

HOME Investment Partnerships Program – represents HUD resources developed from contracts with Madison County to provide assistance with housing for eligible residents.

Business Activity (BA) – The Business Activity Program was set-up to separate the HUD funded programs with non-HUD activities. This program is used to account for the financial activities of the operation of a 4-unit apartment building known as South Oak Place.

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior fiscal year.

***** This space was intentionally left blank. *****

STATEMENT OF NET POSITION

		2020		2019
Current and Other Non-Current Assets	$	837,112	$	764,201
Capital Assets		1,852,890		1,623,940
Total Assets		2,690,002		2,388,141
Deferred Outflows of Resources		48,725		74,432
Current Liabilities		73,965		74,454
Non-Current Liabilties		885,963		926,171
Total Liabilities		959,928		1,000,625
Deferred Inflows of Resources		59,671		11,111
Net Position:				
Net Investment in Capital Assets		1,272,890		1,043,940
Unrestricted		446,238		406,897
Total Net Position	$	1,719,128	$	1,450,837

Major Factors Affecting the Statement of Net Position

Current and other non-current assets (primarily cash and cash equivalents) increased by $72,911 mainly due to change in cash resulting from current fiscal year activities.

The decrease in current liabilities of $489 was due to change in outstanding vendor payable at fiscal year-end. The decrease in non-current liabilities of $40,208 was due to change in accrued Pension and OPEB liability at fiscal year end.

Capital assets change between fiscal years 2020 and 2019 resulted in an increase of $228,950. This change is the net result of current year additions less depreciation expense.

For further detail, see "Capital Assets and Debt Administration" starting on page 10.

While the result of operations is a significant measure of the Authority's activities, the analysis of the changes in Unrestricted and Restricted Net Position provides a clearer change in financial well-being.

CHANGE IN UNRESTRICTED NET POSITION

Unrestricted Net Position September 30, 2019	$	406,897
Results of Operation		268,291
Adjustments:		
Depreciation (1)		118,830
Capital Outlay		(347,780)
Unrestricted Net Position September 30, 2020	$	446,238

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

CHANGE IN NET INVESTMENT IN CAPITAL ASSETS

Net Investment in Capital Assets September 30, 2019	$	1,043,940
Results of Current Fiscal Year Activity:		
Depreciation (1)		(118,830)
Capital Outlay		347,780
Restricted Net Position September 30, 2020	$	1,272,890

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

***** This space was intentionally left blank. *****

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2020	2019
Revenues		
Tenant Revenues	$ 263,974	$ 271,067
Operating Grants	409,592	427,396
Capital Grants	284,147	27,566
Investment Income	9	9
Other Revenues	14,865	16,216
Total Revenues	972,587	742,254
Expenses		
Administrative	204,818	187,476
Utilities	111,833	120,054
Maintenance	219,914	231,092
Protective Services	0	4,321
Housing Assistance Payments	0	14,021
General and Insurance	48,901	50,875
Depreciation	118,830	122,726
Total Expenses	704,296	730,565
Change in Net Position	268,291	11,689
Net Position at Beginning of Fiscal Year	1,450,837	1,439,148
Net Position at End of Fiscal Year	$ 1,719,128	$ 1,450,837

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

Operating Grant Funds decreased by $17,804 during the fiscal year, while Capital Grant Funding increased by $256,581. The change in Operating Grant Funds is due to current year operating subsidy received. The Authority capitalized a kitchen and bathroom renovation project Phase 1 that was funded with HUD capital grant funds.

Tenant revenue decreased by $7,093. The decrease was primarily due to change in family income.

Expenditures decreased during the fiscal year by $26,269. The decrease was mainly due to maintenance expense and no housing assistance payments incurred from the HOME Program. All other expense categories remained stabled for the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of fiscal year-end, the Authority had $1,852,890 invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (due to additions exceeding depreciation) of $228,950 from the end of last fiscal year.

		2020		2019
Land	$	408,948	$	408,948
Buildings		1,777,414		1,777,414
Furniture, Equipment and Vehicles		158,249		155,299
Leasehold Improvements		2,016,923		1,638,859
Construction in Progress		0		33,234
Accumulated Depreciation		(2,508,644)		(2,389,814)
Total	$	1,852,890	$	1,623,940

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in Note 4 of the notes to the basic financial statements.

CHANGE IN CAPITAL ASSETS

Beginning Balance - September 30, 2019	$	1,623,940
Current year Additions and Adjustments		347,780
Current year Depreciation Expense		(118,830)
Ending Balance - September 30, 2020	$	1,852,890

The current year addition represents phase 1of the kitchen and bath renovation project.

Debt Outstanding

In prior fiscal years, the Authority received a loan from Ohio Housing Finance Agency (OHFA) totaling $580,000 for the construction of a four-unit apartment building referred to as South Oak Place. The debt becomes due upon specific events as detailed in the agreement, none of which have occurred as of fiscal year end 2020. More information over Debt can be found in Note 8 in the notes to the basic financial statements.

Condensed Statement of Changes in Debt Outstanding

Beginning Balance - September 30, 2019	$	580,000
Current Year Debt Proceeds/Repayments		-
Ending Balance - September 30, 2020	$	580,000

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs
- Unknown financial and operational impacts as well as impacts to federal programs because of the COVID-19 pandemic

FINANCIAL CONTACT

The individual to be contacted regarding this report is Sal Consiglio, Executive Director of the London Metropolitan Housing Authority. Specific requests may be submitted to London Metropolitan Housing Authority, 179 S Main Street, London, OH 43140.

LONDON METROPOLITAN HOUSING AUTHORITY
MADISON COUNTY

STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Assets		
Current Assets:		
Cash and Cash Equivalents	$	806,137
Restricted Cash and Cash Equivalents		20,889
Accounts Receivable, net		3,056
Prepaid Items		7,030
Total Current Assets		837,112
Non-Current Assets:		
Capital Assets:		
Nondepreciable Capital Assets		408,948
Depreciable Capital Assets		3,952,586
Accumulated Depreciation		(2,508,644)
Total Capital Assets		1,852,890
Total Non-Current Assets		1,852,890
Total Assets		2,690,002
Deferred Outflows of Resources		
Pension		25,664
OPEB		23,061
Total Deferred Outflows of Resources		48,725
Liabilities		
Current Liabilities:		
Accounts Payable		13,066
Accrued Wages and Payroll Taxes		9,164
Accrued Compensated Absences		5,224
Intergovernmental Payable		12,278
Tenant Security Deposits Payable		20,889
Accrued Liabilities		9,712
Unearned Revenue		3,599
Other Current Liabilities		33
Total Current Liabilities		73,965
Non-Current Liabilities:		
Loan Liability		580,000
Accrued Compensated Absences		2,190
Net Pension Liability		184,018
Net OPEB Liability		119,755
Total Non-Current Liabilities		885,963
Total Liabilities		959,928
Deferred Inflows of Resources		
Pension		41,424
OPEB		18,247
Total Deferred Inflows of Resources		59,671
Net Position		
Net Investment in Capital Assets		1,272,890
Unrestricted		446,238
Total Net Position	$	1,719,128

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

LONDON METROPOLITAN HOUSING AUTHORITY
MADISON COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Operating Revenues		
Tenant Revenue		$ 263,974
Government Operating Grants		409,592
Other Revenues		14,865
Total Operating Revenues		688,431
Operating Expenses		
Administrative	$ 204,818	
Utilities	111,833	
Maintenance	219,914	
General and Insurance	48,901	
Depreciation	118,830	
Total Operating Expenses		704,296
Operating Loss		(15,865)
Nonoperating Revenues		
Interest		9
Capital Grants		284,147
Total Nonoperating Revenues		284,156
Change in Net Position		268,291
Net Position at October 1, 2019		1,450,837
Net Position at September 30, 2020		$ 1,719,128

The notes to the basic financial statements are an integral part of this statement.

LONDON METROPOLITAN HOUSING AUTHORITY
MADISON COUNTY

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Cash flows from operating activities:		
Operating grants received	$	409,592
Tenant revenues received		265,159
Other revenue received		14,865
General and administrative expenses paid		(552,933)
Net cash provided by operating activities		136,683
Cash flows from investing activities:		
Interest		9
Net cash provided by investing activities		9
Cash flows from capital and related activities:		
Captial grants received		284,147
Acquisition of capital assets		(347,780)
Net cash used by capital and related activities		(63,633)
Net change in cash		73,059
Cash at October 1, 2019		753,967
Cash at September 30, 2020	$	827,026
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$	(15,865)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation		118,830
Changes in:		
Accounts receivable, net		290
Prepaid items		(142)
Deferred outflows of resources		25,707
Accounts payable		(10,380)
Accrued wages and payroll taxes		405
Other liabilities		10,194
Net pension liability		(54,805)
Net OPEB liability		13,889
Deferred inflows of resources		48,560
Net cash provided by operating activities	$	136,683

The notes to the basic financial statements are an integral part of this statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

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

Reporting Entity

The Authority was created under the Ohio Revised Code, Section 3735.27. The Authority contracts with the United States Department of Housing and Urban Development (HUD) to provide low and moderate income persons with safe and sanitary housing through subsidies provided by HUD. The Authority depends on the subsidies from HUD to operate. The accompanying basic financial statements comply with the provisions of GASB Statement No. 39, *Determining Whether Organizations are Component Units,* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities and functions for which the Authority is financially accountable. This report includes all activities considered by management to be part of the Authority by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

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

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

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

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

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

<u>Excluded Entity</u>

The following entity is excluded from the Reporting Entity; because there were no activities conducted during the fiscal year. In addition, the Madison Housing Development Corporation has no assets or liabilities.

> **Madison Housing Development Corporation (MHDC)** - This organization was formed as an instrumentality of the Authority to assist in the development and financing of housing projects. MHDC is legally separate from the Authority however, the Board of the organization consists of the Board members of the Authority.

The Madison Housing Development Corporation was created in June of 2010 and received its 501(c)(3) status letter on August 21, 2011. The responsibility of the Authority was to make application to the State of Ohio to establish the organization and to obtain section 501(c)(3) non-profit exemption status. For fiscal year-end 2020, Madison Housing Development Corporation has no assets, liabilities, revenues, or expenditures. It has been excluded from reporting because it has not assets or liabilities.

<u>Fund Accounting</u>

The Authority uses the proprietary fund to report on its financial position and the results of its operations for the HUD programs. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Proprietary Fund Type:

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

Enterprise Fund - The Authority accounts for and reports all receipts on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflow of resources, liabilities and deferred inflow of resources associated with the operation of the Authority are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The statement of cash flows provides information about how the Authority finances and meets cash flow needs.

The Authority accounts for and reports all operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Accounting and Reporting for Nonexchange Transactions

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

In conformity with the requirements of GASB Statement No. 33, the Authority has recognized grant funds expended for capitalizable capital assets acquired after September 30, 2000 as revenues and the related depreciation thereon, as expenses in the accompanying Statement of Revenue, Expenses and Changes in Net Position.

Capital Assets

Capital assets are stated at cost and depreciation is computed using the straight-line method over the estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The capitalization threshold used by the Authority is $1,000. The following are the useful lives used for depreciation purposes:

Description	Estimated Useful Lives – Years
Building & Improvements	15 - 40
Leasehold Improvements	5 - 15
Furniture, Equipment & Vehicles	5 - 7

Cash and Cash Equivalents

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

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria has been satisfied. Grants associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as a receivable or revenue, or unearned revenue of the current fiscal year.

Estimates

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

Accounts Receivable

Management considers all accounts receivable (excluding the tenant accounts receivable) to be collected in full.

Prepaid Items

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

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. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

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

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 Note 5 and 6.

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

Pensions / Other Post-Employment Benefits

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.

Capital Grants

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

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciations, reduced by the outstanding balances 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. When an expense is incurred for purposes which both restricted and unrestricted net position is available, the Authority first applies restricted resources. The authority did not have net position restricted by enabling legislature at September 30, 2020.

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The Authority had restricted assets for Tenant Security Deposits of $20,889.

Operating Revenues and Expenses

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Funds are deposited into non-interest bearing checking accounts or interest bearing savings accounts. All monies are deposited into banks as determined by the Authority. Security shall be furnished for all accounts in the Authority's name.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the Authority 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 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. 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.

At fiscal year end, the carrying amount of the Authority's deposits was $826,901 and the bank balance was $828,842. In addition, $125 was maintained in petty cash funds which is included in cash and cash equivalents presented on the statement of net position. Federal deposit insurance covered $250,000 of the bank balance and $578,872 was uninsured. Of the uninsured bank balance, the Authority was exposed to custodial risk as follows:

	Balance
Uninsured and collateralized with pledged securities held in Huntington National Bank	$578,842
Total Balance	$578,841

NOTE 3: INSURANCE AND 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 participates in the State Housing Authorities Risk Pool (SHARP), a public entity risk plan that operates as a common risk management and insurance program for housing authorities. The Authority pays insurance premiums directly to SHARP.

The Authority also participates in Wayne County's health insurance program through a commercial insurance carrier. Premiums are paid monthly. The Authority also pays unemployment claims to the State of Ohio as incurred.

The Authority continues to carry commercial insurance for other risks of loss. There has been no significant reduction in insurance coverage from coverage in the prior fiscal year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 4: CAPITAL ASSETS

The following is a summary of capital assets at September 30, 2020:

	Balance 9/30/2019	Additions	Adjustment	Balance 9/30/2020
Capital Assets Not Depreciated				
Land	$408,948	$0	$0	$408,948
Construction in process	33,234	0	(33,234)	$0
Total Capital Assets Not Depreciated	442,182	0	(33,234)	408,948
Capital Assets Depreciated				
Buildings	1,777,414	0	0	1,777,414
Furniture, Equipment and Vehicles	155,299	2,950	0	158,249
Leasehold Improvements	1,638,859	344,830	33,234	2,016,923
Total Capital Assets Depreciated	3,571,572	347,780	33,234	3,952,586
Accumulated Depreciation:				
Buildings	(1,237,431)	(18,382)	0	(1,255,813)
Furniture, Equipment and Vehicles	(152,314)	(1,050)	0	(153,364)
Leasehold Improvements	(1,000,069)	(99,398)	0	(1,099,467)
Total Accumulated Depreciation	(2,389,814)	(118,830)	0	(2,508,644)
Total Capital Assets Depreciated, Net	1,181,758	228,950	33,234	1,443,942
Total Capital Assets, Net	$1,623,940	$228,950	$0	$1,852,890

NOTE 5: DEFINED BENEFIT PENSION PLANS

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

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

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

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

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

Plan Description - Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and combined plan, substantially all employees are in the 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 OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three-member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS annual report 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 57 with 25 years of service credit or Age 62 with 5 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 members' 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.

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.

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

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

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

	State and Local
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 Authority's contractually required contribution for the traditional plan was $15,804 for the fiscal year ended September 30, 2020. Of this amount $1,043 was included in the accrued wages and payroll taxes.

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

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

	Traditional Plan
Percentate for Proportionate Share of Net Pension Liability Prior to Measurement Date	0.000872%
Percentate for Proportionate Share of Net Pension Liability Current Measurement Date	0.000931%
Change in Proportion from Prior Measurement Date	0.000059%
Proportionate Share of Net Pension Liability	$184,018
Pension Expense	$18,619

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

	Traditional Plan
Deferred Outflows of Resources	
Change in Assumption	$9,828
Change in propportionate share	7,749
Authority contributions subsequent to the measurement date	8,087
Total Deferred Outflows of Resources	$25,664

Deferred Inflows of Resources	
Net difference between projected and actual earning on pension plan investments	$36,706
Difference between expected and actual experience	2,327
Change in propportionate share	2,391
Total Deferred Inflows of Resources	$41,424

$8,087 reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 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:

Year Ending September 30:		
	2021	($1,706)
	2022	(9,086)
	2023	1,522
	2021	(14,577)
	2022	0
	Total	($23,847)

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 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:

Actuarial Information	Traditional Plan
Wage Inflation	3.25%
Future Salary Increases, including inflation	3.25 - 10.75 %
Cost-of-Living Adjustment	Pre 01/07/13 Retirees: 3% Simple Post 01/07/13 Retirees: 1.4% Simple through 2018, then 2.15% Simple
Investment Rate of Return	7.2%
Actuarial Cost Method	Individual entry age

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 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 Benefit 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:

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%	5.95%

Discount Rate: The discount rate used to measure the total pension liability was 7.2 percent, post-experience study results. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. 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:

	1% Decrease 6.2%	Current Discount rate 7.2%	1% Increase 8.2%
Authority's proporationate share of the net pension liability - Traditional Pension Plan	$303,506	$184,018	$76,603

Changes Between Measurement Date and Report Date: Subsequent to December 31, 2019, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2020 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

NOTE 6 – DEFINED BENEFIT OPEB PLAN

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 on the accrual basis of accounting. Any liability for the contractually required OPEB contribution outstanding at the end of the fiscal year is included in accrued wages and payroll taxes on the accrual basis of accounting.

Plan Description – OPERS

The Ohio Public Employees Retirement System (OPERS) administers three separate 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 plan that has elements of both a defined benefit and defined contribution plan.

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. 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. 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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. Authority's contractually required contribution allocated to health care was $0 for the 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 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:

	Health Care Plan
Proportionate Share of Net OPEB Liability - Prior to Measurement Date	0.000812%
Proportionate Share of Net OPEB Liability - Current Measurement Date	0.000867%
Change in Proportion Share	0.000055%
Proportionate Share of Net OPEB Liability	$119,755
Pension Expense	$14,732

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

Deferred Outflows of Resources	
Change in Assumption	$18,955
Difference Between Expected and Actual Experience	3
Change in proportionate share	4,103
Total Deferred Outflows of Resources	$23,061
Deferred Inflows of Resources	
Net difference between projected and actual earning on pension plan investments	$6,099
Difference between expected and actual experience	10,952
Change in proportionate share	1,196
Total Deferred Inflows of Resources	$18,247

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

Year Ending September 30:	
2021	$4,340
2022	3,075
2023	3
2024	(2,604)
2025	0
Thereafter	0
Total	$4,814

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:

Actuarial Information	
Actuarial Valuation Date	December 31, 2018
Rolled-Forward Measurement Date	December 31, 2019
Experience Study	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age normal
Actuarial Assumptions:	
Single Discount Rate - Current measurement date	3.16%
Single Discount Rate - Prior measurement date	3.96%
Investment Rate of Return	6.00%
Municipal Bond Rate	2.75%
Wage Inflation	3.25%
Projected Salary Increase	3.25%-10.75% (includes wage inflation at 3.25%)
Health Care Cost Trend Rate	10.5% initial, 3.5% ultimate in 2030

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:

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%
REITs	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%	Single Discount Rate 3.16%	1% Increase 4.16%
Authority's proporationate share of the net OPEB liability	$156,719	$119,755	$90,159

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 10.5 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 Trend Rate Assumption	1% Increase
Authority's proporationate share of the net OPEB liability	$116,221	$119,755	$123,244

Changes Between Measurement Date and Report Date: Subsequent to December 31, 2019, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2020 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

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 7: COMPENSATED ABSENCES

Employees earn annual vacation and sick leave per anniversary year, based on years of service. Annual vacation leave may be carried forward to the next fiscal year and paid upon termination or retirement. Employees are not paid out accumulated sick leave upon retirement. As of September 30, 2020, the accrual for compensated absences totaled $7,414 and has been included in the accompanying Statement of Net Position.

NOTE 8: LONG-TERM LIABILITIES

The following is a summary of changes in long-term debt and compensated absence for the fiscal year ended September 30, 2020:

Description	Balance 10/01/19	Additions	Deletions	Balance 09/30/20	Due Within One Year
Promissory Note - OHFA	$580,000	$0	$0	$580,000	$0
Compensated Absence Payable	8,635	12,878	(14,099)	7,414	5,224
Net Pension Liability	238,823		(54,805)	184,018	0
Net OPEB Liability	105,866	13,889	0	119,755	0
Total	$933,324	$26,767	($68,904)	$891,187	$5,224

On February 2, 2011, the Authority entered into a promissory note with the Ohio Housing Finance Agency (OHFA) in the amount of $580,000 to build 4-unit apartment building (known as South Oak Place). The project was complete as of September 30, 2013. The note accrues interest at a rate of two percent per annum. The note shall become due if the Authority ceases to use the South Oak Place for low-income housing, as detailed in the agreement; as of September 30, 2020, the Authority continues to use the property to provide low-income housing, therefore the events have not occurred or are anticipated to occur which would result in repayment of the note. Therefore, no amortization schedules are provided.

NOTE 9: CONTINGENT LIABILITIES

A. Grants

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any such disallowed claims could have a material adverse effect on the overall financial position of the Authority at September 30, 2020.

B. Litigation

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

NOTE 10 - SUBSEQUENT EVENTS

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

London Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
For the Fiscal Years Available

Traditional Plan	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	0.000931%	0.000872%	0.000916%	0.000975%	0.001052%	0.001039%	0.001039%
Authority's Proportionate Share of the Net Pension Liability	$184,018	$238,823	$143,703	$221,405	$182,219	$125,315	$122,485
Authority's Covered Payroll	$131,003	$117,715	$121,029	$124,871	$130,875	$131,708	$130,360
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.47%	202.88%	118.73%	177.31%	139.23%	95.15%	93.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Amount presented are as of the Authority's plan measurement date, which is the prior calendar year.
(2) Information prior to 2014 is not available. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

London Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net OPEB Liability
For the Fiscal Years Available

Traditional Plan	**2020**	**2019**	**2018**	**2017**
Authority's Proportion of the Net OPEB Liability	0.000867%	0.000812%	0.000850%	0.000910%
Authority's Proportionate Share of the Net OPEB Liability	$119,755	$105,866	$92,304	$85,853
Authority's Covered Payroll	$131,003	$117,715	$121,029	$124,871
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	91.41%	89.93%	76.27%	68.75%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	68.52%

(1) Amount presented are as of the Authority's plan measurement date, which is the prior calendar year.
(2) Information prior to 2017 is not available. This schedule is intended to show ten years of information, additional years will be displayed as it become available.

London Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's Pension Contributions
For the Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually Required Contribution - Traditional Plan	$15,804	$17,751	$16,013	$15,931	$15,705	$15,805	$16,295	$14,015	$9,698	$11,914
Contributions in Relation to the Contractually Required Contribution	15,804	17,751	16,013	15,931	15,705	15,805	16,295	14,015	9,698	11,914
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Authoirty's Covered Payroll	$112,886	$126,792	$116,263	$124,871	$130,171	$131,871	$130,360	$121,976	$96,980	$129,641
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.77%	12.76%	12.06%	12.08%	12.50%	11.49%	10.00%	9.19%

London Metropolitan Housing Authority
Required Supplementary Information
Schedule of the Authority's OPEB Contributions
For the Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually Required Contribution	$0	$0	$264	$1,551	$2,519	$2,517	$1,955	$3,062	$3,879	$6,236
Contributions in Relation to the Contractually Required Contribution	0	0	264	1,551	2,519	2,517	1,955	3,062	3,879	6,236
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Authoirty's Covered Payroll	$112,886	$126,792	$116,263	$124,871	$130,171	$131,871	$130,360	$121,976	$96,980	$129,641
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.23%	1.24%	1.94%	1.92%	1.50%	2.51%	4.00%	4.81%

Ohio Public Employees Retirement System

Net Pension Liability

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

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016 and 2018. 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%.

London Metropolitan Housing Authority

Financial Data Schedules

For the Fiscal Year Ended September 30, 2020

	Project Total	114.PHC Public Housing CARES Act Funding	Business Activities	14.239 HOME Investment Partnerships Program	Subtotal	Elimination	Total
111 Cash - Unrestricted	$634,073	$0	$172,064	$0	$806,137	$0	$806,137
114 Cash - Tenant Security Deposits	$19,049	$0	$1,840	$0	$20,889	$0	$20,889
100 Total Cash	$653,122	$0	$173,904	$0	$827,026	$0	$827,026
126 Accounts Receivable - Tenants	$5,911	$0	$0	$0	$5,911	$0	$5,911
126.1 Allowance for Doubtful Accounts -Tenants	-$2,855	$0	$0	$0	-$2,855	$0	-$2,855
120 Total Receivables, Net of Allowances for Doubtful Accounts	$3,056	$0	$0	$0	$3,056	$0	$3,056
142 Prepaid Expenses and Other Assets	$6,943	$0	$87	$0	$7,030	$0	$7,030
150 Total Current Assets	$663,121	$0	$173,991	$0	$837,112	$0	$837,112
161 Land	$340,739	$0	$68,209	$0	$408,948	$0	$408,948
162 Buildings	$1,195,100	$0	$582,314	$0	$1,777,414	$0	$1,777,414
163 Furniture, Equipment & Machinery - Dwellings	$40,153	$0	$0	$0	$40,153	$0	$40,153
164 Furniture, Equipment & Machinery - Administration	$118,096	$0	$0	$0	$118,096	$0	$118,096
165 Leasehold Improvements	$2,016,923	$0	$0	$0	$2,016,923	$0	$2,016,923
166 Accumulated Depreciation	-$2,392,181	$0	-$116,463	$0	-$2,508,644	$0	-$2,508,644
160 Total Capital Assets, Net of Accumulated Depreciation	$1,318,830	$0	$534,060	$0	$1,852,890	$0	$1,852,890
180 Total Non-Current Assets	$1,318,830	$0	$534,060	$0	$1,852,890	$0	$1,852,890
200 Deferred Outflow of Resources	$48,725	$0	$0	$0	$48,725	$0	$48,725
290 Total Assets and Deferred Outflow of Resources	$2,030,676	$0	$708,051	$0	$2,738,727	$0	$2,738,727

London Metropolitan Housing Authority

Financial Data Schedules

For the Fiscal Year Ended September 30, 2020

	Project Total	114.PHC Public Housing CARES Act Funding	Business Activities	14.239 HOME Investment Partnerships Program	Subtotal	Elimination	Total
312 Accounts Payable <= 90 Days	$13,066	$0	$0	$0	$13,066	$0	$13,066
321 Accrued Wage/Payroll Taxes Payable	$9,164	$0	$0	$0	$9,164	$0	$9,164
322 Accrued Compensated Absences - Current Portion	$5,224	$0	$0	$0	$5,224	$0	$5,224
333 Accounts Payable - Other Government	$12,278	$0	$0	$0	$12,278	$0	$12,278
341 Tenant Security Deposits	$19,049	$0	$1,840	$0	$20,889	$0	$20,889
342 Unearned Revenue	$3,599	$0	$0	$0	$3,599	$0	$3,599
345 Other Current Liabilities	$33	$0	$0	$0	$33	$0	$33
346 Accrued Liabilities - Other	$9,712	$0	$0	$0	$9,712	$0	$9,712
310 Total Current Liabilities	$72,125	$0	$1,840	$0	$73,965	$0	$73,965
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	$0	$0	$580,000	$0	$580,000	$0	$580,000
354 Accrued Compensated Absences - Non Current	$2,190	$0	$0	$0	$2,190	$0	$2,190
357 Accrued Pension and OPEB Liabilities	$303,773	$0	$0	$0	$303,773	$0	$303,773
350 Total Non-Current Liabilities	$305,963	$0	$580,000	$0	$885,963	$0	$885,963
300 Total Liabilities	$378,088	$0	$581,840	$0	$959,928	$0	$959,928
400 Deferred Inflow of Resources	$59,671	$0	$0	$0	$59,671	$0	$59,671
508.4 Net Investment in Capital Assets	$1,318,830	$0	-$45,940	$0	$1,272,890	$0	$1,272,890
511.4 Restricted Net Position	$0	$0	$0	$0	$0	$0	$0
512.4 Unrestricted Net Position	$274,087	$0	$172,151	$0	$446,238	$0	$446,238
513 Total Equity - Net Assets / Position	$1,592,917	$0	$126,211	$0	$1,719,128	$0	$1,719,128
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$2,030,676	$0	$708,051	$0	$2,738,727	$0	$2,738,727

London Metropolitan Housing Authority

Financial Data Schedules

For the Fiscal Year Ended September 30, 2020

	Project Total	114.PHC Public Housing CARES Act Funding	Business Activities	14.239 HOME Investment Partnerships Program	Subtotal	Elimination	Total
70300 Net Tenant Rental Revenue	$241,894	$0	$22,080	$0	$263,974	$0	$263,974
70500 Total Tenant Revenue	$241,894	$0	$22,080	$0	$263,974	$0	$263,974
70600 HUD PHA Operating Grants	$372,644	$36,948	$0	$0	$409,592	$0	$409,592
70610 Capital Grants	$284,147	$0	$0	$0	$284,147	$0	$284,147
71100 Investment Income - Unrestricted	$9	$0	$0	$0	$9	$0	$9
71500 Other Revenue	$14,667	$0	$198	$0	$14,865	$0	$14,865
70000 Total Revenue	$913,361	$36,948	$22,278	$0	$972,587	$0	$972,587
91100 Administrative Salaries	$33,664	$19,710	$0	$0	$53,374	$0	$53,374
91200 Auditing Fees	$5,315	$0	$0	$0	$5,315	$0	$5,315
91500 Employee Benefit contributions - Administrative	$42,867	$0	$0	$0	$42,867	$0	$42,867
91600 Office Expenses	$12,291	$0	$0	$0	$12,291	$0	$12,291
91800 Travel	$51	$0	$0	$0	$51	$0	$51
91900 Other	$85,667	$4,253	$1,000	$0	$90,920	$0	$90,920
91000 Total Operating - Administrative	$179,855	$23,963	$1,000	$0	$204,818	$0	$204,818
92400 Tenant Services - Other	$0	$385	$0	$0	$385	$0	$385
92500 Total Tenant Services	$0	$385	$0	$0	$385	$0	$385
93100 Water	$36,486	$0	$33	$0	$36,519	$0	$36,519
93200 Electricity	$13,059	$0	$781	$0	$13,840	$0	$13,840

London Metropolitan Housing Authority

Financial Data Schedules

For the Fiscal Year Ended September 30, 2020

	Project Total	114.PHC Public Housing CARES Act Funding	Business Activities	14.239 HOME Investment Partnerships Program	Subtotal	Elimination	Total
93300 Gas	$40,169	$0	$0	$0	$40,169	$0	$40,169
93600 Sewer	$21,279	$0	$26	$0	$21,305	$0	$21,305
93000 Total Utilities	$110,993	$0	$840	$0	$111,833	$0	$111,833
94100 Ordinary Maintenance and Operations - Labor	$38,709	$12,600	$500	$0	$51,809	$0	$51,809
94200 Ordinary Maintenance and Operations - Materials and Other	$16,336	$0	$0	$0	$16,336	$0	$16,336
94300 Ordinary Maintenance and Operations Contracts	$108,230	$0	$1,388	$0	$109,618	$0	$109,618
94500 Employee Benefit Contributions - Ordinary Maintenance	$41,766	$0	$0	$0	$41,766	$0	$41,766
94000 Total Maintenance	$205,041	$12,600	$1,888	$0	$219,529	$0	$219,529
96110 Property Insurance	$11,844	$0	$380	$0	$12,224	$0	$12,224
96120 Liability Insurance	$4,481	$0	$140	$0	$4,621	$0	$4,621
96100 Total insurance Premiums	$16,325	$0	$520	$0	$16,845	$0	$16,845
96210 Compensated Absences	$12,878	$0	$0	$0	$12,878	$0	$12,878
96300 Payments in Lieu of Taxes	$12,278	$0	$0	$0	$12,278	$0	$12,278
96400 Bad debt - Tenant Rents	$6,900	$0	$0	$0	$6,900	$0	$6,900
96000 Total Other General Expenses	$32,056	$0	$0	$0	$32,056	$0	$32,056
96900 Total Operating Expenses	$544,270	$36,948	$4,248	$0	$585,466	$0	$585,466
97000 Excess of Operating Revenue over Operating Expenses	$369,091	$0	$18,030	$0	$387,121	$0	$387,121

London Metropolitan Housing Authority

Financial Data Schedules

For the Fiscal Year Ended September 30, 2020

	Project Total	114.PHC Public Housing CARES Act Funding	Business Activities	14.239 HOME Investment Partnerships Program	Subtotal	Elimination	Total
97400 Depreciation Expense	$104,272	$0	$14,558	$0	$118,830	$0	$118,830
90000 Total Expenses	$648,542	$36,948	$18,806	$0	$704,296	$0	$704,296
10010 Operating Transfer In	$40,000	$0	$0	$0	$40,000	-$40,000	$0
10020 Operating transfer Out	-$40,000	$0	$0	$0	-$40,000	$40,000	$0
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$264,819	$0	$3,472	$0	$268,291	$0	$268,291
11030 Beginning Equity	$1,328,098	$0	$122,739	$0	$1,450,837	$0	$1,450,837
11190 Unit Months Available	1,200	0	48	0	1,248	0	1,248
11210 Number of Unit Months Leased	1,177	0	48	0	1,225	0	1,225
11650 Leasehold Improvements Purchases	$284,147	$0	$0	$0	$284,147	$0	$284,147

LONDON METROPOLITAN HOUSING AUTHORITY
MADISON COUNTY
COST CERTIFICATIONS
SEPTEMBER 30, 2020

Capital Fund Program Number:	501-14	501-15
1. The Program Costs are as follows:		
Funds Approved	$105,053	$112,268
Funds Expended	105,053	112,268
Excess (Deficiency) of Funds Approved	$ -	$ -
Funds Advanced	$105,053	$112,268
Funds Expended	105,053	112,268
Excess (Deficiency) of Funds Advanced	$ -	$ -

2. All costs have been paid and there are no outstanding obligations.

3. The Final Financial Status Report was signed and filed on:	01/29/21	01/29/21

4. The Final Costs on the Certification agrees with the Authority's records.

Capital Fund Program Number:	501-16	501-17
1. The Program Costs are as follows:		
Funds Approved	$113,919	$113,948
Funds Expended	113,919	113,948
Excess (Deficiency) of Funds Approved	$ -	$ -
Funds Advanced	$113,919	$113,948
Funds Expended	113,919	113,948
Excess (Deficiency) of Funds Advanced	$ -	$ -

2. All costs have been paid and there are no outstanding obligations.

3. The Final Financial Status Report was signed and filed on:	01/29/21	6/15/20

4. The Final Costs on the Certification agrees with the Authority's records.

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

London Metropolitan Housing Authority
Madison County
179 South Main Street
London, Ohio 43140

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 London Metropolitan Housing Authority, Madison County, (the Authority) as of and for the fiscal year ended September 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 8, 2021, wherein we noted the Authority considered the financial impact of COVID-19 as disclosed in Note 10.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the 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 determination of financial statement amounts. 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*.

10 West Locust Street | Newark, Ohio 43055 | Phone: 740-345-6611 | Fax: 740-345-5635 | wssinc.net

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.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
March 8, 2021

OHIO AUDITOR OF STATE
KEITH FABER

LONDON METROPOLITAN HOUSING AUTHORITY

MADISON 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 5/11/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370